

Report # 117**Business and Politics in Muslim World**

South East Asia
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23 April to 30 April

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Summary

At political Front

- Indonesia

Thai Foreign Minister Kasit Piromya holds talks today with his Indonesian counterpart Marty Natalegawa before paying a visit to President Susilo Bambang Yudhoyono as his country's political crisis deepens. Fresh clashes erupted in Bangkok between Red Shirt protesters and Thai troops on Wednesday, injuring dozens of people and possibly killing one soldier, local media reported. Foreign Ministry spokesman Teuku Faizasyah confirmed Wednesday that Piromya would meet Marty at the ministry today but refused to clarify whether the Thai minister would accept the help offered by the Indonesian government to help resolve the conflict. Thai security forces and anti-government protesters clashed Wednesday on the outskirts of Bangkok, with troops firing both over and directly into a crowd of Red Shirts to keep them from expanding their demonstrations, The Associated Press reported.

At least 10 protesters and one soldier were wounded.

Indonesia will ratify a nuclear test ban treaty soon, says the foreign minister, after previously deciding to hold off on ratification until the US made the first move. Experts have said the success of the NPT review was crucial for Jakarta as it sought to build nuclear power plants. Signatories of the NPT have rights to develop civilian nuclear facilities, but the impasse in the Iranian nuclear negotiations have cast a weary eye on nations seeking to develop nuclear facilities.

- Malaysia

A Malaysian opposition politician who lost a recent by-election said Wednesday he would ask a court to nullify the result, claiming he was a victim of vote buying and other irregularities by the ruling party. Zaid Ibrahim, who has been tipped as a future party leader, lost Sunday's election to the ruling National Front coalition. The parliamentary seat in the rural Hulu Selangor constituency had been held by an opposition lawmaker who died last month, resulting in the special election.

Malaysian lawmakers moved towards censuring opposition leader Anwar Ibrahim on Thursday, paving the way for his suspension from parliament and raising tensions ahead of a key weekend by-election. The House of Representatives passed a motion to refer Anwar to the Rights and Privileges Committee over his allegations that the

government's "1Malaysia" racial unity slogan was copied from "One Israel", the tagline of a 1999 Israeli political alliance. The issue has stirred passions in Malaysia, a mainly Muslim country that does not recognise Israel diplomatically.

Malaysia's ruling coalition on Sunday won a critical by-election with a convincing majority in a result seen as backing its ambitious reform plans.

The Barisan Nasional's (BN) recapture of a parliamentary seat in central Selangor state also gave the coalition a much-needed boost after losing seven out of nine previous by-elections since disastrous national polls in 2008.

BN, which fielded a candidate from its ethnic Indian party, defeated a high-profile former minister standing for the opposition Pakatan Rakyat alliance by 1,725 votes, according to election officials. "I am delighted with this election result and it will certainly provide us with a strong impetus to continue with the reforms that we have in mind," said premier Najib Razak, who heads the ruling coalition.

- Philippine

The Philippines' largest Muslim rebel group has agreed to help avoid violence on a troubled southern island during voting in next month's national and local elections, officials said on Saturday. About 50 million Filipinos will choose a president, vice president, nearly 300 lawmakers in the two-chamber Congress and more than 17,600 local government officials in the polls. voters in the Philippines head to the polls next month to choose among some 18,000 candidates for posts ranging from the presidency to local council seats. It ought to be a proud moment for a country that only 24 years ago shook off strongman Ferdinand Marcos.

Philippine presidential hopeful Benigno "Noynoy" Aquino has posted a double-digit lead over his nearest opponent in an opinion poll published just two weeks before elections are to be held. It was the first time that Aquino has held a double-digit lead in a Social Weather Stations (SWS) poll since December. The poll, conducted on April 16-19 and published on Monday, showed that support for the son of the country's late democracy icon, Corazon "Cory" Aquino, edged up 1 point to 38%. The country will hold national elections and launch its first automated vote count on May 10. Support for Aquino's closest rival, property magnate-turned-senator Manuel "Manny" Villar dropped 2 points to 26% in April.

Villar's ratings have slipped since February, when he closed in on Aquino's lead with a 2-point margin, partly due to allegations by his critics that President Gloria Macapagal Arroyo and her husband were supporting his candidacy. Arroyo is unpopular due to several corruption scandals during her nine years in office. The number of undecided also inched up to 6% from 5%, according to the survey of 2,400 registered voters.

Filipino politicians have one of the worst records in Southeast Asia for stiffing the poor, coddling the rich and indulging themselves, The Washington Post said. A Post report from Manila by Blaine Harden said in an election season in the Philippines, the poor are inundated with “goodies” but the pre-election good times are almost always followed by post-election betrayal.

The need to do much for the poor is the primary talking point of 85,000 candidates running for 17,000 elective positions in the May 10 general elections, the newspaper said, and “it’s hard to keep track of all the incoming goodies.” Traditionally, aid to the poor drops off after the vote.

- Cambodia

The Cambodian government has told all foreign diplomatic envoys to avoid criticising the country, insisting it is not a “banana republic”. A foreign ministry letter sent to all diplomatic missions in Cambodia asked them to “avoid interfering in the internal affairs” of the country, regardless of the power of their home nations.” There have been many occasions, in which some heads of diplomatic missions behaved like a ‘proconsul’ of his/her country to the Kingdom of Cambodia. They indulged themselves to criticise or to give lessons to the Royal Government of Cambodia,” the letter said.

At economic Front

- Indonesia

Indonesian coal prices rose this week on strong demand from China and India, while wet weather hindered supplies in Kalimantan, the country's coal producing region on Borneo island. Producers expect prices will continue upwards until June or July as Chinese buyers seek more coal to offset tight supplies at home.

President Susilo Bambang Yudhoyono pledged Monday to make Indonesia the world's biggest user of clean, renewable geothermal energy, and urged private investors to back him. The archipelago of 234 million people and more than 200 volcanoes is estimated to possess around 40 percent of the world's geothermal energy potential, or around 28,000 megawatts (MW). It already has plans to double its geothermal energy output but analysts say the high costs associated with converting underground heat into electricity is an obstacle to investment. "It is my intention that Indonesia will become the largest user of geothermal energy... We envision that by 2025, about five percent of our national energy needs will be met through the use of geothermal energy."

Indonesia has launched an ambitious plan to tap the vast power of its volcanoes and become a world leader in geothermal energy, while trimming greenhouse gas emissions.

The sprawling archipelago of 17,000 islands stretching from the Indian to the Pacific

Oceans contains hundreds of volcanoes, estimated to hold around 40 percent of the world's geothermal energy potential. But so far only a tiny fraction of that potential has been unlocked, so the government is seeking help from private investors, the World Bank and partners like Japan and the United States to exploit the power hidden deep underground. "The government's aim to add 4,000 megawatts of geothermal capacity from the existing 1,189 megawatts by 2014 is truly challenging," Indonesian Geothermal Association chief Surya Darma said.

- Malaysia

China's economic growth is not a threat but beneficial to Malaysia, according to former Prime Minister Tun Dr Mahathir Mohamad. Mahathir said Malaysia should not unduly fear China's strength as being engine of the world economy which was an asset.

"China is going to be a big producer of goods and we are going to be largely consumers. But they will be needing something from us like certain expertise," he said at a keynote address at the forum on A Strong China - Implications and Challenges, organised by National Chamber of Commerce and Industry of Malaysia yesterday. Mahathir said many Malaysians were investing in China because they had certain expertise the country would like to have and was seeking to import to cater to a large population. "In the first two months of this year, since the establishment of China-Asean FTA, the imports of China from Asean jumped by 80.9%, which was 28% higher than its growth rate of export," he said. "At the same time, the import volume of China from Malaysia was nearly two times bigger than its export to Malaysia," Liu said.

Oil prices climbed above \$86 Friday as the government reported the economy expanded in the first quarter and on growing concern that an oil spill in the Gulf of Mexico will affect supply. Oil rose 91 cents to \$86.08 per barrel on the New York Mercantile Exchange. Crude has moved between \$81 and \$87 this month as traders weighed the improving global economy against stubbornly high U.S. oil inventories.

Malaysia's central bank may raise its growth forecast for 2010, Governor Zeti Akhtar Aziz said, after reports showed an improvement in exports and production. The central bank in March forecast a growth rate of 4.5 percent to 5.5 percent this year. Prime Minister Najib Razak said April 6 that Bank Negara Malaysia told the government the country's 2010 economic growth can exceed the current forecast by as much as 2 percentage points through the "right policy intervention."

- Thailand

Businesses crippled by the Ratchaprasong occupation will be given a 180 day extension on tax payments and other financial obligations, while their employees will be given assistance until the crisis is over. The economic ministers yesterday approved the move

as the occupation of the intersection by the red shirts stretches into its fourth week with no end in sight. The relief measures were proposed by the Finance Ministry. The Labour Ministry is preparing to register the affected employees. Initially, it expects about 20,000 workers earning an average of 15,000 baht a month to seek help. Investigations will be conducted into the impact of the protest and how much assistance will be provided.

Workers can expect financial assistance from next month, Mr Putthipong said. The Tourism and Sports Ministry has also been ordered to evaluate the impact on tourism and the flow-on effect to the economy. Prime Minister Abhisit Vejjajiva said on Sunday his government had met with Ratchaprasong business operators and hoteliers on the damage. He decided to assist them with their cashflow problems as well as finding ways to release certain non-durable goods.

Economic and social structures are the root causes of the political turmoil and can only be tackled with reforms, a seminar was told.

Thailand was facing a national crisis, said King Prajadhipok's Institute secretary-general Borwornsak Uwanno. His institute along with the Thailand Development Research Institute (TDRI) had explored ways out of the crisis and identified four scenarios, said Mr Borwornsak.

- Cambodia

Cambodian Prime Minister Hun Sen estimated on Tuesday that his country's economy would grow around 5 percent this year and said resilient agricultural output had helped the country avoid recession in 2009. "Passing through storms and rains in the past year, even though the country faced the global financial crisis, drought and flooding, typhoon Ketsana, we achieved remarkable results in increasing agricultural production," Hun Sen told a forum of government, development bank and private sector representatives

- Vietnam

Thirty-five years after the end of the Vietnam War, the people of this country are optimistic about the future, bullish about the free market and rarely think about a conflict that still ignites political passions in America. Eighty-five percent said the economy is stronger than it was five years ago, and 87 percent said they expect it to be even stronger in another five years. Eighty-one percent said the country is moving in the right direction. "The country has changed so much in so many ways since the end of the war that you can't imagine," said Luong Trung Thanh, 72, a retired teacher from Hanoi.

The war ended on April 30, 1975, with the fall of Saigon, now known as Ho Chi Minh City, to communist troops from the north.

Initially, hunger was widespread as the government launched a centrally planned economy and the West imposed an economic blockade. But two decades ago, the

communist leadership began opening up the economy.

According to a report in the Voice of Vietnam News, Vietnam is now ranked second among coffee exporters, and has become an important member of the International Coffee Organisation (ICO), but the majority of its coffee is still exported unprocessed. This means that foreign importers do not know about Vietnam's processed coffee. ICO said that last year's global coffee production stayed at almost 7.5 million tonnes, a decrease of nearly 300,000 tonnes compared with the previous year. This was mainly due to a drop in production in Brazil, Vietnam and Colombia.

- Laos

At Social Front

- Indonesia

Stand by to have your life picked over by total strangers. Indonesia on Saturday kicks off its most ambitious population census to date: Over the next month, about 232 million people in 64 million households in 88,300 cities, towns and villages across the nation will face a barrage of 43 questions from 700,000 officials. The scale of the census means it will not come cheap, at about

Rp 3.3 trillion (\$365 million), but the results will be the bedrock of a comprehensive database to help shape government policy in the next decade, President Susilo Bambang Yudhoyono promises. This year's census will be different from those in previous years as "for the first time in history" it will include such things as employment status, housing facilities and access to communication media, Yudhoyono said. "It will provide us with complete and comprehensive data on housing and population." The results of the census are scheduled to be announced by the end of the year, and will also provide a database for the 2014 general elections. This is the sixth national census since independence in 1945.

The State Council, China's cabinet, submitted the pact to the fourteenth session of the Standing Committee of the 11th National People's Congress (NPC), the country's top legislature, for deliberation. The Standing Committee's began a four-day meeting Monday. The treaty was signed by Chinese and Indonesian foreign ministers in July 2009. The pact is in accordance with Chinese legal principles, judicial practices and Chinese interests and needs, according to a State Council report submitted to the NPC Standing Committee. The agreement will promote judicial cooperation and further China's cooperative relationship with Indonesia, the report said.

With 22 clauses, the treaty specifies extradition obligations, crimes which extradition applies to, possible reasons for refusing extradition, responsibility for costs and dispute resolution procedures.

Malaysia would like to see trade between Malaysia and China double in the next

five to six years, Prime Minister Datuk Seri Najib Tun Razak said here on Wednesday. Even in the midst of a global economic recession, trade between China and Malaysia still achieved US\$51.96 billion in 2009. "Over the past several years, bilateral trade has grown by an average of RM11.3 billion per year," he said at the launch of the Industrial and Commercial Bank of China (Malaysia) Bhd (ICBC), here, which is the largest commercial bank in the world

- Philippine

Malaysia's economic relationship with Thailand has not been affected by the current political turmoil there. Business and trade activities between both countries are going on as usual. Chor said Malaysia and Thailand had had a strong economic relationship over the past 20 years and it was unlikely that the current political turmoil would make a dent. He said Malaysia was Thailand's second largest trading partner among the 10 Asean member countries last year while Thailand was Malaysia's fourth largest trading partner in Asean.

The trade volume between the two countries stood at US\$15.9bil (RM50.8bil) as of last year with a balance of payment of RM1bil on the Malaysian side, he said.

Chor added that Thai investments to Malaysia increased from US\$40.02mil (RM128mil) in 2007 to US\$43.43mil (RM138.9mil) in 2008. Malaysian investments to Thailand were US\$121.8mil (RM389.6mil) in 2006 and US\$46.5mil (RM148.7mil) in 2008.

- Cambodia

The number of malaria cases recorded in Cambodia has increased significantly, say health officials, citing several reasons, including better detection and reporting.

According to the National Center for Parasitology, Entomology and Malaria Control, there was a 41 percent increase in cases last year. The country - which has become an epicentre for malaria - recorded 83,217 malaria-infected persons in 2009, from 58,887 the previous year, after a steep drop in the number of cases over the past several years. The mosquito-borne disease killed 279 people in 2009 from 209 in 2008, Chea Nguon, the centre's deputy director, told IRIN from Phnom Penh.

Detailed News Monitoring Report

Indonesia

- **Political front**
- **Thai FM visits Jakarta as political crisis escalates**

Thai Foreign Minister Kasit Piromya holds talks today with his Indonesian counterpart Marty Natalegawa before paying a visit to President Susilo Bambang Yudhoyono as his country's political crisis deepens. Fresh clashes erupted in Bangkok between Red Shirt protesters and Thai troops on Wednesday, injuring dozens of people and possibly killing one soldier, local media reported. Foreign Ministry spokesman Teuku Faizasyah confirmed Wednesday that Piromya would meet Marty at the ministry today but refused to clarify whether the Thai minister would accept the help offered by the Indonesian government to help resolve the conflict.

"Piromya will arrive Wednesday evening and return to Thailand Thursday," Faizasyah told The Jakarta Post.

"We will listen to what exactly Thailand wants [from us]," he said. "We have publicly announced the Indonesian government's readiness [if asked for help]."

Faizasyah said Piromya was scheduled to meet Yudhoyono after his meeting with Marty. The Thai Embassy also refused to provide details on Piromya's agenda during his fourth visit to Indonesia.

Last week, Marty said he told Piromya that Indonesia was ready to help Thailand calm escalating domestic political tensions after explosions and clashes between military personnel and protesters in downtown Bangkok killed at least 27 in recent weeks.

"Indonesia stands ready to render any assistance to promote conditions conducive for a dialogue to take place," he told a press conference last Friday a short while after a phone conversation with his Thai counterpart.

However, he refused to elaborate the possible role Indonesia could play to help ease political tensions between the Thai government and supporters of ousted prime minister Thaksin Shinawatra.

Marty also refused to clarify if the Thai government had requested Indonesia's assistance or whether the possibility of Indonesia acting as mediator was mentioned in the telephone conversation.

An international relations expert at the University of Indonesia, Hariyadi Wirawan, said

mediation was the most likely option for Indonesia to assist in calming tensions between Thailand's political elite. "I don't know precisely. But considering Indonesia's influence in ASEAN, mediation is the most likely [path Indonesia would take]," he told the Post.

"We would not want to take sides like we did in dealing with the Philippines crisis under Marcos' administration."

Hariyadi said the Indonesian government would likely get in touch with Thaksin directly, or Thaksin's associates in Indonesia, to put more pressure on him and ask him to stop empowering his supporters, while at the same time asking Thai Prime Minister Abhisit Vejjajiva to lower his demands.

"Indonesia may restrict Thaksin's business dealings in Indonesia as a way to pressure him to the negotiating table."

Thai security forces and anti-government protesters clashed Wednesday on the outskirts of Bangkok, with troops firing both over and directly into a crowd of Red Shirts to keep them from expanding their demonstrations, The Associated Press reported.

At least 10 protesters and one soldier were wounded.

<http://www.thejakartapost.com/news/2010/04/29/thai-fm-visits-jakarta-political-crisis-escalates.html>

- **Indonesia to ratify nuclear test ban treaty**

Indonesia will ratify a nuclear test ban treaty soon, says the foreign minister, after previously deciding to hold off on ratification until the US made the first move.

Marty Natalegawa told the House of Representatives on Thursday that he would officially announced the ratification of the Comprehensive Test Ban Treaty (CTBT) during the Non-Proliferation Treaty review conference in New York next month. "We have been holding off the ratification process since 2002 as we expected the US and other nuclear weapon states to ratify first," Marty told Commission I overseeing foreign and defense affairs. "However, we decided there was no point in delaying it. We do not want our policy to be steered by the US' decisions. We can move it forward with a note that there must be a move to push the US to ratify.

The US needs a template it can take as an example when dealing with the senate on ratification." Besides the US, other nuclear weapon states that have not ratified the treaty are China and Israel. The US has the most nuclear arsenals after Russia. Indonesia has no nuclear weapons but it possessed nuclear reactors and became part of the 182 signatories. The treaty will enter into force once the nine countries that have not either signed or ratified have give full accession.

Marty will lead the Indonesian delegation in the New York NPT review, which will take place from May 3-28. He said Jakarta sought to contribute to the success of the three

pillars of the NPT: Non-proliferation, disarmament and nuclear for peace purposes.

Experts have said the success of the NPT review was crucial for Jakarta as it sought to build nuclear power plants. Signatories of the NPT have rights to develop civilian nuclear facilities, but the impasse in the Iranian nuclear negotiations have cast a weary eye on nations seeking to develop nuclear facilities.

<http://www.thejakartapost.com/news/2010/04/30/indonesia-ratify-nuclear-test-ban-treaty.html>

- **Economic Front**
- **Indonesia Coal-Prices up on demand; rains curb supply**

Indonesian coal prices rose this week on strong demand from China and India, while wet weather hindered supplies in Kalimantan, the country's coal producing region on Borneo island. Producers expect prices will continue upwards until June or July as Chinese buyers seek more coal to offset tight supplies at home.

Indonesian coal with a heating value of 6,300 kcal/kg has been offered at around \$75 a tonne, air-dried basis free-on-board Kalimantan, up from \$70-71 a tonne early this month. "Buyers are still looking for cargoes," said a trader at a foreign firm in Jakarta.

A prolonged wet season has left many Indonesian producers in Kalimantan struggling to meet orders and PT Bayan Resources Tbk (BYAN.JK: Quote, Profile, Research) on Tuesday declared force majeure on shipments from its Gunung Bayan mine because of heavy rain and flooding. Chinese buyers have also returned to market after being absent in the first quarter, adding to demand for Indonesia coal.

"They can't buy from Australia due to port constraints, and South African coal is more expensive, so they have returned to Indonesia," another trader said. China's thermal coal supplies are likely to remain relatively tight for the rest of the year because of growing demand and supply constraints, the China Electricity Council said on Thursday. Spot coal prices in China have been rising since mid-April, traditionally a slack season in the market, as a severe drought in southwestern provinces has drained hydropower and boosted demand for coal-fired power.[COAL/CHINA]

<http://in.reuters.com/article/domesticNews/idINJAK48615220100429?rpc=401&feedType=RSS&feedName=domesticNews&rpc=401>

- **World Bank Approves \$US25 Million Credit to Improve Agricultural Production and Improve Rural Livelihoods in Papua New Guinea**

The World Bank's Board of Directors has approved a \$US25 million IDA Credit to support the Papua New Guinea Government's efforts to improve rural incomes and livelihoods in key coffee and cocoa producing areas of the country.

The credit will fund the Productive Partnerships in Agriculture Project (PPAP) which

aims to increase the contribution of coffee and cocoa to the livelihoods of rural communities and improve the performance and sustainability of the coffee and cocoa industries. The project will ensure local roads are upgraded to improve market access for communities in the project areas.

“With more than eighty percent of people in Papua New Guinea living in rural areas, supporting agricultural production and helping improve the lives of rural households is an important priority shared by the Government of Papua New Guinea and the World Bank,” said Ferid Belhaj, Country Director for the Papua New Guinea.

“This project aims to make a significant impact on the livelihoods of smallholder coffee and cocoa producers. The project reflects the excellent level of dialogue reached between the PNG government and the World Bank, and opens the way for stronger cooperation and understanding.”

Agriculture accounts for approximately a third of gross domestic product in Papua New Guinea. The sector is dominated by smallholder farming systems such as coffee and cocoa, with over thirty percent (coffee) and twenty percent (cocoa) of the total national labor force in the country involved in the production, processing and sale of these crops.

The PPAP aims to undertake a number of measures to support smallholder coffee and cocoa farmers, including: strengthening links between smallholder farmers and agricultural businesses; increasing access to farming technologies and services; improving coordination of agricultural institutions; providing critical infrastructure for market access; and enabling the introduction of efficient and sustainable farming techniques which will lead to increased smallholder income.

The project will focus on areas dependent on coffee and cocoa productions such as East New Britain Province, the Autonomous Region of Bougainville, Eastern Highlands Province, Western Highlands Province, Jiwaka Province and Simbu Province, with possible expansion to other areas subject to review.

The six-year PPAP project will be implemented by the Department of Agriculture and Livestock; the Coffee Industry Corporation; and the Cocoa Board and will be officially launched later in the year.

In addition to the \$US25 million IDA credit, the PPAP will be co-financed by the International Fund for Agricultural Development (US\$ 14 million), the Government of Papua New Guinea (US\$ 1.5 million) and the private sector (\$US 5.8 million).

The project is a product of extensive consultations with community representatives, local level government, grower associations and cooperatives, youth and women’s groups, extension workers, the private sector, and other key stake-holders.

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22564103~men>

uPK:34463~pagePK:34370~piPK:34424~theSitePK:4607,00.html?

- **Business Must Learn From Batam Unrest**

The labor rampage in Batam on April 22 indicated a last-ditch, desperate attempt by enraged Indonesian workers to fight wage discrimination, wage inequality and a feeling of injustice inside their company. The incident was isolated but the feelings are not. In the globalized economy, our citizens pay globalized prices for many goods and services, yet their income is decidedly local.

The Drydocks World Graha incident was just the tip of the iceberg. The firm is managed by Singapore-based Drydocks World SE Asia, a Dubai-owned firm, and employs tens of thousands of Indonesians and foreign workers. The riot was sparked after a non-Indonesian supervisor allegedly made a racist statement, berating one of the Indonesian workers for making a mistake. Reading various news reports, it seems that the supervisor frequently uttered such racist statements to his subordinates. This insensitivity combined with pent-up unrest about issues of wage disparity to set off the workers .

There is one crucial feature about Batam: Its development rests largely on the backs of migrants, either those who come from throughout the archipelago or from other countries. In 35 years, Batam has risen from an underdeveloped island populated by just 6,000-8,000 people into the globalized island economy of today. This is evident in the proliferation of malls and international hotels on the island. Batam has continued to be an emerging economy.

The city of Nagoya and port of Jodoh are primary hubs for retail, commerce and entertainment, while Batam Center houses the government administration and education offices. Tanjung Uncang has been planned and developed for shipbuilding and shipping industries. Here, Drydock World Graha is a key tenant. The number of dockyard operators in the island has grown to more than 70 firms. Given this vibrant economic climate, Batam's population has followed suit, skyrocketing over the last decade to more than a half a million residents — the vast majority of whom were born outside Batam. It is an exploding society of rich diversity with shallow roots.

How diverse is the society? Based on a study done by researchers, including this author, from the Institute of Southeast Asian Studies in Singapore, the putra daerah (native sons) of the island are mainly Malay and Chinese Indonesians. With the influx of migrants, these original inhabitants no longer even constitute a majority. The National Statistics Agency (BPS) shows that Malays, who are mostly Muslims, formed just 18 percent of the population in 2000. They are the second-largest ethnic group, superseded by the migrant Javanese at 27 percent. Chinese Indonesians form about 6 percent of the population and are the fifth largest ethnic group. Other influential migrants — including the

Minangkabaus and Bataks — account for 15 percent each. The rest of the population consists of other ethnic migrants. In other words, Batam is an ethnic and religiously diverse migrant society, with all the cultural churn and friction that goes with that.

What makes the issues in Batam more complex is not only the presence of Indonesian migrants, but also foreign workers, who make up a significantly higher portion of the population in Batam than in the rest of Indonesia.

Such huge diversity should be kept in mind when doing business in Batam. Thoughtful consideration must be given to the multiple ethnic groups that reside on the island. Engagement with the locals should be done with tact and respect. Language differences can be another challenge. In the workplace, issues of pay equity should be addressed immediately rather than left to fester. This is how business is done anywhere.

In public spaces, cultural expression, especially foreign cultural expression, is not always a simple matter, and it should be managed carefully. Furthermore, a spirit of democracy has been flourishing in Indonesia, including in Batam. New waves of immigrants will continue to arrive following the launch of the Batam, Bintan and Karimun Special Economic Zones in January 2009 by President Yudhoyono.

In addition to new economic opportunities, the free trade zones are expected to bring more foreign businesses seeking to reap the benefits of low production costs in the islands. But the recent riot ought to be a wake-up call for the importance of managing the diversity in Batam and other islands in the province. Economic inequality associated with ethnic and religious groupings can help create a fragile social and political reality. The success of the Special Economic Zones could be put in jeopardy by such a situation.

In Batam, ethnicity, religion and culture will become increasingly diverse. However, if managed and understood wisely, the diversity of ethnicity and culture will enrich the economic potential of the free trade zones. In newly democratic Indonesia, this will be a bonus for both Indonesian and foreign businesses.

<http://www.thejakartaglobe.com/opinion/business-must-learn-from-batam-unrest/372384?>

- **I'm Counting on You: SBY Presents Indonesia With Record Census**

Stand by to have your life picked over by total strangers. Indonesia on Saturday kicks off its most ambitious population census to date: Over the next month, about 232 million people in 64 million households in 88,300 cities, towns and villages across the nation will face a barrage of 43 questions from 700,000 officials. The scale of the census means it will not come cheap, at about

Rp 3.3 trillion (\$365 million), but the results will be the bedrock of a comprehensive database to help shape government policy in the next decade, President Susilo Bambang

Yudhoyono promises.

he results of this year's population census will become the only reference for all institutions, be that at the center or in the regions, in formulating policies and program planning," he said as he launched the program on Friday, urging everyone to support what he called "one of the largest historical events for us all."

He said a nation's success in fulfilling its development plans hinged on its ability to manage adequate, accurate, complete and up-to-date population data and information.

"The data is needed by the government, businesses and other important agencies for development in the next five to 10 years," Yudhoyono said. The last census was in 2000, when Indonesia's population was recorded at 205.1 million. The Central Statistics Agency (BPS) estimates it will hit 234 million by the end of this year.

The 12-page census questionnaire contains 43 questions (up from 15 in the 2000 census). They address personal and family data as well as deaths and births in the past three years, age at time of death, maternity deaths, ownership of property, the number and type of floors one's house has, sources of drinking water, fuel used for cooking, sanitation facilities and wastewater facilities. Yudhoyono said the census was also important to help the country develop its citizen registration number (NIK), a single identity system valid nationwide, "so that we can accurately target pro-people programs."

With the NIK, he said, the country would be better equipped to prevent manipulation of population data and in solving crimes. This year's census will be different from those in previous years as "for the first time in history" it will include such things as employment status, housing facilities and access to communication media, Yudhoyono said. "It will provide us with complete and comprehensive data on housing and population."

The results of the census are scheduled to be announced by the end of the year, and will also provide a database for the 2014 general elections. This is the sixth national census since independence in 1945.

<http://www.thejakartaglobe.com/home/im-counting-on-you-sby-presents-indonesia-with-record-census/372487?>

- **Indonesia to take lead on geothermal energy: president**

President Susilo Bambang Yudhoyono pledged Monday to make Indonesia the world's biggest user of clean, renewable geothermal energy, and urged private investors to back him. The archipelago of 234 million people and more than 200 volcanoes is estimated to possess around 40 percent of the world's geothermal energy potential, or around 28,000 megawatts (MW). It already has plans to double its geothermal energy output but analysts say the high costs associated with converting underground heat into electricity is an obstacle to investment.

"After the United States with close to 4,000 megawatts and the Philippines utilising approximately 2,000 megawatts, Indonesia is currently only using 1,100 megawatts" of geothermal energy, Yudhoyono told a conference in Bali.

"It is my intention that Indonesia will become the largest user of geothermal energy... We envision that by 2025, about five percent of our national energy needs will be met through the use of geothermal energy."

Within five years Indonesia aims to add 4,000 MW to its geothermal capacity, and by 2025 it would generate a total of 9,000 MW from underground heat sources including volcanoes. "We urgently need to accelerate geothermal development in our country. But this is a task that the government alone cannot carry out. We need the help of all stakeholders," the president told the World Geothermal Congress.

He said 8.6 billion dollars worth of projects already under way would eventually produce only some 2,885 MW of power, indicating the scale of the investments required to meet the 2025 target. Geothermal energy is far cleaner than burning of fossil fuels such as coal, one of the main contributors to greenhouse gases blamed for global warming.

Yudhoyono said geothermal and other clean energies would help the country cut greenhouse gas emissions by 26 percent over 2005 levels by 2026 -- making a "considerable contribution to climate stability".

"This effort, of course, is part of a larger package of mitigation and adaptation measures that are necessary to successfully manage the reality of climate change," he told delegates. "Everything that can reduce carbon emissions must be brought into play."

Coal and oil are by far the biggest sources of Indonesia's growing energy needs, reportedly accounting for almost 70 percent, followed by natural gas and hydropower on about 18 percent each. Geothermal contributes only three percent to state-run energy company Perusahaan Listrik Negara's power capacity.

Indonesia is one of the fastest growing economies in the world but currently only 65 percent of Indonesians have access to electricity. The goal is to reach 90 percent of the population by the end of the decade.

The fourth World Geothermal Congress opened Sunday on the resort island of Bali and is expected to attract some 2,000 people from more than 80 countries over six days.

Indonesia hopes to generate hundreds of millions of dollars in new investment from the event, officials have said. Yudhoyono said state-owned companies would account for half the investment required to meet the government's targets, with the remainder coming from the private sector.

"Already we have seen contributions from Chevron, Star Energy and Medco, and we hope to see more experienced international companies take up this challenge," he said.

Geothermal backers welcomed the recent completion of negotiations between a consortium of US, Japanese and Indonesian companies and the state electricity company over the 340 MW Sarulla project on Sumatra island.

Several firms such as Tata and Chevron have submitted bids to build another geothermal plant in North Sumatra, with potential for 200 MW.

http://news.yahoo.com/s/afp/20100426/sc_afp/indonesiaenergygeothermalenvironment

- **Trade Deal Bankrupts Indonesian Garment Makers**

Mufardi Rusli's neighbors hunch over tables covered in brightly colored fabric, the whirring of their sewing machines echoing across his Jakarta neighborhood. For Rusli, the sound is a bitter reminder of the \$2 line of jackets that bankrupted him, costing him a garment business it took 15 years to build.

He blames himself. He blames the government. But most of all he blames China -- specifically, the flood of cheap clothing that has poured into Indonesia this year under a free-trade agreement between the rising economic giant and its Southeast Asian neighbors. The new competition quickly drove down prices, forcing Rusli to sell the jackets for less than they cost to make. Within months, he was broke and unable to pay his 22 workers.

The Indonesian government and many business leaders have hailed the pact as an economic boon that will allow the free flow of goods between countries encompassing 1.7 billion people, lowering prices for consumers and offering new opportunities for producers. The Trade Ministry expects two-way trade between Indonesia and China to double to \$50 billion within five years. But some Indonesian industries say their small operations can't keep up with the Chinese juggernaut and they're calling on the government to do more to save their businesses from collapse. "We're the ones losing this trade war," Rusli says, warning that soon his neighbors' sewing machines will follow his into silence.

The deal between China and six founding members of the Association of Southeast Asian Nations -- Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand -- went into full effect Jan. 1, eliminating barriers to investment and trade on 90 percent of products. Four more ASEAN countries -- Cambodia, Laos, Myanmar and Vietnam -- will be added by 2015. The deal is expected to benefit Indonesian industries such as palm oil, rubber, coffee and coal by making it easier for them to feed China's voracious appetite for industrial raw materials and other commodities. Yet there are other industries -- among them textiles and garments, tires, steel and footwear -- who say they aren't ready to go head-to-head with China's aggressive, lower-cost producers and have called on the government to delay the elimination of protective tariffs on 228 product lines.

Despite signs ministers were not unanimous in supporting the trade pact, the government has said delaying is not realistic because it would involve renegotiating not only with China but with all the Southeast Asian nations.

Baso Rukmana, chairman of Indonesia's National Workers Union, predicted the trade deal would drastically increase unemployment in labor-intensive industries, with up to 7 million jobs lost. "We are not ready to compete with China, and the government must have the courage to admit that," he said.

Rukmana's estimate of job losses couldn't be corroborated by other sources. Manpower Minister Muhaimin Iskandar said the government doesn't have figures on how many people could lose their jobs but has set up a task force to monitor the impact. "We realize now that Indonesia is not yet quite able to compete in global markets with a full commitment to free trade," Iskandar said. "But we should not be left behind other ASEAN countries in facing global trade competition."

While some analysts believe the impact of the deal so far has been relatively positive -- the contentious tariff lines account for only a fraction of the goods covered by the agreement -- it is too soon to say how it will fully play out. Still, early trends on who will be hardest hit are clear.

"The main losers in Indonesia would be the low-skilled workers and the sectors that produce low-end products, mainly the textile sectors," said Maria Patrikainen, an Indonesia analyst with IHS Global Insight in London.

That would describe much of Kalibata, a working class neighborhood in south Jakarta that is home to an estimated 3,000 small garment businesses. The area is a warren of winding lanes, each lined with tiny brick and concrete buildings that double as both homes and factories.

One of the larger ones is that of 62-year-old Daris, whose front yard is a mess of cutting tables, sewing machines, bolts of fabric and stacks of children's shirts, skirts and hoodies in every color of the rainbow.

Daris, who like many in Indonesia uses a single name, said his business has been decimated since the trade deal went into effect.

A year ago he was selling market traders 1,800 bundles of clothes each week for a net profit of about \$330. This year he said demand and profit has plummeted as those same traders load up on cheaper Chinese made clothes selling for 25 percent less. He said he's lucky to sell 600 bundles a week.

"Can you imagine trying to support a family of eight on (\$55) per week? The government should know we are suffering," he said. Daris said he has cut his work force from 25 employees to just 11, but even that may not be enough to keep him above water.

"If the business comes back in the next three months I can continue," he said. "If not I will close up shop and go back to my hometown. What else can I do?"

Indonesian Trade Minister Mari Elka Pangestu has acknowledged that many industries have valid concerns and ways should be found to help them. But she says Indonesia's textile industry needs to become more competitive and should take advantage of the benefits of the trade deal, such as the cheaper cost of more sophisticated machinery. The government would do its part to address any unfair competition and work toward better remedies.

There are also parts of the industry that have benefited from the deal, Pangestu said, pointing to Indonesia's successful denim industry, which imports cotton from China turns it into denim and then exports it back to China. She said that worries about the trade deal appear overblown. "In a way there is this underlying, perhaps unfounded, fear that 'Oh we're not ready, we're going to be unable to compete.' And then when you talk it through and you look at the numbers and look at some of the sectors that are sort of screaming, it's not as bad as it turns out to be in terms of perceptions."

That explanation is little comfort, though, to Rusli, the bankrupt garment maker. He said he doesn't have much hope for the future of the garment makers of Kalibata.

"It's a bitter business now," he said, clutching the last of his red jackets, a morbid souvenir. "And there are thousands of others facing the same fate as me."

<http://www.manufacturing.net/News-Trade-Agreement-Bankrupts-Indonesian-Garment-Makers-042610.aspx?menuid=38>

- **Indonesia: \$5 billion in geothermal deals**

Indonesia announced it signed \$5 billion worth of geothermal energy deals as it serves as host for the World Geothermal Conference in Bali.

The deals coincide with the country's ambitious goal of generating 9,000 megawatts from geothermal sources by 2025, also announced Monday by Indonesian President Susilo Bambang Yudhoyono as he opened the conference, which was attended by representatives from 80 countries.

"It is my intention that Indonesia will become the (world's) largest user of geothermal energy," Yudhoyono said, noting that, although an estimated 40 percent of global geothermal power reserves are in Indonesia, the country is using only 1,100 megawatts -- 4.2 percent -- of its reserves. In March the country's energy and mineral resources ministry revised Indonesia's geothermal potential to 28,100 megawatts, up from 27,000 megawatts a decade ago. That's equal to 12 billion barrels of oil.

Indonesia, Southeast Asia's largest economy, faces frequent power outages as the country's infrastructure has failed to keep up with growth. Its existing generating capacity

is 30,500 megawatts, which represents a power deficit of 4,555 megawatts, data from state-owned power company PT Perusahaan Listrik Negara show. Indonesia ranks third in terms of geothermal energy consumption, after the United States and the Philippines.

The world's third biggest emitter of greenhouse gases, Indonesia aims to cut emissions by 16 percent by 2025.

While the new agreements would help Indonesia to add about 1,340 megawatts of electricity generated from geothermal sources, edging the country closer to its aim of using 5,000 megawatts by 2014, they fall short of the Indonesian government's target of attracting around \$12 billion in new investment for the geothermal sector. Pri Agung Rakhmanto, an energy analyst at Reforminer Institute, told The Jakarta Globe that investors expect more assurance regarding the duration of contracts to be sure to recoup investments. Until that happens, he said, development of Indonesia's geothermal sector would continue to be sluggish.

For Indonesia to become a world leader in geothermal, said Jim Blackwell, Chevron's president of Asia-Pacific exploration and production, it needs to revise its legal and regulatory frameworks. "There needs to be a stable legal and regulatory regime, which allows for long-term development rights, open markets created by long-term contracts and long-term prices with certainty of payment," Blackwell told the Globe.

An estimated 42 percent of Indonesia's potential geothermal reserves are in protected or conservation forests but Yudhoyono said the issue "has already been resolved," referring to recent regulations allowing geothermal wells to be drilled in such areas.

<http://www.energy->

[daily.com/reports/Indonesia_5_billion_in_geothermal_deals_999.html?](http://www.energy-daily.com/reports/Indonesia_5_billion_in_geothermal_deals_999.html?)

- **Social front**
- **China's lawmakers begin review of extradition treaty with Indonesia**

The State Council, China's cabinet, submitted the pact to the fourteenth session of the Standing Committee of the 11th National People's Congress (NPC), the country's top legislature, for deliberation. The Standing Committee's began a four-day meeting Monday. The treaty was signed by Chinese and Indonesian foreign ministers in July 2009. The pact is in accordance with Chinese legal principles, judicial practices and Chinese interests and needs, according to a State Council report submitted to the NPC Standing Committee. The agreement will promote judicial cooperation and further China's cooperative relationship with Indonesia, the report said.

With 22 clauses, the treaty specifies extradition obligations, crimes which extradition applies to, possible reasons for refusing extradition, responsibility for costs and dispute resolution procedures.

<http://english.people.com.cn/90001/90776/90883/6963764.html?>

- **At Environmental Front**
- **Indonesia aims to tame volcano power**

Indonesia has launched an ambitious plan to tap the vast power of its volcanoes and become a world leader in geothermal energy, while trimming greenhouse gas emissions. The sprawling archipelago of 17,000 islands stretching from the Indian to the Pacific Oceans contains hundreds of volcanoes, estimated to hold around 40 percent of the world's geothermal energy potential. But so far only a tiny fraction of that potential has been unlocked, so the government is seeking help from private investors, the World Bank and partners like Japan and the United States to exploit the power hidden deep underground. "The government's aim to add 4,000 megawatts of geothermal capacity from the existing 1,189 megawatts by 2014 is truly challenging," Indonesian Geothermal Association chief Surya Darma said.

One of the biggest obstacles is the cost. Indonesia currently relies on dirty coal-fired power plants using locally produced coal. A geothermal plant costs about twice as much, and can take many more years in research and development to get online.

But once established, geothermal plants like the one built in Kamojang, Java, in 1982 can convert the endless free supplies of volcanic heat into electricity with much lower overheads — and less pollution — than coal. This is the pay-off the government is hoping to sell at the fourth World Geothermal Congress opening today on the Indonesian resort island of Bali. The six-day event will attract some 2,000 people from more than 80 countries. "An investment of \$12bn is needed to add 4,000MW capacity," energy analyst Herman Darnel Ibrahim said, putting into context the recent announcement of \$400m in financing from lenders including the World Bank and the Asian Development Bank (ADB). "Field exploration can take from three to five years, suitability studies for funding takes a year, while building the plant itself takes three years," he added.

If there is any country in the world where geothermal makes sense it is Indonesia. Yet despite its natural advantages, it lags behind the United States and the Philippines in geothermal energy production. Southeast Asia's largest economy and the world's third biggest greenhouse gas emitter exploits only seven geothermal fields out of more than 250 it could be developing. The case for geothermal has become stronger with the rapid growth of Indonesia's economy and the corresponding strain on its creaking power infrastructure. The archipelago of 234 million people is one of the fastest growing economies in the Group of 20 but currently only 65 percent of Indonesians have access to electricity.

The goal is to reach 90 percent of the population by the end of the decade, through a two-

stage plan to “fast-track” the provision of an extra 10,000 MW by 2012, mostly through coal, and another 10,000 MW from clean sources like volcanoes by 2014.

President Susilo Bambang Yudhoyono’s pledge to slash greenhouse gas emissions by 26 percent against 2005 levels by 2020 has also spurred the push to geothermal. Many of the best geothermal sources lie in protected forests, so the government aims to allow the drilling of wells inside conservation areas while insisting that the power plants themselves be outside.

Geothermal fans welcomed the recent completion of negotiations between a consortium of US, Japanese and Indonesian companies and the state electricity company, Perusahaan Listrik Negara, over a 340 MW project on Sumatra island.

The Sarulla project will be Indonesia’s second biggest geothermal plant, after the Wayang Windu facility in West Java. “The Sarulla project is a perfect example of how Indonesia can realise its clean energy and energy security goals by partnering with international firms,” US Ambassador Cameron Hume wrote in a local newspaper.

Several firms such as Tata and Chevron have submitted bids to build another geothermal plant in North Sumatra, with potential for 200 MW.

http://www.thepeninsulaqatar.com/Display_news.asp?section=Business_News&subject=market+news&month=April2010&file=Business_News201004251558.xml

- **6.4-magnitude earthquake strikes eastern Indonesia**

An earthquake measuring 6.4 on the Richter scale struck islands in north-eastern Indonesia Saturday, but there were no immediate reports of injuries and damage, officials said. The quake occurred at 4:41 pm (0741 GMT), the Meteorology and Geophysics Agency (BMG) said. Its epicentre was 155 kilometres south-east of the city Labuha in North Maluku province, or about 2,400 kilometres north-east of Jakarta at a depth of 30 kilometres. The BMG said the quake did not trigger a tsunami. It was the latest of a series of earthquakes to jolt Indonesia in recent months. A powerful 7.6-magnitude quake struck off the western coast of Sumatra in September, killing thousands and injuring hundreds of others.

http://www.monstersandcritics.com/news/asiapacific/news/article_1550658.php/6-4-magnitude-earthquake-strikes-eastern-Indonesia?

Malaysia

- **Political Front**
- **Malaysian opposition to fight poll defeat in court |**

A Malaysian opposition politician who lost a recent by-election said Wednesday he would ask a court to nullify the result, claiming he was a victim of vote buying and other irregularities by the ruling party. Zaid Ibrahim, who has been tipped as a future party

leader, lost Sunday's election to the ruling National Front coalition. The parliamentary seat in the rural Hulu Selangor constituency had been held by an opposition lawmaker who died last month, resulting in the special election.

Zaid said in a statement he would file a petition in court to contest the result because "blatant bribery" by Prime Minister Najib Razak and his campaign workers cost him a fair fight. Calls by The Associated Press to Najib's aides went unanswered. A former law minister in the National Front government, Zaid has been tipped as a potential successor to opposition leader Anwar Ibrahim, who is on trial for alleged sodomy, one of the many troubles facing his People's Alliance coalition.

Zaid said he would take legal action against the Election Commission, claiming it was biased. Election Commission chairman Abdul Aziz Mohamad Yusof denied the allegations. Election petitions based on claims of irregularities have rarely succeeded. "As far as the Election Commission is concerned, we are fair to everybody. We are professional in our work," Abdul Aziz told The Associated Press.

Zaid alleged that names of voters were removed from the electoral roll without their knowledge, and that voters were intimidated, bribed or showered with inducements to influence their choice. Zaid received 23,272 votes, while P. Kamalanathan, a politician from the Indian component party of the National Front coalition, got 24,997. Zaid said he would also sue the government-linked daily Utusan Malaysia for calling him an alcoholic. During his campaign, Zaid, a Muslim Malay, had admitted to drinking alcohol in the past - an offense in the Muslim-majority country. But Zaid said he had since repented. Islam forbids the drinking of alcohol in public.

<http://www.thejakartapost.com/news/2010/04/28/malaysian-opposition-fight-poll-defeat-court.html>

- **Malay Muslims upset over Anwar's 'One Israel' comment**

Malaysian lawmakers moved towards censuring opposition leader Anwar Ibrahim on Thursday, paving the way for his suspension from parliament and raising tensions ahead of a key weekend by-election. The House of Representatives passed a motion to refer Anwar to the Rights and Privileges Committee over his allegations that the government's "1Malaysia" racial unity slogan was copied from "One Israel", the tagline of a 1999 Israeli political alliance. The issue has stirred passions in Malaysia, a mainly Muslim country that does not recognise Israel diplomatically.

The privileges committee, which will meet in the next session of parliament scheduled in June, would in turn recommend a penalty for Anwar. That could include a ban from parliament. The move towards a censure further raises tensions as the government of Prime Minister Najib Razak contests Sunday's by-election, seen as an early verdict of his

economic reform pledges after a year in office.

The seat was won by a narrow margin by the opposition when last contested in 2008 and the race is considered too close to call.

"This is a very unhealthy trend, very undemocratic and regressive in nature, it is a complete disregard for the rule of law and runs contrary to democratic principles," Anwar told reporters in parliament's lobby after the vote.

Anwar's allegation, which the government and its advisers have denied, led to a rowdy debate in parliament before the opposition staged a walkout.

"He misled the House because '1Malaysia' is not from 'One Israel'. He knows Muslim Malays are sensitive on Israel so that's why he chose it," said Nazri Aziz, Minister in the Prime Minister's Department.

Anwar is on trial on what he insists is a trumped-up charge of sodomy, a repeat of similar charges made in 1998 when he was dismissed as deputy prime minister. He was initially convicted in that trial but the verdict was overturned.

Political tensions in Malaysia have been high since the 2008 general elections in which the ruling National Front alliance suffered record defeats, losing five of Malaysia's 13 states and its once iron-clad two-thirds control in parliament.

<http://gulfnews.com/news/world/other-world/malay-muslims-upset-over-anwar-s-one-israel-comment-1.616187?>

- **Mahathir: China no threat to Malaysia**

China's economic growth is not a threat but beneficial to Malaysia, according to former Prime Minister Tun Dr Mahathir Mohamad. Mahathir said Malaysia should not unduly fear China's strength as being engine of the world economy which was an asset.

"China is going to be a big producer of goods and we are going to be largely consumers. But they will be needing something from us like certain expertise," he said at a keynote address at the forum on A Strong China - Implications and Challenges, organised by National Chamber of Commerce and Industry of Malaysia yesterday. Mahathir said many Malaysians were investing in China because they had certain expertise the country would like to have and was seeking to import to cater to a large population. "Moreover, with the substantial Malaysian Chinese population in the country that shares the same language and culture with China, it provides the bridge to communicate smoothly," he said.

Mahathir said China, set to become the most powerful economy in future, had never showed any inclination to invade neighbours but it found a way to develop into a strong economy without giving up the single party authority system from the past. "It retains the political system till today which ensures stability with a modified form of Western

market system,” he said.

Mahathir said Malaysia should maintain its good relationship with as there was a lot to be gained. “China has now drawn away foreign direct investments (FDIs) from Malaysia because of its advantage of high skill and low-cost labour,” he said. “We feel that we are threatened by China drawing away FDIs but actually they are not. Our labour cost has gone up and we can’t even compete with Thailand.”

Mahathir said Malaysia needed more value-added industries in order for its people to get better wages as the country had certain advantages over China. “We need to identify the areas properly. We cannot stop China from growing or have policies to contain China. It’s just not possible.

“The world’s big powers will have to accept China’s development. It will outstrip the powerful economies and the United States will no longer be the most powerful economy,” he said. Meanwhile, China’s Ambassador to Malaysia, Liu Jian, said at the forum that trade between Malaysia and China in the first three months of this year was US\$16.1bil. “In other words, for every US\$4 of trade between China and Asean, there was more than US\$ made between us, people from China and Malaysia,” he said.

Last year, trade volume between the two countries reached almost US\$52bil, from which Malaysia enjoyed US\$12.7bil trade surplus, Liu said. Liu pointed out that from 2003 to 2009 at the “early harvest” stage of China-Asean Free Trade Area (FTA), the average annual growth rate of two-way trade was 18.2%.

“In the first two months of this year, since the establishment of China-Asean FTA, the imports of China from Asean jumped by 80.9%, which was 28% higher than its growth rate of export,” he said. “At the same time, the import volume of China from Malaysia was nearly two times bigger than its export to Malaysia,” Liu said.

<http://biz.thestar.com.my/news/story.asp?file=/2010/4/27/business/6136931&sec=business>

- **Malaysia's ruling coalition wins by-election**

Malaysia's ruling coalition on Sunday won a critical by-election with a convincing majority in a result seen as backing its ambitious reform plans.

The Barisan Nasional's (BN) recapture of a parliamentary seat in central Selangor state also gave the coalition a much-needed boost after losing seven out of nine previous by-elections since disastrous national polls in 2008.

BN, which fielded a candidate from its ethnic Indian party, defeated a high-profile former minister standing for the opposition Pakatan Rakyat alliance by 1,725 votes, according to election officials. "I am delighted with this election result and it will certainly provide us with a strong impetus to continue with the reforms that we have in mind," said premier

Najib Razak, who heads the ruling coalition.

"It's a good beginning for the BN, it's a good beginning for the new direction that we have for this nation." "I believe that we are on the right track, on the right trajectory and we will continue with what people want to see," he added.

Opposition leaders were not present when the final tally was announced and could not be reached for comment. Najib, who came to power a year ago, last month unveiled plans for reforms including a review of an affirmative action policy for Muslim Malays, the majority ethnic group in the multicultural nation.

The opposition, led by former deputy premier Anwar Ibrahim, who is on trial for sodomy, had wanted to use Sunday's vote to show that an internal crisis had not damaged its credibility. But voters in the Hulu Selangor parliamentary seat gave BN a bigger margin than the 198 majority the opposition won in the 2008 poll.

The national vote in 2008 was the ruling coalition's worst showing in half a century.

"It's a vote of loss of confidence for the opposition," independent analyst Khoo Kay Peng said Sunday ahead of the outcome of the vote, which was fully expected to go the way of the ruling coalition.

"It's a bad thing for the opposition, in particular the Keadilan party," he added, referring to Anwar's party, which has been hit by a bout of infighting and defections.

The opposition fielded former cabinet minister Zaid Ibrahim, who was tasked to clean up the judiciary and police force but quit the cabinet months after complaining he was blocked from implementing reforms. He joined Anwar's Keadilan in June last year.

Observers say Najib faces opposition in his own party over the proposals to dismantle the race-based policies, which threaten to erode further waning Malay support for the coalition.

The by-election, triggered by the death of the opposition incumbent, comes amid talk that the next national polls could be held much earlier than the deadline of 2013.

Sunday's poll was seen as an indication of voter intentions in the general election.

http://news.yahoo.com/s/afp/20100425/wl_asia_afp/malaysiapoliticsvote?

- **Economic Front**
- **Oil prices climb above \$86 on improving economy**

Oil prices climbed above \$86 Friday as the government reported the economy expanded in the first quarter and on growing concern that an oil spill in the Gulf of Mexico will affect supply. Oil rose 91 cents to \$86.08 per barrel on the New York Mercantile Exchange. Crude has moved between \$81 and \$87 this month as traders weighed the improving global economy against stubbornly high U.S. oil inventories.

On Friday the Commerce Department said the nation's economy grew by 3.2 percent

from January to March. It was the biggest improvement in consumer spending in three years. That's good news for the oil and gas industry, which has seen demand for energy tank with the economy. As the economy picks up steam, factories and businesses should use more power and consumers more gasoline.

Paul Sakuma

A customer pumps gas at a ConocoPhillips gas station in San Jose, Calif., Wednesday, April 28, 2010. Oil prices rose above \$84 a barrel Thursday, though gains were tempered by signs of weak U.S. crude demand and an escalating European debt crisis.

The disadvantage for the energy sector Friday continued to be the huge oil spill in the Gulf of Mexico. About 5,000 barrels of oil per day are leaking from the seabed where the drill ship Deepwater Horizon exploded and sank. A giant slick is approaching the Gulf Coast. A top adviser to President Barack Obama said Friday that no new oil drilling will be authorized until more is known about what caused the growing calamity.

JP Morgan analysts wrote in a note to investors that the spill raises worries about supply. "Given the rich concentration of both offshore upstream assets and refining and petrochemical plants along the Gulf Coast, markets are increasingly concerned about the potential for restriction of vessel movements to tighten crude and product markets."

For now, traffic through the Southwest Pass, the main deep water shipping lane in the area, has not been restricted. It appeared that the Louisiana Offshore Oil Port, or LOOP, a key facility for offloading tankers delivering U.S. oil imports, would not be affected, according to analyst Olivier Jakob of Petromatrix.

"Ultimately, if there are any disruptions to crude oil imports, the Strategic Petroleum Reserves will be released," Jakob said. The SPR totaled 726 million barrels in December, according to the Department of Energy. That is around 75 days of oil imports.

Retail gasoline prices rose 0.4 cent per gallon overnight to a national average of \$2.881, according to AAA, Wright Express and Oil Price Information Service. That's 3 cents higher than a week ago and 83 cents higher than a year ago.

In other Nymex trading in May contracts, heating oil rose 2.87 cents to \$2.2799 a gallon, and gasoline gained 1.94 cents at \$2.3750 a gallon. Both contracts expire Friday.

In London, Brent crude rose 27 cents to \$87.17 on the ICE futures exchange.

Read more: <http://www.kentucky.com/2010/04/30/1245609/oil-rises-above-86-on-signs-of.html?#ixzz0mc2qXIItS>

<http://www.kentucky.com/2010/04/30/1245609/oil-rises-above-86-on-signs-of.html?>

- **Malaysia May Raise 2010 Economic Growth Forecast, Zeti Says**

Malaysia's central bank may raise its growth forecast for 2010, Governor Zeti Akhtar Aziz said, after reports showed an improvement in exports and production. The central

bank in March forecast a growth rate of 4.5 percent to 5.5 percent this year. Prime Minister Najib Razak said April 6 that Bank Negara Malaysia told the government the country's 2010 economic growth can exceed the current forecast by as much as 2 percentage points through the "right policy intervention."

"We realized there could be an upside potential," Zeti told reporters today, according to a report by Bernama, Malaysia's state-owned news service. "The major assessment would be made in the middle of this year where the figure could be used in the budget." The central bank confirmed her remarks.

Malaysia emerged from its first recession in a decade in the final quarter of 2009 as exports of goods such as Sime Darby Bhd.'s palm oil and Unisem (M) Bhd.'s semiconductors recovered. The rebound led the central bank to raise interest rates for the first time in almost four years on March 4, beating most of its regional counterparts in increasing borrowing costs to help avert any potential asset bubble.

Malaysia's trade figures for the first quarter have been "very good," International Trade and Industry Minister Mustapa Mohamed said April 23.

<http://www.businessweek.com/news/2010-04-29/malaysia-may-raise-2010-economic-growth-forecast-zeti-says.html>

- **Malaysia eyes more investments from UAE**

Malaysia has ample investment opportunities in various fields and can become a gateway for the UAE investors to access Asian Markets, expressing his resolve to open joint ventures between two states to enhance economic and trade ties between them, said Mohd Razif, Deputy Governor of Bank Negara Malaysia (BNM), central bank.

"We are here with an open hand to offer opportunities that we have to invest in our vibrant economy and want to see active partnership between Malaysia and UAE investors to further our economic and trade relations," he said. He was meeting Danial Mah Abdullah, Deputy Director-General Labuan Financial Services Authority, Associate Professor Dr Mohamad Akram Laldin, Executive Director International Shariah Research Academy for Islamic Finance (Isra), Yusli Mohamed Yusoff DPMS Chief Executive Officer Bursa Malaysia Berhad. Malaysian Ambassador to UAE Yahaya Abdul Jabar was also present.

Elaborating the initiative of Malaysia International Islamic Financial Centre (MIFC), he said it was launched in August 2006 to promote Malaysia as a major hub for international Islamic finance.

The MIFC initiative comprises a community network of financial and market regulatory bodies, government ministries and agencies, financial institutions, human capital development institutions and professional services companies that are participating in the

field of Islamic finance.

Razif said foreign and domestic financial institutions are offered to conduct the full range of international Islamic banking and takaful businesses in foreign currency under International Islamic Bank; International Takaful Operator; and International Currency Business Unit. He said negotiations are underway on free trade agreement (FTA) with GCC countries and this will also give boost to trade ties with UAE.

<http://www.business24-7.ae/banking-finance/investment/malaysia-eyes-more-investments-from-uae-2010-04-27-1.237117?>

- **Malaysia-Thai trade ties still strong**

Malaysia's economic relationship with Thailand has not been affected by the current political turmoil there. Business and trade activities between both countries are going on as usual.

Deputy Finance Minister Datuk Chor Chee Heung said Thailand's container trucks still entered the country to export goods via Port Klang and Johor. "Malaysia is not worried by the turn of events there and we are not losing any sleep (over it) either," he told reporters at the opening of Bangkok Bank Bhd's Taman Molek branch near here, which was also attended by Thai Finance Minister Korn Chatikavanij.

Chor said Malaysia and Thailand had had a strong economic relationship over the past 20 years and it was unlikely that the current political turmoil would make a dent. He said Malaysia was Thailand's second largest trading partner among the 10 Asean member countries last year while Thailand was Malaysia's fourth largest trading partner in Asean. The trade volume between the two countries stood at US\$15.9bil (RM50.8bil) as of last year with a balance of payment of RM1bil on the Malaysian side, he said.

Chor added that Thai investments to Malaysia increased from US\$40.02mil (RM128mil) in 2007 to US\$43.43mil (RM138.9mil) in 2008. Malaysian investments to Thailand were US\$121.8mil (RM389.6mil) in 2006 and US\$46.5mil (RM148.7mil) in 2008.

On whether Malaysia would receive more foreign tourists following Thailand's political turmoil, Chor said there could be an increase but Malaysia did not want to take advantage of the situation. Korn asked foreign investors including Malaysian companies not to be worried and assured them that their investments would be protected. Stating that the turmoil would be resolved soon, he added that there had not been a massive exodus by investors.

<http://thestar.com.my/news/story.asp?file=/2010/4/23/nation/6113621&sec=nation>

- **Najib: Malaysia Hopes Trade With China Will Double In 5-6 Years**

Malaysia would like to see trade between Malaysia and China double in the next five to six years, Prime Minister Datuk Seri Najib Tun Razak said here on Wednesday.

Even in the midst of a global economic recession, trade between China and Malaysia still achieved US\$51.96 billion in 2009. "Over the past several years, bilateral trade has grown by an average of RM11.3 billion per year," he said at the launch of the Industrial and Commercial Bank of China (Malaysia) Bhd (ICBC), here, which is the largest commercial bank in the world.

Also present was vice chairman and president of ICBC Group, Dr Yang Kaisheng. ICBC Malaysia will have four branches with the main office located at Menara Maxis. As the biggest bank in China, ICBC now boasts the most extensive customer base, outstanding IT strength and diversified business structure, leading its peers in major business line.

Najib, who is also Finance Minister said that when he told Dr Yang that he hoped bilateral trade between the two countries would double, Dr Yang's immediate reply was, "Yes, it can be done." Others present was Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz, Minister in the Prime Minister's Department, Tan Sri Dr Koh Tsu Koon and China's Ambassador to Malaysia, Liu Jian.

Najib said the deepening trade linkages between the two countries have led to China becoming Malaysia's largest trading partner year last year. Moving forward, there are many opportunities for Malaysian companies to collaborate with Chinese companies in other areas. Deeper Malaysia-China economic relations would help to boost Malaysian companies' presence in China in the areas of wholesale and retail trade and telecommunications as China's population grows in affluence in tandem with economic growth.

"It is our hope that Malaysia's trade and investment with China will continue to expand in other areas such as energy, agriculture, fisheries as well as science and technology, for the benefit of the two countries," said Najib. Dr Yang in his speech said, ICBC Malaysia will strictly abide by local regulations, enhance its risk management, improve its internal controls and follow the best practices of the local market.

He also said that the ever increasing economic, trade and investment activities between the two countries laid a solid foundation for the further development of the financial industry and raised new demands for banking services.

Many ICBC customers, he said had economic and trade ties with Malaysia enterprise, while some also had direct investments in Malaysia. ICBC Malaysia further complements ICBC operations network across Asia, covering Hong Kong, Macau, Japan, Korea the Asian countries, Middle East and Central Asia, making ICBC one of the few banks that is capable of providing comprehensive financial services across the entire Asian region.

At end of 2009, ICBC's overseas operations had reached around US\$50 billion, a 23 per cent increase when compared with the beginning of the year. ICBC is listed on the stock

exchanges of Shanghai and Hong Kong.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=494277>

- **Geo Strategic Front**
- **Malaysia to buy 12 military helicopters**

Malaysia will buy 12 military helicopters from Eurocopter in a \$500mn deal, an official said yesterday, two years after the plan was shelved due to the financial crisis. In October 2008 the government scrapped a contract awarded to the European firm for 12 Cougar EC725 helicopters as a cost-cutting move and to reprioritise its budget because of the bleak global economy. A defence ministry official confirmed the order had been reinstated, with government officials signing a contract worth 1.6bn ringgit (\$500mn) with Eurocopter at a defence exhibition in Kuala Lumpur this week. "We are expecting Eurocopter to deliver the first helicopter in 2012," the official said.

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=356902&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=356902&version=1&template_id=45&parent_id=25)

- **Social Front**
- **Environmental Front**
- **Abdullah Suggests Malaysian Green Charter For Environmental Protection**

Former prime minister Tun Abdullah Ahmad Badawi has proposed the formulation of a Malaysian Green Charter to enhance the people's commitment for environmental conservation and protection. He said the charter should contain guidelines which should be observed and practised by the masses to protect the environment.

"We will call various quarters, including non-governmental organisations to discuss the guidelines," he told a media conference after the closing of the 2010 Malaysia Green Forum here Tuesday. Abdullah, who is Landskap Malaysia advisor, said the proposal would be submitted to the government for approval. Earlier, Natural Resources and Environment Minister Datuk Seri Douglas Uggah Embas, in his speech when closing the forum, said the ministry was in the process of outlining the Environment Performance Index (EPI) to be used to monitor the country's environment.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=494006>

Philippine

- **Political Front**
- **MILF agrees to help prevent poll violence**

The Philippines' largest Muslim rebel group has agreed to help avoid violence on a troubled southern island during voting in next month's national and local elections, officials said on Saturday.

Major-General Anthony Alcantara, army commander on southern Mindanao island, said

an agreement had been reached with the Moro Islamic Liberation Front (MILF) that would help voting succeed. "We have secured a commitment from the rebels not to disrupt the elections on May 10," Alcantara told Reuters. Alcantara said the rebels had agreed to keep away from polling areas and not to mass their forces between May 3-13. "We're not allowing anybody with guns in polling areas except soldiers and police officers," he said. Ceasefire "panels" from both sides signed an agreement on Friday.

Toks Ebrahim, head of the MILF's ceasefire negotiators, said they would tell field units to avoid violence that could disrupt both the elections and other peace talks. "We'll restrain our forces to avoid violence during the elections," he said. About 50 million Filipinos will choose a president, vice president, nearly 300 lawmakers in the two-chamber Congress and more than 17,600 local government officials in the polls.

<http://www.abs-cbnnews.com/nation/regions/04/24/10/milf-agrees-help-prevent-poll-violence?>

- **The Philippines' Bloody Polls**

voters in the Philippines head to the polls next month to choose among some 18,000 candidates for posts ranging from the presidency to local council seats. It ought to be a proud moment for a country that only 24 years ago shook off strongman Ferdinand Marcos. Yet thanks to the failure of government officials at all levels to maintain basic law and order, Filipinos are still not getting the democracy they deserve. Pre-election violence is marring the process to a worse degree even than usual

http://online.wsj.com/article/SB10001424052748703876404575199391731857802.html?mod=WSJ_World_LEFTSecondNews

- **Philippine court overturns ban on gay political party**

Amnesty International has welcomed a decision by the Supreme Court of the Philippines to overturn the ban on a lesbian, gay, bisexual and transgender (LGBT) political party, allowing it to contest in next month's national elections for the first time. The Commission on Elections in the Philippines had initially refused to recognize Ang Ladlad (in English: Coming Out) as an official political party last November because in the Commission's view the party tolerated "immorality" and offended both Christians and Muslims. Ang Ladlad filed an appeal against the decision with the Supreme Court of the Philippines in January. In a unanimous decision on 8 April, the Court overruled the Elections Commission.

The Court stated that Ang Ladlad had complied with all legal requirements for accreditation and that there is no law in the Philippines against homosexuality. "This is a significant development and sends a positive message about the ability of LGBT individuals and groups to engage in political and social activities without discrimination.

This landmark decision is a progressive step towards full respect for and protection of the rights of LGBT people in the Philippines," said Hazel Galang of Amnesty International. The elections are scheduled for 10 May. Ang Ladlad is one of more than 100 parties seeking to win 50 of the 286 seats in the House of Representatives allocated for marginalized sectors.

Among those to be allocated seats in the last few years are parties representing the rights of women, the urban poor, peasants and Muslim minority groups.

<http://www.amnestyusa.org/document.php?id=ENGNAU2010042216388&lang=e>

- **Mindanao on their mind (2)**

During the Paminaw sa Mindanaw (Listen to Mindanao) forum with the presidentiables last April 16 at the Holy Cross College in Davao City, presidential candidates Gilbert "Gibo" Teodoro, Brother Eddie Villanueva, Nicanor "Nicky" Perlas, and Juan Carlo "JC" de los Reyes listened and responded to the concerns raised by representatives of the diverse Mindanao sectors and constituents.

Discussed were the peace process, the right to self-determination (RSD), Memorandum of Agreement on Ancestral Domain, and federalism. Former Commissioner Nasser Marohomsalic of the Philippine Council for Islam and Democracy represented the Muslim communities, asking the candidates whether they would support constitutional amendment and introduce a political system such as federalism to address the demands of the Muslim liberation fronts on the right to self determination (RSD) and ancestral domain (which is also a concern of the indigenous peoples).

Marohomsalic: "The conflict in the south owes its origins to the resistance of the Bangsamoro against foreign colonialism which began in the 1500s. The insurgency of the MNLF and the MILF is its contemporary episode, this time, against Imperial Manila. Despite superior weapons and number, Spain and

America failed to bring the Muslims to their civilizations. Martial law under Marcos did not defeat their insurgency. Estrada's total war policy only worsened the condition, causing massive internal displacement.

Peace talks only brought temporary respite. What, in your opinion, is the reason why this conflict eludes solution? Is it a question of insincerity on the part of government or lack of resolve? Or is it the lack of understanding or appreciation by government of the right to self-determination of the Bangsamoro?"

Nicky Perlas noted that peace is elusive because of the extreme poverty suffered by the Muslim communities, the areas least served by government. He would support the RSD and provide an adequate budget to implement a peace plan. On the failed Memorandum of Agreement on Ancestral Domain, Nicky said that the concept of the Bangsamoro

Juridical Entity should be well defined. He would support federalism but Charter change should only be done through a constitutional convention (after the Arroyo administration).

Brother Eddie said peace is elusive because of the absence of mutual trust. He pointed to the obvious insincerity of the parties involved in complying with the terms of their agreement, which has led to renewed armed conflicts. Brother Eddie, who has signed a covenant with the MNLF to respect RSD, will also have one with MILF and the IPs. He agreed with Perlas that federalism can be considered as a political system for the Philippines, but only through a constitutional convention. Brother Eddie capped his discussion by stressing that the wounds of Mindanao can only be healed if the government is sincere.

If JC is elected President, he would sit on the peace panel. He would support enhanced autonomy and respect subsidiarity to address the demands of the Moro liberation fronts for the right to self-determination. JC believes that military men should not serve on peace panels as their traumas from war may color their views of the negotiations.

Gibo Teodoro cautioned that the government must approach conflict from the legal framework. In the case of the MOA-AD, he stressed that any agreement on ancestral domain must respect the territorial integrity and sovereignty of the state, unless the Philippine Constitution is amended (thus leaving the door ajar to an agreement on the MOAAD under a GIBO presidency). On federalism, he emphasized that it should be granted to local governments that are ready. Otherwise, governance will be dysfunctional. (To say that Gibo is not favorably impressed by the ARMM is an understatement. But then, neither are the citizens of ARMM).

In the meantime, the Government of the Republic of the Philippines (GRP) and the Moro Islamic Liberation Front (MILF) have arrived at a consensus on additional initiatives during their 18th Exploratory Talks between held on April 20 to 21, 2010 in Kuala Lumpur, Malaysia.

We at the PCID acknowledge the efforts of the members of the peace panels, both from the GRP and the MILF parties, to accomplish initiatives that would further the goals of a peaceful Mindanao. Since the recommencement of the formal talks on December 8-9, 2009, the parties have steadily supported the peace process through effectively suspending aggression and hostilities, helping to reintegrate those who have been displaced, introducing international and local bodies aimed at bolstering talks and improving ground security, and lastly, through the introduction of the initiatives to embark on a Final Comprehensive Compact.

The Mindanao Peoples Caucus issued a statement welcoming the GRP-MILF initiatives and appealed “to all groups and sectors especially politicians and church leaders to

refrain from issuing statements that would undermine the laudable efforts of the peace panels of both government and MILF.” The MPC cautioned leaders from “issuing false statements that could just create unnecessary anxiety among the communities who bore the negative consequences of these irresponsible remarks and false assumptions about the interim agreement.”

We now await the responses of those who aspire to lead the nation.

- **Gordon to voters: Don't choose based on emotions**

Bagumbayan standard-bearer Richard "Dick" Gordon believes the late former President Corazon Aquino's son Benigno "Noynoy" Aquino III is not yet ready to take on the presidency as he urged voters not to choose based on emotions.

"Kailangan effective ang leader. Kailangan mamili tayo not based on emotion. Kapag may namatay makiramay tayo, pero kung papasok ang anak... Aralin natin kung kaya ng anak (We need an effective leader. We should not choose based on emotion. If someone died, we sympathize, but if the son wins... Let's think carefully if the son can [effectively lead the country])," Gordon said in an interview over radio dzMM's Magandang Morning with Tin-Tin and Julius Babao on Saturday. Aquino has been leading in pre-election surveys. He had a 12-percentage point lead over his closest rival, Nacionalista Party's Sen. Manuel "Manny" Villar Jr. in the presidential survey by Pulse Asia.

Gordon has been lagging behind in the surveys. Gordon urged the voters to ask themselves: "Can you live with a bad president again?" He said he has a lot to offer, citing his track record on good governance and effective leadership.

"Para makuha ang best, tingnan ang track record (To get the best, look at their track record)," he said as he enumerated his successes as chairman of Subic Bay Metropolitan Authority, Olongapo City mayor, tourism secretary and chairman of the Philippine National Red Cross.

No bills passed

Gordon also questioned Aquino's effectivity as a lawmaker, claiming that as member of the House of Representatives and the Senate, the LP presidential candidate failed to pass any bill. "Si Noynoy, wala siyang naipasa. Hindi siguro masigasig sa kanyang mga bill (Noynoy failed to pass any bill. Maybe he's not determined to pass his bills)," he said.

Unlike Aquino, he said he was able to pass sponsored or authored bills, including the Tourism Law, Automated Elections Law, International Humanitarian Law, Pre-Patent Law, the Mindanao Economic Development Authority Law and laws on alternative energy and holiday economics. Gordon said a lawmaker should eagerly pursue his pet bills, whether authored or sponsored, if he or she is really dedicated to his or her advocacies. In the "anti-smear" section of Aquino's website, it enumerated the LP

candidate's "authored" bills, which are focused on protecting workers' rights, human rights protection and corruption.

None, however, was passed into law.

The site quoted an analysis of Dr. Wilfrido Villacorta, professor emeritus at De La Salle University and member of the Constitutional Commission that drafted the 1987 Constitution, on Aquino's legislative record. "[Senator Aquino] believes that a true working democracy provides not only political freedoms but a better life for all Filipinos. A working democracy must be able to provide jobs, education, social services and equitable economic prosperity for everyone, not just the privileged few."

It added that Aquino is "A man of strong convictions, lived up to his constitutional responsibility as an opposition senator to fiscalize the executive branch of government. Noyon thoroughly examined the General Appropriations Act for 2009 [and every year without fail since his first term as Congressman] and proposed key amendments to the 2009 GAA that seek to tighten congressional oversight on the executive's use of public funds."

<http://www.abs-cbnnews.com/nation/04/24/10/gordon-voters-dont-choose-based-emotions?>

- **Proposal to hold manual counting of votes shot down**

The Commission on Elections (Comelec) and the Presidential palace have voiced their opposition to a proposal to manually count votes for all constituencies in a parallel process in the May 10 automated elections. The proposal was tabled by IT professionals, a poll watchdog, business and militant groups, as well as several presidential candidates and a Catholic bishop in the central Philippines.

Comelec has already allowed random manual audits of five polling precincts for each of the 229 legislative districts nationwide. "This would total 1,145 of the country's 76,000 precincts nationwide," Comelec Commissioner Gregorio Larrazabal said. "This is more than what is required under the law. This would enable us to see if [the] results of [a] random manual count tally with the electronic count," Larrazabal added.

Comelec spokesman James Jimenez said a 100 per cent parallel manual count for all precincts nationwide was not feasible now. "It is not as simple as going to a grocery and buying a bottle of vinegar. It has logistical and cost ramifications and personnel implications," Jimenez said.

Automated poll

Larrazabal complained that automated elections should not have been adopted by the government if a 100 per cent manual count would still be held.

Larrazabal added that a law was needed for such as Comelec was already implementing a

statute passed by Congress for automated elections.

Gary Olivar, President Gloria Arroyo's spokesman, warned that the simultaneous automated and manual counting of votes would "set us up for a very contentious outcome of election results"."What if the two counting systems came up with different outcomes and the law says the automated count should prevail? It does not help in the ultimate integrity and credibility of the process," Olivar added.

The Makati Business Club, Financial Executives Institute of the Philippines and the Management Association of the Philippines last week called for the manual counting of votes as part of a parallel verification process.

<http://gulfnews.com/news/world/philippines/proposal-to-hold-manual-counting-of-votes-shot-down-1.618408?>

- **Aquino's lead widens in Philippine opinion poll**

Philippine presidential hopeful Benigno "Noynoy" Aquino has posted a double-digit lead over his nearest opponent in an opinion poll published just two weeks before elections are to be held. It was the first time that Aquino has held a double-digit lead in a Social Weather Stations (SWS) poll since December.

The poll, conducted on April 16-19 and published on Monday, showed that support for the son of the country's late democracy icon, Corazon "Cory" Aquino, edged up 1 point to 38%. The country will hold national elections and launch its first automated vote count on May 10. Support for Aquino's closest rival, property magnate-turned-senator Manuel "Manny" Villar dropped 2 points to 26% in April.

Villar's ratings have slipped since February, when he closed in on Aquino's lead with a 2-point margin, partly due to allegations by his critics that President Gloria Macapagal Arroyo and her husband were supporting his candidacy. Arroyo is unpopular due to several corruption scandals during her nine years in office.

The number of undecided also inched up to 6% from 5%, according to the survey of 2,400 registered voters.

Aquino's ratings have been steady at above 35% since the country's two main independent pollsters, SWS and Pulse Asia, started surveys on presidential candidates late last year. Pulse Asia is likely to issue its latest poll later this week.

Former president Joseph "Erap" Estrada, ousted from office in 2001, and administration candidate Gilberto "Gibo" Teodoro remained at third and fourth respectively in the SWS poll. Estrada's ratings dropped 2 points to 17% from the previous survey in March. Teodoro's support improved by 3 points to 9% on the strength of the administration party's wider reach, but it was not enough to lift him from single-digit levels.

The results of the opinion poll, which have a 2% margin of error, were posted on the

Social Weather Stations website www.sws.org.ph/.

An informal poll conducted by Thomson Reuters during the annual convention of foreign exchange traders over the weekend showed 77%, or 37 out of 48 respondents, favoured Aquino as president. Teodoro came in a far second with 10% while Villar came in third with 8%. No one voted for Estrada.

<http://www.abs-cbnnews.com/nation/04/26/10/aquinos-lead-widens-philippine-opinion-poll?>

- **Economic Front**
- **National polls bring feast then famine: Report**

Filipino politicians have one of the worst records in Southeast Asia for stiffing the poor, coddling the rich and indulging themselves, The Washington Post said. A Post report from Manila by Blaine Harden said in an election season in the Philippines, the poor are inundated with “goodies” but the pre-election good times are almost always followed by post-election betrayal.

The need to do much for the poor is the primary talking point of 85,000 candidates running for 17,000 elective positions in the May 10 general elections, the newspaper said, and “it’s hard to keep track of all the incoming goodies.” Traditionally, aid to the poor drops off after the vote.

The campaign slogan of presidential frontrunner Sen. Benigno Aquino is “without corrupt officials, there are no poor people,” the report said, “but after 12 years in public office, he has little record of introducing legislation aimed at poverty reduction.” challenger, his slogan is: “End poverty once and for all.”

Villar says he understands poverty like no other candidate because he grew up in the slums and knows how to alleviate it, but his critics claim he became rich in part by using his political influence, the newspaper report said. Many of the candidates employ the services of entertainment and sports celebrities to boost their chances at the polls.

In the United States, Hollywood fame brings candidates no political fortune, The Washington Times reported.

It said a study by researchers at North Carolina State University found that celebrity endorsements by stars such as Madonna and George Clooney do not help political candidates.

http://www.thepeninsulaqatar.com/Display_news.asp?section=World_News&subsection=Philippines+%26+South+Asia&month=April2010&file=World_News2010042914132.xml

- **20,800 soldiers and cops start voting manually**

Over 20,000 soldiers, police officers and members of the uniformed service Wednesday

started to cast their votes in military and police camps across the country, 12 days ahead of the national elections. Some 19,000 soldiers and 1,800 policemen will vote until Friday based on the country's absentee voting programme, Commissioner Rene Sarmiento of the Commission on Elections (Comelec) said in a radio interview.

Officers and servicemen assigned to the Western Mindanao Command and the Southern Luzon Command were the first ones to begin voting yesterday.

Air force personnel based in Villamor Air Base in suburban Pasay City will vote today while soldiers in Metro Manila will vote at Camp Aguinaldo in Quezon City tomorrow.

Police stations, military camps, and government offices were designated as polling precincts, said Sarmiento.

The commissioner explained that voting will be done manually as it would be costly for the Comelec to utilise the automated system because of the small number of voters.

Colonel Ricardo Nepomuceno, spokesman of the military's Task Force Hope (Honest Orderly and Peaceful Elections), the poll body approved their request to allow soldiers and policemen to vote ahead of the May 10 elections since most of them will be assigned in areas away from where they registered as voters.

"We are encouraging all service commanders to ensure that all their subordinates who applied for absentee voting would be able to cast their votes," said Nepomuceno.

Results of the electoral process will not be announced ahead of the May 10 polls, he added. Police officers and soldiers are deputised by Comelec to maintain order during the election period.

Candidate's death

Governor Vilma Santos-Recto of Batangas province said she will stop campaigning for her re-election to show her sympathy and respect to the bereaved family of her rival, Armand Sanchez, who died a day after suffering a stroke.

"I am saddened by the death of former Batangas Governor Armand Sanchez. As an expression of sympathy for his family, I will not campaign during the mourning period for Governor Sanchez," said Santos-Recto, an award-winning actress before joining politics. "The provincial capitol will observe the mourning period for Governor Sanchez," she said on television.

The Comelec meanwhile said the former governor's wife, Edna Sanchez may not be allowed to take his place as a substitute candidate of the Nacionalista Party (NP).

Comelec spokesman James Jimenez said a person can only become a substitute for the deceased NP bet if he or she comes from the same party and is not running for any other position in the elections. "Whoever is fit to substitute for them can run on behalf of him [but] you cannot change positions anymore, this will leave a vacancy. The substitute

should [also] come from the same party or coalition," Jimenez said. While also an NP member, Edna is standing for re-election as mayor of Sto. Tomas, also in Batangas province.

<http://gulfnews.com/news/world/philippines/20-800-soldiers-and-cops-start-voting-manually-1.619485?>

- **Aquino set for landslide victory in polls**

The son of late Philippine democracy icon Corazon Aquino appears headed for a landslide victory in next month's presidential election, a survey said yesterday.

Thirty-nine percent of the respondents said they would vote for Benigno Aquino, two percentage points higher than the previous survey in early April, independent pollster Pulse Asia Inc. said. "With almost four in 10 Filipino registered voters supporting his presidential bid, Senator Aquino remains the leading presidential contender in the May 2010 elections," Pulse Asia said.

Tied at second place were millionaire property developer Manuel Villar and ex-president Joseph Estrada with support of 20 percent each. Villar, who had been regarded as Aquino's chief rival, saw his support fall five percentage points, while Estrada gained two points.

Estrada enjoyed the most emphatic win in Philippine electoral history in 1998 when he secured 39 percent of the vote. But his presidency ended abruptly in 2001 amid allegations of corruption and mass street rallies.

The latest survey by Pulse Asia, whose polling is regarded in Philippine politics as among the most reputable, interviewed 1,800 registered voters from April 23 to 25. It said the poll was its final one before the election.

Aquino tapped into a massive outpouring of sympathy over his mother's death late last year as a springboard for his campaign, despite questions over his meagre record as a legislator. Corazon Aquino led the "people power" revolution that overthrew dictator Ferdinand Marcos in 1986, then served as the nation's president for six years. Fifty million voters are set to go to the polls on May 10 to choose a replacement for President Gloria Arroyo, who is required by constitutional term limits to step down on June 30.

Support for chosen successor and representative of the ruling coalition, ex-defence secretary Gilberto Teodoro, remained at just seven percent, according to Pulse Asia.

Aquino was apparently buoyed by the results and attributed the increase in his numbers to the LP's intensive campaign in different parts of the country. "I've told you that once we move around (for the campaign sorties, my rating will increase)," he said. Estrada, for his part, said the Pulse Asia survey is good news. "This reflects that people are now seeing beyond the campaign propaganda of other camps and discerning who is truly opposition

and who is truly pro-poor,” said Estrada’s spokeswoman Margaux Salcedo. Administration bet Gilberto Teodoro of the Lakas-Kampi-CMD came in a distant third with seven percent; followed by Bangon Pilipinas candidate Bro Eddie Villanueva with three percent. Villanueva, meanwhile, said he is not bothered by his rating and maintains that the public should expect an upset in the election turnout, confident that the entire ticket of the BPP will win. Bagumbayan standard-bearer Sen Richard Gordon ranks fifth with two percent; followed by disqualified presidential candidate Vetellano Acosta of the Kilusang Bagong Lipunan with one percent. The other presidential candidates received less than one percent of the respondents’ votes.

http://www.thepeninsulaqatar.com/Display_news.asp?section=World_News&subsection=Philippines+%26+South+Asia&month=April2010&file=World_News2010043012844.xml

- **Social Front**
- **Philippine forces kill 5 rebels in raid before poll**

Philippine forces killed five members of the Abu Sayyaf group in a raid on their hideout in the southern jungles, a marine commander said on Friday, days before a national election the rebels have vowed to attack.

Soldiers seized explosives and bomb-making materials after heavy fighting with the Muslim militants linked to al Qaeda on Basilan Island. One soldier was killed and dozens wounded on both sides, said Brigadier-General Eugene Clemen. "Our troops found the Abu Sayyaf's bomb factory," Clemen told reporters, adding the rebels planned to disrupt the presidential and congressional elections on May 10.

Muslim separatists and Maoist guerrillas have in the past attacked voting centres and harassed people trying to vote in the country's troubled south. Bomb-making manuals in Arabic, mobile phones, two-way radio sets, electric circuits, switches and detonating cords were also seized from the militants' base in a wooded area near Sumisip town, Clemen said.

On April 13, Abu Sayyaf militants, dressed in army and police uniforms, detonated two crude bombs on Basilan's main city and exchanged gunfire with troops, killing 15 people and wounding more than a dozen others. U.S.-trained troops had scored tactical successes against the Abu Sayyaf when they killed a senior militant leader, Albader Parad, in a gunbattle in February. But experts say it remained a potent security threat.

<http://in.reuters.com/article/worldNews/idINIndia-48129520100430?rpc=401&feedType=RSS&feedName=worldNews&rpc=401>

- **Arroyo warned against tolerating Maguindanao massacre case mess**

An international media rights' watchdog has threatened to ask a United Nations body to

intervene if President Gloria Macapagal Arroyo fails to reverse her newly-appointed justice secretary's resolution absolving 2 members of the Ampatuan clan from the gruesome massacre of 57 people in Maguindanao last year."Your government's decision to withdraw certain charges against Zaldy and Akmad Ampatuan, [relatives] of the leading [Maguindanao massacre] suspect, has dismayed the families of the victims and journalists' organizations... We hope you will give renewed assurances that impunity will not prevail in this case, which unfortunately is what has happened in many other cases of journalists murdered in your country," Jean-François Julliard, secretary-general of the Reporters Without Borders, told President Arroyo in an open letter posted on the group's website.

Julliard said the group "will again refer this matter to the United Nations, in particular, to the UN Human Rights Council" if President Arroyo fails to "reinforce the resources available to the [Philippine] judicial system and to guarantee its independence."

The international media group said that Justice Secretary Alberto Agra's resolution absolving the 2 Ampatuans is a sign that President Arroyo's assurance that "the perpetrators [would] not escape justice" is being eroded by "very dangerous political considerations."

It reminded Mrs. Arroyo that the developments of the massacre labeled as the worst media killing case in the history of journalism, is being watched by the international community. Thirty journalists were among those killed by at least 200 gunmen allegedly led by Datu Unsay Mayor Andal Ampatuan Jr. in Barangay Salman, Ampatuan town last Nov. 23, 2009. Also killed were female members of a rival political clan of the Ampatuans, including the wife and 2 sisters of gubernatorial candidate Esmael "Toto" Mangudadatu.

"The date of the massacre, 23 November 2009, will always be a black day for press freedom all over the world. Never in the history of journalism have the media pay such a heavy price in loss of life in a single day," Julliard said.

Ampatuans' militia still active

The group also asked Mrs. Arroyo to assure that other suspects in the massacre would be arrested.

Dozens of suspects in the massacre, including armed militias, remained at large despite the government's declaration of martial law and state of emergency in the province. "We are very worried by the fact that two relatives of prosecution witnesses were recently murdered. Violence of this kind is liable to intimidate those who have agreed to testify against the perpetrators and instigators of the massacre," Julliard said in the letter.

Julliard said that their group has received information that the Ampatuans continue to

fund a private militia, which receives orders from their jailed "lieutenants."The group also urged Mrs. Arroyo to confiscate the properties of the Ampatuans, which are believed to be illegally acquired by the most feared political clan in Maguindanao, and distribute them to compensate the victims of the massacre.

Relatives of the killed journalists have attempted to ask the court handling the massacre case to postpone the hearings until a new president and a new justice secretary are installed after the May elections. Julliard said that the request is "legitimate" since Mrs. Arroyo had close ties with the Ampatuans before the massacre.

<http://www.abs-cbnnews.com/nation/04/24/10/arroyo-warned-against-tolerating-maguindanao-massacre-case-mess?>

Thailand

- **Political Front**
- **THAI KING CALLS FOR STABILITY**

Anyone who has ever backpacked through the land of smiles knows that the Thai people love their king (or at least put his picture everywhere). The world's longest-reigning monarch doesn't normally involve himself in the country's messy political upheavals, but King Bhumibol Adulyadej, 82, is finally speaking out after seven weeks of sometimes lethal protests

His Majesty the King addressed the nation's newly-appointed judges on Monday, telling them to perform their duties with honesty to help bring peace to the nation. "To perform judges' duty is important for the people. It is very important for you to help uphold justice and national order. If you strictly follow the oath you have taken, that will definitely help restore peace to the nation," His Majesty said in the nationally televised address. "There may be some people in the country who forget to perform their duty. You should set an example by doing your job with honesty and faithfulness," he said.

www.truthdig.com/eartothe-ground/item/thai-king-calls-for-stability-20100426/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+Truthdig+Truthdig:+Drilling+Beneath+the+Headlines

- **Is Thailand really more dangerous than Sudan?**

The UK's Foreign and Commonwealth Office has issued an advisory against all but essential travel to the whole of Thailand. This is because of the sporadically violent stand-off between authorities and protesters who would like immediate elections and the chance to bring down the government. The protests and sit-ins have largely been peaceful but this month they did turn violent and there were fatalities. Yesterday there was more blood shed.

Nonetheless the problems have been almost completely confined to the capital Bangkok,

and even then to parts of and not the whole city. I understand the Foreign Office's caution – the last thing it wants is British tourists to be killed after it had failed to warn of the dangers, and of course the situation could deteriorate. But at the moment the warning, as the Thais will be lobbying the British government today, looks over the top. Tourists and tourist areas have not been involved.

The Thais point out that the Foreign Office is not warning against travel in the whole of Sudan, the whole of Iran or even the whole of Iraq. Thailand of course is hugely dependent on tourism and the unrest is already strangling the economy. In the past Bangkok airport, through which much of the tourist trade passes, has been blocked. But that is not likely to be the case again. All those Brits stranded in Bangkok by the Icelandic volcano can testify to the hospitality on offer.

As some of the commenters on our stories point out, the advice as it stands today looks like an exaggerated exercise in covering one's behind.

<http://blogs.telegraph.co.uk/news/adrianmichaels/100037070/is-thailand-really-more-dangerous-than-sudan/>?

- **Economic Front**
- **Protest-hit businesses get tax break**

Businesses crippled by the Ratchaprasong occupation will be given a 180 day extension on tax payments and other financial obligations, while their employees will be given assistance until the crisis is over. The economic ministers yesterday approved the move as the occupation of the intersection by the red shirts stretches into its fourth week with no end in sight. The relief measures were proposed by the Finance Ministry.

Economic ministers yesterday expressed their concern at the effect the protest was having on business operators and workers. The entire upscale shopping district which attracts bigspending tourists and locals is completely shut down by the anti-government United Front for Democracy against Dictatorship (UDD). Putthipong Punnakan, a vice-minister with the Prime Minister's Office, said the cabinet estimates the protest will lower gross domestic product by 0.64 of a percentage point, or around 50 billion baht, if it lasts for three months. GDP growth this year was forecast at 4.5% by the government.

The ministers approved extensions to payments on valued added tax, corporate taxes, property tax and contributions to the Social Security Fund as well as utilities payments for the affected businesses.

In addition, the Finance Ministry will instruct state financial institutions such as the Government Savings Bank and the Small and Medium Enterprise Development Bank of Thailand (SME Bank) to provide soft and emergency loans to affected operators.

Initially, five billion baht will be provided with interest set at three percent-Protest-hit

businesses get tax break Minister puts losses at 50 billion baht age points below each bank's minimum lending rate, Mr Putthipong said. The government will also compensate retail vendors in the area who have had their customers scared away.

The Finance Ministry has been asked to discuss measures with the Bank of Thailand to relieve the burden of operators with credit card obligations. "However, if the government later discovers that operators who receive state assistance have provided support to 'the terrorists', all of the assistance will have to be returned," he said.

Measures to help affected employees falls into two categories — those who have lost their jobs and those whose earnings have been reduced by their businesses being suspended.

The Labour Ministry is preparing to register the affected employees. Initially, it expects about 20,000 workers earning an average of 15,000 baht a month to seek help. Investigations will be conducted into the impact of the protest and how much assistance will be provided.

Workers can expect financial assistance from next month, Mr Putthipong said. The Tourism and Sports Ministry has also been ordered to evaluate the impact on tourism and the flow-on effect to the economy. Prime Minister Abhisit Vejjajiva said on Sunday his government had met with Ratchaprasong business operators and hoteliers on the damage. He decided to assist them with their cashflow problems as well as finding ways to release certain non-durable goods.

Anti-government protesters have rallied there since April 3 demanding Mr Abhisit dissolve the House in 30 days and call for a fresh general election. Mr Abhisit has turned down the demand. Shops and deluxe hotels around the Ratchaprasong intersection and nearby areas have closed their businesses temporarily on concerns of safety and it is still not known when they would reopen.

<http://www.bangkokpost.com/news/local/175929/protest-hit-businesses-get-tax-break?>

- **Thailand keen on tie-ups; seeks investments**

A high-powered business delegation from Thailand has invited Indian entrepreneurs to visit them and explore opportunities for investment and mutual cooperation across various sectors, including value-added services.

Areas of interest During an event hosted by the Federation of Andhra Pradesh Chamber of Commerce and Industries (FAPCCI) here on Monday, the delegation under the leadership of Dr Atchaka Sibunruang, Chief, Board of Investment of Thailand, India-desk, called upon entrepreneurs to explore opportunities in the areas of agriculture and agro processing, automotive, fashion, electricals and electronics, alternative energy and environmental-related services.

During her presentation, she mentioned that Thailand ranked third in ASEAN investors and 19 {+t} {+h} of international investors into India. Over 15 years, there were 144 projects from Thailand, which have invested into in India with a total outlay of about \$822 million, accounting for 1.12 per cent of the total foreign direct investment into India. The visiting delegation mentioned the potential for chamber to chamber cooperation that could play a role in further boosting trade ties.

FAPPCI mou

The India-Thai Business Association and FAPCCI entered into a memorandum of understanding for strengthening relationship and promoting bilateral trade, investment, technology transfer, joint ventures and collaborations.

The MoU was signed by Mr Shekhar Agarwal, Senior Vice-President, Fapcci and Mr Vinod K. Gupta, Secretary General, India-Thai Business Association. As members of the Asian Regional Forum, there is scope to play a role in expanding opportunities in the value added services segment, representatives at the meet expressed.

With the signing of the free trade agreement between India and ASEAN, Thailand is targeting \$10 billion worth bilateral trade in 2010, according to Mr. Srinivas Ayyadevara, Chairman of International Trade Relations, Fapcci.

<http://www.thehindubusinessline.com/2010/04/27/stories/2010042750061900.htm?>

- **Economic, social imbalance causes of 'national crisis'**

Economic and social structures are the root causes of the political turmoil and can only be tackled with reforms, a seminar was told.

Thailand was facing a national crisis, said King Prajadhipok's Institute secretary-general Borwornsak Uwanno. His institute along with the Thailand Development Research Institute (TDRI) had explored ways out of the crisis and identified four scenarios, said Mr Borwornsak.

To do nothing and keep waiting until civil war erupts was the first scenario, a military crackdown another. The third scenario was to press ahead with distributing incomes in a populist manner and the last scenario was to turn Thailand into a welfare state, said Mr Borwornsak. "I don't want more protest suppression or any new military coup," he said.

"Nor do I want more populist policies that spoil the people, which in my view are as evil as vote-buying," he said. It would be best for all sides to calm down and call on those behind the attacks to stop, and for politicians to go back to doing their duties in parliament, said Mr Borwornsak. Police must enforce the law to ensure peace and order.

Whenever two or more different groups of protesters were about to clash, police must stop them, he said. "No one needs to question if the law has been properly enforced.

"Had it been, not a single person would have been killed," he said, referring to the people

killed in recent street clashes. Political Development Council chairman Suchit Bunbongkarn said: "No matter how this political situation ends, these structural problems will still exist and we can't hope politicians will resolve them on their own."

<http://www.bangkokpost.com/news/local/36577/economic-social-imbalance-causes-of-national-crisis?>

- **Social Front**
- **Thai army to increase action against protesters**

Authorities in Thailand are set to intensify efforts to contain anti-government protests following the death of a soldier.²⁷ people have died with nearly 1,000 injured in seven weeks of protest in Bangkok.

The "red shirt" protesters are campaigning for early elections to oust Prime Minister Abhisit Vejjajiva. The Thai leader is under increasing pressure to break up the group's makeshift encampment in the heart of the capital's shopping district. An army spokesman says that troops will man checkpoints on the city's roads to prevent weapons being imported and discourage people entering the area.

But speaking to protesters, red shirt leader Weng Tojirakarn has said: "The government is bringing war upon us. I believe more people will come after what has happened and we will keep fighting. We believe victory is near."

The violence has had a devastating effect on the country's tourist industry. The Foreign Office has warned British travellers against visiting Thailand. The Thai economy is also expected to take a hit. The central bank has shaved 0.9 per cent off its latest economic growth forecast for 2010.

With neither side showing any sign of compromise, further flashpoints are likely. Professor Somjai Phagaphasvivat of Thammasat University warns that "any slight provocation by either side could again spiral into violence."

<http://itn.co.uk/082dab20d7136e96945f8374b8848474.html>

Cambodia

- **Political Front**
- **We're not a banana republic, Cambodia tells diplomats**

The Cambodian government has told all foreign diplomatic envoys to avoid criticising the country, insisting it is not a "banana republic". A foreign ministry letter sent to all diplomatic missions in Cambodia asked them to "avoid interfering in the internal affairs" of the country, regardless of the power of their home nations." There have been many occasions, in which some heads of diplomatic missions behaved like a 'proconsul' of his/her country to the Kingdom of Cambodia. They indulged themselves to criticise or to give lessons to the Royal Government of Cambodia," the letter said.

“Such behaviors are not acceptable for Cambodia as a sovereign country and a member of the United Nations. Cambodia is not a BANANA REPUBLIC,” it added. Asked about the letter dated April 26, foreign ministry spokesman Koy Kuong said it was issued to remind all diplomats not to “exceed the limit of their mandate”. Cambodia last month threatened to expel a United Nations envoy if UN agencies continued “unacceptable interference” in the country.

The move came after UN agencies in Cambodia urged “a transparent and participatory” process as parliament debated an anti-corruption law that was criticized by the opposition and rights groups. Cambodia passed the anti-graft law in parliament on March 11, more than 15 years after legislation was first proposed.

http://www.thepeninsulaqatar.com/Display_news.asp?section=World_News&subsection=Rest+of+the+World&month=April2010&file=World_News201004291489.xml

- **Economic Front**
- **Trade deficit with S'pore has to be addressed: Cambodia**

WHILE Singapore is one of Cambodia's main trading partners today, the Kingdom has a large bilateral trade deficit with Singapore that needs to be addressed, said Cambodian Deputy Prime Minister Sok An.

'Cambodia needs to diversify itself. We want to increase the volume of our exports. So far we have only sectors like agriculture and rubber, but we don't have a big export quantity. We should not limit ourselves to these few items.'

Speaking at a business forum here yesterday, he said that he wanted to see greater economic cooperation between the two countries by accelerating bilateral trade and enhancing the Republic's investments in Cambodia.

These include trade facilitation, port management, banking and finance, small and medium-sized enterprises, industrial parks, and city and urban planning where Singapore has been successful overseas particularly in China and Vietnam, said Dr Sok, who is also Minister-in-Charge of the Council of Ministers.

The day-long forum - co-organised by the Institute of Southeast Asian Studies (Iseas) - was attended by 240 people including senior government officials, scholars, researchers and business leaders. Bilateral trade and investment between Singapore and Cambodia has increased more than fourfold over the past 10 years, and total bilateral trade is expected to exceed US\$2 billion in the coming years, he added.

'Cambodia needs to diversify itself. We want to increase the volume of our exports,' Dr Sok later told BT in an interview. 'So far we have only sectors like agriculture and rubber, but we don't have a big export quantity. We should not limit ourselves to these few items.' Singapore invested in 106 projects in Cambodia between 1994 and 2009.

Investment capital came to US\$658 million, spread over several sectors including services and manufacturing, in particular, garments. Dr Sok added that he looked forward to learning from Singapore's experience in good governance, as well as finding ways to enhance cooperation in the tourism sector to boost travel numbers on both sides.

It was a packed schedule for Dr Sok as he and his wife were also hosted to an informal lunch by Foreign Minister George Yeo. He later adjourned to the Istana where he paid a courtesy call on Prime Minister Lee Hsien Loong.

During the meeting, the two leaders affirmed the warm and strong bilateral relations between their countries, said the Ministry of Foreign Affairs. Dr Sok also called on Deputy Prime Minister and Home Affairs Minister Wong Kan Seng.

Besides being briefed by the Casino Regulatory Authority yesterday, Dr Sok visited the Agri-Food and Veterinary Authority's Marine Aquaculture Centre on St John's Island, the Institute of Technical Education, and the Resorts World Sentosa integrated resort over the weekend

<http://www.business-times.com.sg/sub/news/story/0,4574,382694,00.html?>

- **Cambodian PM predicts GDP growth of 5 pct this year**

Cambodian Prime Minister Hun Sen estimated on Tuesday that his country's economy would grow around 5 percent this year and said resilient agricultural output had helped the country avoid recession in 2009. "Passing through storms and rains in the past year, even though the country faced the global financial crisis, drought and flooding, typhoon Ketsana, we achieved remarkable results in increasing agricultural production," Hun Sen told a forum of government, development bank and private sector representatives.

Hun Sen said Cambodia's economy grew last year due to 5 percent growth in the agricultural sector, but he did not give a figure for gross domestic product.

The Finance Ministry has estimated GDP grew 0.1 percent last year. The World Bank says it shrank 2 percent because of poor garment exports, lower tourism receipts and weak foreign direct investment, and the Asian Development Bank (ADB) agrees.

Growth estimates for this year from multilateral agencies are a little lower than Hun Sen's but the prime minister was dismissive of "all these big institutions with their economists who get paid salaries of tens of thousands of dollars".

"I advised my officials: 'don't believe these people so much'. I speak frankly," he said.

The International Monetary Fund is forecasting GDP growth of 4.8 percent this year and 6.8 percent next year. The World Bank's estimate for this year is 4.4 percent and the ADB's is 4.5 percent.

IMF Resident Representative John Nelmes said there seemed to be broad agreement on the outlook for Cambodia. "Even though there may be small differences of a few decimal

places, the main economic trend captured by the estimates is essentially the same: Cambodia's economy contracted in 2009, but it is now undergoing a recovery," he wrote in an email.

<http://www.iii.co.uk/news/?type=afxnews&articleid=7861221&subject=economic&action=article>

- **Social Front**
- **CAMBODIA: Malaria cases rise sharply**

The number of malaria cases recorded in Cambodia has increased significantly, say health officials, citing several reasons, including better detection and reporting.

According to the National Center for Parasitology, Entomology and Malaria Control, there was a 41 percent increase in cases last year. The country - which has become an epicentre for malaria - recorded 83,217 malaria-infected persons in 2009, from 58,887 the previous year, after a steep drop in the number of cases over the past several years.

The mosquito-borne disease killed 279 people in 2009 from 209 in 2008, Chea Nguon, the centre's deputy director, told IRIN from Phnom Penh.

Multiple factors

Nguon cited several factors for the spike, including an earlier-than-usual rainy season, a late distribution of insecticide-impregnated bed nets, and internal migration to malaria-affected areas. He said there was also a natural cyclical rise in the number of cases every two to three years. In addition, the increase reflected a rise in the number of people with access to healthcare, he said.

Since 2004, the government has trained malaria workers in 1,300 villages to detect and treat malaria, so a greater number of patients are being properly diagnosed and recorded than in previous years.

"Cambodia is establishing more and more village malaria workers, who are detecting more malaria that wasn't detected previously," said Steven Bjorge, technical officer for the World Health Organization (WHO) in Cambodia. "The populations most affected are people who work in the forest," Bjorge said. Those include soldiers and their families, plantation workers, and even workers at a hydroelectric plant in the west of the country. Villagers hunting and gathering in the forests were also at risk, he said.

Many malaria patients in areas with poor access to public health facilities attend private clinics, which do not report cases to the government. Nguon said the number of cases still might be higher than recorded, and as the government trained more village malaria workers, the figures may rise because of better reporting.

Drug resistance

Cambodia in recent years has become one of the world's malaria focal points after

authorities detected along the country's western border with Thailand a strain of the disease resistant to Artemisinin, one of the most effective drugs used to treat malaria. WHO has set up a special Artemisinin-resistant malaria containment project in the area.

"As in the past, the Thai-Cambodian border is home to the emerging drug resistance. The two countries and several partners, donors, as well as WHO, are working relentlessly to eliminate this dreadful parasite from this hot spot," said Jai P. Narain, director of communicable diseases for the WHO Southeast Asia regional office.

Nguon noted that the number of cases in 2009 was still dramatically lower than 12 years ago, when there were 170,387 infected persons and 865 deaths.

"Compared to Vietnam or Thailand, the [numbers of] cases are still high," he said. "We hope to eliminate malaria by 2025, and we are committed to that goal, but it's still in the process." The government and NGOs are continuing to train village malaria workers and to collect data on malaria patients who sought medical assistance from private clinics.

<http://www.irinnews.org/report.aspx?ReportID=88937>

Vietnam

- **Political Front**
- **Vietnam Pushes for More Trade and Regional Engagement 35 Years After US Departure**

It has been 35 years since North Vietnamese forces took over the capital of what was then South Vietnam, ending a long and bloody war with the United States. Today, a unified Vietnam is focused on free market economic reforms, while maintaining its communist political system. That presents roadblocks to closer ties and more trade with its onetime enemy - the United States.

These days, Vietnam is more concerned with dollars and cents than with war and peace. Trade and economic issues dominate the concerns of the government. And they dominate the relationship between Vietnam and the United States.

But it has not been an easy road for Vietnam since 1975. Not only did it have to rebuild after the war with the U.S., but it also had to deal with a changing world in which its main sponsor, the Soviet Union, collapsed and the communist political system it fostered largely disappeared.

Frederick Brown of the Johns Hopkins University's School of Advanced International Studies in Washington says Vietnam had little choice but to adapt.

"With the imminent fall of the Soviet Union and Eurocommunism in 1986, Vietnam really came to a crossroads," said Frederick Brown. "It had to abandon the Marxist economic model. And that was done in the Sixth Party Congress of 1986. That was the

beginning of an extraordinary evolution that has proceeded until today."

The reforms, known as *doi moi*, were adopted at a Vietnamese Communist Party Congress in 1986. Like its communist neighbor to the north, China, Vietnam liberalized its economy and looked to wooing foreign direct investment, while maintaining a single-party state. Political reform did not come with economic reform.

China's evolution might have been an inspiration for Vietnam's reforms. But analysts say that China's growing power has motivated Vietnam to reach out to the rest of Asia and the United States.

Ernest Bower, director of the Southeast Asia program at the Center for International and Strategic Studies in Washington, says Vietnam's concerns about China were key to its entrance into the Association of Southeast Asian Nations, or ASEAN, in 1995 - the same year it normalized relations with the United States. "Vietnam joined ASEAN because it believed ASEAN would be a significant group who could together oppose the pressure and the assertiveness of a growing and more engaged China," said Ernest Bower. "And I think Vietnam has actually been a very strong member of ASEAN, surprising even its original members."

Frederick Brown of The Johns Hopkins University says trade is the cornerstone of U.S.-Vietnam relations. But, he adds that growing Chinese influence has been a concern for Vietnam's leaders as Hanoi tries to walk a thin line between China and the United States.

"For Vietnam, [there are] lots of difficulties with many of their own political cadres who are very concerned about the relationship with the United States," said Frederick Brown.

"[As] the old saying [goes], "[too close to China, you lose your country; too close to America, you may lose the [Communist] Party." But human rights issues complicate Vietnam's move toward closer ties with the United States, particularly its desire for special treatment in trade and other economic ties.

Vietnam's efforts to attract more foreign investment have also been hampered by internal bureaucratic hurdles and corruption. Analyst Ernest Bower says the most egregious corruption has been curbed, but the problem persists. "Major corruption has been significantly put back in the box because the [Communist] Party sees that large-scale corruption was a risk to the Party's very survival," he said. "But there's still a lot of bureaucratic red tape. It's still very hard to get deals done in Vietnam. You've got to go through a lot of steps. And smaller scale corruption is still sort of endemic, and it's a problem."

The Vietnamese government recently initiated a program to help wipe out corruption. Called "Project 30," it holds ministers accountable for streamlining administrative procedures and increasing transparency.

<http://www1.voanews.com/english/news/asia/Vietnam-Pushes-for-More-Trade-and-Regional-Engagement-35-Years-After-US-Departure-92470084.html?>

- **Vietnamese predict a promising future**

Thirty-five years after the end of the Vietnam War, the people of this country are optimistic about the future, bullish about the free market and rarely think about a conflict that still ignites political passions in America.

A new Associated Press-GfK Poll, one of the most exhaustive surveys to date of contemporary Vietnamese attitudes, underscores how rapidly life has changed in Vietnam. Under a single-party Communist government, the country has embraced market-oriented reforms and lifted tens of millions out of poverty.

Eighty-five percent said the economy is stronger than it was five years ago, and 87 percent said they expect it to be even stronger in another five years. Eighty-one percent said the country is moving in the right direction.

"The country has changed so much in so many ways since the end of the war that you can't imagine," said Luong Trung Thanh, 72, a retired teacher from Hanoi.

The war ended on April 30, 1975, with the fall of Saigon, now known as Ho Chi Minh City, to communist troops from the north.

Initially, hunger was widespread as the government launched a centrally planned economy and the West imposed an economic blockade. But two decades ago, the communist leadership began opening up the economy.

A new economy

Economic growth has averaged more than 7 percent annually over the last decade, and the share of the population living in poverty has fallen from 58 percent in 1993 to 11 percent last year. Per capita income has risen from \$400 in 2000 to \$1,000. Incomes are roughly twice that in the two largest cities, Ho Chi Minh City and Hanoi, the capital.

At a shop in central Hanoi, Vietnam's upwardly mobile snap up digital cameras, iPods and other high-tech devices.

Nevertheless, pocketbook issues remain the top priority for most families, according to the AP-GfK Poll, ahead of issues such as the environment, crime, housing and traffic.

For those stuck at the bottom, watching Vietnam's explosive growth can be difficult.

Nguyen Thi Thanh, 47, a Hanoi fruit vendor, spends her days dodging motorbikes and cars while trying to scratch out a dollar or two of income. On the streets around her, the nouveau riche tool around in BMWs, Mercedes and even Bentleys.

"Some of them spend more on breakfast than I earn in a week," Thanh said.

The survey showed strong support for private enterprise. Fifty-six percent favored more private ownership of business, while 25 percent thought there should be more

government ownership.

The number of private enterprises has risen sharply over the last decade, but many are mom and pop operations. Large state-owned firms dominate the economy, with some enjoying monopolies over key industries.

Seventy-seven percent said large income differences are acceptable, because they give people an incentive to work harder. The same percentage also said competition encourages enterprise.

The AP-GfK Poll interviewed 1,600 people across the country.

On the Vietnam War — known here as the American War — 56 percent said they rarely think about it. Only 11 percent said they think about it often.

Fifty-five percent said the war didn't affect them directly, but more than 60 percent of Vietnamese were born after the war. Read more: http://newsok.com/vietnamese-predict-a-promising-future/article/3457524?custom_click=rss#ixzz0mc9aSX8d

http://newsok.com/vietnamese-predict-a-promising-future/article/3457524?custom_click=rss

- **Stand-off is affecting Thailand and Asean**

The lingering political conflict in Bangkok is starting to have a direct impact on Thailand's relations with other countries. For instance, Prime Minister Abhisit Vejjajiva had to, at the last minute, cancel his trip to Hanoi last week for the Asean summit and send the Deputy Prime Minister for Economic Affairs, Trairong Suwankhiri, instead.

The situation is getting from bad to worse. The capital, as well as Nonthaburi and some districts in Pathum Thani, Nakhon Pathom, Samut Prakan and Ayutthaya, have had to be put under the state of emergency. And if dealing with this turmoil is not difficult enough, the Election Commission is now recommending that the Democrat Party be dissolved for accepting illegal campaign funding in 2005. The Asean Secretariat and its members are looking at the situation with huge concern. Asean's agenda is ambitious and Thailand's driving force in the regional integration process is badly needed. The grouping held its 16th summit in Hanoi, and though the direct impact from the Thai premier's absence might not be evident, the message is clear - Thailand is ungovernable at present.

The situation is changing from day to day, and this very fact is starting to have a direct impact on bilateral relations.

Over the past few years, Thailand has been struggling with political chaos and violent confrontations among political rivals. In 2009, while the Kingdom was holding the prestigious chairmanship of Asean, the situation started to deteriorate. By the end of last December, Thailand handed the grouping's leadership over to Vietnam. This was also the moment the political situation in Thailand started to get more intense.

However, as Thailand struggles with its internal politics, people seem to have forgotten the country's importance in the region. The country, as an economic powerhouse, is a driving force in Asean, which in turn is crucial for the region's development.

The United States and the European Union are also getting increasingly nervous. At the daily press briefing in Washington on April 7, the US State Department replied to a question about the situation in Thailand by saying: "We respect the right of freedom of expression. However, entering government buildings through force is not an appropriate means of protest. Everyone has the right of assembly and to protest peacefully, but we hope that differences can be resolved through democratic institutions and not through violence."

The European Union issued a similar statement with regard to the ongoing political crisis. Lady Catherine Ashton, the recently named EU high representative for Foreign Affairs and Security Policy as well as vice-president of the European Commission, said on April 8: "The EU is following the situation in Thailand, including the recent declaration of a state of emergency in Bangkok, with particular concern. The EU commends the policy of the Thai government to use as little force as possible against the protesters, thus setting an example of moderation and restraint in the region.

"I call on the government to ensure that the declaration of a state of emergency does not lead to any disproportionate restrictions of fundamental rights and individual freedoms. While recognising the need to restore order, no unnecessary force should be used. Any escalation of violence would only hinder the possibilities for future dialogue. I also call on all parties to continue dialogue within a legal framework so as to finally restore stability, which the country so much needs and which is necessary to advance our bilateral relations."

Though this official statement is vaguely formulated, it interestingly mentions the importance of the region and the bilateral relations the rest of the world has with it.

There might be two reasons behind this: the newly appointed Lady Ashton is still trying to find her feet in international affairs, and nobody knows who will be in power in Thailand in the next six months.

The European Union has always been soft in criticising what was in fact a non-democratic government in Thailand, because it believed the administration brought stability to the Kingdom. This, however, is no longer the case. Yet, with this vaguely formulated statement, EU aims to keep its door open for cooperation with other governments to come.

Thailand is on the crossroads once again. However, the road it chooses to take will not just have an impact on the country's future and its political landscape, but will also affect

its position in Asia, its ties within the Asean and its role as a driving force in Southeast Asia's external relations.

Dr Alexander Mohr was a lecturer in international relations at the Institut d'Etudes Politiques de Paris and is partner for international relations at the European government relations firm Alber and Geiger in Brussels.

<http://www.asianewsnet.net/news.php?id=11535&sec=3>

- **Economic Front**
- **Small banks should be forced to merge: official**

Small lenders that are not able to raise capital to meet higher requirements set by the central bank should be forced to merge, a senior official says. "Mergers and acquisitions are good for banks, especially those that can't raise capital," said Le Duc Thuy, Chairman of the National Financial Supervision Committee. "Besides, the activities will reduce the number of credit institutions, which is quite high considering the small market now."

Thuy said it would be hard for partly-private banks to raise capital by issuing shares this year as the stock market is still sluggish and bank stocks have lost their appeal.

The government has required commercial banks to raise their registered capital to at least VND3 trillion (US\$162.5 million) by December this year, which is triple the current minimum level of VND1 trillion. "There are around 20 banks that have not met this requirement yet," Thuy said in an interview published by the Vietnam Economic Times late last week.

The whole banking system has an average 8 percent capital adequacy ratio but there are problems under the surface, he said. The higher the capital adequacy ratio of a lender, the more capable it is in dealing with risk.

"The trend in the world is to raise this ratio. Many regional countries have already reached 12 percent for a long time and their ratios are still growing..."

<http://www.thanhniennews.com/2010/Pages/20100427151603.aspx>

- **US Business & Sourcing Mission to Vietnam in October 2010**

To commemorate 15th anniversary of the US Vietnam Trade Agreement, a business mission is being organized to provide American companies with opportunities to identify and develop business opportunities in Vietnam.

To commemorate 15 years of the US- Vietnam Trade Relationship, a US Business mission is being organized by Vietnam Resource Group, LLC in cooperation with the US-Vietnam Business Association (www.uvba.org) to provide American companies with opportunities to identify business opportunities in Vietnam. It is scheduled from Oct. 15 to 21st, 2010 in Ho Chi Minh City, Vietnam. Targeted industries include : Automation, Machine Tool, Plastic, Rubber, Packaging, Textile, Garment and Furniture.

Participants will be provided with plenty of opportunities to meet individually with Vietnamese companies that are interested in buying American products/machinery/services as well as with Vietnamese exporters that are looking for potential buyers in the US markets throughout numerous activities during the mission. Each participant will have a customized working program based upon their objectives.

The mission program is being coordinated and supported by the US Vietnam Business Association in the US, The Export Promotion Center of the Ministry of Trade & Industry, The Ho Chi Minh City Export Processing Zone Authority and the Investment & Trade Promotion Agency in HCM City.

Highlights of the mission include:

Networking meeting with Vietnamese executives organized by the Export Promotion Center. This event is to provide participants with opportunities to meet with potential http://news.yahoo.com/s/prweb/20100426/bs_prweb/prweb3920094?

- **Vietnam Inflation Still Likely to Surpass 10%, Citigroup Says**

Vietnam's inflation rate will still probably surpass 10 percent and rise to almost 11 percent this year in spite of a slowdown reported in the latest figures, Citigroup Inc. said. Vietnamese inflation slowed in April to a year-on-year rate of 9.2 percent, down from 9.5 percent in March and the first reduction in the rate since August. Prices rose 0.14 percent in April from March, the lowest figure since a decline in monthly inflation in March 2009. Moody's Investors Service said last month that Vietnam had yet to quell inflationary expectations, and Fitch Ratings cited the risk of a further build-up in price pressures when it put the country's debt rating on negative watch.

"Given that the deceleration is largely driven by food prices, which can be very volatile, we would be wary of extrapolating benign inflation trends this year," wrote Johanna Chua, the Hong Kong-based head of Asian economic research at Citigroup.

Overall food prices rose 9.56 percent in April from a year earlier, slower than March's 10.73 percent, according to the General Statistics Office in Hanoi. From a month earlier, food prices dropped 0.63 percent, with the sub-category including rice sliding 1.91 percent. "We still expect headline inflation will hit double-digits in the coming months, peaking close to 11 percent," Chua wrote.

Credit Policies

Credit policies in Vietnam have become more restrictive since last year, she wrote. Credit expanded 38 percent last year in Vietnam, and the central bank has said it's targeting a 25 percent figure this year and that lending in the first quarter grew 3 percent.

Still the central bank shouldn't take the recent inflation figures as a signal to loosen monetary policy, Chua said.

Vietnamese Prime Minister Nguyen Tan Dung last week asked state-owned banks to cut their lending rates, according to Thoi Bao Ngan Hang newspaper.

“We don’t think this recent figure is a clear trend,” Chua wrote. “One risk is that a temporary turn in inflation could lead the State Bank of Vietnam to reverse or delay much needed monetary tightening.”

A removal of a past link between a central bank benchmark and maximum lending rates at commercial banks caused some borrowing rates to surge to 18 percent, HSBC Holdings Plc said on April 23.

“More recently, rates have started to stabilize at around 14 percent,” wrote Wellian Wiranto, a Singapore-based economist at HSBC. “The central bank must be thankful for the space that seasonally low food prices has offered them.”

<http://www.businessweek.com/news/2010-04-26/vietnam-inflation-still-likely-to-surpass-10-citigroup-says.html?>

- **Vietnam is Now Second Among Coffee Exporters**

According to a report in the Voice of Vietnam News, Vietnam is now ranked second among coffee exporters, and has become an important member of the International Coffee Organisation (ICO), but the majority of its coffee is still exported unprocessed. This means that foreign importers do not know about Vietnam’s processed coffee. ICO said that last year’s global coffee production stayed at almost 7.5 million tonnes, a decrease of nearly 300,000 tonnes compared with the previous year. This was mainly due to a drop in production in Brazil, Vietnam and Colombia.

This year’s global coffee consumption is estimated at nearly 8 million tonnes. Despite this fact, the export prices of Vietnamese coffee are continuing to fall sharply. The average export price in March was only US\$1,370 per tonne, the lowest level since November 2006

http://www.internationalsupermarketnews.com/index.php?option=com_content&view=article&id=3518:vietnam-is-now-second-among-coffee-exporters&catid=36:drinks

- **Vietnam sees bilateral trade with India growing further**

between India and Vietnam, which has been growing at about 20 per cent on a year-on-year basis, is set to grow further with the signing of the ASEAN-India Free Trade Agreement and a memorandum of understanding between the two countries last year, according to Mr Vu Quang Diem, Ambassador of Vietnam to India.

The bilateral trade in 2009 amounted to \$2.055 billion, of which India's export to Vietnam was worth \$1.635 billion. “With the ASEAN-India FTA and MoU on India's recognition of Vietnam's market economy signed last year, more opportunities and favourable conditions have been provided to promote further economic relations,

especially trade and investment between India and ASEAN countries, Vietnam in particular,” Mr Quang Diem said while speaking at an interactive session organised by the Bharat Chamber of Commerce here on Saturday.

While mobile phones, computer, electronic components, spare parts, coffee, ores and other minerals were among the major items of export from Vietnam, cattle feed ingredients, pharmaceuticals, steels, spare parts, tobacco ingredients formed the major export items from India into Vietnam, he pointed out.

Indian companies, Mr Quang Diem said, had invested about \$201.4 million in 41 projects in Vietnam in 2009. There have been a number of successful business delegations to Vietnam from India, he said.

He added, “The business delegates from India who came to Vietnam have expressed interest in various areas such as mining, steel, carbon black, real estate, herbal medicine and infrastructure finance among others,” he pointed out.

<http://www.thehindubusinessline.com/2010/04/25/stories/2010042551540400.htm?>

- **Vietnam cuts fuel import tariffs to stabilize prices**

The government has cut import tariffs on oil products by 3-5 percent in an attempt to stabilize local pump prices as global prices rise, an official said.

Nguyen Tien Thoa, head of the Price Management Department at the Ministry of Finance, said the tax cuts took effect on Wednesday. The new tax rate on gasoline will be 17 percent from the previous 20 percent while the tariffs on kerosene and diesel were lowered to 10 percent from 15 percent.

Fuel traders had previously asked the government to reduce import taxes so that they can halt price hikes as ordered by the government. But the Finance Ministry rejected the requested, saying cutting taxes would be a last resort.

Instead the Finance Ministry two weeks ago allowed local fuel traders to offset their losses by extracting money from a state fund reserved for stabilizing fuel prices. The VND1.5 trillion fund has granted fuel traders VND500 per liter of gasoline and VND400 for every liter of kerosene. Petrolimex, Vietnam’s top oil product importer and distributor, said on Monday it was incurring a loss of VND1,403 on every liter of gasoline and VND500 per liter from the price stabilization fund would not be enough.

<http://www.thanhniennews.com/2010/Pages/20100420202549.aspx?>

- **Environmental Front**

Singapore

- **Political Front**

- **political system changes with key amendments to Bills**

Parliament has passed the Amendment Bills for the Parliamentary and Presidential

elections. The changes revolve around a new cooling off day, the Non-Constituency MP (NCMP) scheme as well as internet election advertising. They aim to better reflect the aspirations of society. Much of the debate centred on the cooling off Day. This will apply to both the Presidential and Parliamentary elections. It's a day, on the eve of Polling day, when no campaigning except for party political broadcasts is allowed.

This would give Singaporeans time to reflect rationally on issues raised before going to the polls.

It would also reduce the risk of public disorder if emotions run high during campaigning. MPs supported the move except for the opposition members.

One asked if it was fair to assume that voters may not be rational. Sylvia Lim, Non-Constituency MP, chairman, Workers' Party, said: "The PAP government may have underestimated the intellectual strength of Singaporeans and is signalling that Singaporeans are incapable of making rational judgements through the ballot box.

"These assumptions reveal the distrust the PAP has of Singaporeans. Furthermore, this fear of irrationality is arrogant. Irrational by whose criteria? Nobody has the right to tell a person what amounts to a good or bad reason to cast a vote." The argument prompted a spirited defence by the Law Minister.

Law Minister K Shanmugam said: "Let's be honest. The point being made is that we from the Workers' Party do not want Singaporeans to have this additional day. Is it brought about by fear or concern that the additional day may mean that the arguments of the Workers' Party may not stand analysis during that additional day? Is that the concern?" Mr Shanmugam acknowledged that on the cooling off day, candidates may find it hard to counter coffee shop talk and online chatter.

MP for Hong Kah GRC Zaqy Mohamad, said: "There is always a danger of disruptions and distractions coming from online chatter and coffee shop talk during the 'cooling-off' day. "Being a small island, information or misinformation can be transmitted quickly. As no official political messaging can be carried out on the 'cooling-off' period, will the policy hinder prospective candidates to respond to rumours or misinformation that may be spread just before or on the cooling off day?" "What measures are in place to ensure that when Singaporeans vote, prospective candidates have the avenue to effectively counter any damaging reports or rumours spread by political outsiders or third parties without infringing on the rules of the cooling off day?"

Mr Shanmugam added: "We are making the assessment that it is important and it will be good to give Singaporeans that extra day to reflect and we believe that the candidates' record and performance will be more important to Singaporeans than unsubstantiated

rumours whether positive or negative about them and their political parties. We will have to wait and see how it works out in practice.”MPs also sought clarifications on what constitutes election advertising online with the proliferation of social networking sites and blogs and if the cooling off period will apply to the new media.

MP for West Coast GRC Ho Geok Choo: "I would also like to know if there will be restrictions on the type of websites that political parties can advertise in, i.e. only on their official web pages or can they advertise on social networking sites as well? How about blogs? Will they be allowed to place links to their official webpages on blogs not run by them?"Mr Shanmugam added: "If a person posts a message on his blog or on a website which everyone can read, asking readers to vote for a particular party or candidate, that will probably be election advertising.“But if he sends an email or an sms to a friend to share his personal political views about the election and provided he doesn't collect money for doing so, then that would not be caught.”

The Law Minister also rebutted a report which insinuated that the government's intention to up the number of Non-Constituency MPs in Parliament is simply a charade.He said if the government was interested in only its electoral prospect, then increasing the number of NCMPs would be a bad idea.

That's because NCMPs who perform well in Parliament could form a credible opposition force.The Law Minister added: "They can show Singaporeans that they understand the issues, have serious views on the national agenda and have the potential to form a government one day.“They will then become a more serious force in the next elections. A group of nine Parliamentarians from the opposition can form a very credible caucus, a base from which they can expand their influence.“Thus on a long term analysis, if this government was only interested in its own electoral prospects, then increasing the number of NCMPs is not a good idea. It is in fact a bad idea.“It is noteworthy that the government's own MPs do not necessarily support the idea. Why would this government take this step which will give the opposition more space? We are doing it because we believe strongly in doing what is right for Singapore.“We believe that these changes are good for Singapore and we believe that these changes will make for a better Singapore.“Singaporeans will know that alternative views are not shut out as indeed the debate yesterday in which Ms Sylvia Lim and the NMPs participated showed.“The changes are not being made based on cynical tactical short-term calculations - which won't work anyway.”The changes to the electoral system pave the way for the next General Election, due by February 2012

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1052884/1/.html>

- **Parliament amends Constitution to change NCMP & NMP schemes**

Amendments to Singapore's constitution were passed on Monday, but not before robust debate in the House over the relevance of the Non-Constituency Member of Parliament (NCMP) scheme. The NCMP position is a unique feature of Singapore politics.

It is offered to losing opposition candidates with the highest percentage of votes to make up the required number of nine opposition MPs. With the changes, Parliament can have up to nine NCMPs, up from six.

The Nominated MP system will now be made permanent, allowing for nine non-elected MPs to be appointed at each Parliament. The government has said that the changes reflect the aspirations of Singaporeans to have more diverse views in the House. "This Bill marks another milestone in the constant and progressive evolution of our political system of parliamentary democracy," said Wong Kan Seng, Singapore's Deputy Prime Minister and Home Affairs Minister. "Henceforth, opposition and non-government voices will be expanded and entrenched in this House. We will have the opportunity to hear from a greater diversity of views in this House, including the views and opinions of a larger number of opposition members." However, some MPs questioned if such a move will indeed improve parliamentary debate. Said Ho Geok Choo, MP for West Coast GRC: "Opposition candidates who gain this backdoor entry could band together to put forth their causes or demands in an unparliamentary manner." Despite the concerns, MPs supported the Bill except for the opposition Workers' Party.

"By this bill, the Prime Minister is trying to make a bad situation better but increasing NCMPs is not the solution to a more robust political system," said Sylvia Lim, an NCMP. "The root causes of our current problem are the abuse of the GRC system and gerrymandering." This prompted a vigorous exchange between Mr Wong and Workers' Party leader Low Thia Khiang. "By introducing the NCMP scheme, the PAP is trying to have a cake and eat it - to tell Singaporeans, let's vote for PAP as government and we provide you with NCMP. But that is not how a healthy political system should work," said Mr Low. "What the government or the PAP tries to do in this situation is not to have its cake and eat it," said Mr Wong. "We are trying to make the cake bigger and give you a piece of it!" Referring to Workers' Party's Sylvia Lim taking up the NCMP post despite its stand against the scheme, Mr Wong asked Mr Low to clarify his position.

He also wanted to know if Mr Low would take up the NCMP post, if he did not win a seat at the next General Election.

"No I will not take up NCMP seat. Let's make it very clear," said Mr Low. "No, that is the difference between the party and myself as a person and I make it very clear to my party and of course if my party insist that I have to take it up I will probably have to resign that's all!" It was a full house on Monday in Parliament, reflecting the interest

shown in the issue. The House voted 74 to 1 in support of the new constitution which paves the way for changes to the political system ahead of the next General Election, due by February 2012.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1052726/1/.html>

- **Economic Front**
- **Trade & Industry Minister Lim to attend 2nd China-S'pore investment meeting**

Trade and Industry Minister Lim Hng Kiang will be in Beijing on Tuesday to attend the 2nd China-Singapore Investment Promotion Committee (IPC) meeting. The Ministry of Trade and Industry (MTI) said Mr Lim will co-chair the meeting with China's Commerce Minister, Chen Deming. The IPC seeks to facilitate collaboration between Singapore and China in investments and trade and provides a platform for both sides to share relevant information on economic policies. The ministry said both ministers will discuss matters relating to Singapore's investments in China, Chinese companies' internationalisation through Singapore as well as trade facilitative measures.

China was Singapore's third largest trading partner last year while Singapore was China's 8th largest trading partner. MTI said bilateral trade stood at S\$75.7 billion last year despite the impact of the global economic crisis. China was also the top investment destination for Singapore companies which invested a cumulative US\$41.4 billion as of end 2009. Mr Lim will be accompanied by senior official

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1052706/1/.html>

- **S'pore will not renew one water agreement with M'sia which expires next year**

Singapore will not need to renew one water agreement with Malaysia which expires next year. That's because Singapore has ramped up with local water supply with new reservoirs, NEWater and desalinated water. Environment and Water Resources Minister Yaacob Ibrahim said Singapore will build a second desalination plant over the next few years to ensure reliability in water supply. Environment & Water Resources Minister, Dr Yaacob Ibrahim, said: "As the production of NEWater and desalinated water are independent of rainfall, they can be used to supplement water stocks in an extended dry spell like the one experienced in February this year, which was the driest February on record."

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1052683/1/.html>

- **More jobs saved as Singapore emerged from recession**

Redundancies fell from the record high in the first quarter of 2009 to pre-recession quarterly levels in the last quarter of the year. The number was also well below that in

previous recession levels, reflecting the impact of the Resilience Package and concerted tripartite efforts in saving jobs said the Ministry of Manpower.

The key findings from the 2009 Redundancy and Re-employment report released by MOM's Research and Statistics Department also found that re-employment had improved after hitting a low in the middle of the year, though re-employment for the year was still lower than in 2008. CPF records showed that 52% of residents laid off in the third quarter of 2009 were re-employed as at December of the year.

This re-employment rate (within six months after redundancy) was up slightly from September 2009, after improving from the low of 43% in June 2009.

Cumulatively, 65% of residents made redundant in the first three quarters of 2009 were re-employed by December 2009. As for retrenched residents, the cumulative re-employment rate was 65%, lower than 77% in 2008, but comparable to that seen in the previous downturns in 2001 and 1998. The report found that as Singapore's economy emerged from the recession, redundancies continued to fall, reaching 2,220 in the fourth quarter of 2009, which was back to pre-recession quarterly levels.

In total there were 23,430 workers made redundant in 2009, comprising 20,160 retrenched and 3,270 whose contracts were prematurely terminated. This was higher than the 16,880 in 2008, due to the large number laid off in the first quarter of 2009 amid the economic downturn. The redundancies were seen across three broad occupational groups. Production & related workers saw 11,330 or 48% made redundant, while Professionals, Managers, Executives & Technicians (PMETs) saw the largest increase both in absolute and percentage terms, from 6,200 in 2008 to 9,570 in 2009 (rise from 37% to 41%) and clerical, sales & service workers saw 2,530 or 11% laid off.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1052576/1/.html>

- **Investments are part of financial planning, say analysts**

For some people, investing is simply putting money into equities or property. But experts say investments should be seen as part of one's financial planning and long term goals. They say setting goals are an important aspect of financial planning.

Christopher Tan, chairman of the Education Committee at the Securities Investors Association (Singapore), said: "Having a goal keeps you motivated to stay invested whether it is good times or bad times.

"If you are very clear of your goal, if you know the reason why you are doing, then there is a better chance that even through tough times, you will stay throughout for your investment." "And when the markets start to become very volatile, like what we have experienced over the last 18 months, you have every reason to stay invested because you know you need the returns." So the experts say it is important for investors to first come

up with specific goals and a set time frame to achieve them before making any investments. Investors should also know how much they can afford to invest, and how much they are prepared to lose. Mr Tan said: "You may take a risk that you need not take. And you may be taking risks that you are not able to take. However, if you have done your financial planning before hand, you know the reason why you are investing, you know that you need this return and that's why you are making these investments."

Another important aspect is ensuring financial plans remain relevant. This means investments should be reviewed at least once a year.

As a start, experts say it is important for investors to save at least 10 per cent of their monthly income and have at least six months' worth of income in cash savings. Any excess cash beyond that can then go into making investments. Singapore's equity market has seen a strong rebound since its lows in April 2009. The Straits Times Index has risen more than 60 per cent in the past 12 months. But experts say knowing that fact alone is not reason enough to be investing.

Mr Tan said: "Before a person starts investing, they must actually equip themselves with financial education, understanding what it is really all about, and what is speculation - because many investors think they are actually investing, but they can actually be speculation."

An important aspect of financial planning is understanding the different types of investments available - and the risks and returns that each asset class offers. Then comes deciding how much to invest, in the various kinds of investments - such as stocks or bonds. This process of asset allocation helps investors to diversify risks in order to achieve their desired returns. Mr Tan said: "The whole purpose of putting your money in different asset classes is over the long term, you should generally get a return that is going up - maybe not as high as putting everything in stocks, but you don't feel that roller coaster ride that badly." Experts say investors need to find what is appropriate in terms of their appetite for and ability to shoulder risks. As a rule of thumb, they say low-risk investors seeking an average return of about 5 per cent - should invest 15 to 20 per cent of their money in equities, and the remainder in bonds.

Medium-risk investors seeking returns of 6 to 7 per cent should invest 40 per cent of their money in equities and 60 per cent in bonds. And high-risk investors who require returns of 9 per cent or more should invest 80 per cent of their money in equities and the rest in bonds. The returns depend on the goals set out in one's financial plans. Knowing one's required rate of return will help one decide whether or not to go into any investment.

"If you have your plan to invest a certain amount every month, keep to that plan. Don't change that plan, whether the market is coming down or up, keep to that plan," said Mr

Tan. Experts add that investors may see their returns fluctuate from year to year by as much as 20 per cent. But keeping to a financial plan will help one withstand any market volatility - and in turn help one achieve successful investing.

The collapse of US banking giant Lehman Brothers in 2008 proved that no financial institution is too big to fail. And for some investors in Singapore, it was a painful lesson to learn that no investment is risk-free. For many, it was a stark reminder that with higher returns come higher risks. Experts say understanding one's personal risk profile is important when it comes to investing. "You need to know your goal very clearly, specifically. And it is only after you know your goal, you know your required rate of return. And if you know your required rate of return, then you know that you only need to take that amount of risk," said Mr Tan.

What is important, experts say, is that investors must be realistic when assessing their ability to take risks. This will help them determine their investment choices. Experts say investors should work out a portfolio based on their desired returns, rather than what they want. Mr Tan said: "If you invest based on what you want, you may be getting yourself into a product, a risk that you do not need to take. And when the market starts to become very volatile, and you are uncomfortable with that particular investment, you may get out and you may bail out early." And when you bail out early, not only will you not get the return that you actually need, you may even lose money. "The key, according to experts, is to stay focused on one's financial goals. "If you only need 7 per cent, then please don't look at your neighbour and say 'Oh, he's getting 9 per cent, or the property market is skyrocketing, wow I am afraid to miss it' because truly, you only need 7 per cent. And you should be investing based on what you need and not what everybody else is getting." And this will ensure investors do not get caught up with chasing high returns and ignore the risks involved.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1053211/1.html>

- **Singapore's economic growth drivers should remain intact this year**

The drivers of Singapore's economic growth are likely to remain intact this year despite the possibility of some moderation in the growth momentum over the next few quarters. In its latest macroeconomic review, the Monetary Authority of Singapore, MAS, said growth is forecast to be between 7 and 9 per cent, with growth this year led mainly by trade-related activities such as manufacturing, wholesale trade and transport & storage. The MAS said in its Macroeconomic Review published twice a year, the outlook for the global IT industry will be a key determining factor in the growth profile of related industries and the overall economy for the rest of the year. It noted evidence that the global IT industry is moving on to the third stage of recovery which will see increased

demand from both the consumer and corporate segments.

New capacity additions in the biomedical and chemicals clusters will lift activity in the overall manufacturing sector while the tourism industry will gain from strong Asian demand. MAS says Singapore's tourist arrivals - the majority of which are from the region - are set to increase strongly with the Singapore Tourism Board projecting 11.5-12.5 million visitors for 2010. At the more optimistic end, this implies an increase of almost 30 per cent from the 9.7 million arrivals last year.

Barring further negative external surprises, financial services should continue on the recovery path in the coming quarters, alongside improvements in the global and domestic economic environment.

Nonetheless, MAS said there are still pockets of weakness in selected industries.

For instance, the chemicals cluster is facing a global industry downturn. In the marine & offshore engineering industry, net order books at shipyards have been run down and remain at low levels this year. The fall-off in new rig orders since Q4 2008 could impact shipyard activity this year, given production lags. Nevertheless, new orders began picking up in Q4 2009 as a result of higher oil prices.

In addition, demand for deep-water drilling equipment remains a bright spot, after major oil and gas discoveries in Brazil, the Gulf of Mexico and West Africa in 2009. The construction industry may slow down in the immediate quarters, as demand tapers off from the peak of the recent building boom.

- **Social Front**

Laos

- **Political Front**
- **Laos, Vietnam share experiences on Party-building**

Officials from the Organisation Commissions of the Party Central Committees of Vietnam and Laos gathered in the central province of Thua Thien-Hue on April 26 to share experiences related to the Party organisation work. The Vietnamese delegation was headed by Ho Duc Viet, Politburo member, Secretary of the Party Central Committee and chairman of the Organisation Commission, and the guests were led by Bounthong Chitmany, Secretary of the Lao Party Central Committee and head of the Organisation Commission. At the meeting, the Party officials reviewed the results of cooperation between the two commissions in recent years.

The two sides have maintained regular visits to exchange views on Party building work and personnel training, including training for senior Lao officials, political lecturers and a compilation of curricula in the Lao language. Vietnam has also helped Laos with the application of information technology and promoted cooperation between the Party

building magazine and the Kosang Phak (Party building) magazine of Laos. They have agreed on a meeting in mid-2011 to sign cooperation programmes for the 2011-2015 period.

<http://www.kplnet.net/english/news/newsrecord/27.04.2010/edn11.htm>

- **Economic Front**
- **Laos urges Asian parliaments to boost cooperation**

Laos has urged the participants in the 26th Asian Parliamentarians Meeting to promote their cooperation to narrow the development gap in the region and ensure peace, stability and civilisation.

In his opening speech, President of the National Assembly of Laos, Mr. Thongsing Thammavong, pointed out that the exchange of knowledge, effective mutual assistance to contribute to the socio-economic development in the member states were very important to achieve the

goals. Mr. Thongsing said that the designing of laws or legal instruments suitable with current condition, efforts in inspection and monitoring of law enforcement and the sustainable socio-economic development were obligations to the parliament that acted as a legislature protecting the rights and interest of people. The participants learned that global financial crisis, economic recession, energy issues, climate change, natural disasters, disease outbreak, poverty and political conflicts directly pose threats to the development and the safety of human beings, especially women and children.

Meanwhile the majority of population in Asia live in rural areas by doing agriculture with outdated methods and they have a limited access to education and health services which are very important for their self-development to live a better life. The meeting was attended by experts and parliamentarians from 15 Asian countries, including President of the Asian Population and Development Association, Yasuo Fukuda.

<http://www.kplnet.net/english/news/newsrecord/26.04.2010/edn1.htm>

- **Vientiane industrial complex to stimulate economic growth**

The development of the industrial complex of Vientiane Capital has high potential which will help stimulate national economy, add value to goods, create job opportunities, and even increase tax revenue, according to a press conference held in Vientiane Capital on 26 April. The cost of investment in the complex would be at US\$73 million, according to a recently completed feasibility study on industrial complex development and construction.

The initial survey on the Vientiane Industrial Park or VIP was granted by Japanese Government through the Japan International Cooperation Agency (JICA). The survey covers 140 ha out of a total area of 2,000 ha in the Khoksa-ard industrial zone, Saythany

district, Vientiane Capital, for the construction of infrastructure, including land preparation, electricity and water supply, telecommunication system, vocational centre, dormitories, waste water treatment.

The survey result showed high economic value, add value to goods for producers, possibility of job opportunity, increased tax revenue, and technology transfer, among others. Next step, the Japanese Government will give the result of final report to the Lao Government to carry out the investment in the VIP. According to the initial plan of the development project, it will be divided into two phases. The first phase is the foundation of the project ranging from seeking fund source, designing, land compensation and resettlement, which would be completed in mid-2013.

The construction of VIP is expected to be completed in 2014 and it will be available for rent in 2015. The study on industrial zone started in early 2009 in three provinces of Vientiane Capital, Savannakhet and Champassak.

<http://www.kplnet.net/english/news/edn8.htm>

- **Vietnam , Laos, Cambodia to sign transport agreement**

A three-way road transport agreement between Vietnam , Laos and Cambodia will be signed in June, said a Vietnamese transport official. This was announced by Deputy Transport Minister Le Manh Hung at the first working-level meeting on the tripartite agreement held in the southern province of Binh Phuoc on April 1. According to VNA, the agreement will build a legal framework for the flow of the transport of goods and commodities among the three countries, said Hung.

At the meeting, the three countries transport leaders agreed that the negotiating and bringing the agreement into reality will facilitate transport, trade and investment as well as stimulate local and regional economies in the development triangle of Vietnam, Laos and Cambodia. The three countries representatives agreed in principle to the content of the agreement and laid out steps for future negotiations.

They also considered special preferential mechanisms for commodities, people and vehicles in the development triangle. Vice Chairman of the Binh Phuoc Provincial People s Committee Bui Van Thach said that once the agreement becomes effective, it will also facilitate tourism from Binh Phuoc to Cambodia and Laos .

Vietnam has provided preferential credits to help Laos build Highway 18B connecting Attapue province with the Vietnam-Laos border and to help Cambodia s Highway 78 linking Rattanakiri province to the Vietnam-Cambodia border.

Vietnam signed bilateral road transport agreements with Laos and Cambodia and the three countries signed a number of regional agreements in the field.

<http://www.kplnet.net/english/news/edn15.htm>

- **Laos, China join investment in steel factory construction**

Two companies of the Lao PDR and China have decided to enter into a joint venture investment of more than 1.4 billion kip (US\$179.80 million) in building a Lao iron and steel factory in Hay village, Saythany district, Vientiane Capital. A foundation stone-laying ceremony for the construction of the Lao iron and steel facility held at Hay village, last Saturday.

The Vice President of the Lao Iron and Steel Company Ltd, Mr. Vandy Koualivong, said that the Lao Iron and Steel Construction Project was a joint venture between Kungang Iron Company in Yunnan province of China and local partner - CK Import-Export Company Ltd., which will have an annual production capacity of 500,000 tonnes.

The construction work will be divided into two phases. Upon the first phase expected early next year, the factory will have an annual output of 200,000 tonnes, worth more than US\$118 million. The second phase will start upon the completion of the first phase, said Mr. Vandy. The Chinese company holds 70 per cent share in the venture while the CK Company holds only 30 per cent.

The factory will use domestic raw materials from local excavating companies of iron ore to feed the production process. It is believed that Laos has enough raw materials to meet manufacturing demand. The iron melting plant will be built in Vientiane province, which will serve as a raw material supplier to the Lao Iron and Steel Factory.

The construction of the Lao Iron and Steel Factory is expected to play a significant role in contributing to socio-economic development and providing no less than 1,000 positions to local people. President of the Kunming Iron and Steel Holding Corporation, Mr. Wang Chang Yong, said that the Lao iron and steel factory would be completed in time with strong support from authorities in Yunnan province and the Lao and Chinese governments. The factory will export its output 200,000 tonnes per year to Cambodia and Thailand and the rest will be for the domestic market, said Mr. Vandy. It is expected that the new factory will supply enough steel for the entire domestic market where the domestic demand is around 300,000 tonnes per year. The steel demand in Laos tends to increase year on year, he concluded.

<http://www.kplnet.net/english/news/newsrecord/26.04.2010/edn3.htm>

- **Laos-Thailand friendship bridge to boost trade & tourism**

A fourth friendship bridge linking the Thai province of Chiang Rai to Laos is expected to boost trade, investment, transportation and tourism in Thailand, Laos and China. The white line along the Lao portion of the Route 3 highway is fast becoming a life line to the land locked nation. Big wheels roll through the Lao province of Bokeo, some of them carrying goods from as far as China's Yunnan province.

They make their way downhill to the ferry point at Houayxay, where they will clear customs before continuing the rest of their journey. For travellers, Lao boatmen provide an essential service as a short ride across the river will land them in Thai soil within a short time. As travellers clear immigration, a stark reminder is not to deal in endangered animal species. Chiang Khong is not just a tourism gateway. It is also fast becoming a logistics hub for container trucks. China, Laos, Thailand and the Asian Development Bank (ADB) have invested heavily into the north-south economic corridor.

Soon, a bridge connecting to the road links will make it a seamless highway from Kunming to Bangkok. Said Roykaew Nitithanprapas, external relations officer of Thailand Resident Mission at ADB: ...the government of Thailand and China will finance to construct the bridge to complete the route 3 north south economic corridor.

Construction will start in April and it should be completed within 30 months, by the end of 2012.

The cost of constructing the bridge is approximately US\$50 million. The first Thai-Lao Friendship Bridge over the Mekong links the Thai province of Nong Khai and Lao PDR capital of Vientiane. The second Thai-Lao Friendship Bridge links northeastern Thailand's Mukdahan province with the Lao province of Savannakhet. The third Thai-Lao Friendship Bridge will link the Thai province of Nakhon Phanom with Thakhek, Khammouane in Laos.

There is an air of excitement in Chiang Rai as both the provincial authorities and business community are gearing up for an expected increase in trade flows. Said Viroon Kumpilo, president of the Chiang Rai Chamber of Commerce: From the logistics point of view, for goods coming from Yunnan, pass through Laos to Thailand, the logistics and the railway link will create great benefits for the people. With major transport infrastructure in the works in the north-eastern Thai province, Chiang Rai is poised to take off as a regional logistics hub and investment destination

<http://www.kplnet.net/english/news/newsrecord/27.04.2010/edn5.htm>

- **Social Front**

Brunei

- **Economic Front**
- **Brunei looks to alternative energy sources**

THE Centre for Strategic and Policy Studies has appointed a team of Canadian consultants to carry out a study on alternative energy sources for Brunei's future domestic demand and possibly for export. The "Alternative Energy for Continuous Economic

Growth" research project will begin middle of next month with a contract signing to be held soon, the think-tank's senior researcher told reporters yesterday. The study is expected to be completed in December this year.

"The main objective of the study is to find after oil and gas which is the best next alternative energy source for Brunei so that we can meet our (Brunei Vision 2035) goals," said Dr Diana Cheong at CSPS's office in Gadong. In line with CSPS's new direction to ensure that all its research projects are driven to fulfill the Brunei Vision 2035 or Wawasan Brunei 2035, the alternative energy study is hoped to identify an energy source that will help put Brunei among the top 10 ranking economies in the world, in terms of GDP (gross domestic product) per capita. The study will incorporate a cost-benefit analysis, taking into account the aspects of sustainability, abundance, commercial viability, efficiency and environmental impact, among others.

During a recent television interview, CSPS's Chairman Dato Paduka Hj Ali Hj Apong stressed the need to identify an alternative energy source that was safe, cheap and abundant. "We do not know how long we can rely on oil and gas, either as a source of income or as source of energy. So we need to be prepared," he said.

"The objective is to enable us to continue to be able to fuel economic growth until 2035 and beyond. In fact, if possible, one day we may also become a leading exporter of the identified new energy," the chairman added.

The study will enlist close collaboration from the Energy Division at the Prime Minister's Office (EDPMO) and Universiti Brunei Darussalam (UBD), whereby roundtable discussions have been held with the stakeholders who have expressed their support in the research project. EDPMO has pledged its readiness to assist in providing data, while UBD can work with the consultancy team on the research, Dr Cheong said.

She added the project consultants would be looking at about 10 energy sources including solar power, hydroelectricity, nuclear and biomass energy as well as oil rejuvenation technique known as carbon oil enhancement recovery. The senior researcher said the results of the study could yield recommendations for Brunei to develop one of these energy sources or a combination of them. She said that the alternative energy source would be used for the fuel needs of the country for the next 50 years. "At the end of the day, energy is not something you bring in. The country has to have it," she said.

Dr Cheong explained the study would avoid spending money on alternative energy projects which were not economically feasible. "This study will tell us which (alternative) energy projects we should be investing in," she said.

To spur exploration of alternative energy, CSPS will also be organising a conference titled "Alternative Energy and Energy Efficiency: Fuelling Economic Growth and

Diversification for Brunei Darussalam" on June 14 and 15 at The Empire Hotel & Country Club. Some 200 delegates have been invited for the conference, including international and local experts, policymakers, professionals and researchers, as well as the inventor of the 3R's (Reduce, Reuse, Recycle), Professor Komiyama, the president of the Mitsubishi Research Institute in Japan, she said.

Former CEO of British Columbia Hydro, Bob Elton, will also speak "on a holistic and ecologically responsible energy policy" based on the experiences of businesses abroad.

<http://www.bruneitimes.com.bn/news-national/2010/04/30/brunei-looks-alternative-energy-sources>

- **Numbers say 2010 rice target likely to be achieved**

THERE are two more harvest seasons this year before the government could make the conclusion about meeting its objective of raising the country's rice self-sufficiency to 20 per cent of national requirement. This early, however, the farm sector is brimming with signs that Brunei is likely to meet its target for 2010.

This augurs well for His Majesty's Government which a year ago in April 2009 broadcast new seeds of boosting the Sultanate's food security, particularly in domestic rice production.

In earlier interviews with The Brunei Times, Hjh Normah Suria Hayati PJDSM DSU (Dr) Hj Mohd Jamil Al-Sufri, director of the Department of Agriculture and Agrifood (DAA), said her department would be able to officially assess whether the country's padi production meets the 20 per cent rice self-sufficiency target once the harvests in March and August this year have been accounted for.

The aim is to harvest a total of 5,800 metric tonnes of padi.

The numbers indicate positive results, assuming that: all areas identified in Tutong and Temburong have been planted to rice, and that harvests have at least met the minimum average yield per hectare of three metric tonnes. The highest yield is estimated at five metric tonnes per hectare.

The Wasan field alone, which spans 280 hectares, will produce up to 2,520 metric tonnes of padi, using conservative assumptions that one hectare yields three metric tonnes and there are three harvests a year. This means 5,800 metric tonnes by the end of this year will easily be reached, after taking into consideration the higher production figures from other districts like Temburong.

In an interview earlier this week, Hjh Normah said: "This year, there will be three harvests the first in March/April followed by August and December." She added: "We are now waiting for the results of the March harvest to see if rice production figures are on target. Insyallah, we will meet the target." Hjh Normah's optimism is good news for the

country's food security.

A year ago, His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam took to the fields in Wasan with the main purpose of promoting the Sultanate's vision of attaining self-sufficiency in food production. His Majesty also renamed the Brunei Darussalam Rice 1 to "Laila Rice" which is now the variety used by farmers around the country with an aim to achieve the target of 20 per cent self-sufficiency in 2010 and 60 per cent in 2015. In 2007, the country managed to produce rice that was equivalent to only 3.12 per cent of the national requirement.

"Why is it we, only achieving 3.12 per cent self-sufficiency, are not exerting more effort to increase our national rice production? If I may recall, I have been emphasising on this matter for the past years," the monarch said. "It is most appropriate now that we should have our own strategic plan and national agriculture policy, amongst other things, that will guarantee national food security as one of its key strategies," said His Majesty in his 62nd birthday titah, which sparked the development of a strategic self-sufficiency plan.

In the past few years, Brunei was dependent on imports for the bulk of its rice needs. This has put it in a vulnerable position should rice exporters fail to ship the Sultanate's required volumes. From March to May in 2008, major rice-exporting countries began rationing rice sales due to a shortage. Fortunately for Brunei, the State Store stocks a constant supply, but observers wondered how the country could have met its rice needs had there been an extended drought in net exporting countries.

The Philippines' Agriculture Secretary Arthur Cua Yap, who has helped Brunei in initiatives to create hybrid rice and in farming techniques, said that His Majesty's action shows how serious Brunei is in the pursuit of food security. During Wasan's first harvest in August last year, His Majesty took to the fields once again, harvesting the first Laila rice and symbolically held the padi in the air.

Minister of Industry and Primary Resources (MIPR) Pehin Orang Kaya Seri Utama Dato Seri Setia Hj Yahya Begawan Mudim Dato Paduka Hj Bakar said in response: "We can do it, even in the face of all the challenges. The country can do it."

Pehin Dato Hj Yahya initially highlighted the approaches which will be taken during the preliminary stages of the initiative last year which included "developing basic infrastructure such as irrigation, water channels, roads and other public conveniences along with a more systematic farming system like simultaneous farming in multiple areas and to monitor diseases encountered by farmers".

Farmers from all districts last year voiced their concern about irrigation, which would be the main problem for lower yield counts. Philippine government officials said that Bruneian investors must make a decision on infrastructure investment.

"There are many factors that are going to push production in Brunei. The training and seeds are there. Now it is important that irrigation infrastructure be there. You have spent on training and good seeds, but if fields are not irrigated, it is going to be impossible reaching the target of 20 per cent in 2010," said Yap. The MIPR has kept its word as irrigation infrastructure has improved over the year, becoming more visible at padi farms than when the campaign first started. As for a small country like Brunei, self-sufficiency should be easier than in other countries, but one main concern lies in the younger generation who are not interested in this less glamorous occupation of farming.

The government is hoping to counter this by introducing support prices of \$1,600 for every metric tonne of rice that farmers harvest.

With Laila rice, one hectare can produce three metric tonnes of rice, three times more than the previous varieties used. Last year, officials estimated two harvests a year which have now been pushed to three. With this, padi farmers are estimated to earn over \$40,000 on average per annum as the Laila yield has lived up to its expectations. "Farmers who have harvested can get a minimum of three to five metric tonnes per hectare," said Lt Colonel Hj Mohd Shahlan of Koperasi Setia Kawan Bhd. "It is said that a maximum of eight metric tonnes is possible under a perfect scenario." Padi farmers have also been steadily receiving assistance from the DAA, Lt Colonel Hj Mohd Shahlan said.

To achieve their targets, they simply followed the guidelines set by the government closely, particularly their fertiliser programme, he added.

MIPR continues to research better rice breeds and is striving to constantly upgrade infrastructure works at padi fields. The Wasan Vocational School's course on padi planting, supported by MIPR is a prime example of their advancement plans.

<http://www.bruneitimes.com.bn/business-national/2010/04/30/numbers-say-2010-rice-target-likely-be-achieved>

- **Social Front**

