

Report # 125**Business and Politics in Muslim World****South East Asia****Tatheer Zahra Sherazi****From 19 June to 25 June****(Outline)**

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Summary

At political Front

- Indonesia

Prosperous Justice Party (PKS) secretary-general Anis Matta has said his party supports a plan to allow Indonesian Military (TNI) personnel to join politics, starting by giving them a right to vote. "I support [the move to allow] TNI personnel to have a right to vote by 2014," Anis said Sunday on the sidelines of the PKS congress in Jakarta, as quoted by tempointeraktif.com

- Malaysia

A political party once bent on turning Malaysia into an Islamic state is for the first time preparing to put up non-Muslim candidates for election, in a bid to grab the political center in this divided country.

Some other Islamic-based political parties around the world have tried to make themselves more accessible to mainstream voters in recent years. Islam-based political parties in Indonesia have attempted to dig themselves a foothold in that country's young democracy. Turkey's Justice and Development Party has built a mass support-base that has twice elected Prime Minister Recep Tayyip Erdogan.

Umno president Datuk Seri Najib Tun Razak said the party's political perception should change according to the latest trend instead of following the old way of winning support for the Barisan Nasional (BN). He said Umno must always be fresh by undergoing transformation according to the differing and constantly changing political environment.

He said the transformation trend must be carried out to counter allegations by the opposition who were always trying to confuse the people with reasonable perceptions. "Although Umno is 64 years old and a mature product, it must be changed according to the political climate so that the people would continue to support Umno," he said at the delegates meeting of the Bagan Datoh Umno division at the Umno building here.

- Thailand

Thailand's newly-established New Politics Party (NPP) on Friday announced withdrawal from contesting the July 25 by-election. The party said it does not want to compete with a "terrorist," the Thai News Agency (TNA) reported.

Foreign Relation

- Indonesia

US President Barack Obama, twice forced to cancel a trip to Asia this year, will

launch a major diplomatic push on the region by meeting five key leaders at this weekend's G-20 summit. The White House said Obama would have meetings in Toronto with the leaders of India, China, South Korea, Japan and Indonesia and five of his six bilateral encounters there will focus on Asia.

President Obama turned his back on Indonesia recently — canceling his visit there for the second time this year. His mother, Ann Soetoro, was a cultural anthropologist who spent much of her adult life helping economically-marginalized people of Indonesia. If she were still alive, she might well be disappointed in her son.

As President Obama turns his attention to the oil spill in the Gulf, the U.S. Congress is reminding him of other important issues in a seemingly remote corner of Indonesia. A resolution introduced by Rep. Patrick Kennedy (H.Res. 1355) calls attention to the human rights problems in West Papua, the half of New Guinea that was invaded by Indonesia in 1962.

At economic Front

- Indonesia.

Indonesia's economy is expected to grow 6 percent year-on-year in the second quarter this year after reaching 5.7 percent in the first quarter and to be approaching 6.5 percent by the fourth quarter, the World Bank said here on Wednesday. Chaudhuri also said that government revenue may be larger and deficit smaller than expected. "Government spending was weak early in the year, while growth in economy-wide prices may be faster than expected, lifting revenues," he said

Indonesia, which is forecast to attain a six per cent economic growth this year, is looking at investments from the Middle East. The Middle East is important not only to Indonesia, but to the whole world, since it has a lot of liquidity backed by oil revenues. Indonesia has a population of 230 million, 70-80 per cent of which is Muslim. With a connection like this, we think the Middle East is well placed to invest in that country. Not only will that connection help but, in addition, we also have policy [in place] to make investors feel comfortable. We are improving our FDI (foreign direct investment) policy, giving fiscal and non-fiscal incentives to foreign investors and those who are strong in petrochemicals and mining

The Indonesia government denied claims of establishing nuclear power facilities as a substitute to fossil fuels used to generate electricity over the next five years.

"Looking at the alternatives to fossil fuel, the administration would focus more on developing power plants fueled by geothermal energy, wind, solar, and biofuels," The Jakarta Post daily quoted President Susilo Bambang Yudhoyono as saying.

- Malaysia

Positive economic recovery signs have been visible in Malaysia over the past few months but it is undisputable that the United States and certain countries in the Europe are still facing challenges. The possibilities that a global economic slowdown will make a come-back, and that more turmoil will emerge in the financial markets, have never faded, if not increased. However, it is during such a challenging time that the Malaysian government announces its ambition to target a higher growth for exports and investments in 2010.

Pakistan's exports to Malaysia have witnessed an upsurge of 155% in the first quarter of this year compared to the same period last year, with bilateral trade registering a growth of 18.3%. In monetary terms, the total exports touched to RM 251.19 million compared to RM 98.5 million in the first quarter of the year 2009, the Acting High Commissioner for Pakistan Imtiaz A. Kazi told a press conference here.

- Philippine

THE Philippine central bank on Friday said the new government should work at attracting foreign investments amid the capital surge into Asia, which has emerged from the global financial crisis ahead of other regions. Also on Friday, the BSP announced that the country enjoyed foreign portfolio investment (FPI) net inflows of \$178 million last month, but this was 16 percent lower than the April tally of \$210 million. Unlike the job-generating FDI, FPI pertain to money that foreigners invest in stocks of Philippine listed companies and in other peso-denominated financial assets.

- Cambodia

A drought in Southeast Asia is threatening rice production in Cambodia and Thailand, the world's biggest rice exporter. The concern about production comes as rice prices have sunk to a two-year low, hurting farmers' incomes. The lack of rain in Cambodia and Thailand cut rice production by as much as 40 percent. Farmers usually harvest one rice crop in August, and the main rice crop in October

- Thailand

Thailand's 2010 economy is estimated to grow 6.1 percent despite the March-May political turmoil, World Bank economist Frederico Gil Sander said on Thursday. The 2010 recovery comes from a low base as in 2009 the Thai economy contracted 2.3 percent since the country's exports plummeted due to the global recession.

THE think tank of the Philippine Chamber of Commerce and Industry (PCCI) wants the incoming administration to pursue a bilateral trade accord with the European Union (EU). “[The Philippines should] take advantage of the opportunities in the EU market and not be crowded out by its neighboring countries, such as Singapore, Thailand and Vietnam, [which] have started negotiations for a bilateral trade deal with EU,” the

Universal Access to Competitiveness and Trade (U-ACT) said in a statement on Tuesday. The group said a bilateral free trade agreement (FTA) should be on top of the Partnership and Cooperation Agreement (PCA) that the Philippines is pursuing with the EU.

The NFI will work in conjunction with other ministries, such as Agriculture and Commerce, and receive a budget of Bt4 billion for the task, he said. An NFI official said the value of halal-food exports would rise from Bt80 billion per annum to Bt100 billion within five years.

- Vietnam.

Faster economic growth in the second quarter suggests the Vietnamese government could hit its target of 6.5 per cent expansion this year, but economists said credit trends had to be watched. Annual gross domestic product (GDP) growth accelerated in the second quarter to between 6.2 per cent and 6.4 per cent from 5.83 per cent in the first quarter, a government report estimated on Thursday

- Singapore

Singapore Minister of Trade and Industry Lim Hng Kiang said his country's desire to offer Islamic finance comes as a natural extension to the financial services it is offering. The industry, he added, has the ability to take more players and more liquidity.

Lim was speaking to a group of journalists from the Middle East following the first annual World Islamic Banking Summit: Asia (WIBC: Asia), which was held in Singapore recently. It was the first meeting of its kind. Previous meetings were held in Bahrain over the last 16 years.

With oil being a major import of Singapore from the UAE, the former reported a 39 per cent year-on-year increase in its imports from the UAE in the first quarter of 2010, after a 16 per cent slump during the same period a year ago, indicated a study released recently by the Dubai Chamber of Commerce & Industry.

- Brunei

BRUNEI is eyeing France's prominent Muslim population and lucrative halal sector, predicted to graze nearly US\$8 million (\$11.2 million) in sales by year-end, as a market for the Brunei Halal Brand initiative, the Minister of Industry and Primary Resources said yesterday. "Brunei Darussalam considers France with its 3.5 million Muslim population as a very important market for halal foods under the Brunei Halal Brand initiative," said Pehin Orang Kaya Seri Utama Dato Seri Setia Hj Yahya Begawan Mudim Dato Paduka Hj Bakar during the French Bruneian Business Association's (FBBA) dinner to mark its decade-long establishment.

At Social Front

- Philippine

At least two million Filipinos became poor in the aftermath of unfortunate events that hit the country in the last four years, a study commissioned by the United Nations Development Programme (UNDP) showed on Friday.

- Indonesia

At least 11 people, including a pregnant woman, were hurt, as the cafe is located at the second floor of the building, making it difficult for them to escape fast,' said police chief Tripurwanto.

The cause of fire was yet to be ascertained, he added. Killed and several injured after fire broke out in a cafe in Indonesia Friday, officials said.

Indonesian Democratic Party of Struggle lawmakers on Friday demanded the president take action against hard-line Islamic groups, after a meeting between legislators and local residents was disrupted by militants in Banyuwangi, East Java. PDI-P lawmaker Eva Kusuma Sundari said the party was seeking ways to curb the influence of hard-line groups that tried to impose their will on society. "We have tried several times to find ways to dissolve these kinds of groups, but the Ministry of Home Affairs says it can't do anything because the groups aren't registered with it," she said. "I think the president should directly respond to this issue, because he has been quiet on this for too long."

UNICEF estimates that more 100,000 Indonesian women and children are trafficked annually within the country and abroad, with about one in three being under the age of 18. Pressured by families or lured with promises of work, an alarming number of girls and women find themselves in conditions of virtual slavery, both within Indonesia and abroad.

A recently released report by the U.S. State department on human trafficking lists Indonesia as a Tier-2 country for trafficking, for not fully complying with standards set by the U.S. Trafficking Victims Protection Act. "Part of the problem is that there is not effective oversight of recruitment agencies in Indonesia." But for some, the root of the problem lies not with the agencies, but with rampant poverty. "I really wanted to finish school but we didn't have enough money to pay for tuition," another girl, Kiya, told The Jakarta Post. "So I decided to work as a domestic worker and help my family."

Indonesia's freeze on maids to Malaysia is expected to be lifted once both countries signed a Memorandum of Understanding (MoU) in a month,

- Malaysia

A growing assertiveness by Malaysia's majority Malay Muslim population, which fears its economic privileges are under threat, has added to pressures on a government struggling to deliver pro-market reforms. Prime Minister Najib Razak pledged to

liberalize the economy and has delivered such measures as granting new bank licenses, but his credibility has been dented by his inability to cut subsidies and privileges for Malays to boost competitiveness.

- Thailand

The Human Rights and Development Foundation (HRDF) strongly cautions the Royal Thai Government (RTG) against implementing this migrant crackdown policy as it could lead to gross human rights violations affecting more than a million highly vulnerable migrants, especially those from Burma's ethnic minorities. Experience shows migrant crackdowns lead to an increase in arrest, detention and extortion of migrants by corrupt government officials, as well as violence and even death in the ensuing chaos. This particular crackdown policy is premature, makes no sense economically and is unlikely to strengthen Thailand's national security.

At Environmental Front

- Indonesia

Late last year Indonesia made global headlines with a bold pledge to reduce deforestation, which claimed nearly 28 million hectares (108,000 square miles) of forest between 1990 and 2005 and is the source of about 80 percent of the country's greenhouse gas emissions. President Susilo Bambang Yudhoyono said Indonesia would voluntarily cut emissions 26 percent — and up to 41 percent with sufficient international support — from a projected baseline by 2020.

Cyber world

- Indonesia

Global Internet giant Google has announced the addition of more Indonesian content in an effort to lure the country's growing number of Web users to its popular search engine. The spearhead for Google's move into the Indonesian market will be its Chrome browser, which will include a range of content designed to please local Internet surfers.

An Indonesian pop star has handed himself into police and could be charged under the country's controversial anti-pornography laws over release of two sex videos he allegedly made with two starlets. Nazril Irham, more commonly known as Ariel and the lead singer of the band Peterpan, turned himself into police early yesterday morning after a summons was issued.

He was in detention late yesterday while he was questioned over the tapes and would have to be released by 3am today unless charged with a serious offence carrying a prison term of more than five years.

- Malaysia

Adoption of cloud computing could speed Malaysia's transformation into a high-

value economy, according to software and services giant Microsoft.

"The building of infrastructure and services to adopt cloud computing would provide a sharp focus for Malaysia to vault up the value chain as an economy," said Microsoft Asia Pacific director Internet policy, legal and corporate affairs, John Galligan, speaking during a conference in Malaysia, themed 'Cloud Computing Enabling Innovation in Malaysia', which brought together technologists and policymakers. "Malaysia has already made strong moves with its NBI [national broadband initiative], which need to be followed by addressing infrastructure transformation," said Galligan.

- Singapore

In taking Tamil to the Net-savvy next generation, governments, society and netizens must share their experiences and expertise, Singapore's Senior Minister of State for Trade and Industry and Education S. Iswaran said on Thursday

- Brunei

All media including Twitter and SMS should be used in disseminating health messages for maximum coverage and capture audiences of all ages, urged Minister of Health Pehin Dato Seri Setia Awang Hj Adanan bin Begawan Pehin Siraja Khatib Dato Seri Setia Awg Hj Mohd Yusof.

Detailed News Monitoring Report

Indonesia

- **Political front**
- **PKS supports moves to allow TNI personnel back in politics**

Prosperous Justice Party (PKS) secretary-general Anis Matta has said his party supports a plan to allow Indonesian Military (TNI) personnel to join politics, starting by giving them a right to vote. "I support [the move to allow] TNI personnel to have a right to vote by 2014," Anis said Sunday on the sidelines of the PKS congress in Jakarta, as quoted by tempointeraktif.com.

TNI personnel lost their right to vote as of 1999, Anis said. Since then, the military has not upheld the dual function doctrine, which during the New Order regime push it to the forefront of all national issues. "I think conditions have returned to normal now. It is about time for TNI personnel to regain their right to vote," said Anis, adding that the TNI would not abuse these rights to the advantage of the ruling party.

<http://www.thejakartapost.com/news/2010/06/20/pks-supports-moves-allow-tni-personnel-back-politics.html>

- **Obama to launch Asian diplomacy**

US President Barack Obama, twice forced to cancel a trip to Asia this year, will launch a major diplomatic push on the region by meeting five key leaders at this weekend's G-20 summit. The White House said Obama would have meetings in Toronto with the leaders of India, China, South Korea, Japan and Indonesia and five of his six bilateral encounters there will focus on Asia.

Aides said Obama wanted to make a statement about the importance with which he views US links with the dynamic region, ahead of a planned trip to India, South Korea and Japan in November. Obama, who will also attend a G-8 summit in Canada, will discuss key global issues, including emerging from the worst economic crisis in decades and security threats including North Korea with the Asian leaders, aides said.

He will hold the latest of his regular meetings with Chinese President Hu Jintao, which will take place days after Beijing moved towards a key US foreign policy goal, letting the yuan trade more freely against the dollar.

The administration says its relationship with China is productive, despite disagreements on some key issues and points to the recently passed UN Security Council sanctions on Iran as the fruit of good ties with Beijing.

Obama is also likely to discuss North Korea's nuclear challenge with Hu, and the aftermath of the sinking of a South Korean naval vessel, which an investigation blamed

on Pyongyang. North Korea will also be the dominant issue when Obama meets South Korean President Lee Myung-Bak also on Saturday.

On Sunday, Obama will have breakfast in Toronto with President Susilo Bambang Yudhoyono of Indonesia. The US leader was forced to cancel a planned visit to Indonesia, a country where he spent four years as a

boy, earlier this month, as the Gulf of Mexico oil spill escalated into America's worst environmental crisis.

Earlier in the year, a previous attempt to visit Indonesia was dropped as Obama successfully lobbied for his landmark health care reform bill. "Regrettably, [Obama] has not been able to make it to Indonesia yet, but he very much wants to continue the close coordination that we have with Indonesia on a number of issues," the official said.

Obama will also meet Sunday with Indian Prime Minister Man-mohan Singh, as a precursor to his promised trip to India in November—when he is also due to attend the next G-20 summit in South Korea and the Asia Pacific Economic Cooperation forum in Japan. The president will also have his first encounter with new Japanese Prime Minister Naoto Kan, after he replaced Yukio Hatoyama, who lost his job amid a row over the location of a US base.

Obama and Kan will also likely discuss North Korea and Iran. The US president's other planned bilateral meeting in Canada will be his first official face-to-face talks with new British Prime Minister David Cameron. "We wanted this to be the first bilateral meeting that the president would hold on this trip, to underscore, of course, the special relationship between the United States and the United Kingdom," the official said.

<http://www.manilatimes.net/index.php/world/20146-obama-to-launch-asian-diplomacy-?>

- **Neglecting Indonesia: President Obama, What Would Your Mother Say?**

President Obama turned his back on Indonesia recently — canceling his visit there for the second time this year. His mother, Ann Soetoro, was a cultural anthropologist who spent much of her adult life helping economically-marginalized people of Indonesia. If she were still alive, she might well be disappointed in her son.

As President Obama turns his attention to the oil spill in the Gulf, the U.S. Congress is reminding him of other important issues in a seemingly remote corner of Indonesia. A resolution introduced by Rep. Patrick Kennedy (H.Res. 1355) calls attention to the human rights problems in West Papua, the half of New Guinea that was invaded by Indonesia in 1962.

In the President's autobiography, *Dreams from My Father*, he recalls a conversation with Lolo Soetoro, his step-father who had just returned home after a tour of duty with the Indonesian military in West Papua. Obama asked his step-father: "Have you ever seen a

man killed?” Lolo responded affirmatively, recounting the bloody death of “weak” men. Ann Soetoro never spoke out publicly about Indonesian atrocities in West Papua, but she divorced her husband shortly after he came back from the frontlines of this war.

Papuan intellectuals and political activists, kin of the “weak” men killed by Lolo Soetoro, have read Obama’s autobiography with keen interest. They still embrace the message of hope from the Presidential campaign and the slogan, “Yes We Can.”

At a moment when many Americans are questioning whether Obama will be able to fulfill his campaign promises, when everyone is wondering if he can reign in the hubris of the corporate executives who produced the disaster in the Gulf, it is worth considering these enduring hopes in West Papua.

Perhaps it is time for those of us who were drawn in by the slogan “Yes We Can” to remind the President that grassroots political movements still have power.

Many people, including some anthropologists, do not know the difference between West Papua* and Papua New Guinea. The subject of several classic anthropology books — from Margaret Mead’s *Growing Up in New Guinea* to Marilyn Strathern’s *Gender of the Gift* — the independent nation of Papua New Guinea is familiar to almost anyone who has taken an introductory anthropology class. Indonesia is also well known among academics who study culture or politics. Cultural anthropologist Clifford Geertz told us tales of Balinese cockfights and Javanese religious systems, and political scientist Benedict Anderson famously wrote about imagined communities and power in Indonesia. At the edge of national and scholarly boundaries, West Papua, in contrast, falls through the cracks. Anthropologists and scholars in allied disciplines should join human rights advocates and others in noticing West Papua. Amnesty International is currently working with Representative Kennedy’s office to pass his Resolution which calls attention to many pressing problems:

“Whereas Amnesty International has identified numerous prisoners of conscience in Indonesian prisons, among them Papuans such as Filep Karma and Yusak Package, imprisoned for peaceful political protests including the display of the “morning star” flag which has historic, cultural, and political meaning for Papuans...“Whereas a Human Rights Watch report on June 5, 2009, noted “torture and abuse of prisoners in jails in Papua is rampant”’;“and Whereas prominent Indonesian leaders have called for a national dialogue and Papuan leaders have called for an internationally-mediated dialogue to address long-standing grievances in Papua and West Papua.”

If passed, this Resolution would give President Obama some issues of substance to talk about with Indonesian leaders once he does make a return trip to Southeast Asia. Resolutions are non-binding acts that convey the sentiments of Congress.

Amnesty International, and the other human rights groups advocating for this resolution, are up against powerful forces. Transnational companies have been lobbying for stronger military ties with Indonesia. The same company that brought us the disaster in the Gulf of Mexico, BP, has a huge natural gas field in West Papua called Tangguh.

Starting this year, BP is scheduled to start shipping super-cooled gas from this site (liquid natural gas or LNG) to North America where it will be piped into the homes of millions in California, Oregon and other western states.

BP has been a major donor to the U.S.-Indonesia Society, an organization committed to educating congressional staff and administration officials about the “importance of the United States-Indonesia relationship.” The U.S.-Indonesia Society is also supported by Freeport McMoRan, a company that operates one of the world’s largest gold and copper mines in West Papua. The American public is starting to reign in the irresponsible behavior of companies like BP that have created domestic disasters. Americans must also reckon with the foreign entanglements of the companies supplying the U.S. natural resources and should question the politicians who have led the United States into a series of environmental catastrophes and debacles on foreign soil. Who the official cosponsors of Kennedy’s Resolution on West Papua are is public knowledge.

If your representative hasn’t yet signed on, call the House switchboard: (202) 224-3121. Ask to speak with your representative’s office. Once you get through to the office of your congressman or congresswoman, identify yourself as a “constituent” and ask to speak with the staff person responsible for international affairs or human rights. Once you have that person on the phone (or, more likely, are transferred to their voice mail), identify yourself by name, where you live or the place you work, and say “Please support H.Res. 1355 from Patrick Kennedy’s office about political prisoners in West Papua.” Sometimes the person you end up talking to will want to chat, but often they will be brief.

Or, you can click through to this Amnesty International action center. The responses that human rights advocates are calling for today is pathetically small compared to the scale of the problem. Making your voice heard is one step toward addressing U.S. entanglements and misadventures in a seemingly remote corner of the world.

S. Eben Kirksey is a cultural anthropologist who earned his Ph.D. at the University of California at Santa Cruz. *Freedom in Entangled Worlds*, his forthcoming book, published by Duke University Press, explores the social and political dynamics of West Papua’s independence movement from 1998 till 2008.*In 1961 a council of indigenous New Guinea intellectuals declared that their land, then known as Netherlands New Guinea, would henceforth be known as West Papua, Indonesia. Weeks after this declaration, Indonesia invaded and named their newly acquired territory Irian Jaya. Now this place is

officially known as the Indonesian Provinces of West Papua and Papua—though many indigenous people? continue to use the name West Papua to refer to the entire territory.

<http://www.counterpunch.org/kirksey06242010.html?>

- **Economic Front**
- **Indonesia's economy to grow 6% in 2Q 2010: WB**

Indonesia's economy is expected to grow 6 percent year-on-year in the second quarter this year after reaching 5.7 percent in the first quarter and to be approaching 6.5 percent by the fourth quarter, the World Bank said here on Wednesday.

Subham Chaudhuri, chief economist of World Bank's Jakarta office in his presentation of the bank's "June Indonesia Economic Quarterly Report" released here said that the acceleration will see Indonesia's economy expanding by 5.9 percent in 2010 as a whole, 0.3 percentage points more than was projected earlier in the year and by around 6.2 percent in 2011. "Indonesia's economy continues to consolidate its recovery from the global economic and financial crisis. Slower government spending early in the year slowed growth but private sector demand is likely to continue in supporting activity," said Chaudhuri.

He said that global financial market affected Indonesia in May, but the economy and local financial markets proved robust to sudden and large capital outflows. The reports said that even with this market volatility and the uncertainty surrounding developed economies' outlook, Indonesia's economy looks set to continue to strengthen.

Chaudhuri said that growth in domestic demand will drive the overall economy's acceleration. Besides, he said, the current account will continue to decline as imports growth continues to outpace export growth, led by imports of capital and machinery, thus supporting the robust domestic investment growth and expansion in the economy's capacity. He also said that inflation is likely to continue rising on higher lending, demand and commodity prices. "But, rising power tariffs will have small impact," said the report, referring the government's decision to raise power tariff starting on July 1.

Chaudhuri also said that government revenue may be larger and deficit smaller than expected. "Government spending was weak early in the year, while growth in economy-wide prices may be faster than expected, lifting revenues," he said.

- **Indonesian policies take aim at Middle East investors**

Indonesia, which is forecast to attain a six per cent economic growth this year, is looking at investments from the Middle East. With a view to encouraging foreign investment, the Indonesian government is making efforts in terms of investor-friendly policies, said Erwin Aksa, President Director of Bosowa Corporation, one of the largest conglomerates in eastern Indonesia, that deals in cement, automobiles, banking, infrastructure and

property."The Middle East is important not only to Indonesia but to the whole world, since it has a lot of liquidity backed by oil revenues. Indonesia has a population of 230 million, 70-80 per cent of which is Muslim. With a connection like this, we think the Middle East is well placed to invest in that country. Not only will that connection help, but we also have a policy [in place] to make investors feel comfortable," said Akas.

Bosowa recently got its first investment from this region from Jordan's cement and clinker trading company, CTI group. Are you making efforts to get more investment from the Gulf?

We definitely hope we can get more investments from this region. In the case of the CTI Group, we closed a deal where they are buying a minority stake in our company, a clinker grinding plant. There they will assist Bosowa in trading and logistics. This will be the entry point for the CTI Group into Indonesia. We believe the company will perform very well, given the huge potential of Indonesia. Now, we are looking at equity partners, strategic partners from companies who have expertise in logistics, infrastructure and mining. Which are the sectors that can draw Arab investment to Indonesia?

Indonesia has been promoting the country to several investors. So far, investment flows have been mainly from Japan, Korea and Singapore. Now, there is an increased focus on inviting participation from places that have high liquidity. The GCC is a highly important focus area for us. Indonesia has huge potential in natural resources, agriculture products and infrastructure, and also downstream business of oil and gas. These are the areas where Indonesia is promoting itself actively, especially those countries that have high liquidity such as the GCC states. Several partnerships have been signed by companies in the mining sector and there are companies here which are interested in our property sector and telecommunications.

So all things to do with infrastructure – roads, ports, bridges, public utilities – offer a lot of opportunity. The sectors that account for 80 per cent of the country's GDP, such as oil and gas, mining and energy, agriculture and banking and finance, are not running at full capacity due to insufficient development and technology and present a lot of opportunity. Middle East investors are actively coming but we are yet to see big numbers, as Indonesia is [trying] to create attractive packaging when it comes to investment opportunity. This is being done by the government.

Why is the Middle East so important to you?

The Middle East is important not only to Indonesia, but to the whole world, since it has a lot of liquidity backed by oil revenues. Indonesia has a population of 230 million, 70-80 per cent of which is Muslim. With a connection like this, we think the Middle East is well placed to invest in that country. Not only will that connection help but, in addition, we

also have policy [in place] to make investors feel comfortable. We are improving our FDI (foreign direct investment) policy, giving fiscal and non-fiscal incentives to foreign investors.

Which investors are you targeting from the region? We are targeting those who are strong in petrochemicals and mining. We are targeting sovereign wealth funds for our infrastructure projects. For Bosowa, the four major sectors where we seek investors and where there are real opportunities in Indonesia for high growth and expansion are consumer financing, energy, infrastructure and petrochemicals.

Consumer financing opportunities emerge from the booming middle class, whereas investment in the energy industry, including in alternative energy, is based on declining domestic supply and global supply constraints. Developing infrastructure is on top [of the] agenda of the government and Bosowa is already strongly positioned on that. Petrochemicals is a natural derivation of growing middle class and largescale industrialisation and it is also a sector in which global demand outstrips supply.

What about efforts to promote Indonesia's finance sector, especially Islamic finance?

Indonesia offers the Middle East investors access to the biggest Islamic market and also high returns. With a population of more than 230 million, it has the largest Islamic market.

Now, we are looking at investors from the Middle East who are familiar with Shariah compliance who can bring business models to Indonesia. There are a lot of new and rectified policies, and the purpose is to improve and encourage more funds inflow into Indonesia.

PROFILE: Erwin Aksa President Director of Bosowa Corporation. Aksa is also Chairman of the Indonesian Young Entrepreneurs Association (HIPMI). Currently, he is busy restructuring Bosowa Corporation to meet Indonesia's massive infrastructure needs, particularly in the eastern region. Aksa has been an active member of HIPMI since 1995, which has 30,000 members.

<http://www.business24-7.ae/opinion/q-a/indonesian-policies-take-aim-at-middle-east-investors-2010-06-23-1.258503?>

- **Indonesia denies building plant to develop...**

The Indonesia government denied claims of establishing nuclear power facilities as a substitute to fossil fuels used to generate electricity over the next five years.

"Looking at the alternatives to fossil fuel, the administration would focus more on developing power plants fueled by geothermal energy, wind, solar, and biofuels," The Jakarta Post daily quoted President Susilo Bambang Yudhoyono as saying.

He said that his country needs to do a lot over the next few years, including work on

preparing the needed documentation for the establishment of nuclear plants according to international law, besides locating a proper site before starting with any such plans, refuting claims of any plans for building a nuclear plant in the current year.(end) aab.lb
KUNA 200917 Jun 10NNNN

<http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2095693&Language=en>

- **A Political Risk Forecast 2010 Gives You Independent Risk Ratings That Help You Assess the Risks of Doing Business in Indonesia**

A Political Risk Forecast" country profile to their offering.

This 60-page report forecasts the climate for international business under three most likely regime scenarios in the country over the next 18 months and over the next five years. Data includes Political Risk Forecasts for Turmoil, Financial Transfer, Export Markets and Direct Investment for both forecast periods. A Political Risk Services Country Report helps you evaluate the international business climate. They are the perfect starting point before you invest, alerting you to potential risks in the future.

Revised annually with updates issued as warranted, these reports follow a standard format that includes both the details and executive summaries. They include political and economic risk forecasts, 10-year time series for 52 economic and social variables, as well as giving you independent risk ratings that help you assess the risks of doing business in a country.

http://www.businesswire.com/portal/site/home/permalink/?ndmViewId=news_view&newsId=20100622006787&newsLang=en

- **Social front**
- **11 killed in Indonesia cafe fire**

At least 11 people, including a pregnant woman, were killed and several injured after fire broke out in a cafe in Indonesia Friday, officials said.

The fire engulfed the Redboxx night club and cafe in Biyung district of East Java province, Xinhua reported quoting a local a police officer.

So far seven bodies have been recovered and four were still trapped under the debris, spokesman of the National Disaster Management Agency Priyadi Kardono said, adding that the deceased also include a Japanese and an Australian.

'There must be a lot of people hurt, as the cafe is located at the second floor of the building, making it difficult for them to escape fast,' said police chief Tripurwanto.

The cause of fire was was yet to be ascertained, he added.

<http://story.irishsun.com/index.php/ct/9/cid/2411cd3571b4f088/id/651951/cs/1/?>

- **PDI-P Calls on President to Take Firm Action Against Radical Islamic Groups**

Indonesian Democratic Party of Struggle lawmakers on Friday demanded the president take action against hard-line Islamic groups, after a meeting between legislators and local residents was disrupted by militants in Banyuwangi, East Java.

PDI-P lawmakers Ribka Tjiptaning Proletariati, the chairwoman of House of Representatives Commission IX, overseeing health issues, and commission member Rieke Dyah Ayu Pitaloka called the meeting to discuss health care legislation with constituents. Rieke told the Jakarta Globe that 10 to 15 people from the Islamic Ummah Forum, most likely encouraged by the local branch of the Islam Defenders Front (FPI), came to the meeting at a restaurant in Pakis village, Banyuwangi, to demand that the gathering be broken up. They claimed the meeting was a reunion of former Indonesian Communist Party (PKI) members.

“When they first came in they didn’t do anything, but once reporters came they got excited, shouting ‘Allahu Akbar’ [God is great] and disrupting the meeting,” Rieke said. Some of the constituents had relatives who once were affiliated with the PKI, she said, but that had nothing to do with the meeting. “We were discussing a social welfare bill that says anyone can be treated in hospital. We were engaged in activities that are protected by the Constitution,” Rieke said. “This is just thuggery in the guise of religion.” The PKI was effectively wiped out following a failed 1965 coup attempt against the Sukarno government. Hundreds of thousands of people were killed nationwide in a pogrom against the party, which is still banned to this day.

Ribka, who authored the book “Aku Bangga Jadi Anak PKI” (“I Am Proud to Be a PKI Child”) in 2002 about her father, said she was used to acts of intimidation.

“This only shows our country has yet to become democratic. There are still people out there who seem not to like my personal background,” she said as quoted by state news agency Antara . Rieke said hard-line groups like the FPI acted like “moral police,” and that the health care meeting was just one example of myriad human rights violations perpetrated by such groups.

“The president has not done anything about this,” she said. “The president has barely reacted to any riots [instigated by these groups].” The secretary general of the FPI, however, said his group was not behind the incident. “There were maybe one or two members of the FPI who joined the demonstration, but the demonstration itself was not on behalf of our organization,” Ahmad Shabri Lubis told the Globe on Friday.

He made it clear, however, that he condoned the disruption of the event. It was “the local people who rejected the un-Islamic PKI,” Ahmad said. “Furthermore, the activity did not have any permit. The FPI is not involved and we knew nothing about it.”

PDI-P lawmaker Eva Kusuma Sundari said the party was seeking ways to curb the

influence of hard-line groups that tried to impose their will on society. “We have tried several times to find ways to dissolve these kinds of groups, but the Ministry of Home Affairs says it can’t do anything because the groups aren’t registered with it,” she said. “I think the president should directly respond to this issue, because he has been quiet on this for too long.”

<http://www.thejakartaglobe.com/home/pdi-p-calls-on-president-to-take-firm-action-against-radical-islamic-groups/382699?>

- **G20 Girls, Indonesia: Looking for work, finding a nightmare**

After a gruelling, 18-hour day, 15-year-old Kaminah domestic worker would rest her head on a bag filled with blood-stained clothes, sleeping on cold ceramic tiles outside the bathroom.

The blood was her own, from the beatings inflicted by her employer on a daily basis. “[Whenever I got a beating] I would always think of my family,” Kaminah told The Jakarta Post. “Late at night, before going to sleep, I would think about my father and mother and feel very sad. I miss my parents a lot.”

UNICEF estimates that more 100,000 Indonesian women and children are trafficked annually within the country and abroad, with about one in three being under the age of 18. Pressured by families or lured with promises of work, an alarming number of girls and women find themselves in conditions of virtual slavery, both within Indonesia and abroad.

A recently released report by the U.S. State department on human trafficking lists Indonesia as a Tier-2 country for trafficking, for not fully complying with standards set by the U.S. Trafficking Victims Protection Act. “There is a particularly big problem with Indonesian women being trafficked as domestic workers, ending up basically enslaved in conditions in the Middle East, Malaysia, and to a lesser extent countries like Singapore,” says Elaine Pearson, Deputy Director of the Asia Division for Human Rights Watch.

“Part of the problem is that there is not effective oversight of recruitment agencies in Indonesia.” But for some, the root of the problem lies not with the agencies, but with rampant poverty. “I really wanted to finish school but we didn’t have enough money to pay for tuition,” another girl, Kiya, told The Jakarta Post. “So I decided to work as a domestic worker and help my family.”

<http://www.thestar.com/news/gta/torontog20summit/article/825685--g20-girls-indonesia-looking-for-work-finding-a-nightmare?>

- **Malaysia-Indonesia Expect To Sign MoU On Maids Soon**

Indonesia's freeze on maids to Malaysia is expected to be lifted once both countries signed a Memorandum of Understanding (MoU) in a month, said Human Resources

Minister Datuk Dr S. Subramaniam. Dr Subramaniam said the MoU would be signed once the issue of cost structuring - recruitment cost of bringing in Indonesian maids here - were ironed out.

"We are resolving the issue of Indonesian maids...we hope to finalise it by another month," he told reporters at the presentation of scholarship to SPM students by the Amma Foundation here Sunday.

Subramaniam said many main issues had already been solved while the issue on cost structuring was still being discussed between officials of both countries. "Once reaching an agreement on a reasonable cost structure, we will sign the MoU and after that able to move (lifting of the ban and bringing in maids)," he said. Indonesia froze its supply of maids to Malaysia last June, following some cases of maid abuse and lack of benefits, including a minimum monthly salary and request for a day off in a week.

Kuala Lumpur and Jakarta recently signed a Letter of Intent to give a new dimension to the employment of domestic workers in Malaysia and the two countries agreed on revised terms.

Dr Subramaniam also spoke on the recently held 99th session of the International Labour Conference organised by the International Labour Organisation (ILO) in Geneva, where he held several bilateral meetings with his counterparts from other countries. The minister said there were countries from Africa and the Middle East that were keen to increase cooperation with Malaysia, in areas such as skills upgrading and training.

He said Malaysia had told the conference that on the issue of migrant workers, due to the local situation, Malaysia has certain limitations -- certain things it can do and certain things it was not able to fulfill. "So we have requested that whatever policies the international community dealt with should consider the local laws and regulations and the situation of the various countries. So it will be easier for us to actually comply to whatever standards they are putting up," he said.

Meanwhile, Dr Subramaniam who is also an MIC vice president said 361 Malaysian Indian students were given JPA scholarships for 2010, compared with 354 in 2009. Out of this, 161 are for foreign universities and 200 for local universities, he said.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=507356>

- **At Environmental Front**
- **Indonesia's plan to save its rainforests**

Late last year Indonesia made global headlines with a bold pledge to reduce deforestation, which claimed nearly 28 million hectares (108,000 square miles) of forest between 1990 and 2005 and is the source of about 80 percent of the country's greenhouse gas emissions. President Susilo Bambang Yudhoyono said Indonesia would voluntarily

cut emissions 26 percent — and up to 41 percent with sufficient international support — from a projected baseline by 2020.

Last month, Indonesia began to finally detail its plan, which includes a two-year moratorium on new forestry concession on rainforest lands and peat swamps and will be supported over the next five years by a one billion dollar contribution by Norway, under the Scandinavian nation's International Climate and Forests Initiative. But while money is starting to come into place for the scheme, daunting challenges remain in the battle to reduce deforestation. Powerful interests—especially in the forestry sector—have little desire to alter the status quo by bringing transparency to the system that enriched them. Meanwhile corruption remains pervasive, enforcement of existing environmental law is rare and inconsistently applied, and the system for establish and managing land tenure is a political and legal minefield in some parts of the archipelago. While optimists say the influx of carbon finance could create political will to change the system, pessimists argue the money could end up being wasted, even being used to finance conversion of natural forests for industrial-scale oil palm and timber plantations.

Nevertheless there is a lot at stake. Indonesia is the world's third largest greenhouse gas emitter, trailing only China and the United States, which unlike Indonesia are industrial superpowers. Indonesia's emissions are almost entirely from its agricultural and forestry sector, which generate a small proportion of the country's total economic activity (a 2007 estimated the benefit to Indonesia of the sector at \$0.34 cents per ton of CO₂, or a fraction of the value seen in Europe's carbon market). Furthermore, forests provide food, water, and livelihoods for tens of millions of Indonesians. Destruction of forests puts these resources and opportunities at risk, but payments for forest conservation could help ensure sustainable use and provide economic incentives for shifting plantation development to the millions of hectares of abandoned and degraded non-forest land that lie across the Indonesia archipelago.

The Plan for Norway's Money

Indonesia intends to use Norway's billion dollar commitment over the next five years in three phases. The first, which runs from now through the end of the year, will support "readiness" activities including the development of a national REDD (Reducing emissions from deforestation and forest degradation [including peatlands]) strategy; the selection of sites for pilot projects (candidates include forests in Papua, Sumatra, and Kalimantan); the establishment of a independent monitoring, reporting, and verification (MRV) agency for tracking progress on reducing deforestation; the establishment of a national REDD office that reports directly to the president; and determination of a long-term funding instrument for the program.

Phase two, which would run from January 2011 through the end of 2013, would operationalize the long-term funding mechanism; launch the first pilot project; enforce the two year moratorium on new concessions; establish a degraded lands database; launch of a second pilot project (by early 2012); and set up a more advanced MRV system. Phase three, which would begin in January 2014 and continue beyond, would help Indonesia expand its emission reductions programs and possibly integrate these into a future climate framework that may supplant the Kyoto Protocol when it expires in 2012.

[http://www.enn.com/wildlife/article/41435?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+WildlifeAndHabitatConservationNews-Enn+\(Wildlife+and+Habitat+Conservation+News+-+ENN\)](http://www.enn.com/wildlife/article/41435?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+WildlifeAndHabitatConservationNews-Enn+(Wildlife+and+Habitat+Conservation+News+-+ENN))

- **Cyber world**
- **Google Adds More Indonesian Content to Browser**

Global Internet giant Google has announced the addition of more Indonesian content in an effort to lure the country's growing number of Web users to its popular search engine. The spearhead for Google's move into the Indonesian market will be its Chrome browser, which will include a range of content designed to please local Internet surfers.

Andrew McGlinchey, head of product management for Google Southeast Asia, said on Tuesday: "We see this as the start of a relationship. It's important that, together with our local partners, we offer a good experience to the 45 million Internet users in Indonesia."

Indonesians are logging on more than ever, McGlinchey said, so it is important to offer a browser that is not only useful for them but enhances the time they spend online. With this in mind, he said, besides providing Indonesian language and translation capabilities in its browser, Google has incorporated seven downloadable browser extensions and eight themes, all specifically designed for Indonesian users.

Similar to "apps" for the Apple iPhone, extensions in Google Chrome are small, specialized programs that can integrate to the browser and add informative, fun or useful content. "Indonesian users can now access the latest local news from Detik.com, Kompas.com and Kapanlagi.com, look up movie showtimes on Cinema 21 and follow hot trends and threads on Kaskus.us, all with a click of a button on the Chrome browser," McGlinchey said. Hugo Diba, vice president for commerce at Detik.com, said working jointly with Google was a good opportunity that had the potential to help many businesses in the country. "We developed extensions for Detik.com on Google Chrome so that Indonesian users can better access our content online," Hugo said.

Rival Internet giant Yahoo has also established a local Web site with links to local content, and acquired the social-networking site Koprol.com in May. Google shut down its Chinese search engines this year citing concerns over Beijing's strict policy of

ensorship. After forgoing the massive Chinese market, Google now sees huge potential for growth in Indonesia. Derek Callow, head of marketing for Google Southeast Asia, said: "The possibility for growth is huge from the users' and advertisers' point of view. The more users there are, the more opportunity for ads, which means good business for us." According to an ACNielsen media survey in 2009, sales of online advertising in Indonesia made up only 1 percent of total advertising output, or Rp 48.5 trillion (\$5.38 billion). "It is still a low percentage, but we believe that it will grow at a rapid pace," Callow said.

<http://www.thejakartaglobe.com/business/google-adds-more-indonesian-content-to-browser/382005?>

- **Indonesian Pop Star Held in Sex-tape Case**

Pop star Nazril Irham, better known as Ariel, could face jail time if found guilty of violating the country's strict anti-pornography law.

Two separate videos allegedly showing the 28-year-old in bed, in each with a different celebrity girlfriend. They started circulating on the Internet in early June. Indonesia Has Its 1st Celeb Sex-Tape Scandal

The scandal topped newscasts for weeks and dominated chatter on social-networking sites like Facebook and Twitter. National police deputy spokesman Brig. Gen. Zainuri Lubis said the singer turned himself in on Tuesday after he was named a suspect in the case. Authorities have until Wednesday morning to determine whether there is enough evidence to charge him.

<http://www.cbsnews.com/stories/2010/06/22/entertainment/main6606273.shtml?>

- **Indonesia hot and bothered over video**

An Indonesian pop star has handed himself into police and could be charged under the country's controversial anti-pornography laws over release of two sex videos he allegedly made with two starlets. Nazril Irham, more commonly known as Ariel and the lead singer of the band Peterpan, turned himself into police early yesterday morning after a summons was issued.

He was in detention late yesterday while he was questioned over the tapes and would have to be released by 3am today unless charged with a serious offence carrying a prison term of more than five years.

No one has accused Ariel of uploading the videos on to the internet himself but he could still face prison time under the country's anti-pornography laws, introduced in 2008 but rarely used. Sentences for breaches of the law can be as high as 12 years in prison.

All three have denied they feature in the tapes but police have gone to extraordinary lengths using forensics techniques to try to establish the identity of those involved.

According to reports, Ariel's laptop was stolen before the clips were uploaded. It has been rumoured there were at least 30 other clips on the laptop featuring more famous Indonesian women. The release of the two homemade videos allegedly featuring Ariel and two television presenters, Luna Maya and Cut Tari, has highlighted a collision of morals between internet-loving youngsters and noisy conservative Islamic groups.

It is not the first celebrity sex scandal in Indonesia, or even the first involving prominent people featuring on a sex tape, but those involved are major celebrities and the scandal has transfixed the nation and dominated mainstream media. It has prompted concerned comments from the President, Susilo Bambang Yudhoyono, who has backed tougher internet laws and expressed concern the scandal is harming the country's international reputation.

Ariel is a notorious playboy and Luna Maya is his girlfriend. Her career has been derailed by the scandal as she lost her job as spokeswoman for Lux soap. Cut Tari, who is married, could face prison time for adultery.

<http://www.brisbanetimes.com.au/world/indonesia-hot-and-bothered-over-video-20100622-yvzv.html?>

Malaysia

- **Political Front**
- **Malaysia Muslim party reaches out**

A political party once bent on turning Malaysia into an Islamic state is for the first time preparing to put up non-Muslim candidates for election, in a bid to grab the political center in this divided country.

Some other Islamic-based political parties around the world have tried to make themselves more accessible to mainstream voters in recent years. Islam-based political parties in Indonesia have attempted to dig themselves a foothold in that country's young democracy. Turkey's Justice and Development Party has built a mass support-base that has twice elected Prime Minister Recep Tayyip Erdogan.

Now, frustrated with Malaysia's entrenched race-based government and worried about the stability of its opposition partners as speculation grows that the government may call early elections, the Pan-Malaysian Islamic Party is reaching out to its non-Muslims, who make up around 40% of Malaysia's 28 million people.

It's a big change for the party, best known by its Malay acronym PAS. Many of its top leaders prefer long billowing robes and turbans to the western-style business suits favored by top government officials. The party's founding objective was to create an Islamic state in Malaysia, a major exporter and resources powerhouse that has long been regarded in the Muslim world as a home to a modern, moderate form of Islam. As PAS

softens its old, hard-line edges, some non-Muslims are taking notice.

Alex Ong, an investment banker for 20 years who now works for an organization helping migrant workers, set up PAS's non-Muslim "supporters' club" in 2004. The 51-year-old Baptist says the party represents Malaysia's best chance of breaking its race-based political system and eliminating graft.

"PAS is the most misunderstood political party in Malaysia," says Mr. Ong. He says the party's turban-wearing leaders aren't really focused on turning Malaysia into an Islamic state, and notes that the PAS hierarchy has no problem with him eating pork or drinking alcohol. Instead, Mr. Ong says, "we want to encourage Islamic values to help strengthen the state and push for a moral renewal."

Some PAS members, however, are cautious of alienating their predominantly ethnic Malay support base, and suggest overtures to non-Muslims could be easily reversed.

Many urban non-Muslim voters, too, are wary of PAS and its mostly rural roots, especially as the country has taken a steadily more Islamic direction in recent years. This year for the first time, three Muslim women were caned for engaging in extramarital sex, while the government is appealing a court ruling allowing Christians to use the word "Allah" as a translation for "God" in Malay-language publications.

But some political analysts say PAS's outreach to non-Muslims could help alter the political landscape in this ethnically diverse nation.

Since independence from Britain in 1957, Malaysia has been governed by the National Front, an amalgamation of ethnic Malay, Chinese and Indian-based parties whose affirmative-action policies have impeded economic growth in recent years, economists say, undermining Malaysia's role as a development model for the Muslim world.

A growing number of voters have turned to a PAS-backed opposition alliance, which broke the National Front's two-thirds majority in Parliament in 2008 for the first time in decades and has since won eight of 11 special elections.

Prime Minister Najib Razak has to call a new election by the middle of 2013, but could choose to call it sooner. PAS's move to bring in non-Muslim candidates, announced at its annual conference on June 11, appears designed to expand the party's electability. To that end, its leaders discuss defeating corruption as frequently as they talk about strengthening traditional Muslim values. Nasaruddin Mat Isa, PAS's vice-president, says the party expects to field its first non-Muslim candidate "soon."

Some analysts say PAS has little choice but to aggressively expand its appeal. The country's main opposition leader, Anwar Ibrahim of the multiracial People's Justice Party, is on trial for the second time in a decade for allegedly sodomizing a male aide.

Mr. Anwar denies doing anything wrong, saying the allegation is a conspiracy to derail

his career. The trial could drag on for months, and a conviction would deprive Malaysia's fragile opposition alliance of its most charismatic leader and leave PAS positioned to fill the void by reaching into center ground occupied by Mr. Anwar. If PAS doesn't take the initiative, it risks leaving the National Front in power for years to come.

At the same time, Mr. Najib appears to be gaining in popularity among voters, and on June 10 made a play for more ethnic Chinese and Indian support by unveiling plans to strip away decades of affirmative-action policies that favor Malaysia's ethnic Malays, who are Muslim by law. "PAS is trying to show non-Muslims that they can engage with them, and they are being quite bold in this," says Bridget Welsh, a political science professor and Malaysia expert at Singapore Management University. "There's no question PAS now has national aspirations."

http://online.wsj.com/article/SB30001424052748703685404575306160307502750.html?#mod=todays_asia_front_section

- **Umno's Political Perception Must Change According To Trend - Najib**

Umno president Datuk Seri Najib Tun Razak said the party's political perception should change according to the latest trend instead of following the old way of winning support for the Barisan Nasional (BN). He said Umno must always be fresh by undergoing transformation according to the differing and constantly changing political environment. He said the transformation trend must be carried out to counter allegations by the opposition who were always trying to confuse the people with reasonable perceptions. "Although Umno is 64 years old and a mature product, it must be changed according to the political climate so that the people would continue to support Umno," he said at the delegates meeting of the Bagan Datoh Umno division at the Umno building here.

The Prime Minister conceded that politics had its ups and downs as it was normal, in fact in a parliamentary democracy system or democracy based on the perception system, the volatility was normal and could not be avoided.

"What is important for us is to accept the ups and downs but because this is quite uncomfortable, we should be more determined and work harder in drawing up the political strategy, strengthen team work so that with this awareness in resurgence, we can achieve success," he said. "The problem that we face is that the people's thinking change from time to time because the old guard comprising the independence fighters is diminishing," he said.

Najib said the group who had opposed the Malayan Union was diminishing...in the Pekan Umno division, for example, only one or two of the 'angkatan 46' who opposed the

Malayan Union were still active and holding posts as Umno branch heads.

He said the successes achieved in the past through racial unity between the Malays, Chinese and Indians through the Alliance had changed to the BN which was still strong even till today.

He said there were now experts in turning around stories where the truth was merely one per cent but by manipulating the stories, they managed to make the truth appear to be 10 per cent.

As an example, he said during the recent Sibul parliamentary by-election, the DAP had manipulated the facts and claimed that the Scorpene submarine could not dive whereas it was merely a technical problem and not that it could not dive at all.

<http://www.bernama.com/bernama/v5/newsgeneral.php?id=507346>

- **Malaysian PM inaugurates seventh halal...**

Malaysian Prime Minister Datuk Seri Najib Razak on Thursday urged the Islamic countries to strive to establish a unified standard for halal products to promote this industry in the global market, stressing the Malaysian government's support in the development of this promising industry.

Razak welcomed, during the opening of the the 7th International Halal exhibition (Mihaz), all states that have taken from the Malaysian halal standard a brand for their products, stressing that the unification of the halal standard among the Islamic countries needs to be a major effort by the competent authorities.

He said the halal fair and conference is being held for the seventh consecutive year and this shows the importance of this industry. (end).

aab.tg KUNA 241715 Jun 10NNNN

<http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2096826&Language=en>

- **Pakistan, Malaysia bilateral Trade can Increase 5-fold in 3 Years**

Pakistan and Malaysia have the potential of a five-fold increase in bilateral trade by tapping unexplored trade potential. This was stated by senator Abdul Haseeb Khan in his meeting with Dato Mukhriz Tun Mahathir, Malaysian Deputy Minister of Ministry of International Trade and Industry (MITI).

The Senator part of the ten member delegation of top businessmen and industrialists of Korangi Association of Trade and Industry (KATI) of Karachi is visiting Malaysia from June 19 to 23. The meeting was also attended by the Acting High Commissioner for Pakistan in Malaysia, Dr. Imtiaz A. Kazi, Commercial Counselor, Wajiullah Kundi and Malaysian Counsel General in Karachi Mohd Khalid Abdul Razak.

Senator Haseeb said Pakistan and Malaysia can improve their bilateral trade and

investment substantially by identifying untapped areas and encouraging their business communities to take full advantage of enabling environment, particularly after the signing of Free Trade Agreement in November, 2007. Malaysia's Deputy Minister for MITI said his country was recognized as a global Halal hub for sourcing and sale of halal products. Malaysia considers Pakistan as a choice partner to jointly capture global halal business worth two trillion US Dollars. He said Pakistan was the second largest trading partner of Malaysia in South Asia and since signing of FTA, the bilateral trade had increased from RM 4.6 billion in 2007 to 6.2 billion in 2008 registering an increase of 33.9%.

The issuing of Certificate of Origin to the Malaysian businessmen had also registered 79.8% increase and reflected enhanced confidence of Malaysian businessmen and traders to do business with Pakistan. MITI Deputy Minister said Malaysia was about to launch its 10th Malaysia Plan based upon country's New Economic Model meant to usher Malaysia into a high income bracket country. In this regard, he said emphasis will be made on development of value added industries, promotion of SMEs and green technology.

Senator Haseeb urged Malaysian Deputy Minister to consider opening of a trade office in Pakistan to cater to growing volume of trade and investment between the two countries and to facilitate their business communities to interact for meaningful cooperation, networking and business match-making. He also invited the Dy. Minister to lead a trade and investment delegation to Pakistan to gain first hand experience of the vibrant business environment in Pakistan.

The Acting High Commissioner suggested expeditious holding of Joint Ministerial Commission meeting to discuss existing level of economic cooperation and assist the business community of both the countries in furtherance of bilateral trade ties.

The Acting High Commissioner also suggested convening of Joint Review Committee under Article 8 of FTA to review existing regime of duties and tariffs under FTA, and to chalk out future plan to further facilitate the trade, commerce and investment between the two countries.

<http://www.pakistantimes.net/pt/detail.php?newsId=12311>

- **At Geo Strategic Front**
- **Economic Front**
- **Malaysia's ETF had a stellar 2009 before dropping back slightly this year.**

Malaysia's ETF had a stellar 2009 before dropping back slightly this year. It's climbing its way back and Malaysia's Prime Minister made an announcement Thursday that reveals an aggressive agenda to keep it that way.

According to James Hookway of The Wall Street Journal, Prime Minister Najib Razak

“laid out an aggressive plan to modernize and expand [Malaysia’s] economy and wean it off decades of subsidies and racial-preference laws.”

The goal of the reforms are to make Malaysia “a more competitive destination for foreign investment while doing more to encourage talented Malaysians to stay instead of looking for opportunities in Singapore, Hong Kong, the Middle East and elsewhere.” Royce Cheah and Razak Ahmad of Reuters reports, “In the blueprint, Najib said the government would reduce its fiscal deficit and gradually phase out subsidies while aiming for average 6% annual economic growth.”

According to Kevin Ong of Xinhuanet, “the private sector now plays a more significant role in driving the nation’s economy forward.” That’s why Prime Minister Najib is proposing \$70 billion in new infrastructure spending, much of it in conjunction with the private sector. But apart from the budget proposal, there were few clues as to how the government would achieve its objectives. Markedly, “the plan avoided thorny issues such as dismantling a four-decade old race-based policy in favour of the politically dominant Malays, a change that analysts say is crucial for Malaysia to compete with other economies.”

In addition, Prime Minister Najib will face tough opposition from ethnic-Malaysian hardliners, reports Hookway.

Currently, the goal of Malaysia’s system of racial preference is to have ethnic-Malaysians make up 30% of the economy. Data shows that ethnic-Malaysians control about 19%. History doesn’t reflect well on Najib’s team. The “14-month old government had previously U-turned on its decision to raise fuel and electricity prices, and delayed implementation of a goods and services tax after a public outcry.”

Resource-rich Malaysia has a shot at becoming a darling once more. But until it straightens out its problems, growth will be hampered.

<http://seekingalpha.com/article/211651-malaysian-growth-hampered-by-current-economic-policies?>

- **Underground economy growing with many illegal activities**

The “black economy” in Malaysia has grown to RM10bil, requiring the Government to initiate tougher measures against elements that may become national security threats, said Home Minister Datuk Seri Hishammuddin Tun Hussein.

“We are not just talking about betting and gambling. We are also talking about human trafficking of women and children (for prostitution), human trafficking of men, money laundering, drug trafficking and even terrorism-related activities. This black economy is worth RM10bil,” he said. “We are worried that these elements will use the money to finance even more transnational crimes such as trafficking in women and children,

financing terrorist groups and even for political purposes.”

He said police were stepping up their cooperation with Interpol and Asean police, and were utilising their bilateral network with neighbouring countries to tackle these activities. “The police are taking this seriously. We don’t want them (the crimes) to get out of control. In a neighbouring country, illegal football betting alone amounted to US\$10bil (RM32bil). “The money may be used to finance a lot of dangerous activities,” he told a press conference here.

Hishammuddin said the recent case of seven high-profile bookies who fled to a neighbouring country showed how widespread their network was. “Malaysia has good relations with her neighbours. They cannot get far. We will get them,” he said.

He also took a swipe at Opposition parties for trying to politicise what the police were doing, saying that every time the police took stern action against any group that threatened national security, the Opposition would try to capitalise on it for political mileage. “We will not be deterred from doing what is good for our country.” Hishammuddin had a briefing yesterday with the Miri police before going to Mulu for a Barisan Nasional seminar.

<http://thestar.com.my/news/story.asp?file=/2010/6/23/nation/6527973&sec=nation>

Pakistan, Malaysia bilateral Trade can Increase 5-fold in 3 Years

'Pakistan Times' Business & Commerce Desk

Pakistan and Malaysia have the potential of a five-fold increase in bilateral trade by tapping unexplored trade potential. This was stated by senator Abdul Haseeb Khan in his meeting with Dato Mukhriz Tun Mahathir, Malaysian Deputy Minister of Ministry of International Trade and Industry (MITI).

The Senator part of the ten member delegation of top businessmen and industrialists of Korangi Association of Trade and Industry (KATI) of Karachi is visiting Malaysia from June 19 to 23. The meeting was also attended by the Acting High Commissioner for Pakistan in Malaysia, Dr. Imtiaz A. Kazi, Commercial Counselor, Wajjullah Kundi and Malaysian Counsel General in Karachi Mohd Khalid Abdul Razak.

Senator Haseeb said Pakistan and Malaysia can improve their bilateral trade and investment substantially by identifying untapped areas and encouraging their business communities to take full advantage of enabling environment, particularly after the signing of Free Trade Agreement in November, 2007. Malaysia’s Deputy Minister for MITI said his country was recognized as a global Halal hub for sourcing and sale of halal products. Malaysia considers Pakistan as a choice partner to jointly capture global halal business worth two trillion US Dollars. He said Pakistan was the second largest trading partner of Malaysia in South Asia and since signing of FTA, the bilateral trade had increased from

RM 4.6 million in 2007 to 6.2 billion in 2008 registering an increase of 33.9%.

The issuing of Certificate of Origin to the Malaysian businessmen had also registered 79.8% increase and reflected enhanced confidence of Malaysian businessmen and traders to do business with Pakistan. MITI Deputy Minister said Malaysia was about to launch its 10th Malaysia Plan based upon country's New Economic Model meant to usher Malaysia into a high income bracket country. In this regard, he said emphasis will be made on development of value added industries, promotion of SMEs and green technology.

Senator Haseeb urged Malaysian Deputy Minister to consider opening of a trade office in Pakistan to cater to growing volume of trade and investment between the two countries and to facilitate their business communities to interact for meaningful cooperation, networking and business match-making. He also invited the Dy. Minister to lead a trade and investment delegation to Pakistan to gain first hand experience of the vibrant business environment in Pakistan.

The Acting High Commissioner suggested expeditious holding of Joint Ministerial Commission meeting to discuss existing level of economic cooperation and assist the business community of both the countries in furtherance of bilateral trade ties.

The Acting High Commissioner also suggested convening of Joint Review Committee under Article 8 of FTA to review existing regime of duties and tariffs under FTA, and to chalk out future plan to further facilitate the trade, commerce and investment between the two countries.

<http://www.pakistantimes.net/pt/detail.php?newsId=12311>

- **Malaysia, Singapore in land swap**

Malaysia and Singapore said Tuesday they expect to agree a land swap deal in the next three months to resolve a decades-old territorial problem.

Malaysian Prime Minister Najib Razak (L) receives his Singaporean counterpart Lee Hsien Loong at the prime minister office in Putrajaya. Lee came to hold talks with Malaysian officials on bilateral and regional issues.

Visiting Singapore Premier Lee Hsien Loong said both countries would finalise the deal as part of an agreement to relocate a railway station from downtown Singapore to the border with Malaysia by 2011. "We look forward to settling the matter in three months, it's something we want to clear expeditiously," he told reporters.

Malaysian Prime Minister Najib Razak said his country was looking to resolve the long-standing dispute quickly and that he would be going down to Singapore for a "final resolution" on the issue. Singapore was ejected from the Malaysian federation in 1965, but Malaysia still occupies railway land in Singapore leading to Malaysian territory, including the station on the fringes of Singapore's banking district.

Under the latest plan, Malaysia's state railway -- KTM -- will move its Singapore terminal to an industrial zone just across a narrow strait from southern Malaysia's Johore state by July 1, 2011. Last month, the two leaders announced plans to jointly redevelop the railway's valuable real estate in the city-state, and Lee's visit to Kuala Lumpur Tuesday was to provide a proposal for swapping the railway land for other choice parcels. "The overall concept is to swap the three plus three pieces of the (Malaysian railway) land with parcels of land in Marina South and or (the) Ophir-Rochor (area)," Lee added. A company to be known as M-S Pte Ltd will be set up to take ownership of the vacated area, with 60 percent of the equity held by Malaysian investment agency Khazanah Nasional Berhad and 40 percent by Singapore's Temasek Holdings.

<http://www.bangkokpost.com/news/asia/182201/malaysia-and-singapore-to-finalise-land-deal-in-september?>

- **Pakistan exports to Malaysia increase by 155%; Rice up by 468%**

Pakistan's exports to Malaysia have witnessed an upsurge of 155% in the first quarter of this year compared to the same period last year, with bilateral trade registering a growth of 18.3%. In monetary terms, the total exports touched to RM 251.19 million compared to RM 98.5 million in the first quarter of the year 2009, the Acting High Commissioner for Pakistan Imtiaz A. Kazi told a press conference here.

He said the unprecedented increase in bilateral trade clearly reflects growing business and trade ties between the two countries and was the outcome of Free Trade Agreement signed between the two countries in Nov, 2007. He said the trade potential between Pakistan and Malaysia was far more than the existing volume and urged the traders and businessmen of both the countries to take full advantage of reduced duties and tariffs for a multifold increase. Dr. Kazi said most of the increase in Pakistan's export related to Halal sector. Rice registered an unprecedented increase of 468.3% with an export of RM 155.5 million compared to RM 27.36 million. Potato registered an increase of 18.98% with an export of RM 9.6 million compared to RM 8.1 million, onion an enormous increase of 12000% with export of RM 12.5 million compared to RM 0.01 million of the same period of last year.

Maize made a debut entry with export of RM 5.8 million while other sectors like cotton yarn saw robust growth of 349.009% with export of RM 11.59 million compared to RM 3.32 million during the same period last year.

The press conference was also addressed by Honorary Investment Counselor for Pakistan in Malaysia, Dato Salim bin Fateh Din, Razzak Hashim Paracha, Chairman, Karachi Association of Trade and Industry (KATI), Shahaab Sharrif, partner of Utelus of Pakistan and Mohammad Rashid Hashmi, Chief Executive of Mohammad Hashim Tajir Surma.

He said Malaysian exports to Pakistan also registered significant growth in the same period i.e. 13.8% with palm oil and natural rubber showing increase of 18.2% and 60.7% respectively. In monetary, total bilateral trade registered 18.3% increase with an overall trade of RM 1.930 billion compared to last year's trade of RM 1.612 billion in the first quarter'. The Palm Oil exports to Pakistan showed substantial increase of 28.08% with export of RM 1.34 billion compared to RM 1.04 billion in 2009. The insecticide sector increased 8.34% with export of RM 5.92 million compared to RM 5.47 in 2009. Natural rubber registered an increase of 60.7% with export of RM 16.35 million compared to 10.17 million in 2009.

The Honorary Investment Counselor of Pakistan in Malaysia Dato Salim bin Fateh Din, who is also the Chairman of Pro-term Committee of the Malaysian Chapter of Joint Business Council (JBC) announced the composition of Malaysian Chapter of Joint Business Council had been finalized and will be formally announced shortly.

Chairman, KATI said the Pakistani traders and investors have now shifted focus from USA and Europe to exploring the markets of South East Asia. He said that there existed an enormous potential in bilateral trade between Pakistan and Malaysia in areas such as pharmaceuticals, consumer products, and Halal sectors which needed to be explored further. Shahaab Sharrif of Utelus said Malaysian traders were keen to import Pakistan's onion, potato, apricot, mangoes and rock salt in raw form and as well as in value added form. He said that he had already received order of 250 containers per month from Carrefour, one of the largest hyper markets of Malaysia and 20 containers of potato per week from another buyer besides receiving orders in bulk for import of Pakistani apricot, mango, and rock salt.

The Chief Executive of Mohammad Hashim Tajir Surma Mohammad Rashid Hashim said that Pakistan was reasonably strong in halal cosmetic and dietary products and Malaysia could be one of the major markets for their export. Later the media visited the Pakistani stalls and were briefed on the products exhibited in Pakistan Pavilion. The 7th annual edition of MIHAS, the premier Halal Show case of Malaysia was officially inaugurated on 23rd June and will continue till 27th of this month.

<http://www.pakistantimes.net/pt/detail.php?newsId=12368>

- **China's significance to Malaysia is growing**

Positive economic recovery signs have been visible in Malaysia over the past few months but it is undisputable that the United States and certain countries in Europe are still facing challenges. The possibilities that a global economic slowdown will make a comeback, and that more turmoil will emerge in the financial markets, have never faded, if not increased. However, it is during such a challenging time that the Malaysian government

announces its ambition to target a higher growth for exports and investments in 2010. Since Malaysia's traditional export markets in the west have shown sluggish recovery, a strong growing China may lend the third largest economy in Southeast Asia a helping hand. Malaysia, an export-oriented country, has been losing its competitiveness in terms of low-cost manufacturing to its regional neighbors such as China, India, Indonesia and Vietnam over the past decade. To boost exports and woo higher investments under current market situation, Malaysia can not merely follow the old ways that depended heavily on the low cost structure, but to improve its investment environment to remain competitive.

<http://english.people.com.cn/90001/90776/90883/7036857.html?>

- **Social Front**
- **Kuala Lumpur's Pursuit of Pro-Market Reforms Jeopardized by Malay Muslims**

A growing assertiveness by Malaysia's majority Malay Muslim population, which fears its economic privileges are under threat, has added to pressures on a government struggling to deliver pro-market reforms. Prime Minister Najib Razak pledged to liberalize the economy and has delivered such measures as granting new bank licenses, but his credibility has been dented by his inability to cut subsidies and privileges for Malays to boost competitiveness.

"If Malaysia is seen as becoming radical, then it doesn't help investor confidence. It points to a sense of political instability, which gives rise to policy uncertainty," said Citigroup. The latest policy flip-flop saw the government approve and then defer the issuance of a sports betting license to a company set to be controlled by Berjaya Corporation under pressure from an increasingly vocal Islamist opposition.

At the same time, a conservative Malay pressure group intervened in a \$1.6 billion bank-takeover bid by a group headed by an ethnic-Chinese businessman, saying the bank should be run by owners who can promote economic privileges for Malays.

"Najib needs to show reforms to drive the economy and allow the coalition to retain power, but he's seeing increasing assertiveness by the Malays, which is making his job more difficult," said Ibrahim Suffian, director at the independent polling outfit Mer deka Center.

Malays are the main support for Najib's United Malays National Organization and opposition Pan-Malaysian Islamic Party. When news broke of the betting-license approval to a company controlled by ethnic-Chinese billionaire Vincent Tan, the move was denounced in protests after Muslim Friday prayers, with PAS saying it would help organize a 100,000-strong protest in July.

Malaysia is home to Asia's largest publicly traded casino operator, Genting, which

recently opened a \$4.5 billion resort and casino in Singapore. Political uncertainties have already begun to weigh on foreign investment, with net portfolio and direct investment outflows reaching \$61 billion in 2008 and 2009 according to official data.

While money has flowed into the bond market recently, according to central bank data, little has flowed into equities. Najib has rolled back parts of the New Economic Policy, a pro-Malay affirmative policy in place for decades, scaling back a 30 percent equity requirement for Malays in companies being listed on the stock exchange. But proposals to water down preferential economic rights for Malays and other indigenous groups collectively known as bumiputra were attacked by Malay pressure groups such as Perkasa (Strength), whose supporters include many UMNO members. "The reform agenda is driven by political as well as economic needs. Politically unfriendly measures which make economic sense may not be implemented as easily," said Morgan Stanley. Perkasa has now started to try to influence corporate policy, criticizing the central bank's rejection of a bid by lender Affin Holdings, part-owned by the Malaysian Armed Forces Pension fund, to enter merger talks with larger rival EON Capital.

The rejection leaves Hong Leong Bank, the country's sixth-largest lender, controlled by ethnic-Chinese billionaire Quek Leng Chan, as sole bidder for EON's banking assets. "What more do the Chinese want? It's in the national interest that we balance bumiputra participation in the banking sector, and this merger between Affin and EON Capital can be the instrument," said Perkasa head Ibrahim Ali.

<http://www.thejakartaglobe.com/business/kuala-lumpurs-pursuit-of-pro-market-reforms-jeopardized-by-malay-muslims/382196/>

- **Environmental Front**
- **Cyber world**
- **New opportunities in the cloud for Malaysia**

Adoption of cloud computing could speed Malaysia's transformation into a high-value economy, according to software and services giant Microsoft.

"The building of infrastructure and services to adopt cloud computing would provide a sharp focus for Malaysia to vault up the value chain as an economy," said Microsoft Asia Pacific director Internet policy, legal and corporate affairs, John Galligan, speaking during a conference in Malaysia, themed 'Cloud Computing Enabling Innovation in Malaysia', which brought together technologists and policymakers. "Malaysia has already made strong moves with its NBI [national broadband initiative], which need to be followed by addressing infrastructure transformation," said Galligan.

He said Malaysia has always been an emblem of innovation. "It is the first country to come out of the recession in Asia. IT innovations such as cloud computing requires

political will to make cloud computing happen." "Malaysian at least has a plan to build infrastructure and policies to support innovation," he said. "Infrastructure for the next Twitter to emerge, for instance, is possible to Malaysian developers." "Government needs to be the flywheel for cloud computing adoption for the rest of the industry," he said. "In addition, to building economies around data, citizens have an incredible appetite to be served in better ways, and government needs to keep up to meet that appetite."

"Public policy must be an amplifier of these benefits, not a brake on innovation and the Asia region can certainly be the prime mover in fostering a new conversation on the role of trade and economic integration in advancing the opportunities from cloud computing," he said.

"Transparency is a very important principle throughout the discussions and the development," said Galligan. "Malaysia has been listed in the top 10 of competitiveness recently, and the country is demonstrating a desire to be among the top when it comes to ICT innovation."

Malaysian Information System Officer Association (PERJASA) organised the national conference on cloud computing as the platform of choice to achieve the government's Connected Government agenda in Putrajaya. The event covered a number of topics addressing the numerous benefits of using cloud computing in the public sector and the challenges faced, such as the security of the data delivered on the cloud.

Ramping up security in the cloud

Regarding security in the cloud, Microsoft Asia Pacific chief security officer, Freddy Tan, said: "There is no agreed standard on security in the cloud at the moment but Microsoft is making moves to help secure this through published papers and other avenues. However, we make available the commercial secure applications through the cloud that are available to on-premise applications."

"Windows 7 security training, for instance, is offered to governments under an NDA [non-disclosure agreement] called the government security programme," said Tan, adding that 70 per cent of Microsoft's 40,000 developers are working on cloud computing products and services, and that this would grow to 90 per cent by 2011.

Malaysia's move into the cloud

PERJASA president Dato' Haji Mohmed Rosli said: "MSC (Multimedia Supercorridor) Malaysia has earmarked cloud computing as number one in the list of top 10 strategic technologies for 2010. We believe that deploying cloud computing in the public sector will increase transparency, reduce the cost of IT by up to 50 per cent while improving efficiencies."

"With cloud computing, government organisations can offer interactive citizen portals,

collaborate easily across agencies and deliver volumes of data to citizens in useful and secure ways," said Rosli, adding the Malaysian prime minister Datuk Seri Najib Razak has also focused on ICT as one of the 12 key economic areas (NKEAS), which would drive the nation's economic transformation, in the 10th Malaysia Plan (10MP).

He said there were already elements of cloud computing being used to deliver some of the eGovernment services in the country. "MYEG, the public service payment and monitoring application is one such example. Another is the recent migration of the National Archives on a private cloud."

Microsoft Malaysia managing director Ananth Lazurus said the latest cloud computing services from Microsoft include Business Productivity Online Suite (BPOS) Federal, a new dedicated government cloud offering.

Lazarus said another suite for cloud computing is the Open Government Data Initiative (OGDI), a platform that uses Windows Azure to publish public data from government agencies.

"With the elasticity and the on-the-go ability to add applications, the possibilities within the cloud computing are limitless," said Lazarus. "The Malaysian government is making its first steps into the era of cloud computing.

<http://mis-asia.com/news/articles/new-opportunities-in-the-cloud-for-malaysia?>

Philippine

- **Political Front**
- **Political rivalry suspected behind journalist's killing**

A reporter, slain on Saturday evening in Digos City, had long been receiving death threats and authorities are looking at the possibility that his murder was connected with his job as a propagandist for a local politician. Nestor Bedolido, who was in his 40s and wrote for the weekly Kastigador (Castigator), was slain by a gunman while buying cigarettes at the corner of Rizal and Quezon Avenues in the Southern Philippines' city, reports said. Bedolido sustained six gunshot wounds. He was shot by a man who fled the scene on a motorcycle driven by another suspect.

The killing was the third in a week and the latest that took place less a little over a month since the Philippines' held its general elections. A report by Bombo Radyo Davao, said relatives of Bedolido believe that provincial politics figure prominently in the killing of the writer. The victim was reported to be a supporter of a certain politician in Digos City and had served as a propagandist for former Davao del Sur Representative Claude Bautista when the latter ran for the post of governor.

Bedolido was killed even as international journalist groups aired concerns over the rash of killings of media workers. The Philippines is considered one of the most dangerous

places in the world for journalists.

On June 15, Joselito Agustin, 37, a commentator for dzJC Aksyon Radyo-Laoag in northern Philippines, was shot and killed on his way home to Bacarra town, Ilocos Norte. The murder came about 24 hours after the killing of broadcaster Desidario "Jessie" Camangyan, anchorman of Sunrise FM, in Mati, Davao Oriental, Southern Philippines. He was shot while hosting a singing contest in Manay.

Jacqueline Park, Asia-Pacific Director of the International Federation of Journalists, called on the incoming government of President Benigno Aquino III, to show that something can be done stop the "culture of impunity" that pervades whenever a media worker is killed.

"These killings, barely half a month before president-elect Noynoy Aquino takes office, show that enemies of press freedom in the Philippines are confident they can continue to get away with murder," IFJ said then. Bedolido's killing is the 140th killing of a media worker in the Philippines since 1986

<http://gulfnews.com/news/world/philippines/political-rivalry-suspected-behind-journalist-s-killing-1.643781?>

- **Economic**
- **Central bank says new govt should aim to get more FDI**

THE Philippine central bank on Friday said the new government should work at attracting foreign investments amid the capital surge into Asia, which has emerged from the global financial crisis ahead of other regions.

In a briefing, Bangko Sentral ng Pilipinas (BSP) Deputy Governor Diwa Guinigundo said capital controls are not as urgent as in other Asian countries since the Philippines' share of the foreign investments moving into the region is hardly alarming. "It would be useful if foreign investments can augment domestic capital," Guinigundo said.

The Philippine economy grew a surprising 7.3 percent in the first quarter on the back of pump priming by the government aimed at mitigating the effects of last year's twin typhoons and the ongoing El Niño. The country enjoyed foreign direct investment (FDI) net inflows of \$166 million in the first quarter, but this was lower than the net inflows of \$282 million in the same period last year.

FDI pertains to money invested by foreigners in the Philippines for establishing new businesses or expanding existing ones, and as such generates employment. The BSP expects FDI inflows of \$2 billion this year, up from an earlier estimate of \$1.8 billion.

The Department of Trade and Industry (DTI) last Wednesday launched the Philippines' new investment promotions roadmap amid stiff competition among Asian countries for foreign investors. Under the 2010 to 2014 Philippine Investments Promotion Plan (PIIP),

the country's investments promotion agencies are eyeing P2.4 trillion in cumulative inflows in the next five years through a joint approach in promotion efforts.

The launch of the PIPP came amid news of Indonesia's efforts to woo food multinational Nestle, which has existing manufacturing plants in the Philippines and Malaysia.

The Philippines also is seen competing with Thailand for investments of auto giant Ford. See related story on page B2.

Also on Friday, the BSP announced that the country enjoyed foreign portfolio investment (FPI) net inflows of \$178 million last month, but this was 16 percent lower than the April tally of \$210 million. Unlike the job-generating FDI, FPI pertain to money that foreigners invest in stocks of Philippine listed companies and in other peso-denominated financial assets. While it doesn't create employment, FPI, which is also called "hot money" indicates the likely direction of FDI in the future. For the first five months of the year, FPI net inflows reached \$772 million, or 180 percent more than last year's \$276 million, with listed shares of Philippine corporates cornering the bulk of the inflows at 71 percent.

With report from

<http://www.manilatimes.net/index.php/business-columns/20207-central-bank-says-new-govt-should-aim-to-get-more-fdi?>

- **Social Front**
- **Humanitarian aid in Philippines**

On 23 June, the European Commission decided to allocate another €4 million to bring additional relief to the victims of Typhoons Ketsana and Parma, which struck the Philippines and devastated Manila and Central and Northern Luzon, in September and October 2009. The fresh funds will finance support, such as material for transitional shelters, housing repairs, water and sanitation, food programmes and basic agricultural inputs.

<http://www.europolitics.info/external-policies/humanitarian-aid-in-philippines-art275860-44.html?>

- **Successive crises drop two million Filipinos to poverty**

At least two million Filipinos became poor in the aftermath of unfortunate events that hit the country in the last four years, a study commissioned by the United Nations Development Programme (UNDP) showed on Friday.

The study, titled Tackling Poverty and Social Impacts: Philippine Response to the Global Economic Crisis, attributed the number of poor Filipinos to the three shocks that hit the Philippines—the rise in food prices from 2007 to 2008, the global financial and economic crisis from 2008 to 2009 and the Typhoons Santi and Pepeng and Tropical Storm Ondoy hitting the country in 2009. These shocks, according to the report, sharply sank the

economy's productive sectors in 2009 such as agriculture (from -0.3 to -3.4 percent), industry (0.7 to -6.1 percent) and manufacturing (from 1.4 percent to -7.8 percent).

Production in the services industry remained steady for the past two years at -2.5 percent. Arsenio Balisacan, an author of the report, noted that the productive sectors resulted in high underemployment, which reduced the mean income of Filipinos by 2.1 percent and increased poverty by 1.6 percent in the process.

Not enough

The government's responses to the shocks, according to the study, proved to be wanting because projects and activities tended to be mere doleouts instead of making people capable in building productive assets. At the height of the crisis in 2008, the government came up with an Economic Resiliency Plan, which included a pump-priming program with a total budget of 4 percent of the gross domestic product (GDP) and increased spending for job creation, technical programs, cash transfers and food subsidies.

GDP represents the amount of goods and services produced locally in a year. "Responses drawn by the national government were heavily implemented across the country despite the fact that various communities have varied needs. There was poor attention to quality, especially in the run-up to elections," Balisacan pointed out, saying that the government actually spent two pesos for every peso that it gave to the poor.

The study, however, recognized that the government's conditional cash transfer (CCT) program was an effective vehicle for addressing short-term poverty and long-term human development.

The CCT, locally known as Pantawid Pamilyang Pilipino Program, is a development and poverty-reduction strategy that provides cash assistance to extremely poor households to allow the family members to meet certain human development goals such as health, nutrition and education, provided that they comply with certain conditions.

The conditions included: Children 3 to 5 years old must attend day care/pre-school at least 85 percent of the time; children 6 to 14 years old must attend school at least 85 percent of the time; children from zero to 5 years old must get regular health check-up and vaccinations; children 6 to 14 years old must undergo deworming every six months; parents must attend responsible parenthood sessions; and pregnant women must get pre- and post-natal care and be attended to during childbirth by a skilled/trained birth attendant.

Unacceptable reality

But for the UNDP country director for the Philippines, Renaud Meyer, having two million more poor Filipinos at this point is simply unacceptable notwithstanding the global crisis. "Whether there is a crisis, the Philippines has a lot of resources. It is a

middle-income country and it is in Asia, which is the fastest-growing region in the world. But despite of all the resources and skills available, why is it that the Philippines is not doing well in achieving the MDGs?” Meyer asked, addressing reporters during a press briefing held at Discovery Suites in Ortigas, Pasig City (Metro Manila). “It just shows that the government should address the fundamental issues of governance and social protection schemes by making the MDGs as its roadmap to progress,” he said.

Meyer was referring to the eight time-bound Millennium Development Goals—halving extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and developing a global partnership for development. At least 190 member-countries of the United Nations, including the Philippines, agreed to achieve the goals by 2015.

<http://www.manilatimes.net/index.php/top-stories/20243-successive-crises-drop-two-million-filipinos-to-poverty?>

- **Politicians charged in journalist deaths**

Philippine police have filed murder charges against two local politicians and a police officer over the separate killings of two provincial radio reporters last week, but none of those charged have been detained.

The Philippines was the deadliest country for journalists in 2009, accounting for 37 of 132 journalists and support staff around the world that were killed or died while working, the International News Safety Institute said.

“Murder charges had been filed against them based on the strength of testimonies from several witnesses,” national police spokesman Leonardo Espina Espina told reporters yesterday, saying politics could be among the motives for the killings.

Village head Romeo Antoling and police officer Dennis Jess Lumikid have been charged with the June 14 murder of Desadario Camangyan, a radio commentator known for his anti-mining and anti-logging editorials.

They have not yet been arrested. Camangyan was shot from behind while judging a singing contest in Manay town on southern Mindanao island.

Pacifico Velasco, who was elected vice mayor Bacarra town in northern Ilocos Norte province last month, and his aide Leonardo Banaag have been charged with the June 16 murder of radio reporter Jovelito Agustin, but remain at large.

Espina also said three men linked to the June 18 murder of a former newspaper columnist in Davao del Sur had been identified.

Philippine press groups say about 100 journalists had been killed since President Gloria

Macapagal Arroyo came into power in 2001. The list include at least 30 journalists and staff who died in a massacre of 57 people on Mindanao island last November. Reuters

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=370163&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=370163&version=1&template_id=45&parent_id=25)

- **Philippines Government Urged to Address Refugee Issue**

With a new administration taking office in the Philippines this month, there are hopes for a renewed effort to bring peace to the country's troubled south. But human rights workers in neighboring Malaysia say to succeed, peace talks must also address the needs of tens of thousands of Filipino refugees.

Since Philippine courts struck down a peace deal with the Moro Islamic Liberation Front in 2008, sporadic attacks by the militants have forced more than 400,000 from their homes in Mindanao, in the country's south. Thousands of them joined about 100,000 compatriots who have fled to Malaysia over the past four decades as the MILF fought to create an Islamic homeland in Mindanao.

With President-elect Benigno Aquino to take office in Manila on June 30th, there are hopes for a new effort to reach a peace deal with the MILF. Irene Fernandez is the executive director of Tenaganita, a Malaysian organization that works to protect the rights of women and refugees.

She says any effort to find a lasting peace must also resolve the fate of Filipino refugees and illegal immigrants in Malaysia. "Many of them, they have become stateless during the last 35 years that they have been here," Fernandez said. "And it will be a good way of getting as many of the Filipinos to return to Mindanao from where they originally come from." Scores of refugee camps dot the coastline of Malaysia's Sabah state, on the tip of Borneo island.

The United Nations High Commission for Refugees established most of the camps, which were originally designed to hold just a few hundred people.

The numbers have swelled as successive rounds of peace talks and ceasefires failed. The camps are poor and squalid. But many of the Filipinos have been in the camps so long that Fernandez worries they no longer identify with their own country. "I have my concerns because we are looking at the second and third generation and sometimes even the fourth generation after so many years, who do not have any form of identity or knowledge of the Philippines and they look at themselves as more Sabahan or Malaysian rather than Filipino," she adds.

She says peace talks must help the refugees, and give those who want it a chance to remain legally and work in Malaysia. Only then, she says, could peace talks be said to

have reached a fair and just conclusion.

An international monitoring team that includes Norway, Brunei, Japan and Libya will oversee the peace process in Mindanao, and monitor any ceasefire accord struck between Mr. Aquino's government and the MILF.

<http://www1.voanews.com/english/news/human-rights/Aid-Workers-Urge-Philippines-Government-to-Address-Needs-of-Filipino-refugees.html>

- **Philippine military fails to meet target for crushing rebellion**

The Philippine military has acknowledged that it will not meet this month's deadline to eradicate a decades-old Maoist rebellion but claimed that offensives had reduced the insurgents to a historic low. President Gloria Macapagal Arroyo had ordered troops to crush the Maoist rebellion by the end of her term on June 30, but the military admitted that about 4,000 New People's Army guerillas remain in five key regions nationwide.

There were about 25,000 guerrillas at their peak in the mid-1980s under dictator Ferdinand Marcos's rule, but their ranks have since dwindled due to battle setbacks, surrenders and factionalism. The 120,000-strong military said that it is crafting a new plan to rout the rebels under incoming President Benigno Aquino III but it is also committed to fighting Muslim guerillas and al-Qaida-linked militants in the country's south.

Rebel spokesman Greg Banares dismissed military claims that the rebels were on the verge of defeat as "crude propaganda."

<http://www.morningstaronline.co.uk/index.php/news/content/view/full/91768?>

- **Abu Sayyaf ambush kills 4 in S. Philippines**

At least four people were killed while two others were injured as suspected Abu Sayyaf bandits ambushed a passenger jeepney in southern Philippine province of Basilan Wednesday afternoon, police said.

Basilan police chief Senior Supt. Antonio Mendoza identified the four confirmed fatalities as jeepney driver Rodel Weng Circulado, 35; his passengers Salsijan Ampuan Sali, 22; a certain Ibang, 35; and Solis Aspalun, 17.

Members of the Basilan police recovered the bodies of the four, but there was information that a certain Racma, another passenger, was also killed, Mendoza said.

Police, meanwhile, brought Hamid Hasilun, 45, and Nurjid Muhajilun, 10, to the Basilan Community Hospital due to injuries. "The children were hit in the head while the adults were hacked. This means that the ambushers got near to the victims," Mendoza said.

Initial investigation showed that Circulado was driving the jeep from Isabela City and was ambushed by more or less 30 hooded armed men around 2 p.m. in Maluso, Basilan. Investigators have yet to determine what group carried out the ambush, but Mendoza said they are not discounting the possibility that it was the Abu Sayyaf group.

Abu Sayyaf was founded in the 1990s and had perpetrated a number of high-profile attacks, including kidnapping and bombing. The Philippine military estimates the Abu Sayyaf, which has links with external terrorist organizations such as Al-Qaeda, has about 400 members.

<http://english.people.com.cn/90001/90777/90851/7037418.html?>

- **Environmental front**

Thailand

- **Political Front**
- **Emergency rule in Thai provinces likely to end**

Thailand's Prime Minister says emergency rule, imposed during recent opposition protests is likely to be lifted in many provinces next month.

The emergency decree, in place across about a third of the country, including Bangkok, is due to expire on July 7. Cabinet will decide whether to extend it, based on the advice of security officials.

The government is likely to keep the state of emergency in the capital. That's despite calls from the opposition that the law be revoked for a by-election in Bangkok scheduled for July 25.

<http://www.radioaustralianews.net.au/stories/201006/2936542.htm?>

- **Thai New Politics Party candidate withdraws from July 25 by-election**

Thailand's newly-established New Politics Party (NPP) on Friday announced withdrawal from contesting the July 25 by-election. The party said it does not want to compete with a "terrorist," the Thai News Agency (TNA) reported.

The NPP on Thursday announced to send General Kittisak Rathprasert to run in the July 25 by-election in Bangkok's constituency 6. General Kittisak is an ex-army officer and an NPP executive committee member. He said he decided to withdraw from the contest after realizing that Korkaew Pikulthong, an anti-government United Front for Democracy against Dictatorship (UDD) leader charged with terrorism, will also be a contender, the Bangkok Post's website reported.

On June 15, the weekly cabinet meeting approved the July 25 by-election for the Bangkok Constituency 6 according to a proposal of the country's Election Commission (EC). The by-election is planned to fill the vacant House seat left by ruling Democrat MP Tiva Ngernyuang, who passed away recently. The Bangkok Constituency 6 covers three districts: Nong Chok, Khlong Samwa, and Bueng Kum District.

<http://english.people.com.cn/90001/90777/90851/7041326.html?>

- **Economic front**
- **Thailand's 2010 economy to grow 6.1% despite political turmoil: World Bank**

Thailand's 2010 economy is estimated to grow 6.1 percent despite the March-May political turmoil, World Bank economist Frederico Gil Sander said on Thursday.

The 2010 recovery comes from a low base as in 2009 the Thai economy contracted 2.3 percent since the country's exports plummeted due to the global recession.

The World Bank's latest forecast was revised down from an earlier projection of a 6.2-percent growth rate, Sander was quoted by the Thai News Agency (TNA) as saying. Despite the political turmoil, Thailand has continued to see a robust economic recovery in light of healthy expansion of the country's exports during the first half of 2010, the economist said.

The Thai exports' growth rate, which is better than expected, has offset negative impacts from the political unrest on the country's gross domestic product (GDP), Sander explained. The World Bank has forecasted that the Thai exports will expand 12.8 percent in 2010, Sander said.

However, the expansion of the Thai exports during the second half of 2010 is estimated to be lower than the first half's due to the global economic volatility, he said. The slowdown growth on the exports will affect Thailand's GDP in 2011. The World Bank has projected the GDP will grow 3.6 percent as Europe's ongoing debt and economic woes are expected to contribute to the slowdown, Sander said

<http://english.people.com.cn/90001/90778/90858/90863/7039459.html?>

- **Think tank pushes RP trade accord with EU**

THE think tank of the Philippine Chamber of Commerce and Industry (PCCI) wants the incoming administration to pursue a bilateral trade accord with the European Union (EU). “[The Philippines should] take advantage of the opportunities in the EU market and not be crowded out by its neighboring countries, such as Singapore, Thailand and Vietnam, [which] have started negotiations for a bilateral trade deal with EU,” the Universal Access to Competitiveness and Trade (U-ACT) said in a statement on Tuesday. The group said a bilateral free trade agreement (FTA) should be on top of the Partnership and Cooperation Agreement (PCA) that the Philippines is pursuing with the EU.

The Philippines and EU this month concluded the seventh round of negotiations for the PCA. “We need to move fast because other countries that have the same market as ours are taking the same route as well. Otherwise, we might be losing a major market,” Donald Dee, U-ACT chairman, said. This PCA covers areas such as counter-terrorism, education and culture, human rights, migration, politico-security concerns, as well as energy, transportation and trade and investment.

EU is in discussions for FTAs with individual members of the Association of Southeast Asian Nations, after negotiations for a regional trade pact stalled last year. EU accounts

for about 17 percent of global trade in goods and about a fourth of services. It is also the source of about half of global foreign direct investment in recent years

<http://www.manilatimes.net/index.php/business-columns/20022-think-tank-pushes-rp-trade-accord-with-eu?>

- **Abhisit rejects claims of financial persecution**

Prime Minister Abhisit Vejjajiva denies his government is persecuting those suspected of sponsoring the red shirt protests by freezing and examining their financial transactions. Mr Abhisit said yesterday the investigation into the transactions of 83 people and companies was not a form of persecution.

The move was in response to repeated and excessive withdrawals of cash in recent months that should be clarified, he said. "I insist that the government has never intended to persecute anyone," Mr Abhisit said. The prime minister added that anyone whose accounts have been frozen will still be able to do such things as pay utility bills and staff salaries and service debts. He said controls on suspicious financial transactions are necessary to prevent terror attacks and secure order.

Mr Abhisit dismissed allegations that the Centre for the Resolution of the Emergency Situation (CRES) was excluding some parties from investigation. He said the CRES had impartial criteria in place to distinguish suspects from the innocent.

Red shirt leader and opposition Puea Thai Party MP Jatuporn Prompan said the Anti-Money Laundering Office (Amlo) did not freeze the accounts of those who gave financial support for the demonstrations by the yellow shirt People's Alliance for Democracy. "Why don't you reveal the sponsors of the alliance?" Mr Jatuporn said

"Its protest was over three times longer than that of the red shirt people." "This is clearly a double standard."

Among those on the CRES list is Mayuree Sawetasai, the leader of the red shirts in Ayutthaya. Mrs Mayuree said yesterday she was ready to answer any questions about her financial transactions as she could prove she had not received financial support for the protest.

She said she had earned over 4 million baht from the sale of a house in Phuket and she had recently withdrawn money many times over the course of a month to pay for a new factory to produce satellite dishes to broadcast United Front for Democracy against Dictatorship content. She denied the withdrawals had been made to facilitate the movements or actions of red shirt protesters. Mrs Mayuree said she had only provided catering services for the protests and was not involved in any of the riots. She said she is now working as a vendor as her bank accounts had been frozen and she is prohibited from making financial transactions.

<http://www.bangkokpost.com/news/local/39096/abhisit-rejects-claims-of-financial-persecution?>

- **Thai stocks seen weaker on global pessimism**

Thai stocks may fall on Friday, tracking weaker Asian stock markets, as growing economic pessimism in the United States and the re-emergence of euro zone debt worries weighed on global markets. "The SET index should continue in a downward direction. In the short-term, we recommend selling against any market rebound amid the growing worries over the U.S. economy," broker Phillip Securities said. On Thursday, Thai stocks fell 1.65 percent to 793.19, the lowest since June 18, with energy and banking shares leading the way. Foreign investors bought shares worth a net 903 million baht (\$27.91 million). This year, foreigners have sold a net 18.66 billion baht worth of shares. Resistance on the main index was seen at 800 and 806, with support seen at 784, the broker said.

<http://www.iii.co.uk/news/?type=afxnews&articleid=7960947&subject=markets&action=article>

- **Thailand set to become halal-food hub**

The NFI will work in conjunction with other ministries, such as Agriculture and Commerce, and receive a budget of Bt4 billion for the task, he said. An NFI official said the value of halal-food exports would rise from Bt80 billion per annum to Bt100 billion within five years.

The strategies will cover product quality, certification, marketing capability, scientific development and enhancement of competitiveness.

<http://www.nationmultimedia.com/home/2010/06/26/business/Thailand-set-to-become-halal-food-hub-30132457.html?>

- **Social Front**

- **Govt boosts policies to aid farmers, poor**

The cabinet has boosted the government's populist policies by tens of billion of baht with bureaucrats, farmers and the poor being among the beneficiaries. Yesterday, it approved a 5% increase in the monthly salaries of state officials, costing 30 billion baht a year. Farmers will get a 50% debt moratorium, while policies will be pursued to solve the problem of informal or illegal loans which affect 250,000 people.

Prime Minister Abhisit Vejjajiva said the salary increase will take effect from the middle of the next fiscal year, or April 1, 2011. The prime minister said the government gave the pay rise serious consideration after receiving an avalanche of complaints from government employees across the country since last year. He insisted the government will have sufficient funds to cover the salary increase.

The cabinet also endorsed a debt restructuring scheme to help 80,000 farmers who are members of the Farmers' Reconstruction and Development Fund. It will see 50% of their principal written off and the repayment period extended to 15 years for the rest.

Mr Abhisit said Deputy Prime Minister Sanan Kachornprasart, who oversees the fund, reported that it is working with the Government Savings Bank, Bank for Agriculture and Agricultural Cooperatives (BAAC), Krung Thai Bank and the Government Housing Bank on the restructuring scheme. The farmers' records of non-performing loans will be wiped out after the restructuring.

Farmers affected by the drought will also receive help under another cabinet scheme. About 980,000 farmers who have debts with the BAAC not exceeding 50,000 baht will have the principal payment postponed for a month and the interest payment deferred for one and a half months. The government has set aside 200 million to 300 million baht to compensate for the scheme. The government said its policy to help those with illegal and informal debts has proven a success with about 750,000 people who registered for help receiving assistance. Mr Abhisit said about 300,000 of them should get refinancing assistance from state banks by the end of this month and about 450,000 next month.

The prime minister said the Interior Ministry, which launched the scheme early this year, had set up the debt settlement centre to bring together debtors, creditors and bank representatives for talks on how to manage debts owed by about one million people who had registered. Mr Abhisit said the government was looking at ways to help the rest of the one million whose qualifications did not meet the criteria of the banks to grant them the financial help. Some cannot find a guarantor while others lacked a permanent job and income stability. "For those without a permanent job and income, I have already instructed the Finance Ministry to work with other ministries to find other ways to help them within a month," he said.

<http://www.bangkokpost.com/news/local/39178/govt-boosts-policies-to-aid-farmers-poor>

- **Thailand's Threatened Migrant Worker Crackdown**

Thailand: Thailand's Threatened Migrant Worker Crackdown Would Be Counter Productive and Lead to Gross Human Rights Violations (Friday 18th June 2010)
Thailand's Threatened Migrant Worker Crackdown Would Be Counter Productive and Lead to Gross Human Rights Violations

On 2nd June 2010, Thailand's Prime Minister Abhisit Vejjajiva issued an order setting up a Special Centre to Suppress, Arrest and Prosecute Alien Workers Who Are Working Underground. This centre will manage a crackdown against unregistered migrants in Thailand, most of whom are from Burma. Five Regional Working Groups will implement

the crackdown by pooling strength of police, army, navy and other government officials. The order states the targets of the crackdown are approximately 300,000 migrants who failed to enter a Nationality Verification (NV) migrant registration process by February 28th 2010. An estimated 1 million plus unregistered migrants who are working in Thailand but were ineligible for NV will also likely become targets of this crackdown.

- **Thailand Must Take Action for Human Rights**

The Human Rights and Development Foundation (HRDF) strongly cautions the Royal Thai Government (RTG) against implementing this migrant crackdown policy as it could lead to gross human rights violations affecting more than a million highly vulnerable migrants, especially those from Burma's ethnic minorities. Experience shows migrant crackdowns lead to an increase in arrest, detention and extortion of migrants by corrupt government officials, as well as violence and even death in the ensuing chaos. This particular crackdown policy is premature, makes no sense economically and is unlikely to strengthen Thailand's national security.

HRDF publically calls on the UN Special Rapporteur on the Human Rights of Migrants to urgently seek clarifications from the RTG on how this migrant crackdown policy would respect Thailand's international human rights obligations, particularly as a newly elected member of the UN's Human Rights Council. HRDF consider this policy a very disappointing start to Thailand's membership of this important UN body, particularly given the Government's specific membership pledges in May 2010 to protect the rights of minority and migrant groups.

Background

In 2009, over 80% of registered migrants in Thailand (or 1.1 million persons) were from Burma. They face ethnic and political conflict as well as continuing economic desperation in their homeland, which is controlled by a military government. In 2003, Thailand and Burma agreed to a NV process in which registered Burmese migrants who left Burma "illegally" and entered Thailand "illegally" would return to Burma to verify their nationality. These migrants would then be issued temporary passports enabling them to return to work "legally" in Thailand. RTG set a deadline of 28th February 2010 for registered migrants to enter NV, after which it ordered no future migrant worker registrations renewals. Unregistered migrants were ordered to leave Thailand or be arrested and deported.

- Around 90,000 Burmese have so far completed NV
- Around 800,000 Burmese applied for NV and have until 28th February 2012 to complete the process
- Around 300,000 eligible Burmese missed the 28th February 2010 NV deadline and are

now unregistered

- An estimated 1 million plus Burmese were excluded from NV and remain unregistered
- Thailand's economy continues to be dependent on an estimated 2-3 million unskilled migrants

RTG's NV policy, however well-intentioned as part of commendable efforts to regularise its growing migrant labour force, has been implemented with no genuine consideration for human rights. Instead, threats of mass deportation have been highly visible, only registered migrants are eligible for the scheme, unregulated brokers continue to charge exorbitant fees and government led public awareness efforts have been weak. Burmese migrants violated Burmese government law by leaving their country illegally but are being pressured during the NV process to submit their biographical information to Burma's military government. This naturally continues to cause deep angst amongst migrant communities fearing retaliation by the Burmese government against them and their families.

On 18th February 2010, the UN's Special Rapporteur on the Human Rights of Migrants issued a public statement expressing strong concerns about Thailand's NV policy and urged restraint regarding threatened deportation of large numbers of migrants back to neighbouring countries, particularly Burma, after the 28th February 2010 deadline.

Migrant workers in Thailand work in the most dangerous and lowest paid jobs, contributing 6 to 7 percent of Thailand's GDP and making up 5 to 10 percent of its workforce. Despite this, Thailand continues to lack a long-term strategy for managing migration effectively. Presumed nationality security concerns and short term economic imperatives are prioritised over respect for migrant's human rights. In national security terms, threatened crackdowns against migrants are to be expected, but in economic terms, if genuinely implemented would lead to extensive labour shortages in Thailand's booming economy. RTG stated this new migrant crackdown policy is intended to remove all migrants refusing to enter into or who were ineligible for NV from the country so as to regularise its migrant labour force by allowing only two categories of migrants to work here in the future: (1) Migrants who "illegally" entered Thailand but have or will soon complete NV to become "legal"; and (2) Fresh migrants who will "soon" be brought in from neighbouring countries "legally".

However, this crackdown is worryingly premature as no evidence shows systems in place to bring fresh migrants in from Burma to replace an estimated 1 to 1.4 million migrants who are currently unregistered, cannot now enter NV and are being threatened with deportation. In addition, future government to government labour export/import systems, utilising unregulated brokers and managed by a Burmese junta that continues to be

complicit in forced labour, would require monitoring systems set up to protect against human rights violations that are not yet in place.

Recommendations to the RTG

HRDF hereby makes the following recommendations to the RTG:

1. RTG should urgently revoke its crackdown policy on unregistered migrant workers in light of its international human rights obligations and as a newly elected member of the UN Human Rights Council
2. RTG should urgently open a new registration process to allow an estimated 1 to 1.4 million currently unregistered migrants working in Thailand to register and enter the NV process
3. The Ministry of Labour (MoL) should carefully re-consider how it can achieve its goal of encouraging formal labour imports into Thailand from neighbouring countries in the future in a way that upholds migrants' fundamental human rights and prevents gross economic and other kinds of exploitation
4. MoL should urgently regulate services by existing brokers assisting migrants and employers with NV given that regulation of these brokers remains ineffective and fees remain too high
5. RTG should start interactive discussion to find permanent solutions for migrants who cannot complete NV
6. RTG should start interactive discussion on how to sustainably manage all aspects of migration in the country in a balanced way that promotes both Thailand's sustainable development and respects the human rights of migrants. This interactive dialogue should lead to a long term Migration Strategy Plan for Thailand.

HRDF believe the above actions would enable the RTG to manage its irregular migration challenges in ways that respect the human rights of all migrants in Thailand whilst in no way negatively impacting on RTG's economic and nationality security concerns. In contrast, a policy to crackdown on migrants serves only to harm Thailand's economy, which remains heavily reliant on migrant labour, as well as Thailand's international human rights reputation. More importantly, experience shows crackdowns mean migrants fall victim to gross exploitation as they are forced underground and corruption prospers. In the long term, Thailand's nationality security is thereby reduced.

<http://www.scoop.co.nz/stories/WO1006/S00407.htm?>

- **Environmental front**

Cambodia

- **Geo-strategic Front**

- **Economic Front**
- **Southeast Asia Drought Triggers Debate Over Region's Water Resources**

A drought in Southeast Asia is threatening rice production in Cambodia and Thailand, the world's biggest rice exporter. The concern about production comes as rice prices have sunk to a two-year low, hurting farmers' incomes.

The lack of rain in Cambodia and Thailand cut rice production by as much as 40 percent. Farmers usually harvest one rice crop in August, and the main rice crop in October.

In Thailand, the government is concerned that farm irrigation will stretch already thin water supplies. Supavud Saicheua, managing director and head of research at Phatra Securities (PATRA), said the government has already asked farmers to delay the planting of the main crop. "And that means that rice production, rice harvest, will bunch up in November. Now, if there's a sense globally that there's a lot of rice and the price is depressed even more, then Thai farmers will be hit in terms of both price and quantity," he said.

Supavud added while Thailand's economy as a whole has recovered from the global financial crisis and recent political turmoil, agriculture is still suffering. Last month, rice prices in Thailand, Asia's benchmark, hit a two-year low after a drop in export demand. In response, Thai authorities adjusted a subsidy to offer a guaranteed price for rice farmers. But Chanchai Rakthananon president of the Thai Rice Mills Association, said that move proved inadequate. The guaranteed price right now is just enough to meet farmers' costs, he said, because they are getting a low yield from the drought. Chanchai said that is affecting their income, so farmers are not making any profit.

Farm market analysts say rice prices should rise as markets feel the effects of the drought. Chanchai said farmers are now planting more corn and sugar cane to cut their losses from the poor rice crop. But he added it will take a year or two to reclaim farmland for rice once prices recover. In the meantime, government stocks can make up for production shortages. However, Thailand's rice exports, accounting for about a third of the world total, are expected to drop by up to a million tons this year, which could affect importing countries.

National Food Authority of the Philippines spokesman Rex Estoperez is a spokesman said the shortfall will definitely affect rice supplies for the Philippines, Asia's biggest rice importer. "But, you know, Thailand is only one of the suppliers of the Philippines. And, over last year, we had our tender in December and our major supplier then was Vietnam," Estoperez said.

The Philippines buys rice from a total of six countries. As long as there are no more major weather calamities, Estoperez said they should not have a problem sourcing

enough rice this year. In 2008, poor weather and low rice stocks led to prices skyrocketing to over \$1,000 a ton. Exporting countries put restrictions on overseas rice sales.

United Nations Food and Agriculture Organization senior economist Concepcion Calpe said while drought has lowered Cambodia's expected rice production about 10 percent and Thailand's by about six percent, Asia's crop as a whole will be better than 2009.

"Indonesia, even though they had a bad start and were also affected by drought, they still will record an increase," Calpe said. "India, we foresee a very strong recovery from last year ... because it was affected by the erratic monsoon. China we see will increase tremendously their production, Bangladesh also. So, the major players, so far we see that they will have a larger crop in 2010." With production up and plenty of rice in government reserves, said Calpe, there is little risk of food shortages or price jumps.

But she also pointed out that the drought affecting Cambodia and Thailand may cause more hardship for small producers, urging rice farmers to diversify their crops so they are not so dependent on one product.

<http://www1.voanews.com/english/news/asia/Drought-Threatens-Cambodia-Thailand-Rice-Output-96982289.html?>

- **China, Cambodia sign MOU on infrastructure co-op**

A Memorandum of Understanding (MOU) was signed on Thursday by China and Cambodia to further strengthen the cooperation on road and bridge and other infrastructure development.

Cambodia's Public Works and Transport Minister Tram Iv Tek and Chinese Vice Transport Minister Gao Hongfeng signed the MOU on behalf of their own countries.

Speaking at the ceremony, Tram Iv Tek said the signing of the MOU reflects "our two countries will further strengthen and develop the cooperation on road and bridge infrastructure, information exchange and experience sharing."

Tram Iv Tek also said that the construction of road and bridge will help to promote the economic and social development of the Royal Government and its integration into the regional economy, as well as the poverty reduction.

He, at the same time, thanked Chinese government for its substantial assistance to help Cambodia in road, bridge and other infrastructure development, as well as the training of human resources. "So far, China has built three bridges and 1,500 km long roads for Cambodia, worth nearly \$1 billion. Cambodian people and the Government will not forget China's help," he added.

Gao Hongfeng said China and Cambodia have developed a bilateral and multilateral cooperation in various fields on the basis of mutual trust and mutual support. The

economic and trade cooperation between the two countries have strengthened and developed rapidly in recent years, especially in transport cooperation. He said that China will continue to cooperate with Cambodia and provide relevant support and assistance in an effort to improve the transport infrastructure to benefit the two peoples.

Gao Hongfeng believed that the bilateral cooperation will be broader with the joint efforts of both sides.

http://www.chinadaily.com.cn/china/2010-06/24/content_10016547.htm?

- **Social Front**
- **Cambodia Struggles to Reduce Maternal Deaths**

For Chan Theary, a remote, mountainous stretch of land in western Cambodia encapsulates the uphill struggle this South-east Asian nation faces in reducing the alarming number of women who die during pregnancy.

Thma Da commune, which sits along the border with Thailand in Pursat province, is a sparsely populated area that lies roughly 200 kilometres from the closest hospital.

There is a single midwife stationed in a makeshift health centre. That means there is only one person who is trained to treat pregnant women for the roughly 4,000 people scattered throughout the entire commune over difficult, muddy roads. "It's hardly accessible," said Chan, executive director of the Reproductive and Child Health Alliance (RACHA), a non-government organisation that supports the health centre.

"It takes so long to get to. If you imagine pregnant women when they go during the rainy season when the storms are very strong, it's so difficult."

Cambodia is burdened with one of the highest maternal mortality ratios, or MMR, in the region. In 2008 the figure stood at 461 per 100,000 live births.

The numbers mean that, on average, five women in the country die on a daily basis from what are essentially preventable causes – post-partum hemorrhages, eclampsia, and infections. The frustration for those who work in the field here is the fact the MMR has not decreased in the last decade. And with five years to go until 2015, it appears unlikely Cambodia will meet one of its key Millennium Development Goals (MDGs) for maternal health – to cut the nationwide MMR to 140.

That is despite the fact the country has shown improvement in some of the building blocks crucial to curbing maternal health. One of the eight MDGs – aimed at significantly reducing, if not totally eradicating, poverty – which all United Nations member states must meet by 2015 is to reduce the maternal mortality ratio by three quarters from the 1990 levels.

According to the U.N. at least 529,000 women die from complications in childbirth every year – the vast majority of them in developing countries.

Alice Levisay, the country representative for the U.N. Population Fund, says Cambodian authorities have been committed to solving the maternal health problems.

"There have been significant increases in deliveries by skilled providers, deliveries in facilities and in antenatal care in the last few years," Levisay said.

Within the last decade, for example, the proportion of women who have their babies delivered by skilled health personnel has almost doubled from 32 percent in 2000 to 63 percent in 2009, she said. More women now receive two or more antenatal check-ups from these trained professionals during their pregnancies – from 30 percent in 2000 to 83 percent last year. And Cambodia now has at least one midwife for every health centre in the country, thanks to a recent focus on training and an incentive scheme that rewards midwives with cash payments for each delivery.

Though experts here say these are significant accomplishments, there still remains a wide gap between current standards and quality care.

Thma Da commune highlights both sides. The health centre in Thma Da, for example, lacks running water during the dry season and until recently, electricity – brought in only after RACHA funded the installation of solar panels.

The centre's midwife herself is inexperienced, and makes so little money, Chan said, that she sells cakes on the side, taking her away from her duties and ensuring the health centre is not fully staffed all the time. Crucial medicine, as well, that can help treat deadly post-partum hemorrhages, is in short supply. "It is not even basic care," Chan added. "We cannot say that, okay, the service there is really high quality. It's not. "That's why, if you look at this situation, it is hard to say now that maternal health has been improved." Authorities here have acknowledged the tremendous difficulties the country faces in reducing maternal deaths. "With a maternal mortality ratio of 461, Cambodia ranks among the highest in the region, and we are not likely to reach our goal," said Ing Kantha Phavi, the Minister of Women's Affairs, during the Women Deliver global conference on maternal health held earlier this month in Washington. "What is worse is that we know how to prevent these needless deaths." Still, experts here say there is some cause for optimism – provided that the proper investments are in place.

A study published earlier this year in the British medical journal 'The Lancet' suggested that Cambodia's MMR has actually fallen over the last decade. It used what the researchers believe are more precise estimates to peg Cambodia's MMR at 266.

If accurate, the findings would suggest that Cambodia is much closer to its elusive goals on maternal health, though Susan Jack, a medical officer with the World Health Organisation's country office in Cambodia, noted that both figures are unacceptably high. "Every effort needs to be made to prevent these largely preventable deaths through better

access to good quality care," said Jack. "This remains the paramount challenge for Cambodia." For now, health experts here are anticipating the results of this year's demographic health survey – the last countrywide health census scheduled before 2015. RACHA's Chan said many, including her, are optimistic the recent gains made on the ground will finally culminate in showing a statistical reduction in maternal deaths. "There is an expectation the MMR will be reduced because of all the efforts," said Chan. "We hope so, too."

<http://ipsnews.net/news.asp?idnews=51881>

Vietnam

- **Geo-strategic Front**
- **Vietnam protests Chinese plans in South China Sea**

The Vietnamese government protested a Chinese plan for tourism development in the disputed Spratly and Paracel islands, the Vietnamese press reported Friday.

The islands are at the centre of maritime territorial disputes that have led over the past year to Chinese naval forces detaining at least 36 Vietnamese fishing boats to enforce China's claims to the disputed waters.

A new Chinese development plan incorporates the islands under the Chinese territory of Hainan and would promote air and sea tourism, the official Vietnam News reported.

The paper quoted government spokeswoman Nguyen Phuong Nga as saying Thursday that Vietnam had 'indisputable sovereignty' over the Spratlys and Paracels.

Nga said the Chinese plan 'goes against the spirit' of a declaration of conduct in the South China Sea that was signed by China and South-East Asian states in 2002.

China claims sovereignty over almost all of the South China Sea, but the claim is not recognized by other countries bordering the sea or by international authorities.

The seabed is believed to harbor substantial mineral reserves.

http://www.monstersandcritics.com/news/asiapacific/news/article_1566178.php/Vietnam-protests-Chinese-plans-in-South-China-Sea?

- **Economic Front**
- **Vietnam targets 7-7.5 pct economic growth for 2011**

Vietnam aims to grow its GDP by 7.0-7.5 percent next year as the country anticipates an economic rebound, according to a statement on the government website Monday.

The target is higher than the estimate for economic growth this year, which Prime Minister Nguyen Tan Dung said earlier this month would be 6.5-7 percent, after posting a 5.32 percent growth in 2009. According to the government, the global economy will continue to grow next year but at slower pace than the pre-crisis era. As a result, Vietnam's economy will also be affected, but the country will strive to stimulate an

economic rebound.

The government also said 2011 would be an important year as it will mark the beginning of the implementation of Vietnam's new master development plan for 2011-2015.

Government budget revenues are expected to stand at more than 23 percent of the country's GDP next year, the statement said.

<http://www.thanhniennews.com/2010/Pages/20100614221100.aspx?>

- **Southeast Asia's largest cold storage facility opens in Vietnam**

US company Preferred Freezer Services and British company Antara opened Vietnam's first cold warehouse in Ho Chi Minh City last week.

The fully-automated facility has a 24,000 pallet-position capacity within its 8 million cubic feet of freeze space, becoming the biggest cold warehouse in the Southeast Asia, said the US Preferred Freezer Services.

The US\$28 million facility targets the aquaculture and food industries in Vietnam, said developers. The US firm said the facility was one in a series of 12 freezer facilities it planned to open throughout Asia over the next 36 months.

<http://www.thanhniennews.com/2010/Pages/20100619221756.aspx?>

- **Kuwaiti refinery project in Vietnam ready to sign - official media**

State-run Kuwait Petroleum International (KPI) and its Vietnamese and Japanese partners are making preparations for the signing of an engineering, procurement and construction contract for their jointly-owned Nghi Son refinery and petrochemical project, Vietnam's official media reported on Tuesday.

Cao Hoai Duong, deputy director of the Nghi Son Oil Refinery and Petrochemical Ltd Co, said that many contractors from Japan, South Korea, Italy and the US have put in bids for the project, the Hanoi-based Vietnam News said. "Although the value of the contract will only be made public in October, it will be the largest petrochemical project of its kind in Vietnam," the daily quoted Duong as saying.

KPI, an overseas unit of the Kuwait Petroleum Corporation (KPC), established a joint venture in April 2008 with the government-owned PetroVietnam and Japanese firms of Idemitsu Kosan Co. and Mitsui Chemicals Inc.

KPI and Idemitsu evenly own a 35.1 percent stake in the joint project, with PetroVietnam and Mitsui putting up 25.1 percent and 4.7 percent.

The planned USD 6.2 billion Nghi Son Petrochemical Refinery Complex, which will cover about 330 hectares in Nghi Son Economic Zone, some 200 kilometers south of the capital Hanoi, is expected to be the largest refinery in Vietnam.

The refinery is designed to process 100 percent Kuwaiti crude supplied by KPC with a daily refining capacity of 200,000 barrels of crude per day (bpd), 1.5 times higher than

the capacity of the existing 140,000-bpd Dung Quat oil refinery.

Kuwaiti Oil Minister Sheikh Ahmad Al-Abdullah Al-Sabah inspected the construction site last September and vowed to continue concerted and enhanced efforts with Kuwait's partners in bringing a successful conclusion.

Once it is operational in 2014, the refinery will annually churn out 2.3 million tonnes of petrol, 3.7 million tonnes of diesel and a significant amount of liquefied gas for domestic use, the newspaper said. (end) mk.sd KUNA 221808 Jun 10NNNN

<http://www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=2096337&Language=en>

- **Vietnam GDP growth picks up**

Faster economic growth in the second quarter suggests the Vietnamese government could hit its target of 6.5 per cent expansion this year, but economists said credit trends had to be watched. Annual gross domestic product (GDP) growth accelerated in the second quarter to between 6.2 per cent and 6.4 per cent from 5.83 per cent in the first quarter, a government report estimated on Thursday.

The pick up helped boost first-half GDP growth to between 6.0 per cent and 6.1 per cent from a year earlier, the Planning and Investment Ministry said in the report.

“The economy continued to recover relatively swiftly in the first six months of the year, with all sectors and fields reaching a higher growth rate than the same period last year”, it said. Last year the economy grew 5.32 per cent. “Vietnam’s GDP growth this year can reach 6.5 per cent as targeted, or even higher”, said Vu Dinh Anh, deputy director of the Market and Price Research Institute, but he said credit growth needed to accelerate in the second half to achieve that. “This year’s credit growth should be 30 per cent to fully support GDP growth”, Anh told Reuters.

<http://gulftoday.ae/portal/377e76fb-7298-45f2-9911-0ac9a535f76b.aspx?>

- **Vietnam plans ambitious nuclear program**

Vietnam has announced a masterplan for the introduction of nuclear energy into the country. Some 14 nuclear power reactors are to be constructed at eight locations in five central provinces by 2030.

According to the plan, recently approved by Vietnamese prime minister Nguyen Tan Dung, the country will introduce nuclear energy through a three-phase program.

In the initial phase, between now and 2015, Vietnam will approve investment and locations, select contractors and train managers and technicians.

In the second phase, between 2015 and 2020, the country will finalize construction and put into operation the first 1000 MWe reactor at Phuoc Dinh in the southern Ninh Thuan province. During the third phase, between 2020 and 2030, Vietnam wants to construct a

further 13 power reactors. A second 1000 MWe unit at the Phuoc Dinh site will begin operating in 2012. Two further 1000 MWe units are planned there, with operation scheduled for 2023 and 2024 respectively.

Four 1000 MWe reactors are also planned for Vinh Hai in the Ninh Hai district. The first two are slated to begin operating in 2021 and 2022, with the second pair starting up in 2024 and 2025.

According to the plan, the country should therefore have some 8000 MWe of nuclear generating capacity in place by 2025.

In addition to Ninh Thuan, other sites for nuclear power plants have been identified in the provinces of Binh Dinh, Phu Yen, Ha Tinh and Quang Ngai.

Two further 1000 MWe units are planned to begin operating in 2026. Over each of the following four years, one reactor of 1300 to 1500 MWe capacity is expected to be brought online. This would bring the country's nuclear capacity to between 15,000 and 16,000 MWe by 2030, when nuclear will account for around 10% of Vietnam's total electricity production.

In addition to building imported reactors, Vietnam aims to master nuclear power plant design technology during the final phase of the program. The country wants to partner with foreign companies to design its nuclear power plants with Vietnamese companies participating in nuclear power projects to account for 30-40% of the total construction value.

The Vietnamese government approved a nuclear power development plan in 2007, aiming for a 2000 MWe nuclear power plant to be online by 2020, and a general law on nuclear energy was passed in mid 2008. Since then work has been under way to develop the necessary legal and regulatory framework. In November 2009, the country's National Assembly approved a resolution on investment policy for the project.

Companies including Westinghouse, AtomStroyExport, Electricité de France, and China Guangdong Nuclear Power Group (CGNPC) have all been involved in discussions about supplying nuclear plants to Vietnam, and South Korea has also expressed an interest in the project. Vietnam has signed nuclear cooperation and assistance agreements with countries including Japan, France, China, South Korea, the USA and Canada.

http://www.world-nuclear-news.org/NN-Vietnam_plans_ambitious_nuclear_program-2406104.html?

- **Vietnam to represent ASEAN in upcoming G20 summit**

Vietnamese Prime Minister Nguyen Tan Dung will attend the fourth G20 summit in Canada as the rotating Chair of the Association of Southeast Asian Nations (ASEAN) from June 26 to 27, said Vietnamese Foreign Ministry spokesperson here on Thursday.

Vietnam, representing ASEAN countries, will inform the participants at the G20 summit about priorities, vision and views of ASEAN in dealing with issues related to the global economic development, said Nguyen Phuong Nga, spokeswoman of Vietnamese Foreign Ministry at a regular press conference here.

Vietnam will also brief the summit on ASEAN's position on strengthening coordination between G20 members and other countries, especially emerging and developing countries like ASEAN, said Nga.

Vietnamese prime minister will attend different sessions of the summit and hold bilateral contacts on its sidelines, said Nga.

The participation of Vietnam as the Chair of ASEAN in G20 summit highlights the active role of ASEAN as a whole and Vietnam in particular in joining efforts with other countries in addressing international issues to ensure the recovery and sustainable development of the world economy, said Nga.

<http://english.people.com.cn/90001/90778/90858/90863/7039348.html?>

- **Social front**
 - **Vietnam criticizes US human trafficking report**

A female worker in Ho Chi Minh City. Vietnam has dispelled a US report putting it on the human trafficking watch list, but official figures show that the country still has a lot to do to protect its vulnerable women from smuggling rings. Vietnam has dismissed a US government report putting it on a human-trafficking watch list as government officials said the country was taking great strides to stamp out this “dangerous crime.”

The US Department of State report, released on June 14, “contains political characteristics and unjust comments that fail to reflect the real situation in Vietnam”, Foreign Ministry spokeswoman Nguyen Phuong Nga said in a statement on June 16.

The US’s 2010 Trafficking in Persons (TIP) report listed Vietnam and its neighbors Thailand and Singapore as countries that failed to prevent women from being forced into prostitution. But Nga confirmed that Vietnam has always considered the trafficking of humans, particularly women and children, a dangerous crime that undermines human rights and social development.

With a government action plan implemented since 2004 to deal with the problem, Vietnam’s efforts in the anti-trafficking campaign have delivered solid results and garnered recognition by the international community, Nga said.

Turning the tables

For the first time, the US included itself in the report. It ranked itself in compliance. But the report has opened much room for debate as experts pointed to human-trafficking prevention policies of the US itself. “The section of the Trafficking in Persons Report

2010 on the United States clearly indicates that the US is [also] a source country and a destination country of trafficking in persons,” said Prof. Carl Thayer of the Australian Defense Force Academy. The Singapore’s Foreign Ministry also reacted indignantly to the report and turned the issue on its head. “How, for example, can the US rank itself in Tier One when it is well known that the US has been unable to stem a flood of illegal workers, many of whom are trafficked by organized criminal gangs?” AFP quoted a statement released on June 15 by the ministry.

“It has not been able to cope adequately with the problem and that is among the reasons why immigration is such a hot political issue in the US,” the statement said. “The US should perhaps examine its own record more carefully before presuming to pronounce on other countries. Then its reports may be more credible.”

Deep-seated issue

Vietnamese official statistics show that Vietnamese women and children have continued to fall prey to human-trafficking rings.

The Ministry of Labor, War Invalids and Social Affairs said in a report in June that from 2005 until May this year, 3,190 women and children have been repatriated to Vietnam after being sold to foreign countries by trafficking rings. Surveys conducted by the Vietnam Women’s Union indicated that most the victims sold to China were subjected to drudgery, sex abuse, and forced prostitution. Many of them have returned to Vietnam with psychological disorders, sexually transmitted or acute diseases, or infertility, the union said. Another study conducted by NGO ActionAid in 2008 confirmed the seriousness of the problem.

Outcomes of the surveys, conducted in eight communes/wards and four districts/cities in Dien Bien and Cao Bang provinces in the northern mountainous region, the northern port city of Hai Phong, and Vinh Long in the Mekong Delta, showed that trafficking of women and children took place in all surveyed areas. There is a number of reasons for the problem but from the perspective of women, the biggest issues are economic difficulties and dissatisfaction with their lives, the survey said.

The survey pointed out that women who were susceptible to trafficking rings wanted to have better jobs and happy marriages, but lack the knowledge to prevent trafficking. They hope to get rid of life’s difficulties with foreign marriages that might help them pay off debts. But they don’t have plans for a sustainable marriage, the survey said.

<http://www.thanhniennews.com/2010/Pages/20100619162524.aspx?>

Singapore

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

- **Singapore eyes Islamic finance**

Singapore Minister of Trade and Industry Lim Hng Kiang said his country's desire to offer Islamic finance comes as a natural extension to the financial services it is offering. The industry, he added, has the ability to take more players and more liquidity.

Lim was speaking to a group of journalists from the Middle East following the first annual World Islamic Banking Summit: Asia (WIBC: Asia), which was held in Singapore recently. It was the first meeting of its kind. Previous meetings were held in Bahrain over the last 16 years.

Following are excerpts of an interview with Lim.

Gulf News: What competitive advantages, you think, Singapore has in Islamic Finance?

Lim Hng Kiang: Well, we see ourselves as offering a range of facilities. First of all, financial services is very important part of our economy. It contributes around 11 per cent to 12 per cent of our GDP, and as we built up Singapore as a financial services centre, it is natural for us to extend this to Islamic finance as well, for several reasons....

One, we should offer the full (financial) services. We have very important clients who see this as an important offering. Therefore, I think, institutions here want to provide this service, and so does the regulatory authority. I think our job is to try to meet this level, and remove any disadvantages that may be in our regulatory or tax framework with regard to Islamic finance. So we don't set out with clear target that we want to establish ourselves as Islamic finance centre, or ask ourselves what we can do. Basically, we see this as an extension of our development as a financial services centre.

But at the same time, are you concerned about the competition from other Asian countries? Countries including Malaysia, Indonesia, China, Japan and Korea, are all competing in the same region that is the Gulf region?

Our assessment at this stage is that the market is still very under-developed, and we hope to build depth, diversity and liquidity, and so we feel there can be more players, more institutions, more centres. So we don't see this as a zero sum game. The market is growing. And in fact, there can be more players, more institutions, more products, more liquidity and this is good for all of us.

Do you think that the Singaporean banking system can leverage more on the wholesale market and the capital market rather than the retail market?

I think for the time being, this is a natural assessment, or natural thing to do. We are a very small population. The retail banking sector in Singapore is constrained, and Singapore's strength is really in the corporate treasury, in wholesale and off-shore. I think this is where our natural strengths are.

But, as we attract more institutions here, more players, and to extend our reach to retail

investors in other jurisdictions. then of course, the retail base, or the retail coverage, or cash can grow. But for the time being, I think our main focus is in the wholesale sector.

Do you think there is a place for Islamic banks operating in Singapore to compete in the field of commercial banking activities? Is there a real demand for Islamic bank products on the corporate side and on the retail side?

I think we will leave this to the financial institutions. Historically, the conventional banking services in Singapore have developed over the period of time, and Islamic banking is a new player. But that doesn't stop the banks or the financial institutions from developing products and services that can compete with the conventional banking sector. In short, we will leave this to the players themselves, and we (as a regulatory authority) are always open to feedback if they feel they want to compete with the conventional banking sector and they don't find a level playing field on the regulatory front.

The Free Trade Agreement with the GCC was signed several years ago, and has been ratified by many GCC countries, and today, more countries still need to ratify it. Why this delay in your opinion?

Well they are trying as hard as possible. Basically the situation is that we signed it in December 2008, and we have to respect the process in the various GCC countries. So far, I understand, that four GCC countries have signed it, the latest being Bahrain. So only Kuwait and Saudi Arabia are left. We have been in contact with our counterparts in the two countries. They have a domestic process to follow and we understand that.

What are your expectations from WIBC-Asia?

Well, first of all, we have always respected Bahrain, and admire (its) ability to progress and to move the WIBC forward, and I think MAS (Monetary Authority of Singapore) has been in touch with them. We have an MOU and we are seeking ways to enhance our collaboration. One of the suggestions is that the WIBC be less centred on the Middle East.

If you can have a branch out in the Asian circuit, I think you are extending your reach, and this is very much in line with our philosophy at this stage. I think you need depth, you need more liquidity, and you need more players. As you mentioned there are new players in the Asian landscape, Indonesia, Malaysia, Korea, and elsewhere. Therefore, because Singapore has a very central role in Asia outside the Middle East, there, we could collaborate and extend the reach of WIBC. So we are very grateful to Bahrain for facilitating this development.

Every country in the Asian region or the Gulf region is taking certain steps or initiatives to support the development of the Islamic finance industry, whether on the banking side, or the insurance (Takaful) side. What are the initiatives taken by Singapore to really have

its own fingerprint in this industry?

We are trying our best to understand the market. As I mentioned we are a new player and in touch with the institutional players to find out what we need to do.

So the first thing we did was to take a look at all our internal regulations and remove all the obstacles because of the special nature of Sharia-compliant products. So our first step was to try to resolve all that, so there is no disadvantage.

By and large, I think we have done this over the last two, three years. The second thing we did was in response to the financial institutions, especially the middle eastern banks that have branches here and they need to meet capital requirements. They want something that is again Sharia-compliant. There are not so many instruments, so MAS and the Singaporean government decided to put sovereign sukuk in Singaporean dollars, so they can subscribe to this. At the end, they have to be the market players, they must come up with new products, they must understand the market, know what the investors want and this is a two-way process. We continue our dialogue with them, and see how we can facilitate their growth and development.

Singapore is known as a financial centre in the region. Are you seeking to be a financial hub for Islamic banking?

I think we are not looking at a specific aspiration or ambition. I think basically, as I mentioned, we do have an ambition or an aspiration to be a vibrant financial services centre and we see Islamic finance as part of or an extension of that.

Today, Islamic finance constitutes maybe 5 per cent, in terms of assets, of global financial activities. We think it will grow, and as it grows, we also want it to be part of our growth and our offerings. So I don't think we set out to say we want to be among the top 3 or top 5 Islamic finance centres in the world.

I think basically, if we look at the growing opportunities in Asia, there are obviously opportunities for financial centres to develop. Few of us have done reasonably well during this phase, whether Hong Kong, Singapore, Tokyo or Shanghai.

I think to be a financial services centre in this region, you can't be so narrow and leave out Islamic finance, so we see this as giving a complete offering and that is how we see our role, and how we see the development going forward. It is very hard to replicate what is happening in the Middle East, because your base is already built and your development has occurred over a longer period.

How was the response to the first sovereign sukuk in Singapore, and is there any plan to issue it again?

I think, we have to structure it in such a way that it meets the requirements of the banks here. If they want to, they can subscribe and the pricing is on a demand basis. So far, I

think we don't have a bigger demand, if there is a demand increase, I think we will expand our offerings accordingly. Our issuance is worth S\$200 million (Dh529 million) and it is not fully taken up.

Singapore has been active in pushing forward the Asean-GCC bloc. How do you explain the lack, so far, of a solid development in this regard?

Sometimes, we need to be patient. First of all, this is happening on several fronts. I think there is a strong desire to have stronger collaboration between GCC and Asean. We are approaching it on several fronts.

One is the political front, and I think we have the Asean-Middle East dialogue. The Foreign Ministers recently held a meeting, and I believe they want to make this an annual event, alternating between GCC and Asean.

So it is a very positive development. Among the trade ministers, we also decided in Asean that we will approach the GCC as an Asean-GCC FTA (Free Trade Agreement). As you know Asean is a regional community have FTAs with many of our partner countries, with China, Japan, Korea, India, Australia and New Zealand. And we felt it is also important for us also to reach out to GCC, so we extended this to them, this process takes time.....

On the trade side between Singapore and the Mena region, obviously you are an importer of oil. But what comes next? And what do Arabs want from Singapore?

Basically it is heavily weighted on oil, the other products we import from the Middle East (is) aluminium because it is related to energy. (There are) some agricultural products too. On our exports, I think we export whatever we produce here; electronic products (and) refined petrochemical products. The trade balance reflects what we typically produce here — in terms of pharmaceutical, electronics, oil rigs, shipping....

What are the challenges of Islamic finance facing Singapore?

One of the key challenges is talent. You want to develop people who understand the market and who can innovate and meet the needs of the clients and investors.

So you need to build up the training and the infrastructure for training the people in this very specialised field.

I think MAS has started market practitioner training courses. We have involved Singapore Management University to do this. But these things take time. We want to develop new generations of bankers and finance managers who understand the market and satisfy the clients. In terms of the facilitating financial institutions, I think we have done the groundwork and we expect them now to run with the ball.

Where do you see Islamic banking in Singapore in 5 years or 10 years?

I hope it will grow obviously. We are growing as an overall financial services centre. We

are not New York, we don't have a continental economy like Shanghai. We struggle between onshore activities and offshore activities and therefore we need to find out what our range of capabilities is. Over the years, we have developed a fairly good complement of such activities, whether it is commercial banking, insurance, corporate treasury, offshore international activities, private banking and capital markets. Capital markets is a huge challenge because you don't have the economic base, but we are making fair progress.

For example, we have been building up the fund management sector in Singapore and in our last survey in 2008, assets under management in Singapore (reached) \$610 million, and that started from a very low base ten years ago. If you see that development over the next five years — all this base that we are developing and the growing asset management sector and also private banking sector, I think Singapore will reach a certain position with those developments. And with that kind of perspective, we see Islamic banking as part of the offering and as an extension of what we are trying to do.

Would it be safe to say that Singapore managed to overcome all the implications of the financial crisis?

I think it is an ongoing saga. We are watching the developments in the European sovereign debt problem very closely because we don't think it has been completely resolved, I think it is still affecting the market.

Obviously Singapore is part of the global financial system, would be affected not directly, but indirectly. And I think they are still continuously suffering in terms of the responses of different regulatory bodies and I think all of us would have to live with the consequences of new regulations.

Some activities will go offshore because of changes in regulations. So I think we are still seeing the story unfolding.

Profile

Work history

Lim Hng Kiang is the Minister for Trade and Industry and Deputy Chairman of the Monetary Authority of Singapore.

After finishing high school in Singapore, Lim Hng Kiang, born in 1954, was awarded a scholarship to study Engineering at Cambridge University. Following his graduation in 1976, he spent several years in the Singapore Armed Forces. In 1985, he received another scholarship to pursue higher education in Public Administration at the Kennedy School in Harvard University.

After his return, he held senior posts at the Ministry of Defence and the Ministry of National Development. He was also appointed minister of health, trade and Industry.

During the nineties, Kiang was also appointed second minister for foreign affairs and finance.

Currently, Kiang is Deputy Chairman of the Monetary Authority of Singapore and a Board Director of the Government of Singapore Investment Corporation.

http://gulfnews.com/business/banking/singapore-eyes-islamic-finance-1.645829?localLinksEnabled=false&utm_source=Feeds&utm_medium=RSS&utm_term=Business_RSS_feed&utm_content=1.

- **Singapore's imports from UAE expand by 39%**

With oil being a major import of Singapore from the UAE, the former reported a 39 per cent year-on-year increase in its imports from the UAE in the first quarter of 2010, after a 16 per cent slump during the same period a year ago, indicated a study released recently by the Dubai Chamber of Commerce & Industry.

Singapore is a major oil processing centre, importing crude oil and supplying many countries with processed oil and oil products. The country also provides oil storage facilities for processed oil and oil products. As global economic recovery leads to increasing demand for oil, prices have started to recover from the slump in early 2009, the study revealed. Imports in 2008 registered a 39 per cent growth, reaching \$1.7 billion. The slowdown in 2009 pulled the total for the same period to only \$1.4 billion, before showing signs of recovery in 2010. On the other hand, exports had declined by 15 per cent in 2008 to a total of \$2.3 billion, narrowing down the trade balance from a year ago level of \$1.6 billion to just \$595 million.

The 22 per cent increase in exports to \$2.8 billion the following year widened trade balance again to \$1.4 billion. Although exports declined slightly by 4 per cent to \$ 2.7 billion in 2010, trade balance remained highly favourable to Singapore at \$ 714 million. Compared to the previous year's figure, nonetheless, 2010 trade balance represented a narrowing down of 48 per cent.

http://www.menafn.com/qn_news_story_s.asp?StoryId=1093350192

- **Singapore among top 25 most liveable cities: survey**

THERE'S no lack of Starbucks or Zara here, and certainly not sunshine, but still Singapore has slipped three rungs to 21st in a global ranking of the most liveable cities.

European cities, led by Munich, took the top spots in the latest quality-of-life survey by UK magazine Monocle, which goes beyond hard economic indicators in assessing the attractiveness of a city. The poll includes 'soft' factors such as hours of sunshine and other attributes of urban appeal, such as the number of cinema screens and yes, the number of Zara and Starbucks outlets in town.

These are 'often-overlooked factors that can bring happiness and ease to everyday life',

says the London-based lifestyle and global affairs magazine. Singapore was rated highly for its low crime rate, ease of setting up a business - which takes about 15 minutes online - and prompt emergency services. However, high stress levels, a relatively high cost of living and a sense of self-censorship present room for improvement,' says Monocle.

Germany's Munich beat Zurich, which slipped from first place last year to third this year, while Copenhagen hung on to the second spot. Munich's connectivity, cultural investment and abundance of green space helped it win top position, says Monocle. This is the second time the German city has been ranked number one since the survey started four years ago. A growing commitment to embed environmental awareness in every aspect of urban planning was cited by Monocle as a key strength of the top three cities.

Several new metrics were introduced for this year's survey, including the amount of outdoor seating available, accessibility of green spaces, response time for emergency services and ease of starting a business. These new attributes place a higher premium on small-scale neighbourhoods than on over-developed expatriate cities, says Monocle.

The 2010 top 25 list remains largely unchanged from 2009, with only Amsterdam dropping out and Northwestern US city Portland joining the league. 'There was a noticeable lack of reshuffling in 2010, in part because the economy saw many large-scale improvement projects put on hold,' says Tyler Brule, Monocle's editor-in-chief.

'But there were enough shifts, including Geneva, Madrid and Portland, to ensure no mayor should be resting on last year's performance.' Tokyo, which dropped one spot to fourth position this year, was lauded for its connectivity and easily accessible transport system. Other regional cities that made the top 25 list were Melbourne (9), Sydney (12), Fukuoka (14), Auckland (20) and Kyoto (23).

<http://www.businesstimes.com.sg/sub/news/story/0,4574,391290,00.html?>

- **Cyber world**
- **Call for innovation to promote Tamil on Web**

In taking Tamil to the Net-savvy next generation, governments, society and netizens must share their experiences and expertise, Singapore's Senior Minister of State for Trade and Industry and Education S. Iswaran said on Thursday.

For, the next generation was likely to use the Web more for its day-to-day needs, and to promote Tamil in that network a lot of innovation was needed, he said inaugurating the plenary session of the Tamil Internet Conference, held concurrently with the World Classical Tamil Conference here. "To cater for the future needs, we should constantly bring in new ideas and methodologies in the Tamil teaching-learning process." In Singapore, though Tamil was spoken by a minority, the government took care of the interests of the linguistic minority by promoting the language in schools and through

radio, television and newspapers.

Explaining the rationale behind his government's support for promotion of Tamil, he said the number of people speaking Tamil was going down. "In 60 per cent of Tamil houses, only English is spoken."

To help children from such families learn Tamil and make the teaching-learning process interesting, a Tamil Mozhi Katral Valarchi Kuzhumam (Tamil Language Learning Development Committee) was functioning. Yet, a lot more was required to be done, especially in cyberspace. Teachers should be advised to make use of the resources available on the Net to teach the language. And when that happened, students' listening, speaking, reading and writing skills would improve.

In Singapore, as the Education Ministry used standardised Tamil software in schools, students were able to search for information on the Web and also learn the language enthusiastically. Teachers and students were using several communication facilities — Twitter, Facebook and resources of Web 2.0 — to promote Tamil among students. This effort was bearing fruit, he said.

Union Minister for Communications and Information Technology A. Raja said Tamil Nadu was the first State to come out with an IT policy soon after the Centre framed a policy at the national level in the 1990s. Now, the Union government formulated the Rs. 10,000-crore National e-Governance Plan and in that too, Tamil Nadu took the lead.

M. Anandakrishnan, chairman, Organising Committee of the Tamil Internet Conference, said that in the past 30 years the Tamil society had faced many challenges in taking the language to the computer. What needed to be done now were regulation and standardisation. It was not enough if the participants presented papers, they must also engage in follow-up work to promote Tamil on the Internet. He asked the Union and State governments to play an important role in promoting Tamil.

Vasu Ranganathan of Pennsylvania University said 150 papers under 12 categories were chosen for presentation at the conference. Poongothai Aladi Aruna, Tamil Nadu IT Minister, welcomed the gathering. T.N.S. Venkata Rangan, head of the International Forum for Information Technology in Tamil, proposed a vote of thanks.

<http://www.hindu.com/2010/06/25/stories/2010062556091500.htm?>

Laos

- **Economic Front**
- **Social Front**
- **Lao student and officials leave for training in India**

A student and eight government officials left Vientiane for training in India last week. All

of them met Indian Ambassador to Laos before leaving for their overseas courses.

The scholars were from the Science and Technology Department of Prime Minister's Office, English News Department of Lao National Television, National Authority for Science and Technology, Ministry of Finance, Mahosot Hospital and National University of Laos. The scholarship awardees will attend training courses of English for Communication, IT & Networking Skills, Web Designing and Economics at educational institutes in New Delhi, India's capital city.

<http://www.kpl.net.la/english/news/newsrecord/21.06.2010/edn9.htm>

- **Australia further support the Lao Disabled People's human rights**

The Australian Ambassador to Laos, Dr Michele Forster, on 21 June awarded a grant of nearly \$75,000 Australian dollars to the Lao Disabled People's Association under the Australian Government's Human Rights Grants Scheme (HRGS). The grant constitutes the second phase of funding for an ongoing project aimed at promoting and protecting disability rights in Laos. It will enable the Lao Disabled People's Association (LDPA) to continue its important work in strengthening human and disability rights institutional structures in Laos, by building human rights capacity and awareness in key Government ministries.

The Grant builds on the recent successful outcomes of the first phase of the project, which included significant achievements such as producing disability rights education materials, conducting provincial capacity building workshops and training officials from seven Government ministries. Speaking at the handover ceremony, Dr Forster said Australia was very pleased to continue our support for and cooperation with the LDPA. Australia's support will enable this project to continue to make a valuable and important contribution to improving awareness, advocating and protecting disability rights in Laos, Dr Forster said.

This project aims to strengthen Lao institutional structures for the protection and promotion of the human rights of disabled people in Laos. Strong institutions are vital to ensuring human rights are protected and advanced in every society, particularly among vulnerable groups such as people with disabilities.

The project augments the LDPA and Lao Government's efforts to provide disabled people with more opportunities to improve their living conditions and to contribute to Laos' economic and social development. It will also provide practical support for Laos in implementing the UN Convention on the Rights of Persons with Disability (CRPD), which Laos ratified in 2009. Dr Forster also noted that 2010 was a momentous year for disability rights in Laos: Not only was the Lao Government moving to implement the CRPD, but it was also preparing to host the first Meeting of State Parties for the

Convention on Cluster Munitions in November, with significant financial support from the Australian Government.

The Australian Government has been a long-standing supporter of practical human rights initiatives in Laos and the region. In 2009, local associations throughout the region and further afield received around three million dollars in funding under the Human Rights Grants Scheme. The HRGS provides grant funding to non-government organisations in developing countries to promote and protect human rights in direct and tangible ways.

This includes projects that promote positive change in policies or actions, educate or train human rights workers and promote observance and implementation of international human rights standards. Applications for the 2010-2011 HRGS are currently being assessed and Australia looks forward to working with Lao partners to identify further opportunities to protect and promote human rights in Laos. The grant was received by Mr. Bounvien Douangyout, the President of the Lao Disabled People's Association. Mr. Bounvien has expressed thanks to the Australian Ambassador Forster through the Australian Government for supporting the LDPA. He continued that the grant will be spent on the publication of book on the Lao disabled people's human rights and some document on human rights and organising human rights campaign in the country. He called on all social strata to further support to the Lao disabled people
<http://www.kpl.net.la/english/news/newsrecord/22.06.2010/edn8.htm>

- **Health Minister: formalin-injected meat can be solved**

The Health Ministry is not the main cause to the problem of formalin-injected meat by butchers, Health Minister Dr Ponemek Dalaloy pointed to the National Assembly session. In the current market economic situation, when the mentality of craving for high profit, runs high in society, particularly among, said the Public Health Minister.

Most butchers in local market injected formalin into the meat for sale in order to keep it fresh, without taking into consideration of consumers' health, he added. To this problem, the health ministry has so far announced and warned butchers and consumers to take caution of the meat contaminated with formalin. But that has yielded little effect, he complained.

However, this might be the weak point of the health ministry that its educational campaign could not go as far as to rural remote areas, since the campaign requires some budget, he said. He said that because of the long distance transportation, the majority of butchers would rather put formalin to the meat to keep it fresh instead of keeping it in ice containers.

He admitted that the health ministry alone could not handle the problem. It required collaboration and co-operation from other authorities as well.

It is very difficult to solve this problem by only one ministry because it is related to many authorities and ministries, he claimed. To this problem, the health ministry is accused of being negligent. But in fact this problem involves many parties and authorities, especially the authorities of processing industry, agriculture, transportation and border trade, he said. All ministries should participate in solving this problem, the health minister said. He added that the drug and food inspection committee should jointly cooperate with all ministries to solve this problem.

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

- **Vientiane focuses on blowing out poverty**

More than 70 per cent of the population of Vientiane province are classified to live above poverty line thanks to the close attention of Vientiane Administration.

The statement was made by Mrs Singkham Khongsavanh, member of the National Assembly, constituency 10 - Vientiane province at the 9th Ordinary Session of the National Assembly's Sixth Legislature. The poverty of half of the population in the province is set to be reduced, with the high potential resources of tourism, agriculture and hydropower electricity construction projects, Mrs Singkham said.

Vientiane province residents are able to get jobs from various projects - rice and maize plantation, hydropower electricity dams of Nam Ngum, Nam Lik, Nam Song and Phoubia mining. The average GDP in the province accounts for 7.8 per cent, the per-capita income is US\$751, said Mrs Singkham. However there are still challenges to overcome, including tourism development along with the conservation of traditional way of life, added the NA member. The Vientiane authorities will cooperate with the Lao National Tourism Administration to attract more investment from tourism entrepreneurs in Vangvieng district, publish more brochures about tourist attractions for distribution, and spread out more tourist information and Lao culture. She has proposed the construction of roads in Maid, Hinheub, Feuang, Sanakham and Muen districts.

Besides, local people put forward various projects of irrigation renovation and construction, clean water system, and school construction, said Mrs Singkham.

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

Brunei

- **Economic Front**
- **3 Canada firms looking for Brunei partners**

THREE Canadian companies see opportunities in Brunei's oil and gas and water sectors and are currently looking for local partners to work with, representatives from the companies yesterday said. Pure Technologies (China) Limited, Pipeline Inspection and

Condition Analysis (Pica) Corporation and Aquatic Informatics are solutions and services companies that specialise in pipe and waterworks.

They were brought in by the High Commission of Canada to network with local companies. The companies' representatives attended the recent Brunei Shell Petroleum (BSP) Vendor Forum and met with potential local partners at the forum.

"The BSP Vendor Forum was very informative and we met a number of people there, and I found that there was generally a very high level of interest, and a willingness to form partnerships with companies from the local businesses that I've met," said Jon Boon, general manager of Pure Technologies.

Pure Technologies is a company that specialises in leakage detection and provides systems and solutions that can determine pipeline leaks as little as 0.1 litre per minute.

He said the Water Department is also a potential customer.

Pica, which specialises in pipeline inspection, with a technology that detects where the faults are in a pipeline and determines how to repair the pipe, also sees opportunities in the Brunei market, particularly with BSP. The company's technology is currently being used in Singapore and by Shell Canada and the company hopes that its work for Shell Canada will provide reference for BSP, should the company have similar needs.

"We have to learn the local market, meet local people and if we manage to meet the right person to partner with, then it would mean that we are halfway to success," said Vincent Shen, marketing director of Pica. Aquatic Informatics, a company that specialises in providing water-related environmental data gathered from lakes, dams, reservoirs, and others, sees opportunities in both the public and private sector. "We see a potential in the mix of public and private sector, because the government manages the environmental aspects, and we see that there are quite a number of private operations who do their own treatment and monitoring so there are some opportunities there as well," said Boudewijin Neijens of Aquatic Informatics.

He added that one of the challenges with entering a new country was the need to learn and network with the local businesses. He said that in their field of work, one of the biggest challenges is that "many governments see that environmental monitoring is secondary". "Most governments will put more money into building a new road or terminal to the airport and environmental monitoring is not always seen as very important, because it's very long term," he said. However, Neijens sees the potential with Brunei due to the fact that the majority of the land that Brunei has will be kept as an environmental reserve. All three execs said that their visit to Brunei was successful, and that they will be planning to return to the Sultanate to continue networking and building business

opportunities. The Brunei Times

<http://www.bruneitimes.com.bn/business-national/2010/06/27/3-canada-firms-looking-brunei-partners>

- **Brunei Halal eyeing French Muslim market**

BRUNEI is eyeing France's prominent Muslim population and lucrative halal sector, predicted to graze nearly US\$8 million (\$11.2 million) in sales by year-end, as a market for the Brunei Halal Brand initiative, the Minister of Industry and Primary Resources said yesterday. "Brunei Darussalam considers France with its 3.5 million Muslim population as a very important market for halal foods under the Brunei Halal Brand initiative," said Pehin Orang Kaya Seri Utama Dato Seri Setia Hj Yahya Begawan Mudim Dato Paduka Hj Bakar during the French Bruneian Business Association's (FBBA) dinner to mark its decade-long establishment.

The minister said that sales in France's halal food sector was forecast to hit US\$7.42 million in 2010. A report from the recent Paris Halal trade show stated that the industry was fast growing from "the ethnic market to the mass market".

However, Pehin Dato Hj Yahya, addressing the French community in Brunei and representatives of French companies operating here, reminded that Brunei's flagship halal project did not only involve halal foods, but also covered pharmaceuticals, cosmetics and other personal care products. To this end, the minister invited the "renowned" French companies to invest in these aspects of the Brunei Halal Brand initiative.

With the likes of Total and BNP Paribas through Baiduri Bank, Alcatel-Lucent were listed as Global Fortune 500 companies, the minister suggested that the FBBA can play its part in facilitating business partnerships between the countries. "I believe that FBBA and the Ministry of Industry and Primary Resources can work together in seeking and developing more joint ventures between Bruneian and French companies that are globally competitive, entrepreneurial, employment generating, export oriented and environmentally responsible," he said.

The minister also said that Brunei could take a leaf out of France's experiences in the fields of agriculture, agrifood industries, pharmaceuticals and perfumery, the production of which has gained the European country a "well-respected reputation". "Brunei can certainly learn a lot from France in these areas. But more importantly, we hope to see in the near future more direct investments from the many renowned French multinational companies in non-oil and gas industries," he said.

The minister also congratulated the association on its 10th year anniversary, and lauded FBBA for its role in strengthening bilateral relations. The "very active" business association has about 90 members, comprising mainly small and medium enterprises

(SMEs).

FBBA President and Baiduri Bank General Manager Pierre Imhof, in his remarks, reflected back to the development of the association over the past 10 years.

Meanwhile the association's patron, French Ambassador to Brunei Louis Le Vert remarked that the FBBA was "one of the most visible links" of Brunei's and France's developing relations.

The black-tie dinner last night saw FBBA's executive committee dressing up as famed silver-screen characters such as Indiana Jones, Catwoman and Mr Bean, as the soiree was themed, "Nite of Stars". The Brunei Times

<http://www.bruneitimes.com.bn/news-national/2010/06/27/brunei-halal-eyeing-french-muslim-market>

- **Social Front**
- **Cyber world**
- **Second Stories Twitter Too For Healthy Lifestyles**

All media including Twitter and SMS should be used in disseminating health messages for maximum coverage and capture audiences of all ages, urged Minister of Health Pehin Dato Seri Setia Awang Hj Adanan bin Begawan Pehin Siraja Khatib Dato Seri Setia Awg Hj Mohd Yusof.

Speaking on public awareness campaigns and roadshows in promoting healthy lifestyles and the prevention of kidney diseases and related health symptoms such as hypertension and high blood pressure, the minister urged that health messages especially relating to kidney disease must continue to be disseminated to the public through all media channels. Stating this at the opening of 3rd International Nephrology Conference 2010 at the Empire Hotel & Country Club yesterday, he focused on early recognition of the symptoms of any non-communicable disease such as hypertension and diabetes to allow for early intervention and hence lessening the risk of developing complications such as kidney disease. "Public awareness campaigns and roadshows in the community therefore can help to prevent kidney disease. These campaigns should focus on promoting the benefits of a healthy lifestyle which include regular exercise, a balanced diet for maintenance of ideal body weight, as well as cessation and avoidance of smoking," the minister urged.

"We also need to strengthen our plan to collaborate and partner with other government agencies and stakeholders including non-governmental organisations (NGOs), grassroot and community leaders, the private sector and the public. We must ensure that health messages especially relating to kidney disease continue to be disseminated through all

media channels," the minister reiterated. "The current and more popular forms of information dissemination such as SMS and twitter should be used to ensure maximum coverage and capture audiences of all ages."

Doctors must implement the Clinical Practice Guideline on Chronic Kidney Disease and Diabetic Kidney Disease Guideline, he said. These two documents were recently published by the Renal Services Department for hospital doctors.

These doctors and other healthcare workers must also be adequately educated and trained on the most effective way to implement a programme to prevent kidney disease. "This can be facilitated further by sharing knowledge from our international colleagues especially on best practices. Thus a forum like this will go a long way in achieving our goals," he stated. "We see evidence worldwide that chronic kidney disease unfortunately, is not being detected early enough to initiate effective treatment. In addition, many interventions are being delivered too late to improve the patient's long term prognosis significantly."

He said most people with chronic kidney disease are unaware they have the problem until it is too late. This is because there are no obvious symptoms or signs of the illness that will trigger them to seek early help.

From individual patients, this will lead to affect population-based outcomes. Thus, the issue of chronic kidney disease extends beyond a clinical problem addressed only by individual healthcare providers to a major public health issue requiring multilevel efforts. Fortunately, all is not lost. "The key is early identification of persons at risk. There is evidence that the earlier the stage of kidney disease is detected and treated, then its adverse outcome can be prevented or delayed," he stated. "Thus, the importance of screening. This is through public awareness, health promotion activities and also, most importantly, individual care of their own health." The Health Minister also said there should be more opportunities and resources for screening.

He touched on the critical importance of patient education, empowerment and compliance. Undeniably, it is the doctor's responsibility to ensure that his patient and the patient's family have been equipped with appropriate knowledge regarding their illness in order to make the right decisions on their own health.

Stronger efforts need to be put in public education on ways of preventing and controlling the "lifestyle diseases" of hypertension and diabetes, which contribute to chronic renal disease.

<http://www.brudirect.com/index.php/2010062623927/Second-Stories/twitter-too-for-healthy-lifestyles.html>

ASEAN

- **Political Front**
- **Profile of Secretary general of Asean**
- **Secretary-General of ASEAN**

Dr. Surin Pitsuwan“Dr. Surin Pitsuwan, born on 28 October 1949, is a native of Nakorn SriThammarat, Southern Thailand. He received his primary and secondary education in his home province.He was awarded the American Field Service (AFS) exchangescholarship and was a high school exchange student in Minnesota,USA, in 1967-1968. He returned to Bangkok, Thailand and attendedThammasat University for two years before winning a scholarship fromClaremont Men’s College, Claremont, California, to complete his B.A. inPolitical Science (cum laude) in 1972. He then went on to HarvardUniversity, Cambridge, Massachusetts, U.S.A., where he received his M.A. and Ph.D. in 1974 and 1982 respectively, in the field of PoliticalScience and Middle Eastern Studies.His entire Harvard career was supported by the Winston S. ChurchillAssociation and Rockefeller Foundation Fellowships. He also spent a year and a half studying Arabic and conducting his research at theAmerican University in Cairo, 1975-1977, while concurrently a fellow at the Higher Institute of Islamic Research, Cairo, Egypt. He worked as a columnist for the Nation and the Bangkok Post, the twoleading English daily newspapers in Bangkok, from 1975-1992.Dr. Surin taught at the Faculty of Political Science at Thammasat University from 1978-1983 and 1984-1986. He also served as an assistant to the Deputy Dean for Academic Affairs during the sameperiod.

Dr. Surin joined the American Political Science Association’s Congressional Fellowship Program in1983-1984, when he interned in the Congressional Office of US Representative Geraldine A. Ferraro

(D-New York), who later became the Vice Presidential Candidate for the Democrat Party in 1984, andworked for the Senate Republican Conference in the later half of 1984. He taught Southeast AsianAffairs at the American University in Washington, D.C. during that same year.He returned to Thailand in 1984 to his teaching position at Thammasat and ran for a Parliamentaryseat from Nakorn Sri Thammarat, his home town. He has been returned to Parliament eight timesince 1986. As an MP, he was appointed Secretary to the Speaker of the House of Representatives(Chuan Leekpai), Secretary to Deputy Minister of Interior, Deputy Minister for Foreign Affairs during 1992-1995 and Minister of Foreign Affairs from 1997 to 2001. He served as Chair of the ASEANMinisterial Meeting and the Chair of the ASEAN Regional Forum (ARF) in 1999-2000. In September1999, while the ASEAN Chair, he led the efforts to get Southeast Asian governments to help restorelaw and order and that joint undertaking,

with the support of the United Nations and the international community, brought about peace and security in East Timor. Upon leaving the foreign affairs portfolio in mid-2001, Dr. Surin was appointed a member of the Commission on Human Security of the United Nations until 2003. He also served as an advisor to the International Commission on Intervention and State Sovereignty from 1999-2001. In 2002, he concurrently served on the ILO's World Commission on the Social Dimension of Globalization until 2004. He is currently on the Advisory Board of the UN Human Security Trust Fund; the Advisory Board of the International Crisis Group (ICG); a member of the International Advisory Board of the Council on Foreign Relations in New York; an International Academic Advisor of the Centre for Islamic Studies, Oxford University; and an advisor to the Leaders Project, a conference arm of the Cohen Group of former US Secretary of Defense William S. Cohen Washington, D.C. Between 2002-2004, Dr. Surin was also a member of the "Wise Men Group" under the auspices of the Henri Dunant Centre for Humanitarian Dialogue (HDC) in Geneva, advising the peace negotiations between the Acehese Independence Movement (GAM) and the Government of the Republic of Indonesia. He has just completed his assignments as a member of the Islamic Development Bank's 1440 A.H. (2020) Vision Commission under the leadership of Tun Dr. Muhammad Mahathir, former Prime Minister of Malaysia, in June 2005. Dr. Surin was a Deputy Leader of the Democrat Party, Thailand. He also served on the National Reconciliation Commission (NRC), charged with bringing peace and security back to Thailand's deep South. He also served as MP in the National Legislative Assembly (NLA). He was nominated by the Royal Thai Government and endorsed by ASEAN Leaders to be ASEAN Secretary-General for year 2008-2012."

<http://www.aseansec.org/CV-SGSurin.pdf>

Thailand's Former Foreign Minister Surin Pitsuwan to Assume the Next ASEAN Secretary-General Post Next Year (03/08/2007)

The former Foreign Minister of Thailand, Dr. Surin Pitsuwan, will assume the post of the next Secretary-General of the Association of Southeast Asian Nations (ASEAN) in January 2008.

Foreign Minister Nitya Pibulsonggram presented Thailand's candidate, Dr. Surin, for ASEAN's next Secretary-General at the 40th ASEAN Ministerial Meeting, held in Manila, the Philippines, on July 29 and 30. The ASEAN foreign ministers overwhelmingly endorsed Thailand's nomination of Dr. Surin and expressed confidence

in his qualifications. Many of them had worked with Dr. Surin before. ASEAN leaders at the 13th ASEAN Summit in Singapore in November 2007 will appoint Dr. Surin as the new ASEAN Secretary-General for the period 2008 to 2012.

The Cabinet, during its meeting on June 18 this year, endorsed the proposal of the Ministry of Foreign Affairs to nominate Dr. Surin as the Thai candidate for the ASEAN post. Dr. Surin will succeed Mr. Ong Keng Yong from Singapore, who will end his five-year term at the end of 2007.

Born on 28 October 1949 in the southern province of Nakhon Si Thammarat, Dr. Surin studied at Thammasat University in Bangkok before pursuing his studies and undertaking research in the United States. He received a doctorate from Harvard University in 1982. Four years later, he began his political career as a Member of Parliament from Nakhon Si Thammarat under the banner of the Democrat Party. He served in the same constituency for seven consecutive terms. He also taught at Thammasat and the American University in Washington, D.C., and worked as a columnist for English-language newspapers in Bangkok.

Thailand's first Muslim foreign minister from 1992 to 2001, Dr. Surin is also holding several international posts, such as a member of the Commission on Human Security, a member of the Advisory Board of the International Commission on Intervention and State Sovereignty, and a member of the World Commission on the Social Dimension of Globalization.

As the ASEAN Secretary-General, Dr. Surin will take charge of the ASEAN Secretariat, located in Indonesia, to coordinate with ASEAN organs for ASEAN projects and activities. He will be the first ASEAN Secretary-General to implement the ASEAN Charter. In the Joint Communiqué of the 40th ASEAN Ministerial Meeting, the ASEAN foreign ministers stressed the importance of codifying the principles, values, and norms of ASEAN into this charter. They also welcomed the submission of the first draft of the charter by the High-Level Task Force on the Drafting of the ASEAN Charter. The final draft of the ASEAN Charter will be submitted at the 13th ASEAN Summit later this year.

http://thailand.prd.go.th/view_inside.php?id=2194

- **At economic Front**
- **Asean demand raises fish prices in India**

Strong demand from the Asean region, especially from Thailand and Indonesia, for Indian sardines and mackerel has diverted catches there and raised prices here, depriving local folk of affordable access to these normally cheap and protein-rich seafoods.

Seafood consumption habits of India and the Asean countries are similar and these countries prefer mackerel and sardine from the Arabian Sea, say exporters. The big-size

Both mackerel and sardines are now abundantly available in the northern part of Kerala. As both are shallow water fish, the catch is fresh and exporters are ready to offer high prices. A J Tharakan, former president of the Seafood Exporters Association of India told Business Standard that Indian sardine and mackerel also have good demand for canning purposes (and for poultry feed in the case of sardines).

Normally during the monsoon season, the price of mackerel drops here to Rs 40-50 a kg and sardines are sold at Rs 10-20 a kg. This time, despite an excellent catch, the local retail price of mackerel has increased to Rs 100 a kg and sardine is available at Rs 20-40 a kg. K P Jaison, manager of a fish commission company here, said leading export houses are ready to procure any quantity available of mackerel at Rs 40-80 a kg, according to the quality. At Munambam fishing harbour, one of the largest fish landing centres in Kerala, big-size mackerel is fetching an average price of Rs 70 a kg.

So, the local market is devoid of these common folk's items and whatever is available locally are items rejected by export houses. Since this is the trawling ban period, country boats are benefiting. Each boat's regular catch of mackerel is worth Rs 4-5 lakh. Local reports say some country boats got mackerel worth Rs 7-8 lakh in a single catch and some lucky fishermen got shrimp worth Rs 18 lakh a haul.

In fact, the main factor of concern at fish landing centres is a shortage of ice. Proper ice use is needed to ensure the quality of fish. That ensured, both fisherfolk and exporters are happy; consumers, much less so.

<http://www.business-standard.com/india/storypage.php?autono=399311>

- **Hu: China to support ASEAN integration**

Chinese President Hu Jintao (R) shakes hands with Indonesian President Susilo Bambang Yudhoyono in Toronto, Canada, on June 26, 2010.

Toronto: On China's relations with ASEAN, Hu said China was ready to see a more united, stable and prosperous ASEAN and would continue to support its efforts towards integration and its leading role in East Asia cooperation, said Chinese President Hu Jintao.

Hu made the remarks as he met Indonesian President Susilo Bambang Yudhoyono Saturday on the sidelines of the Group of 20 (G20) Summit, which begins Saturday and focuses on ways to secure the global economic recovery and address the economic challenges and risks. China would join hands with ASEAN in maintaining and building the China-ASEAN Free Trade Area (CAFTA), enhance the China-ASEAN cooperation in infrastructure and financial fields and expand humanitarian exchanges, Hu said.

Hu said China attached much importance to boosting strategic partnership with

Indonesia, adding that relations had developed favorably this year.

The two sides signed an action plan for strategic partnership in the beginning of the year and the two also reached an important consensus on deepening defense cooperation. The Chinese side proposed the two sides maintain high level exchanges, welcoming Susilo to visit China to attend the Shanghai World Expo and the expo between China and the Association of Southeast Asian Nations (ASEAN), Hu said. China was also willing to enlarge investment in Indonesia and supported Chinese companies to take part in major projects of Indonesia's infrastructure building, he said.

Susilo said Indonesia sincerely hoped to strengthen cooperation with China to enhance the bilateral relations and safeguard the common interests of developing countries.

Indonesia was willing to maintain high-level contacts and welcomed Chinese enterprises to invest in infrastructure and tourism, he said. Both China and ASEAN should guarantee the implementation of the CAFTA, Susilo said, adding that Indonesia hoped China could keep its important role in G20 to contribute to the Asian and global economic growth.

Relations between China and Indonesia have grown substantially since the two countries set up diplomatic ties 60 years ago. In 2005, the two countries signed a joint declaration on the establishment of a strategic partnership.

In 2006, China and Indonesia launched a dialogue mechanism at the vice-premier level. Trade cooperation between the two countries has also expanded in recent years.

In 2009, two-way trade was valued at 28.3 billion U.S. dollars. And in the first three months of this year, bilateral trade stood at 8.8 billion dollars, a 78 percent increase over the corresponding period of last year.

http://www.chinadaily.com.cn/china/2010-06/27/content_10025332.htm?

- **Social Front**
- **East Asia leads the world in 'poverty reduction'**

East and South-East Asia have seen the sharpest reductions in poverty worldwide since 1990, according to a UN report released in Bangkok yesterday. The percentage of people living on less than \$1.25 a day in East Asia dropped from 60% in 1990 to 16% in 2005 and from 39 to 19% in South-East Asia, the UN said. Looking ahead, the Millennium Development Goals Report 2010 predicted 5% of Chinese would be living under the \$1.25 threshold by 2015. The UN Millennium Development Goals set a target of halving extreme poverty in the world by 2015. But South Asia is faring less well, the report found. India is on track to reduce its poverty rate from 51% in 1990 to 24% in 2015.

<http://www.gulf->

[times.com/site/topics/article.asp?cu_no=2&item_no=370563&version=1&template_id=45&parent_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=370563&version=1&template_id=45&parent_id=25)

