

**Report # 130****Business and Politics in Muslim World****South East Asia****Tatheer Zahra Sherazi****From 23 July to 30 July****(Outline)**

<b>Summary</b>	<b>5</b>
<b>Indonesia</b>	
• <b>Political front</b>	<b>11</b>
• US, Indonesia retie a controversial knot	
• PDI-P Joins Golkar in Telling Members to Avoid National Democrats	
• Editorial: The US and us	
• <b>Geo-Strategic Front</b>	
• <b>Economic Front</b>	<b>17</b>
• Indonesia's economic growth reaches 5.8 percent	
• MUI wants speedy debate of bill on halal products	
• Governors want speedy Sumatra development	
• Investment in Indonesia Increases: Government	
• Thailand eyes Indonesia's software market	
• Indonesia's economic growth reaches 5.8 percent	
• World Bank, NGOs Spar over Indonesian Mine Project	
• Indonesian economist appointed to head ADB's office	
• <b>At social Front</b>	<b>22</b>
• Indonesian workers call for social security reform	
• Indonesian Police Launch De-Radicalisation Programme To Counter Future Terror Attacks	
• Aceh Shariah Police Launch Raid a Week Late	
• Attacks on Christian Churches in Indonesia Rising: Activists	
• Landslide kills 18 in eastern Indonesia	
• Amnesty International Disappointed by U.S. Government Decision to Train Suspected Human Rights Violators in Indonesian Military	
• <b>Environmental Front</b>	<b>27</b>
• Uncontrolled permits do environmental damage in Indonesia	
<b>Malaysia</b>	

- **Political Front** **28**
  - Anwar no longer friend of US, says American
  - **Economic Front** **28**
  - Malaysia not spinning into double-dip recession by European crisis: economist
  - kingdom, Malaysia to boost investment
  - Malaysia Prepared For Repeat Of Economic Crisis, Says Mukhriz
- Philippine**
- **Political Front** **32**
  - Aquino ready for an 'angry' State of Nation
  - Aquino promises new era of clean governance
  - Philippines to start Muslim peace talks after Ramazan
  - **Economic Front** **35**
  - Aquino: Philippines to be more investor-friendly
  - New Philippines govt eyes 8% growth
  - Philippines to lose U.S. financial support against human trafficking
  - **At Social Front** **39**
  - Philippine president blasts anomalies, corruption
  - jharkhand, Bihar development like starving Congo, Kerala similar to Philippines
  - **Cyber world** **39**
  - Facebook Helps Catch Philippines Multiple Murder Suspect Mark Dizon
- Thailand**
- **Political Front** **41**
  - Thailand to lift state of emergency 'cautiously'
  - Major parties register for city, district polls
  - Election sparks Bangkok bomb
  - Two corruption cases haunt Thai leader
  - Thailand's Democrat wins first local election after red-shirts rally
  - Thailand to end emergency rule in six provinces: PM
  - PM: Conflict's solution is demarcation
  - **At Geo-strategic Front** **47**
  - Thai military ready to send more troops to border if land dispute with Cambodia heats up
  - Myanmar Reviews Border Closure After Negotiations With Thailand
  - Thailand resists approval for Cambodia's plan for 11th-century Hindu temple
  - Thailand to defend rights over land dispute with Cambodia
  - **Economic front** **49**
  - Optimism as economy ably weathers turmoil
  - Abhisit sees investment surge
  - SE Asia Stocks-Thailand up slightly but others fall back
  - Thailand smiles towards Korean investments
  - **Social Front**

## Cambodia

- **Political Front**
- **Economic Front** **56**
  - Cambodia alarmed at illegal import of pigs from Vietnam
  - Developers should consider resource-rich countries for long-term retail investments
- **Social Front** **57**
  - The guilty must pay for Khmer Rouge atrocities
  - Anger in Cambodia Over Khmer Rouge Sentence
  - A Living Ghost of the Khmer Rouge
  - Cambodia: Politics of Justice and Cambodia's Teflon Tribunal
  - Cambodia ends long wait for justice
- **Cyber world** **63**
  - Twitter User Present at Khmer Rouge Trial Tweets All the Way Through

## Vietnam

- **Political Front** **64**
  - Politics Isn't War
- **Geo-strategic Front** **67**
  - Japan, Vietnam agree to launch foreign, defense talks framework
- **Economic Front** **67**
  - Vietnam's inefficient state firms in spotlight
  - Vietnam Inflation Slows, Supporting Growth Push
  - Vietnam's coffee exports surge 69%
- **Social front** **70**
  - the Vietnam Syndrome: The Islamic 'Threat' Part XIII

## Singapore

- **political Front** **73**
  - Opposition SPP elects 14 members to CEC
- **Economic Front** **73**
  - Singapore and Cambodia agree to explore more areas of cooperation
  - Developers should consider resource-rich countries for long-term retail investments
  - Singapore's manufacturing output up at slower pace
  - Energy Conservation Act set for 2013 to regulate industry: MEWR
- **Social front**

## Brunei

- **Economic Front** **76**
  - Malay experts conference a success, next is exploring the solutions
  - Behind the amazing growth of Indianomics
- **Social Front** **80**

- Historian tells Bruneian youth to strengthen religious values

**Asean**

- **Political Front** **81**
- ASEAN urges Myanmar to hold free, fair election
- Scholarships, Initiatives Strengthen New Zealand-Asean Ties

## Summary

### At political Front

- Indonesia

The opposition juggernaut Indonesian Democratic Party of Struggle (PDI-P) has become the latest party after Golkar to caution against the rising prominence of the National Democrats, a social organization with seeming political ambitions.

Eriko Sotarduga, the deputy secretary general of the PDI-P, said on Monday that the party had notified all its members to dissociate themselves from the National Democrats.

The National Democrats, founded by media mogul and former Golkar heavyweight Surya Paloh, have previously hinted at mobilizing as a political party in time to contest the 2014 general elections, although Surya has consistently avoided addressing the issue directly. Golkar, reportedly concerned over the potential share of voters it would hemorrhage to the new group, has already warned its own members to distance themselves from it.

- Thailand

Thailand's Prime Minister Abhisit Vejjajiva has pledged to complete the lifting of the state of emergency in a timely and cautious manner, playing down claims of incompatibility between emergency power and reconciliation.

A total of 154 candidates from the three parties turned up at the Thai-Japanese Youth Centre in Din Daeng yesterday morning to register for the council elections. The elections will see councillors elected to represent all 50 Bangkok districts.

The centre was packed with supporters of the candidates. The draw to determine each candidate's number in the election took only 15 minutes.

The government has come under pressure from the United States and rights groups to end emergency rule to help the country recover from deadly civil unrest that has left it deeply divided. Authorities have used the powers -- introduced in Bangkok on April 7 -- to arrest hundreds of Red Shirt suspects and silence anti-government media.

The protests by the Reds, many of whom back fugitive ex-premier Thaksin Shinawatra, attracted up to 100,000 people demanding immediate elections but were crushed by the army in a bloody crackdown in May. About 90 people died and some 1,900 were injured in a series of street clashes between armed troops and demonstrators.

Critics say the government may in effect be fanning the crisis as it clamps down and censors the protest movement rather than addressing its grievances. A separate state of

emergency has been in place since 2005 in three Muslim-majority southern provinces where a separatist insurgency has left more than 4,100 people dead in six years, with no end in sight to the violence.

- **Philippine**

Philippine President Benigno Aquino is set to launch a blistering attack on his predecessor and flesh out an anti-corruption drive when he makes his first “State of the Nation” address tomorrow. Aquino, who is enjoying record public support three weeks into the job, has signalled his speech to parliament will outline the dire economic problems that he says he inherited from former president Gloria Arroyo.

“For a long time, our country lost its way on a crooked path,” Aquino, who took office on June 30, told a joint sitting of congress. “As days go by, the massive scope of the problems we have inherited becomes much clearer. I can almost feel the weight of my responsibilities.”

### **Foreign relations**

- **Indonesia**

In a widely anticipated move, the US government eventually lifted the 13-year-old ban on Indonesian Army’s Special Forces’ (Kopassus) participation in any joint Indonesia-US military activities. The decision to resume relations with Kopassus was proclaimed by visiting US Secretary of Defense Robert M. Gates on Thursday amid uncertainty on President Barack Obama’s Indonesian visit after it was canceled twice this year. After all, such conditional restoration of military ties with Indonesia will be fruitful for smooth democratization in Indonesia as it will undoubtedly help prevent the repetition of past human rights abuses in the future. Otherwise, we all will sing the same old story again without significant efforts to put it to a complete halt. President Susilo Bambang Yudhoyono, as head of state and the supreme commander of the Indonesian military, has guaranteed that there would be no more rights abuses by the TNI in the future, and that he would take the lead in continuing reforms in the TNI.

### **At economic Front**

- **Indonesia.**

Indonesia's economic growth reached 5.8 percent in the first semester of this year or higher than 4.3 percent in the corresponding period last year, Minister of Finance Agus Martowardojo said on Monday.

The economic growth in the second semester of this year is projected to reach 6.9 percent so that the growth rate in the whole year is expected to rise to 6 percent, he said. The finance minister made the remarks at a hearing with members of the budget agency of the House of Representatives in Jakarta. The meeting was also attended by Bank Indonesia

governor Darmin Nasution, according to the kompas.com news portal.

Indonesian Ulema Council (MUI) has called on the House of Representatives and the government to speed up their deliberation of the bill on halal (permissible under Islamic law) products and pass it into law soon.

"The law is a must given the fact that Indonesia is a country with the largest Muslim population in the world," MUI deputy chairman Amidhan Saberah said on the sidelines of the International Halal Business and Food Expo at the Jakarta Convention Center in Central Jakarta on Saturday.

Investment in Indonesia, including from both foreign and domestic investors, rose 40 percent in the second quarter of 2010 from the same period a year ago, said the country's investment chief Gita Wirjawan on Monday. The state investment agency forecast that foreign direct investment would rebound 15 percent this year, after falling 27 percent to \$10.8 billion last year. Foreign investors staked \$3.8 billion in Indonesia in the first quarter of 2010.

- Malaysia

Malaysia will not be dragged into another recession this year by the current crisis in Europe although the crisis could decelerate growth of the Southeast Asian country.

Mohamed Ariff, economist from the Malaysian Institute of Economic Research, told Xinhua recently in an interview that the impact of the European crisis on the Malaysian economy would be indirect and less severe as compared to the financial crisis originated from the United States. "There are a lot of uncertainties, but I do not think Malaysia will spin into (another) recession. Malaysia's exposure to Europe is much less compared to the U.S.," said Mohamed Ariff.

The encouraging double-digit economic growth achieved in the first quarter this year showed that the government's efforts in facing uncertainties in the global economy have been effective. In stating this, Deputy International Trade and Industry Minister Datuk Mukhriz Tun Dr Mahathir said the 10.1 per cent growth, which was the best in 10 years, had not made the government complacent.

"The government is always monitoring the global economy and trade, and taking the necessary measures in facing the possibility of double dip recession, with a repeat of the economic crisis," he said in a dialogue with 60 representatives from Kedah Bumiputera industrialists and manufacturers here Saturday.

- Thailand

Sixteen Thai software companies are eyeing Indonesia's market as it is considered as huge market in the Southeast Asia, Bisnis Indonesia daily quoted an ambassador as saying on Tuesday.

Thailand has emerged almost unscathed from the political crisis in the first half of this year, with the Bank of Thailand revising its economic growth projection close to the International Monetary Fund's 7-8 per cent estimate. With a strong export rebound and a surge in investment, the Bank of Thailand has revised its projection to 6.5 per cent to 7.5 per cent, according to central bank Assistant Governor Paiboon Kittisrikangwan. This represents a sharp revision from the 4.3-per-cent to 5.8-per-cent projection made in April by the central bank.

Thailand is in a good position to attract rebounding global foreign direct investments, thanks to the country's strong economic recovery, Prime Minister Abhisit Vejjajiva says. Mr Abhisit on Thursday told the launch of the World Investment Report 2010 prepared by the United Nations Conference on Trade and Development (Unctad) that Thailand is among Asian countries whose economies have recovered significantly from the global financial crisis. "Global investments have shown clear signs of a rebound. Thailand and Asia have been perceived as the main locations for world investments and have played major roles in driving the global economic recovery," he said.

Thailand might have lost some of its smiles during the protests that turned ugly in the middle of May but winks from investors kept the country's economy afloat.

To make sure the flow of investments continues from one of Thailand's most trusted business partners, the Board of Investment's Secretary General Atchaka Sibunruang was in town a few weeks ago to conduct seminars and speak to local business leaders concerning the benefits of investing in Thailand. She held private meetings that ran late into the day with the purpose of assuring investors that the situation in Thailand has calmed down and that the country is ready for business.

- Philippine

Aquino reiterated familiar election campaign themes of fighting tax evasion and enforcing existing laws better, but avoided specifics on how his government will cut a budget deficit estimated to hit P325bn (\$7bn) - a record in peso terms - this year.

The deficit stood at 3.9% of GDP in 2009 and is expected to remain the same this year.

"I would have wanted to hear what they plan to do to ensure this year's deficit target will be met," said Luz Lorenzo, economist at ATR Kim Eng in Manila.

The Philippine government is running the risk of losing the U.S. government's financial support worth 250 million U.S. dollars to sustain the battle against human trafficking, Justice Secretary Leila de Lima disclosed Wednesday. The United States recently placed the Philippines in the Tier 2 watch list, precariously close to falling to the Tier 3 category which lumps countries that fail to meet the minimum standards of the Trafficking Victims Protection Act.

- Vietnam

Vietnamese inflation cooled for a fourth month, a slowdown that may ease concerns the government's focus on stoking economic growth will revive price pressures.

Consumer prices rose 8.19 percent this month from a year earlier, according to figures released today by the General Statistics Office in Hanoi. The inflation rate in June was 8.69 percent, according to previously reported data. Prices climbed 0.06 percent in July from June. "I had been expecting inflation for the full year to be in double-digits," said Adam McCarty, chief economist at Mekong Economics in Hanoi, in a telephone interview today. "Given these figures, there's probably some scope for the central bank to loosen monetary policy a bit further."

### **At Social Front**

- Indonesia

Thousands of workers led by the Social Security Revision Committee (SSRC), which is organized by a coalition of Indonesian unions, took to the streets in Jakarta on July 29 and demonstrated in front of Indonesia's Parliament House demanding revision of the social security system and health insurance.

The noisy flag, placard and banner waving demonstrators chanted slogans, sang solidarity songs and made speeches from atop a lorry to attract the attention of legislators who were meeting in Parliament. Under the watchful eyes of the police and security personnel and under the burning sun the workers fearlessly continued the demonstration that began at 9am.

As part of its efforts to minimise the risk of possible future terror attacks, the Indonesian government has launched a de-radicalisation programme across the country, aiming at people who are assumed to have radical thoughts and are prone to committing terror acts, China's Xinhua news agency reported. "The de-radicalisation programme was part of efforts to comply with government's targets in the first 100 days governing the country.

Indonesian human rights activists on Monday urged President Susilo Bambang Yudhoyono to investigate attacks on Christian churches, which they say have increased in the last two years.

From January to July, there were 28 cases of religious freedom violations by "intolerant groups targeting Christians," up from 17 for the whole of 2008 and 18 in 2009, the Setara Institute for Democracy and Peace said in a report.

A landslide caused by heavy rains has killed at least 18 people and injured seven others in the eastern Indonesian province of Maluku, a government official said Monday. Days of downpours triggered the landslide on Buru island, buried 18 people alive and

heavily damaged three homes, said Priyadi Kardono, spokesman for the National Disasters Coordinating Agency. He added that the seven injured people were hospitalized.

"Amnesty International is disappointed by the decision that U.S. forces will train the Kopassus unit. It sends the wrong message in a country where mass and severe human rights violations have taken place in an atmosphere of impunity. U.S. support to this unit undercuts the recent efforts advocating reform within the Indonesian military. Amnesty International calls upon the U.S. administration to make public what commitments they received from the Indonesian authorities about bringing Kopassus military leaders to justice and also calls upon President Obama, in his upcoming visit to Indonesia, to speak publicly about human rights abuses in Indonesia and to meet the families of those killed by the Kopassus.

- Philippine

It isn't too much of a stretch to say that India is made up of many nations. A comparison of state-level and country-level data from the newly released multi-dimensional poverty index shows that while Kerala and Goa are at a similar level of development as 'middle-income countries' like Indonesia, Jharkhand and Bihar are similar to 'least-developed countries' like the Democratic Republic of Congo.

- Cambodia

A 31-YEAR delay in bringing any Khmer Rouge leader to justice meant up to 2 million victims of the Cambodian genocide were very nearly denied justice. Vietnamese forces ousted the regime in 1979 after four years in which as many as one in four Cambodians was executed, starved or worked to death, but not until 1997 did the government bow to pressure to begin the work of bringing those responsible to justice. This week, a United Nations-backed tribunal recorded the first conviction of a senior Khmer Rouge figure, sentencing Kaing Guek Eav, known as Comrade Duch, to 35 years in jail. He ran the Tuol Sleng prison where up to 14,000 people were tortured before being executed; only a dozen survived.

## Detailed News Monitoring Report

### Indonesia

- **Political front**
- **US, Indonesia retie a controversial knot**

Thursday's announcement in Jakarta that Washington will resume training for the Indonesian military's controversial special forces unit Kopassus has been denounced by human-rights groups and two key lawmakers here.

The announcement - which lifts a ban on cooperation with Kopassus dating back to 1999 - was made by visiting Secretary of Defense Robert Gates, who has continued efforts launched by the administration of president George W Bush to restore full bilateral military ties between the two nations. "I was pleased to be able to tell the president that as a result of

Indonesian military reforms over the past decade, the ongoing professionalization of the TNI [Indonesian Armed Forces], and recent actions by the Ministry of Defense to address human-rights issues, the United States will begin a gradual, limited program of security cooperation activities with the Indonesian Army Special Forces," Gates told reporters after meeting with President Susilo Bambang Yudhoyono.

"I noted to the president that these initial steps will take place within the limits of US law and do not signal any lessening of the importance we place on human rights and accountability," he went on. "What's more, our ability to expand upon these initial steps will depend upon continued implementation of reforms within Kopassus and TNI as a whole."

That caveat, however, did not appease rights groups that have long regarded Kopassus, including some of its highest-ranking officers, as responsible for some of the most notorious mass killings, assassinations, disappearances and other serious abuses committed in Southeast Asia's most populous nation - notably in the former East Timor, Papua and Aceh, over the past 20 years.

"Amnesty International is disappointed by the decision that US forces will train the Kopassus unit," said T Kumar, the director for international advocacy of the US branch of Amnesty International (AIUSA). "It sends the wrong message in a country where mass and severe human-rights violations have taken place in an atmosphere of impunity."

"The [Barack] Obama administration has just failed a key test," said Sophie Richardson, Asia director at New York-based Human Rights Watch (HRW). "This is not the way to encourage reform with a military that has yet to demonstrate a genuine commitment to accountability for serious human-rights abuses."

"This decision rewards Kopassus for its intransigence over abuses and effectively betrays

those in Indonesia who have fought for decades for accountability and justice," she noted, adding that Jakarta had not only failed to remove the very few Kopassus soldiers who had been convicted of serious rights violations from the military, but had also recently promoted officers linked by credible evidence to past abuses to top Kopassus positions.

The announcement was also denounced as "premature" by the Senator Russell Feingold, the former chair of the senate's Asia sub-committee and as "deeply regret[able]" by Senator Patrick Leahy, who wrote the law banning US aid and training for any foreign military unit credibly suspected of major abuses.

"Although the Indonesian Ministry of Defense has taken some positive steps, numerous problems remain, including allegations of recent abuses," Feingold said in a statement. "Further actions are needed before we can be reasonably satisfied that Kopassus, and the Indonesian armed forces more broadly, have become a reformed institution accountable to international human-rights standards and the rule of law."

"The 'gradual, limited program of security cooperation activities' described by Secretary Gates should certainly not be seen as wiping the slate clean for Kopassus - that is something that only a full accounting of the past can do," Feingold added.

Brutally effective

Thursday's announcement constitutes the latest development in what has been a gradual rapprochement between the Pentagon and the TNI. Washington first began heavily supporting Indonesia's military in the late 1950s.

Between then and the period that followed the fall of president Suharto in 1998, the army was seen, especially by the Pentagon, as the one effective - if corrupt and often brutal - national institution in an archipelago that spreads across thousands of kilometers and straddles key sea lanes and shipping "chokepoints".

After a massacre by Indonesian troops of more than 100 peaceful demonstrators in East Timor in 1991, the US Congress cut off Indonesia's access for certain kinds of US military training and "lethal" equipment.

When the TNI, Kopassus and their local auxiliaries rampaged through East Timor after its electorate voted to secede from Indonesia in 1999, then-president Bill Clinton severed all remaining ties with the TNI, but then quietly restored contacts the following year. Some 1,400 civilians died in that mayhem for which no soldier has ever been tried or convicted.

After the 9/11 terrorist attacks on New York City and the Pentagon, the George W Bush administration tried to circumvent congressionally imposed restrictions by providing some assistance, although not to Kopassus, through a counter-terrorism program.

By highlighting the operations of al-Qaeda operatives - responsible for a 2002 bombing

in Bali that killed nearly 200 people - in Indonesia, the administration made slow but steady progress in restoring ties over the following years, including by lifting the arms embargo.

Amid growing concern about China's influence and increasing naval strength in the region, however, the Pentagon has pushed hard to restore full military ties with Jakarta, including with Kopassus. But it has reportedly received some resistance from Indonesia specialists in the US State Department and the National Security Council.

The latter, like the rights groups, argued that Kopassus continued to commit serious abuses, especially in Papua, and remained largely unaccountable to civilian authority. In response to US demands over the past few months, Jakarta shifted at least three Kopassus officers previously convicted by military courts of abuses to other positions within the TNI.

In addition, the defense minister told an English-language newspaper that soldiers found by a military tribunal to have committed genocide or crimes against humanity would be tried by a civilian court.

"The US government appears to have considered these steps satisfactory to ensure future accountability," HRW complained on Thursday, adding that "the decision to start training Kopassus now risks undermining the limited progress towards professionalism that the Indonesian military has made thus far".

Indeed, in April this year, Colonel Nugroho Widyo Utomo, who in 1998 reportedly played a key role in creating and arming the militias that later carried out much of the violence in East Timor the following year, was appointed deputy commander of Kopassus. Pentagon officials told reporters in Washington that initial contacts with Kopassus would be quite limited and that, in any event, the State Department would vet any members of the force before they could receive training.

Leahy said he expected Gates to follow through on his pledge to condition Washington's cooperation with Kopassus on the implementation of real reforms, including prosecuting "past and future crimes" committed by its members. "I deeply regret that before starting down the road of re-engagement, our country did not obtain and Kopassus did not accept the necessary reforms we have long sought. But a conditional toe in the water is wiser at this stage than diving in."

"The United States and Indonesia share important interests, and I have sought a way forward that is consistent with our interests and our values. I hope that will become possible," Leahy said.

But rights activists remain doubtful. "For years, the US provided military training and

other assistance to Kopassus, and when the US was most involved, Kopassus crimes were at their worst," said John Miller, national coordinator of the East Timor Action Network. "While this assistance improved the Indonesian military's deadly skills, it did nothing to improve its behavior." Jim Lobe's blog on US foreign policy can be read at [www.lobelog.com](http://www.lobelog.com).

[http://www.atimes.com/atimes/Southeast\\_Asia/LG24Ae01.html](http://www.atimes.com/atimes/Southeast_Asia/LG24Ae01.html)

- **PDI-P Joins Golkar in Telling Members to Avoid National Democrats**

The opposition juggernaut Indonesian Democratic Party of Struggle (PDI-P) has become the latest party after Golkar to caution against the rising prominence of the National Democrats, a social organization with seeming political ambitions.

Eriko Sotarduga, the deputy secretary general of the PDI-P, said on Monday that the party had notified all its members to dissociate themselves from the National Democrats.

The National Democrats, founded by media mogul and former Golkar heavyweight Surya Paloh, have previously hinted at mobilizing as a political party in time to contest the 2014 general elections, although Surya has consistently avoided addressing the issue directly. Golkar, reportedly concerned over the potential share of voters it would hemorrhage to the new group, has already warned its own members to distance themselves from it.

Eriko said the PDI-P's warning was issued last week as part of recommendations to improve party members' performance.

He said the PDI-P would not tolerate any of its members dedicating more efforts to other organizations, particularly if it had funded their various campaigns and projects.

"Why should we work for the benefit of others?" he said. "We need to prioritize the party's own interests." Eriko added that most of the PDI-P members currently active with the National Democrats were also legislators at either the House of Representatives or at regional legislatures, and should focus on their official duties and constituents rather than on the nascent group.

Eriko argued that Surya's noncommittal stance belied the fact that the most of the activities in which the National Democrats were currently engaged were of a political nature, and said the PDI-P needed to consolidate to prevent the group taking away the party's votes if and when it mobilized as a party. Eriko also denied reports that PDI-P chairwoman Megawati Sukarnoputri had permitted Surya to canvass the party's members to staff his organization. "We've never spoken about anything of the sort," he said.

Another party leery of the National Democrats is the Islamic-based National Awakening Party (PKB). Senior PKB official Marwan Ja'far said a recent national-level meeting of the party had concluded that the only civil society group that party members could be

affiliated to was Nahdlatul Ulama, the country's biggest Islamic organization and an important voter base for the PKB. "Organizations other than the NU, such as the National Democrats, should be off-limits to our members," Marwan said, adding that party members not heeding the order would be disciplined accordingly.

"It's common knowledge that the National Democrats plan to become a political party, even though they front as a nonpolitical group."

High-ranking officials from several parties currently hold posts with the National Democrats, including the PDI-P's Rustriningsih, who is the Central Java deputy governor, and Golkar's Syamsul Ma'arif, from the Business Competition Supervisory Commission (KPPU).

A senior Golkar Party official previously said the party had warned its members against joining the National Democrats in response to a call by the latter for regional Golkar members to join the organization.

However, the National Democrats said the warning was inappropriate, and called for a high-level dialogue between officials from the two groups to settle any differences between them.

<http://www.thejakartaglobe.com/home/pdi-p-joins-golkar-in-telling-members-to-avoid-national-democrats/387974>

- **Editorial: The US and us**

In a widely anticipated move, the US government eventually lifted the 13-year-old ban on Indonesian Army's Special Forces' (Kopassus) participation in any joint Indonesia-US military activities. The decision to resume relations with Kopassus was proclaimed by visiting US Secretary of Defense Robert M. Gates on Thursday amid uncertainty on President Barack Obama's Indonesian visit after it was canceled twice this year.

Yes, the restoration of cooperation with Kopassus, initiated during the preceding Bush administration, was not personally announced by Obama, as previously expected during his two canceled visits here. However, the announcement made by the defense secretary did not lessen the significance of the US government's policy to lift the ban and should be highly commended as it signaled a completely restored bilateral US-Indonesia relation.

The ban on cooperation with Kopassus was one of the two key obstacles in US-Indonesia military relations as a result of allegedly repeated human rights abuses by the Indonesian Military (TNI) in the past — particularly during Soeharto's New Order administration. The other, on the US ban on military equipment sales to Indonesia, was lifted in 2005.

To the agreement of many, the decision to lift the bans on Kopassus and the military sales to Indonesia, were not a one-size-fits-all policy of the US government. As secretary Gates

has stated: “This initial step will take place within the limit of US law and does not signal any lessening of the importance we place on human rights and accountability,” the policy is obviously subject to further examination and review, if the Indonesian military violate human rights principles in the future. The US government’s precautionary move at the same time signals the necessity for the Indonesian side to improve its monitoring mechanism and justice system — both the civilian court and military tribunal — against alleged wrongdoings committed by military personnel.

It is true that several cases of human rights violation had been tried in the military tribunal, but the verdicts issued had been far from the Indonesian peoples’ expectation, while the tribunal had failed to try the most responsible persons in the cases.

To a certain extent, the US government’s “conditional” decision to lift the bans could be understood as dictating Indonesia’s internal affairs. But, rather than politicizing the US government’s decision, let’s put the issue on the US government’s and peoples’ perspective. Isn’t it logical for the US government to demand such accountability from the Indonesian side, as any resumption of military cooperation with Indonesia would involve US funds that originate from none other than American taxpayers’ money?

After all, such conditional restoration of military ties with Indonesia will be fruitful for smooth democratization in Indonesia as it will undoubtedly help prevent the repetition of past human rights abuses in the future. Otherwise, we all will sing the same old story again without significant efforts to put it to a complete halt. President Susilo Bambang Yudhoyono, as head of state and the supreme commander of the Indonesian military, has guaranteed that there would be no more rights abuses by the TNI in the future, and that he would take the lead in continuing reforms in the TNI.

Such a commitment needs the support of all the country’s stakeholders, and most importantly the military organization itself.

<http://www.thejakartapost.com/news/2010/07/27/editorial-the-us-and-us.html>

- **Economic Front**
- **Indonesia's economic growth reaches 5.8 percent**

Indonesia's economic growth reached 5.8 percent in the first semester of this year or higher than 4.3 percent in the corresponding period last year, Minister of Finance Agus Martowardojo said on Monday.

The economic growth in the second semester of this year is projected to reach 6.9 percent so that the growth rate in the whole year is expected to rise to 6 percent, he said. The finance minister made the remarks at a hearing with members of the budget agency of the House of Representatives in Jakarta. The meeting was also attended by Bank Indonesia governor Darmin Nasution, according to the kompas.com news portal.

<http://www.thejakartapost.com/news/2010/07/26/indonesia039s-economic-growth-reaches-58-percent.html>

- **MUI wants speedy debate of bill on halal products**

Indonesian Ulema Council (MUI) has called on the House of Representatives and the government to speed up their deliberation of the bill on halal (permissible under Islamic law) products and pass it into law soon.

"The law is a must given the fact that Indonesia is a country with the largest Muslim population in the world," MUI deputy chairman Amidhan Saberah said on the sidelines of the International Halal Business and Food Expo at the Jakarta Convention Center in Central Jakarta on Saturday.

Amidhan said the law on halal products would benefit domestic producers because it would reduce the flood of imported goods. "Tax or import duty restrictions will be unable to curb the influx of foreign goods into the country. But the flow can be restricted with the halal certification," he said as quoted by Antara news agency.

He said Indonesia should learn from Malaysia, which requires Indonesian products to have halal certificates if they are to be marketed there. "MUI is ready to provide inputs for the deliberation of the bill," he said. But he reminded that MUI was the only authorized institution to endorse halal certificates. The international halal business and food expo, as part of MUI's efforts to promote halal food, will last until Sunday.

<http://www.thejakartapost.com/news/2010/07/24/mui-wants-speedy-debate-bill-halal-products.html>

- **Governors want speedy Sumatra development**

Governors across Sumatra called on the central government Friday to make development of the island's infrastructure a top priority to spur economic growth. The call was part of the recommendations of the two-day 2010 Sumatra Development Summit held in Bandar Lampung, Lampung, which was attended by politicians, businesspeople and 10 governors. Lampung Governor Sjachroedin Z.P. said the central government and the private sector could tap Sumatra's economic potential — but not much had been done due a lack of infrastructure.

"Sumatra should be seen as a whole and not as individual parts because the potential of each province on the island is related," he said. "The potential of Jambi and Bengkulu, for example, has not been fully tapped due to the poor road network connecting Lampung and the two provinces."

At the summit, which followed earlier forums with Sumatran governors held over the last five years, it was disclosed that 1,333 kilometers of Sumatra's 10,588 kilometers of roads. "State funds allocated for road repairs are very limited. Railway transportation

remains idle and port construction has not been well managed or integrated,” Sjachroedin said.

The most important infrastructure development projects that may be soon be realized are the Trans-Sumatra railway line from Lampung to Aceh, the Sunda Strait Bridge connecting Java and Sumatra, the Trans-Bangka-Belitung highway and telecommunications and power network improvements. Regional Representatives Council Speaker Irman Gusman said that Sumatra’s development as an integrated economic area should be supported by the development of adequate transportation, infrastructure, telecommunications facilities and irrigation networks.

“The three major overland routes are unable to link Sumatra as an economic network in regional development, even though they are part of the overland transportation system from Bakauheni [in Lampung] to Banda Aceh [in Aceh],” he said.

The island has 40 million people and is potentially viable as a gateway to the global market given its proximity to regional economic growth centers such as Singapore, Malaysia, Thailand and India,

he added “Sumatra has a strategic role in the Asia Pacific region thanks to the presence of the Malacca Strait, which is part of the Indonesian archipelagic sea lane,” Irman said. “Despite its huge potential, infrastructure development in Sumatra is still limited. Consequently, the average economic growth of Sumatra remains stagnant at 5 percent.”

He blamed economic mismanagement, in terms of policy making and implementation, from the central government and local administrations for slowing down economic growth. Sumatra is home to commodities that may spur economic growth, such oil, gas and coal.

In the agricultural sector, the total area of oil palm plantations in Sumatra account for 70.75 percent of the national total. “However, poverty in Sumatra remains high at 13.19 percent,” Sjachroedin said.

<http://www.thejakartapost.com/news/2010/07/24/governors-want-speedy-sumatra-development.html>

- **Investment in Indonesia Increases: Government**

Investment in Indonesia, including from both foreign and domestic investors, rose 40 percent in the second quarter of 2010 from the same period a year ago, said the country’s investment chief Gita Wirjawan on Monday.

The increase could show that strong economic growth and increasing consumer demand in Indonesia is leading more investors to make longer-term bets on the country, which has struggled to attract as much foreign direct investment as regional peers.

“Q2 investment growth rose more than 40 percent in total, year-on-year. Both domestic

and foreign investment grew significantly. Investor confidence to our investment climate improved,” Wirjawan said after a meeting of government ministers.

He did not give the total investment level or a breakdown between foreign and domestic investment, but said further details would be released this week. The state investment agency forecast that foreign direct investment would rebound 15 percent this year, after falling 27 percent to \$10.8 billion last year. Foreign investors staked \$3.8 billion in Indonesia in the first quarter of 2010.

Indonesia has so far failed to match the levels of direct foreign investment attracted into regional powerhouses China and India, as investors are often put off by red tape, rampant corruption, and a shaky legal system. Investors have, however, poured into the country’s markets in the past year, with the stock index and net foreign ownership of local debt both hitting record highs this month.

<http://www.thejakartaglobe.com/home/investment-in-indonesia-increases-government/387827>

- **Thailand eyes Indonesia's software market**

Sixteen Thai software companies are eyeing Indonesia's market as it is considered as huge market in the Southeast Asia, Bisnis Indonesia daily quoted an ambassador as saying on Tuesday.

Thanatip Upatising, Thai Ambassador for Indonesia, said that to initiate penetration, the companies will hold a business matching meeting as a part of their road show in Indonesia. Upatising said that road show scheduled on Wednesday will try to dig Indonesia's potential market.

Eugene van de Weerd, a director in the research company Frost and Sullivan, said that one of Thai software's superiorities is its innovation in application. He said that Thai software managed to penetrate Japan's market which is difficult to be accessed, aside of the Philippines and Vietnam.

<http://english.people.com.cn/90001/90778/90858/90863/7082222.html>

- **Indonesia's economic growth reaches 5.8 percent**

Indonesia's economic growth reached 5.8 percent in the first semester of this year or higher than 4.3 percent in the corresponding period last year, Minister of Finance Agus Martowardojo said on Monday. The economic growth in the second semester of this year is projected to reach 6.9 percent so that the growth rate in the whole year is expected to rise to 6 percent, he said.

The finance minister made the remarks at a hearing with members of the budget agency of the House of Representatives in Jakarta. The meeting was also attended by Bank Indonesia governor Darmin Nasution, according to the kompas.com news portal.

<http://www.thejakartapost.com/news/2010/07/26/indonesia039s-economic-growth-reaches-58-percent.html>

- **World Bank, NGOs Spar over Indonesian Mine Project**

The World Bank's Board of Directors said studies for a potential mining project in Indonesia could move forward Tuesday but civil society groups, citing studies that have already been done, condemned the decision.

The approval, they say, speaks to deeper problems with the standards against which the Bank evaluates extractive projects and its policy towards supporting new mining operations generally.

Japan's Mitsubishi Corporation and France's Eramet, backers of the mine project, had asked the Multilateral Investment Guarantee Agency (MIGA) for a guarantee of 207 million dollars against the risks of expropriation, breach of contract and civil disturbance while they conduct exploration and feasibility studies for the Weda Bay Nickel mine on Indonesia's Halmahera Island.

NGOs had said that support for the guarantee would amount to support for a project that would displace indigenous peoples, destroy vast areas tropical forest and threaten rivers and the ocean with sediment and toxic chemicals. Tuesday, the Board of Directors signed off on guaranteeing the corporations' investments in the studies. Only the U.S. delegate to the board abstained from the vote. Though MIGA notes the contract has not yet been signed, it says it plans to support the guarantee now that the board has given its approval. The NGOs are looking ahead. Signing the contract is now "just a procedural question", said Scott Cardiff of Earthworks, a Washington-based organisation that targets destructive mineral development practices.

But the Bank sees a more complicated picture going forward. Approving the guarantee would allow it to be a part of the study process and thus more able to influence the way in which this and other mining operations are designed.

"MIGA sees this project as an opportunity to influence the way such complex projects are done - with the best environmental and social safeguards in place and company compliance," MIGA Executive Vice President Izumi Kobayashi said in a statement. "This stage is precisely to assess what the potential environmental and social impacts might be and to identify appropriate mitigants to address them."

Earthworks and the Bank Information Center feel they already have a good sense of what those impacts might be. They requested a review of the Weda Bay Nickel project by Robert Moran, an independent water quality, geochemical and hydrogeological scientist. His review, released Monday, examined the publicly available information regarding the project's plans and found that MIGA's endorsement is based on optimism and predictions,

which themselves are based on inadequate data. Moran also highlighted the potential for water pollution risks as torrential rains or earthquakes could allow mine waste to contaminate drinking water.

He was also critical of the plan to dump the mine's liquid processing waste into shallow ocean waters, which would "cause significant negative impacts to the marine life and collective ecosystem in Weda Bay over the 30 to 50 year life of the operation."

The Bank addressed this dumping fear as well as other fears raised by Indonesian groups in a Jun. 16 letter. "No tailings [sic] dumped into Weda Bay or any other body of water," wrote the director of MIGA's economics and policy group, Frank J. Lysy. "All residues will be dried and then stored on land, to be progressively covered and revegetated."

Lysy goes on to note that while a project of Weda Bay's size may have negative potential impacts, it may also be beneficial. Referring to discussions with local villagers, he says the local population is "highly supportive of the project, as they look forward to the availability of well-paying jobs and other economic opportunities."

In its statement Tuesday, MIGA noted the potential impacts of the project could include "biodiversity loss, pollution, erosion, population influx, and potential impacts on indigenous groups and cultural heritage."

Lysy notes that "no decision is being sought at this time on the construction and operation of the mine itself" since both the local population and the bank and investors recognise the need to assess the potential for these impacts.

In an email, MIGA spokesperson Mallory Saleson also underlined the point – in boldface and caps – that the proposed project consists of "an exploration and feasibility study **ONLY** at this stage". But Cardiff says the studies "generally lead to some form of mining".

Moreover, in a study he did of the biodiversity impacts of the Weda Bay project, Cardiff says that impacts from forest clearing "will occur during the exploration phase, not just during construction and operation". This and other impacts, he says, will lead to long-term habitat loss for a number of species, some of which are listed as endangered or vulnerable.

Deeper problems with miningThe Jun. 16 letter not only challenges NGOs' accusations of dumping in ocean water but says the Weda Bay project would supply its own major energy needs from the excess heat it generates and "not be a large net user of energy". It would also aim to revegetate the same amount of land it mines each year.

But the NGOs contend that the problems go far deeper than this one mine. "The World Bank has supported destructive mining projects all over the world; it is time for that to change," says Cardiff.

He cites the Bank's International Finance Corporation's financing of Ghana's Ahafo mine, Peru's Yanacocha mine and the Marlin mine in Guatemala which was recently ordered to suspend its operations due to pressure by the U.N. Special Rapporteur on Indigenous Rights, the Inter-American Commission on Human Rights and other groups.

Earthworks also accuses MIGA of not abiding by its own Performance Standards, specifically standards number one - on social and environmental assessments - and number six - on conserving biodiversity and ensuring sustainable resource management."The Bank is not only not following its own procedures, apparently, but those policies are inadequate. The Performance Standards do not represent responsible mining and are in need of reform," Cardiff said. He notes, however, that the IFC's standards are currently under review and that he hopes stronger ones will emerge.

Once the Weda Bay Nickel studies are complete, the companies will decide whether to invest and continue to develop the mine and build a processing plant. This final investment decision should be made before the end of 2012, according to MIGA.

<http://www.ipsnews.net/news.asp?idnews=52158>

- **Indonesian economist appointed to head ADB's office**

Indonesian prominent economist Iwan Jaya Azis has been appointed to head the Asian Development Bank's (ADB) Office of Regional Economic Integration (OREI), the ADB said in a statement Thursday.

Iwan, an Indonesian finance minister candidate to replace Sri Mulyani who now served as a deputy director at the World Bank (WB), has worked with the ADB for years.

With the ADB's appointment, Iwan, who is currently the director of Graduate Study for Regional Science at Cornell University, is tasked to oversee ADB's efforts to help member countries pursue closer regional ties to a more globally connected Asia.

In his more-than-30-year-long career, Iwan has worked in various research projects with the World Bank, the United Nations, the International Food Policy Research Institute, the U.S. Agency for International Development, Japan's Ministry for Trade and Industry, Bank Indonesia, Harvard University and Columbia University.

<http://english.people.com.cn/90001/90778/90858/90863/7067843.html>

- **At social Front**
- **Indonesian workers call for social security reform**

Thousands of workers led by the Social Security Revision Committee (SSRC), which is organized by a coalition of Indonesian unions, took to the streets in Jakarta on July 29 and demonstrated in front of Indonesia's Parliament House demanding revision of the social security system and health insurance.

The noisy flag, placard and banner waving demonstrators chanted slogans, sang solidarity

songs and made speeches from atop a lorry to attract the attention of legislators who were meeting in Parliament. Under the watchful eyes of the police and security personnel and under the burning sun the workers fearlessly continued the demonstration that began at 9am.

The demand of union movement is to revise the present social security system, which is state controlled and enterprise based. The Social Security Revision Committee was formed by the union movement in Indonesia and is headed by Said Iqbal who is also the President of IMF affiliate the Federasi Serikat Pekerja Metal Indonesia (FSPMI).

According to Iqbal, the Indonesian trade union movement is pushing for the revision of the entire social security system and funds collected from workers and employers should be held by a trust body and not by state controlled companies. The present system, called Jamsostek, covers only a limited segment of the workforce. Workers are short changed and when they retire as they are left with very minimal amount of funds. He said that it is better to have a pension system that covers the entire formal sector workforce. In addition they are also demanding health insurance coverage for the whole population.

According to Iqbal, this is the third consecutive day the workers are demonstrating. In the morning of the protest on July 29 a strong memorandum was handed over to parliament. Outside the parliament gate a scuffle broke out between security forces and the demonstrators when the workers burnt tires and set a bonfire. However, timely intervention by the FSPMI leaders saved the day and arrest of the demonstrators was prevented.

Previously, the SSRC also filed court cases against the Indonesian President and four senior Ministers on the social security matter. Twice the case was called up for hearing, however only the Ministers turned up and not the President. On August 2, 2010 the court will resume hearing and it is expected that the Indonesian President will appear in the court. "This would certainly be an historic event," said Iqbal. Jul 29, 2010 – P. Arunasalam

<http://www.imfmetal.org/index.cfm?c=23680&l=2>

- **Indonesian Police Launch De-Radicalisation Programme To Counter Future Terror Attacks**

As part of its efforts to minimise the risk of possible future terror attacks, the Indonesian government has launched a de-radicalisation programme across the country, aiming at people who are assumed to have radical thoughts and are prone to committing terror acts, China's Xinhua news agency reported. "The de-radicalisation programme was part of efforts to comply with government's targets in the first 100 days governing the country.

"The president had issued a decree No. 49/2010 that can be regarded as the legal basis for

the counter terrorism effort," Commissioner General Ito Sumardi, head of Indonesian police detective section said recently.

Ito said that the de-radicalisation programme is intended to prevent radicalism among the public, prevent the spread of interfaith hatred, prevent the public from being influenced by the radical thought and improve the public's awareness against terrorism.

As of now this programme is partially carried out by the police, Ito added. To achieve those goals, the Indonesian police planned to embrace scholars and Muslim clerics to take part in the programme. "Since it is a national issue, we need to involve more experts to carry out this task. Police cannot make it alone," Ito said.

Scholars will provide scientific methods for the police to implement the programme, while the clerics are expected to straighten up the misled Islamic teaching adhered by terror operatives and people with radical thoughts, Ito said. "Clerics, through their sermons in mosques and several other occasions, are expected to convey the true Islamic value and teaching which are different from the ones adhered by those radicals," Ito said.

To make this programme more effective, police would also embrace former terror operatives who had quit from terrorist organisation after realising that the teaching and the radical thought they have been adhering to was totally wrong.

Besides that, the Indonesian police also actively establishing communications with their counterparts in seeking the best method to carry out the task. Among them is the implementation of dialogue methods applied in Saudi Arabia in de-radicalising terror operatives in detention centres.

The police are now taking active approach towards the detained terror operatives. The approach includes casual dialogues and discussions about the radical belief adhered by those operatives and comparing to the true belief adhered by Muslims across the world.

In the long term, Ito said that the police are expecting the government to provide particular jail for the arrested terror operatives so as to make the de-radicalisation efforts more effective.

With all these efforts, Ito said that by 2025 Indonesian police are expected to have a strong collaboration with scholars in universities, clerics and foreign agencies that would help them in dealing with terror issue at home.

<http://www.bernama.com/bernama/v5/newsworld.php?id=517211>

- **Aceh Shariah Police Launch Raid a Week Late**

Almost a full week after three American citizens were deported from Indonesia's Aceh province for allegedly converting local Muslims to Christianity, Shariah Police and local government security officers swooped on their rented home on Tuesday.

Robin Kay Jordan, his wife Kelly and their daughter Claire were expelled from the

devout Islamic province on July 21 after three locals were converted to Christianity. Tuesday's raid by religious police and officers from the Public Order Agency (Satpol PP) uncovered religious compact discs and books.

Teuku Ahmad Dadek, head of both Shariah Police and Satpol PP in West Aceh district, told Metro TV the raid was part of a follow up to the Jordan investigation though he did not say why authorities had taken so long to act. Aceh Deputy Governor Muhammad Nazar told local media last week that they were forming a team to investigate the conversion activities conducted by foreigners.

Nazar said any attempts to convert locals must be prevented because they were contrary to the Islamic values of Muslims in Aceh. He urged any NGO's in Aceh to communicate with the local government and report their activities. "If we enter somebody else's house or village, we must tell them who we are and what we are doing. Newcomers must respect the locals' values," he said. The Jordans were taken to Medan

<http://www.thejakartaglobe.com/home/aceh-shariah-police-launch-raid-a-week-late/388170>

- **Attacks on Christian Churches in Indonesia Rising: Activists**

Indonesian human rights activists on Monday urged President Susilo Bambang Yudhoyono to investigate attacks on Christian churches, which they say have increased in the last two years.

From January to July, there were 28 cases of religious freedom violations by "intolerant groups targeting Christians," up from 17 for the whole of 2008 and 18 in 2009, the Setara Institute for Democracy and Peace said in a report.

Based on reports by churches and the media, the violations — mostly by radical Muslim groups — include forced closure of churches, revocation and delays in issuing building permits, and attacks such as torching and damaging churches, the institute said. "These incidents are a breach of law and human rights. The President and the government have been very silent on this matter and have not provided enough protection to citizens," Setara's deputy chief Bonar Tigor Naipospos said.

"The attackers have become bolder as law enforcement is weak. We can't let the incidents continue as peace in the country will be jeopardized," he added. The attacks, which mostly took place in Jakarta and West Java province, have made Christians "scared and anxious," said Parasian Hutasoit, spokesman for Huria Christian Protestant Batak Church Filadelfia.

His church in Bekasi, an outer suburb of Jakarta, was forced to close in January after Muslim residents held protests there, saying it was built illegally. "More than a hundred came to the church and demanded we shut down. We felt intimidated and discriminated

against. We just want a place to practise our faith in peace,” he said.

Indonesian lawmakers in June demanded the government outlaw a violent Islamist vigilante group that has threatened “war” against Christians in Jakarta and urged mosques to set up militia forces. The Islamic Defenders Front (FPI) — a private militia with a self-appointed mission to protect “Islamic” values in the secular country — urged Bekasi authorities to introduce Islamic Shariah law and warned they would attack Christians unless the “Christianization” ceased.

Observers have said communal tensions could erupt into violence in Indonesia, a constitutionally secular country of 240 million people, 90 percent of whom are Muslim.

<http://www.thejakartaglobe.com/home/muslim-attacks-on-christian-churches-in-indonesia-rising-activists/387853>

- **Landslide kills 18 in eastern Indonesia**

A landslide caused by heavy rains has killed at least 18 people and injured seven others in the eastern Indonesian province of Maluku, a government official said Monday.

Days of downpours triggered the landslide on Buru island, buried 18 people alive and heavily damaged three homes, said Priyadi Kardono, spokesman for the National Disasters Coordinating Agency. He added that the seven injured people were hospitalized.

Kardono said the heavy rains also caused rivers in the area to overflow their banks, flooding dozens of homes and forcing to around 400 people to flee.

Environmental activists have long blamed illegal logging and deforestation for making the soil loose and causing landslides in Indonesia.

[http://www.monstersandcritics.com/news/asiapacific/news/article\\_1573169.php/Landslide-kills-18-in-eastern-Indonesia](http://www.monstersandcritics.com/news/asiapacific/news/article_1573169.php/Landslide-kills-18-in-eastern-Indonesia)

- **Amnesty International Disappointed by U.S. Government Decision to Train Suspected Human Rights Violators in Indonesian Military**

Amnesty International today expressed disappointment in the announcement from the Department of Defense that the United States will provide training to the Indonesian Special Forces unit, Kopassus, which is known for grave human rights violations. The following statement can be attributed to T. Kumar, AIUSA's director for international advocacy.

"Amnesty International is disappointed by the decision that U.S. forces will train the Kopassus unit. It sends the wrong message in a country where mass and severe human rights violations have taken place in an atmosphere of impunity. U.S. support to this unit undercuts the recent efforts advocating reform within the Indonesian military. Amnesty International calls upon the U.S. administration to make public what commitments they

received from the Indonesian authorities about bringing Kopassus military leaders to justice and also calls upon President Obama, in his upcoming visit to Indonesia, to speak publicly about human rights abuses in Indonesia and to meet the families of those killed by the Kopassus.

The Kopassus unit has been linked to serious human rights violations in Indonesia including killings and torture in East Timor, Papua, Aceh and elsewhere. Amnesty International calls for all crimes allegedly perpetrated by Kopassus members and others in the Indonesian military to be brought to court in proceedings that meet fair trial standards and victims should receive reparations.

While the Secretary of Defense offered assurances that all training will be conducted within the confines of U.S. law and that the collaboration does not weaken U.S. support of human rights, Amnesty International recommends that background screenings be conducted prior to any Indonesian military official suspected of involvement in human rights abuses, before receiving U.S.-backed training."

<http://www.commondreams.org/newswire/2010/07/22-8>

- **Environmental Front**
- **Uncontrolled permits do environmental damage in Indonesia**

Indonesian President Susilo Bambang Yudhoyono said on Thursday that many uncontrolled licences issued by provincial administrations, such as in mining sectors, have caused destruction on environment.

The statement comes as the Southeast Asia's largest economy has committed and efforted to joint global efforts to curb global warming partly by keeping its environment sustainability and protecting vast rainforests.

Related readings:President Yudhoyono said that most of operational works under the licences has not implemented a good practices and under poor management. Most of the licences were issued at the level of regency or municipality.

"A very serious problem that I must convey here is the rampant issuance of permits which most of them have been done at the level of regency and municipality, which bring negative impact on many cases. For example, too many licences issued for opening new coal mines, which then make them operated under poor management and cause environmental damages as well a number of loss suffered by the state,"he told cabinet meeting at the State palace.Yudhoyono said that it was needed a correction on such practices.

"I think an example, I need to order a certain element to conduct a supervision and investigation on the environmental damage caused by the uncontrolled issuance of permits," said Yudhoyono.

Indonesia has pledged to extend its target of carbon emission reduction from 26 percent to 41 percent by 2020 under the international assistance.

So far, the archipelago country has got commitment of one billion U.S. dollars from Norway on condition that Indonesia must conduct a two year moratorium on shifting its forest for other purposes starting next year.

Indonesia may get more funds from international communities following the recent pledge by developed countries to provide over 4 billion U.S. dollars for financing efforts to curb global warming. But Indonesia must convince the world.

[http://www.chinadaily.com.cn/world/2010-07/29/content\\_11069617.htm](http://www.chinadaily.com.cn/world/2010-07/29/content_11069617.htm)

### **Malaysia**

- **Political Front**
- **Anwar no longer friend of US, says American**

A long-time observer of Malaysian politics in America claims Opposition Leader Datuk Seri Anwar Ibrahim is no longer a friend and potential ally of the United States. Anwar once commanded the respect of Americans but “that day is gone”, said Joshua Trevino, a speechwriter in President George W. Bush’s Department of Health and Human Services from 2001-2004.

He made his thoughts known in an opinion piece entitled “The end of an affection” in the Washington Times yesterday. “A decade ago, reasoned and informed Western opinion believed him a harbinger of enlightened and tolerant Muslim democracy.

“Now, he is just another Islamic-world peddler of Jew-baiting and anti-Americanism. “Both America and the Islamic world, and certainly Malaysia, deserve better,” he wrote. Trevino also questioned whether Anwar had ever been America’s ally or friend, especially with “his use of anti-Semitic rhetoric in Malaysian politics.”

Anwar had been vocal against Israel’s seizure of the Gaza-bound humanitarian aid flotilla about six weeks ago, and had led a demonstration comprising thousands of people in front of the United States Embassy here on June 4, to protest against the action. In the past two years, Anwar’s anti-Semitic rhetoric in Malaysian politics did not go down well with B’nai B’rith, the oldest Jewish community service organisation, which then urged US officials on May 25 to cease contact with Anwar. Trevino also drew comparisons of Anwar with Prime Minister Datuk Seri Najib Tun Razak, who had denounced Israel for the flotilla seizure.

But the writer claimed that in this case, Anwar had “attacked Jews per se with all the tropes of classic anti-Semitism and he attacked America, as w

- **Economic Front**
- **Malaysia not spinning into double-dip recession by European crisis: economist**

Malaysia will not be dragged into another recession this year by the current crisis in Europe although the crisis could decelerate growth of the Southeast Asian country.

Mohamed Ariff, economist from the Malaysian Institute of Economic Research, told Xinhua recently in an interview that the impact of the European crisis on the Malaysian economy would be indirect and less severe as compared to the financial crisis originated from the United States. "There are a lot of uncertainties, but I do not think Malaysia will spin into (another) recession. Malaysia's exposure to Europe is much less compared to the U.S.," said Mohamed Ariff.

However, he reminded that the U.S. was exposed to Europe, and that the European impact on the U.S. would eventually hit Malaysia too.

Malaysia might see a W-shape recovery but not a double-dip recession, said Mohamed Ariff. Malaysia's gross domestic product contracted 1.7 percent in 2009 but rebounded strongly to 10.1 percent in the first quarter of 2010. While the country's central bank has projected a growth of 4.5 percent to 5.5 percent this year, a widely acceptable growth rate, there are now worries pertaining to what is happening in Europe.

There are suggestions for the Malaysian government to intensify the implementation of development projects but certain quarters said that Malaysia should be prepared to face another round of recession. Mohamed Ariff said although the Malaysian economic growth would be lower in the second half of this year compared to the first half, it was not expected to fall into the negative territory. As for next year, Mohamed Ariff said it was difficult to predict because of uncertainties. "Now, we are not in the position to predict anything more than a year," he said, adding that such projection would be unrealistic.

The economist stressed that the stimulus packages rolled out by various countries all over the world merely helped contain the crisis that started in the U.S., but could not resolve the crisis; worse still, it was likely to give birth to new crises. "What happens is the debt problem is still there. Private debt has been converted into public debt; short-term debt has been converted to long-term debt. So there is still debt, and the whole world is really debt-driven," said Mohamed Ariff.

Unless and until the debt issues were phased out, Mohamed Ariff said that the current world economic recovery would be fragile, and should there be another spin globally, the capacity to introduce another round of stimulus would be limited.

This was because the governments' debts and fiscal deficit had already ballooned, explained Mohamed Ariff, adding that the Malaysian government too had the same constraint.

He said that Malaysia was having a tough time to narrow the deficit to 5.6 percent this year, and the Malaysian government's revenue would decline because its tax collection

based on last year's performance was going to shrink.

Mohamed Ariff said that at this point of time, the Malaysian government should have some fiscal disciplines and aim for a steady growth instead of high growth. According to Mohamed Ariff, the scenario of having an annual economic growth rate of 7 percent like what was happening before would not return.

He said that the Malaysian government was likely to be misled by the 10.1 percent growth registered in the first quarter of this year as the very high growth rate seen was in fact due to its comparison with the last worst period.

<http://english.people.com.cn/90001/90778/90858/90863/7061991.html>

- **kingdom, Malaysia to boost investment**

With the recent five-day visit to Malaysia of a Saudi business delegation headed by Prince Abdul Aziz Faisal Al-Saud, investment ties between the two countries are likely to get a boost, according to Malaysian Ambassador Dato Said Omar Al Saggaf.

“I am very happy to note that there are many business opportunities in the East Coast Economic Region (ECER) in Malaysia that Saudi investors can participate in,” Al-Saggaf quoted Prince Abdul Aziz as telling Bernama, the Malaysian News Agency, during the visit last week.

Al Saggaf said the Saudi delegation was reciprocating a visit to the Kingdom in May of an ECER investment delegation led by National Corridor Development Adviser Tun Abdullah Ahmad Badawi. The delegation sought investors in the oil and gas industry, particularly in the downstream industry. ECER — strategically located in the east coast of Malaysia and poised to become a dynamic region by offering various opportunities to manufacturers and investors — covers the states of Kelantan, Trengganu, Pahang, and the district of Mersing in Johoradawi. “The visit was significant, indicating another positive development to further consolidate the bilateral cooperation between Malaysia and Saudi Arabia,” Al Saggaf said.

Quoting Prince Abdul Aziz, the Malaysian envoy expressed his firm belief that Saudi interest to invest in ECER will be realized soon, based on ongoing discussions with potential investors from the Kingdom. In a statement, ECER Development Council Chief Executive Officer Datuk Jebasingam Issace John said that firm commitments from the Saudi side were expected by the end of 2010.

Late last year, the Malaysian government and Saudi Arabia’s Petro Saudi International also set up a fund to invest in Malaysia and other countries with Malaysia selling \$1 billion in bonds to finance its share of the deal. Prime Minister Najib Razak announced that Petro investments of \$1.5 billion had already arrived in Malaysia.

Al Saggaf said that tax incentives in various sectors await Saudi investors in Malaysia. “In

tourism, offered are customized incentives based on merit, income tax exemption of 100 percent for five years for eco-tourism and investment tax allowance (ITA) of 100 percent on qualifying capital expenditure for five years," he said. He added that other incentives offered include stamp duty exemption on land acquired for development and withholding tax exemption on royalty and technical fees for 10 years; and import duty and sales tax exemption on machinery, equipment and consumables that are not produced locally and used directly in the activity. "Incentives are also offered to Saudi companies developing infrastructure in an industrial park," the envoy said. These include income 100-percent tax exemption for ten years starting from the year the company derives statutory income, investment tax allowance (ITA) of 100 percent on qualifying capital expenditure for five years and stamp duty exemption on instruments of acquisition or leasing of property relating to industrial park.

He added that companies undertaking promoted activities in the are also entitled to customized incentives based on merit, income tax exemption of 100 percent for eight years starting from the year the company derives statutory income and investment tax allowance (ITA) of 100 percent on qualifying capital expenditure for five years.

Al Saggaf added that incentives were also offered in the areas of manufacturing, petrochemical, special economic zone (SEZ), agriculture, education, and culture and heritage.

<http://arabnews.com/economy/article90844.ece>

- **Malaysia Prepared For Repeat Of Economic Crisis, Says Mukhriz**

The encouraging double-digit economic growth achieved in the first quarter this year showed that the government's efforts in facing uncertainties in the global economy have been effective. In stating this, Deputy International Trade and Industry Minister Datuk Mukhriz Tun Dr Mahathir said the 10.1 per cent growth, which was the best in 10 years, had not made the government complacent.

"The government is always monitoring the global economy and trade, and taking the necessary measures in facing the possibility of double dip recession, with a repeat of the economic crisis," he said in a dialogue with 60 representatives from Kedah Bumiputera industrialists and manufacturers here Saturday. "We are not affected by this crisis as we are not involved in the speculative borrowings practised by many US companies," he said. According to Mukhriz, the country's RM67 billion economic stimulus package has focused on the development of infrastructure and helped to save the situation when China also implemented a similar package. "The result is that we are getting more orders from China and our exports to the country had increased 26 per cent in the first six months of this year," he said.

He also said that there were still opportunities for entrepreneurs from Malaysia and China to cooperate further in making products for the European market at competitive prices. Speaking to reporters later, Mukhriz said among the measures taken in facing the possibility of double dip recession was giving attention to domestic investment and finding investment for specific areas such as solar industry. "We have prepared the best infrastructure to attract billion ringgit investments, meeting the needs of those keen to invest in areas such as the green industry," he said. "Even if the double dip recession occurs, we are making preparations so that the country's economy is not jeopardised," he added.

<http://www.bernama.com/bernama/v5/newsbusiness.php?id=516180>

- **Social Front**
- **Cyber world**

### **Philippine**

- **Political Front**
- **Aquino ready for an 'angry' State of Nation**

Philippine President Benigno Aquino is set to launch a blistering attack on his predecessor and flesh out an anti-corruption drive when he makes his first "State of the Nation" address tomorrow. Aquino, who is enjoying record public support three weeks into the job, has signalled his speech to parliament will outline the dire economic problems that he says he inherited from former president Gloria Arroyo.

"The work ahead will not be easy over the next few years. Nearly all the funds intended for use over the next few months have been stolen," the straight-talking leader told an army parade on Friday in an apparent preview.

Aquino later told reporters that his administration had discovered some major irregularities by Arroyo's government, and that he intended to use his speech to tell his countrymen about them.

"You will be very, very surprised at the things that we have discovered," Aquino said.

"I think the common reaction was, among those who already know, the expression of the mouth was: 'Ha, they did that! Why did they do that?' There is really no sense, no rhyme, no reason."

Aquino spokesman Edwin Lacierda said yesterday there would be nothing personal in the planned speech. "There is no intention to spite or to offend Congresswoman Gloria Arroyo," he told reporters, describing it as an objective enumeration of facts.

Local press reports yesterday quoted Arroyo allies as saying the former president, who won a seat in the House of Representatives in the May elections, will be absent from parliament on Monday.

Calls to her office went unanswered yesterday.

Though many of her allies defected to Aquino's Liberal Party, Arroyo - who was required by constitutional term limits to stand down as president - still has a power base in parliament, where two sons and two in-laws also sit.

Aquino, 50, won the national elections by a landslide after promising to fight the massive corruption that he said festered during Arroyo's nearly 10 years in power.

A public opinion poll released last week showed more than 80 % of the nation trusted the son of democracy heroine Corazon Aquino.

"The problem with that is that there is no way to go but down," said T Lloydon Bautista, political economy professor at Manila's University of Asia and the Pacific.

Bautista said Aquino had three months to show how he would fight corruption and demonstrate his team could deliver basic services, or his popularity would start to fall.

"These are issues that affect the public and he has to confront them," Bautista said.

Aquino's first three weeks in office have shown how tough his job will be in governing the chaotic nation of 92mn people, a third of whom live in dire poverty.

He has already been hit by a water crisis that saw supplies rationed in Manila, while a typhoon killed more than 110 people and caused two days of power outages across the capital. In this light, Lacierda the Aquino spokesman said the address would also focus on how the new administration would get the job done. "We are going to state the situation and then our proposed solutions, and the president will advance, state his proposed legislative agenda," Lacierda said.

But to get anything done Aquino must ensure there is enough money. He said on Friday that Arroyo's administration had spent or allocated 90% of this year's budget by June 30, when he took office, leaving only 10% for his government to use for the next six months.

<http://www.gulf->

[times.com/site/topics/article.asp?cu\\_no=2&item\\_no=376227&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=376227&version=1&template_id=45&parent_id=25)

- **Aquino promises new era of clean governance**

Philippine President Benigno Aquino yesterday pledged a new era of clean and efficient government, as he used his first "State of the Nation" address to condemn his predecessor's rule. Aquino spent the first half of his speech outlining a litany of alleged anomalies by former president Gloria Macapagal Arroyo and her administration that he said had left the nation's coffers nearly bare.

"For a long time, our country lost its way on a crooked path," Aquino, who took office on June 30, told a joint sitting of congress. "As days go by, the massive scope of the problems we have inherited becomes much clearer. I can almost feel the weight of my

responsibilities.”

He outlined various cases of government spending during Arroyo’s nine years in power that he said had left the nation’s coffers nearly bare.

“This report is merely a glimpse of our situation. It is not the entire picture of the crises we are facing. The reality was hidden from our people,” Aquino said, as he vowed his administration would be the opposite of Arroyo’s. “We will stop wasteful spending of public funds... we will get rid of ill-conceived projects... there will be no padding of contracts,” he said.

Aquino won national elections in May by a landslide after campaigning on a promise to fight corruption that has long afflicted the Philippines, but which he alleged worsened during Arroyo’s time in power. In his speech he said Arroyo’s misrule left his government without enough money to address vital areas of need such as education, health, basic infrastructure and security.

Aquino said his solution was to entice the private sector, both local and foreign investors, into taking up the slack. “From these public-private partnerships, our economy will grow and every Filipino will be the beneficiary. There are so many sectors that could benefit from this,” he said.

Aquino said a planned train line running through the main island of Luzon and the redevelopment of the Navy’s headquarters in Manila were two projects that may attract foreign investment. Aquino has vowed in recent weeks to have Arroyo, who was required by constitutional term limits to step down, investigated and possibly prosecuted for her alleged corrupt activities. He said yesterday that a “Truth Commission” to investigate Arroyo’s alleged wrongdoings would be set up this week.

“We will go after the corrupt,” Aquino said. “We will find the truth in all the hidden wrongdoing that happened in the last nine years.”

Arroyo took the unprecedented step for a sitting president of running for a seat in the House of Representatives in the elections, a move widely seen as part of a strategy to shield herself from prosecution. She easily won the seat representing her home province and was meant to sit in parliament to hear the State of the Nation address.

But Arroyo flew to Hong Kong on Sunday, with her aides saying she went there to support her husband while he visited a doctor. Aquino delivered his address knowing he enjoys unprecedented public support. A survey by pollster Pulse Asia released on Monday showed that 85 percent of Filipinos trusted him. This was the highest rating ever recorded by any leader since the group began its trust surveys in 1999, Pulse Asia said.

<http://www.thepeninsulaqatar.com/s.-asia/philippines/121542-aquino-promises-new-era-of-clean-governance.html>

- **Philippines to start Muslim peace talks after Ramazan**

Philippine President Benigno Aquino said on Monday that peace talks with Muslim separatist rebels would likely resume at the end of the Islamic holy month of Ramazan in September. Aquino said putting an end to the Muslim insurgency, which has killed more than 150,000 people in the impoverished southern region of Mindanao since 1978, was a priority. “We are confident of resuming negotiations after Ramazan,” Aquino said, referring to peace talks with the 12,000-strong Moro Islamic Liberation Front (MILF) that has been fighting for an independent Islamic state in Mindanao. “Our view has not changed when it comes to the situation in Mindanao. We will only achieve lasting peace if all stakeholders engage in an honest dialogue,” he said in his first “State of the Nation” address to parliament. Eidul Fitr, which marks the official end of Ramazan, falls in late September in the largely Catholic Philippines. Aquino’s predecessor, Gloria Arroyo, failed to sign a peace treaty with the MILF despite nearly 10 years in power. Negotiations with her government collapsed after the MILF launched deadly attacks across Mindanao in 2008. The attacks were to avenge a court ruling outlawing a proposed deal that would have given the MILF control over a vast land area. More than 700,000 people were displaced at the height of the fighting, triggering a humanitarian crisis. About 400 civilians and fighters from both sides were also killed. Both sides agreed to a ceasefire last year, but the MILF opted to stall in peace talks until Arroyo stepped down. afp

[http://www.dailytimes.com.pk/default.asp?page=2010\07\27\story\\_27-7-2010\\_pg4\\_6](http://www.dailytimes.com.pk/default.asp?page=2010\07\27\story_27-7-2010_pg4_6)

- **Geo-strategic Front**
- **Economic Front**
- **Aquino: Philippines to be more investor-friendly**

An effigy of Philippine President Benigno Aquino III is paraded by protesters as they marched yesterday towards the House of Representatives in Quezon City, Metro Manila. (Inset) Aquino speaking to the elected representatives in Manila

Philippine President Benigno Aquino III said yesterday he would tap private investors to build necessary infrastructure and free up funds for the cash-strapped government to improve living conditions for the people. Delivering his first State of the Nation address, almost four weeks after he took office, he pledged to stop wasteful spending, protect human rights and pursue peace with Muslim separatists and communist insurgents to lay a platform for growth.

“We have so many needs: from education, infrastructure, health, military, and police and more. Our funds will not be enough to meet them,” the 50-year-old only son of democracy heroine Corazon Aquino told a joint session of the Congress.

“Our solution – public-private partnerships. Although no contract has been signed yet, I

can say that ongoing talks with interested investors will yield fruitful outcomes,” he said. Endemic corruption, an uncertain regulatory environment, a large bureaucracy and economic growth that has lagged other countries in Southeast Asia has seen investors increasingly shun the Philippines.

Over the first four months of 2010, foreign direct investment was \$481mn, just over half of the inflows a year earlier, the central bank said. The Philippines, Asia’s largest sovereign issuer of foreign currency debt, has limited room to spend on infrastructure, partly due to huge debt payments.

Aquino said the country needed investors, and his government would speed up processing and approvals of project applications, and cut the paperwork and licences needed to open businesses.

He said some investors had offered to rent the Navy Headquarters and a Naval Station in Manila, and fund the transfer of the headquarters. The government would receive \$100mn and a portion of profits from business on the rented land.

Other investors have approached the government with a project to build an expressway linking the capital Manila to northern provinces, with the state not spending a single peso, he said.

“Industry will only prosper if we will make the process more straightforward, faster, and smoother for those who want to put up a business,” he said.

The idea of a seeking investment from companies did not go down well with around 6,000 protesters outside Congress.

“We’re afraid that there might be a bigger role for private corporations in services that the government should provide,” said Milo Tanchuling, secretary-general of the lobby group Freedom from Debt Coalition.

Aquino reiterated familiar election campaign themes of fighting tax evasion and enforcing existing laws better, but avoided specifics on how his government will cut a budget deficit estimated to hit P325bn (\$7bn) - a record in peso terms - this year.

The deficit stood at 3.9% of GDP in 2009 and is expected to remain the same this year.

“I would have wanted to hear what they plan to do to ensure this year’s deficit target will be met,” said Luz Lorenzo, economist at ATR Kim Eng in Manila.

“They said they will aim to reduce the budget deficit to 2% of GDP. How will they do that, while at the same time spend for infrastructure?” Aquino said peace talks with the Moro Islamic Liberation Front (MILF), Muslim separatists on the troubled southern island of Mindanao, were expected to start after the holy month of Ramadan.

He noted efforts of the MILF to discipline its ranks, and then called on Maoist guerrillas, who have also waged a four-decade insurgency, to agree to an immediate cease-fire and

return to the negotiating table if they truly desired peace.

“Our foundation for growth is peace. We will continue to be shackled by poverty if the crossfire persists.” Reuters

<http://www.gulf->

[times.com/site/topics/article.asp?cu\\_no=2&item\\_no=376675&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=376675&version=1&template_id=45&parent_id=25)

- **New Philippines govt eyes 8% growth**

The new Philippine government said yesterday it aimed to sustain economic growth of up to 8% annually as investor confidence grows and the effects of reforms kick in.

Economic Planning Secretary Cayetano Paderanga told reporters that streamlined business procedures and more transparent investment measures would help bring in the money needed to speed up growth. “We will work on what we need to do in order to obtain a growth rate... somewhere around 7% to 8% by 2011.”

He said that President Benigno Aquino’s government, which took office on June 30, aimed to make structural changes to the economy to ensure growth is sustained. But he warned that overseas developments, such as the still-shaky recovery of crisis-hit countries, could bring down Philippine growth rates.

The government also hopes to tap the renewed interest in the Philippines from investors and multilateral agencies seen since Aquino took office on June 30 vowing to fight endemic corruption. “We are hoping that with the new administration, we can get more credibility so that domestic and also foreign investors will start looking at our country,” Paderanga said.

The Aquino government’s targets include large infrastructure investments in areas such as power, transport, water and irrigation, according to Paderanga. Government agencies are also studying how to streamline their procedures to make it easier to do business in the Philippines, he added.

Paderanga said the Philippines had a window of opportunity to rapidly increase growth, pointing out that savings and investment rates were rising thanks to stable inflation and interest rates. He said the initial effects of reforms would be seen in six months. “We will try to go for things that are easy victories at first,” he said. But, even though the economy grew by 7.3% in the first quarter, the government is sticking to its target of 5%-6% growth for 2010, said Paderanga. The economy expanded by 1.1 % last year.

<http://www.gulf->

[times.com/site/topics/article.asp?cu\\_no=2&item\\_no=377119&version=1&template\\_id=45&parent\\_id=25](http://www.gulf-times.com/site/topics/article.asp?cu_no=2&item_no=377119&version=1&template_id=45&parent_id=25)

- **Philippines to lose U.S. financial support against human trafficking**

The Philippine government is running the risk of losing the U.S. government's financial support worth 250 million U.S. dollars to sustain the battle against human trafficking, Justice Secretary Leila de Lima disclosed Wednesday.

In an interview with reporters, de Lima said that she is now in talks with Finance Secretary Cesar Purisima and Budget Secretary Florencio Abad to allocate at least 10 million pesos (216,450 U.S. dollars) for the funding of the interagency council against trafficking (IACAT), an agency that has been in existence since 2003 but has never been given even a single centavo as budget.

De Lima said that budget allocation for IACAT is necessary if only to show the U.S. government that it is serious in the fight against human trafficking.

The United States recently placed the Philippines in the Tier 2 watch list, precariously close to falling to the Tier 3 category which lumps countries that fail to meet the minimum standards of the Trafficking Victims Protection Act.

<http://english.people.com.cn/90001/90777/90851/7084509.html>

- **jharkhand, Bihar development like starving Congo, Kerala similar to Philippines**

It isn't too much of a stretch to say that India is made up of many nations. A comparison of state-level and country-level data from the newly released multi-dimensional poverty index shows that while Kerala and Goa are at a similar level of development as 'middle-income countries' like Indonesia, Jharkhand and Bihar are similar to 'least-developed countries' like the Democratic Republic of Congo.

Earlier this month, the new MPI measure of poverty was released by the UK-based Oxford Poverty and Human Development Initiative (OPHI) and the United Nations Development Programme (UNDP). The new measure attempts to go beyond income poverty to give a broader understanding of the many types of deprivation the poor may face. It is composed of ten weighted indicators that measure education, health and standard of living. Researchers at the OPHI further analysed the MPI for Indian states and for sub-groups including scheduled castes and scheduled tribes among Hindus. A comparison of the MPIs for various Indian states with the MPIs of the 103 other developing countries in the report shows that the width of regional differences means that experiences within India may range from that of a reasonably well off Indonesian to that of a desperately poor Somalian.

The MPI for Kerala (0.065), the best-performing Indian state, is close to that of Paraguay and the Philippines, while that of Goa, the next best (0.094) is similar to that of Indonesia. Punjab's MPI is similar to that of the central American nation of Guatemala while Himachal Pradesh's is close to that of north African Morocco. Tamil Nadu, with an

MPI of 0.141, ranks close to Ghana, the poster child for good governance among sub-Saharan countries. While the rest are designated as 'middle-income countries', Ghana ranks as a 'low income country'.

The north-eastern states, grouped together in the report, are at the same level of development as Haiti, already the poorest country in the Americas before the earthquake struck. West Bengal shares its MPI with the sub-Saharan Ivory Coast, Orissa with Chad and Rajasthan with Tanzania and Mauritania. The DRC and Rwanda, names synonymous with bloody conflict, have development indicators slightly worse than Madhya Pradesh, but better than Jharkhand and Bihar, the states at the bottom of the Indian report card.

Somalia, where 300,000 people died in a famine in the early 1990s, performs slightly worse than Bihar while Sierra Leone, the world's third worst performer on the Human Development Index, is at roughly the same level.

<http://timesofindia.indiatimes.com/india/Jharkhand-Bihar-prosperity-index-like-starving-Congo-Kerala-similar-to-Indonesia/articleshow/6221434.cms>

- **At Social Front**
- **Philippine president blasts anomalies, corruption**

Philippine President Benigno Aquino III blasted on Monday the alleged anomalies that happened in the previous administration and vowed to fight against corruption under his presidency.

In his first State of the Nation Address delivered at the opening of the 15th Congress, Aquino alleged that the administration of former President Gloria Macapagal-Arroyo left not only a huge fiscal deficit, but depleted public coffers and heavily indebted state-owned corporations which penalized the Filipino people.

"I can feel the weight of my responsibility. I have discovered a lot of things about the previous administration and they lied to the Filipino people," Aquino said.

The Philippine's budget shortfall widened to 196.7 billion pesos (4.2 billion U.S. dollars) in the first six months of the year as huge government expenditure can't keep up with thin revenues. He also noted that government-owned firms like the National Power Corp. and National Food Authority are in debt. He alleged that politics, not the welfare of the people, contributed to the mismanagement.

<http://english.people.com.cn/90001/90777/90851/7081039.html>

- **Cyber world**
- **Facebook Helps Catch Philippines Multiple Murder Suspect Mark Dizon**

Facebook helped Philippine police track down Mark Dizon, a man suspected of multiple grisly murders.

Dizon, a 28-year-old computer technician, did not resist when arrested Tuesday while talking with his father in a public square in the city of San Fernando in the northern Philippines, police Senior Superintendent Danilo Bautista said. "He was fond of computers and this gave him away," Bautista said.

Dizon is accused of killing nine people - six Filipinos, an American, a Canadian and a Briton - in three different robberies at hotels and homes this month in Angeles city. The area, near the former U.S.-run Clark Air Force Base roughly 50 miles northwest of Manila, is home to many retired expatriates.

Dizon, who is from a well-off family and according to police has a fascination with guns, was Facebook friends with the daughter of one of the victims. A friend of her family showed his photo on the popular social networking site to witnesses to help identify him, police said.

Murder charges will soon be filed against Dizon, who denied involvement in the killings, Bautista said. The string of deadly robberies began on July 12, when Canadian Geoffrey Alan Bennun, 60, and his Filipino girlfriend were shot to death after a robber broke into their hotel room. Four days later, Briton James Bolton Porter, 51, and his girlfriend were killed by a gunman in their house in Angeles' Malabanas village, police said.

According to Bautista, Dizon later pawned some of the possessions taken from Bennun, including a laptop and a cell phone. Bautista added that investigators have secured pawnshop records and surveillance footage showing Dizon with the stolen objects in the shop. Last week, a gunman killed American Albert Mitchell, a 70-year-old veteran of the U.S. Air Force, along with his Filipino wife, Janet, 53, and three Filipino staff inside their Angeles home, Bautista said. In the last killing, the fleeing gunman was seen by a village guard and a motorcycle taxi driver, who later described him to investigators, according to police.

After hearing descriptions of the suspect, a family friend of the Mitchells looked up Dizon's Facebook page - the Mitchells' daughter was one of his friends on the site. He showed the Facebook profile photo to the witnesses, who identified him as the man they saw fleeing, Bautista said. He added that the same pistol was used in all the killings, linking Dizon to the other two crimes.

[http://www.cbsnews.com/8301-504083\\_162-20011891-504083.html](http://www.cbsnews.com/8301-504083_162-20011891-504083.html)

The conflict over Preah Vihear should be brought back into the framework of the memorandum of understanding (MoU) signed by Thailand and Cambodia in 2000, Prime Minister Abhisit Vejjajiva said on Thursday. The MoU was about demarcating the boundary of Preah Vihear temple. The work was carried out by the Thai-Cambodia Joint Commission on the Demarcation of the Land Boundary (JBC).

Mr Abhisit said the sidelines meeting between Thai and Cambodian diplomats during the World Heritage Committee meeting in Brazil had not been fruitful. "Thailand has made it clear that we will accept Cambodia's management plan for the temple only if the temple is jointly listed between the two countries," he said. The WHC approved Cambodia's listing of Preah Vihear temple as a World Heritage site two years ago. Responding to Cambodia foreign minister Hor Namhong's comments that Cambodian troops would fire at Thais who intrude into the disputed land, Mr Abhisit said that Thai security forces were prepared in case of violence. He also said that Thailand's stance is not that much different from Cambodia's.

<http://www.bangkokpost.com/news/local/188483/solution-to-conflict-begins-at-demarcation>

### **Thailand**

- **Political Front**
- **Thailand to lift state of emergency 'cautiously'**

Thailand's Prime Minister Abhisit Vejjajiva has pledged to complete the lifting of the state of emergency in a timely and cautious manner, playing down claims of incompatibility between emergency power and reconciliation.

"The majority of the people are not effected by emergency rule," he said.

Abhisit said he was aware that the state of emergency might be perceived by some people as inhibiting their freedom of expression. The government was determined to end emergency rule and would ensure the just enforcement of security measures, he said. The authorities would not have needed the emergency power if organisers of red-shirt rallies had abided by the law on peaceful public assembly, he said.

Instead, violence erupted and ill-intentioned people tried to use humans as their shields while instigating the unrest, he said, pointing out that the courts have ruled the rallies illegal and that they took place beyond the sanction of the Constitution.

Echoing a call from the National Reform Committee (NRC), the Chart Thai Pattana Party has urged the government to lift the state of emergency in a speedy manner, voicing concern for the consequences of runaway power. The junior ruling coalition partner also said the government should set clear guidelines for the enforcement of emergency rule to prevent abuses.

"Certain agencies are unwittingly causing problems for the government related to the arbitrary dispensing of emergency power," party spokesman Watchara Kannikar said. Watchara said his party was worried about a few incidents that should not have happened. Provincial police had rounded up high-school students for displaying banners opposing the state of emergency, and authorities had picked on activists who tried to

wrap red cloth around the road sign marking the Rajprasong intersection, the disbanded rally site, he said.

The police were quick to lay charges related to violations of the emergency in lieu of lesser offences, he said. Watchara said his party viewed the state of emergency as incompatible with the government's efforts to bring about reconciliation.

Former prime minister Anand Panyarachun, in his capacity as the NRC chairman, was right in calling for the end of emergency power, Watchara said, adding that his party was sceptical that reconciliation could be achieved in the face of the state of emergency.

Interior Minister Chaovarat Chanweerakul said he fully agreed that the state of emergency should be lifted but that this should hinge on the resumption of normality. Provincial governors were assessing the areas under emergency rule and would soon submit their recommendations, he said. NRC member Banthorn Onkham said the call for the lifting of emergency rule was in line with the prevailing sentiment and that the committee deemed the state of emergency as a major obstacle to its job of fostering reconciliation.

Banthorn said the committee had no intention to challenge the government's mandate to dispense the emergency power but at the same time it wanted to remind the authorities not to prolong the state of emergency without justification.

He acknowledged that Anand had initiated the committee's debate on the state of emergency leading to its call for cancellation on Thursday. Government spokesman Panithan Wattanayagorn said the emergency power would likely be fully revoked by the end of the year. So far eight provinces have seen emergency rule lifted and a number of areas will soon be taken off the state of emergency, he said, adding that Bangkok was likely to be the last. The decision to end emergency rule would hinge on seven indicators, including agitation, threats against leading figures, mobilisation of crowds and weapons, and linkage to activities abroad, he said. "The prime minister is clear on the issue - the state of emergency will be gradually lifted but not in a hasty manner, which could cause the repeat of unrest," he said.

Panithan dismissed speculation that the authorities wanted to keep the emergency power as a tool to track down suspects involved in terrorism and other offences related to the red-shirt rally. Based on the report of the Department of Special Investigation, some 200 cases involving more than 300 suspects are under various stages of legal proceedings, Panithan said. Most suspects are already in custody, hence there is no justification for seeking extra power to conduct a manhunt, he said. Panithan said cases involving the red shirts had peaked, with no new charges or suspects anticipated.

<http://www.asianewsnet.net/news.php?id=13282&sec=1>

- **Major parties register for city, district polls**

A total of 154 candidates from the three parties turned up at the Thai-Japanese Youth Centre in Din Daeng yesterday morning to register for the council elections. The elections will see councillors elected to represent all 50 Bangkok districts.

The centre was packed with supporters of the candidates. The draw to determine each candidate's number in the election took only 15 minutes.

About 150 police officers were deployed to secure the centre out of concern that tempers might flare among Puea Thai and Democrat supporters. Nothing unusual happened, however, although Puea Thai supporters jeered Democrat MP-elect Panich Vikitsreth, who won Sunday's by-election in Bangkok's Constituency 6.

Mr Panich, who led the Democrat candidates to the stadium, said his party would contest all 61 seats on the Bangkok City Council (some districts are represented by more than one councillor, depending on their population) and all 256 seats on the 36 district councils. He said his victory in Constituency 6 should boost the morale of Democrat candidates. He did not think the New Politics Party (NPP) would eat into his party's support.

Somsak Kosaisuk, the acting leader of the NPP which was formed by key leaders of the yellow shirt People's Alliance for Democracy in June last year, said his party was fielding 40 candidates to contest seats on the Bangkok council. He thought the party would share votes with the Democrats.

Samran Rodpet, the NPP's acting deputy leader, said the party had a limited number of candidates to choose from as some members did not meet the election law requirements.

Wicharn Meenchainant, Puea Thai's campaign chief for Bangkok, said his party would compete for all seats on Bangkok's City Council and district councils. Mr Wicharn said he was not worried about the Democrats' victory in Constituency 6. He said red shirt supporters would help Puea Thai candidates campaign.

He also urged the government to lift the emergency decree in Bangkok so candidates could campaign unimpeded. Candidate registration opened yesterday and will continue until Friday. Registration for the district council elections is taking place at district offices. Bangkok city and district councillors ended their four-year term on July 22.

<http://www.bangkokpost.com/news/local/188029/major-parties-register-for-city-district-polls>

- **Election sparks Bangkok bomb**

A bomb at a bus stop in downtown Bangkok killed one person and wounded 10 shortly after polls closed in a parliamentary election that pitted a Government candidate against a jailed leader of recent mass protests in the Thai capital. Police Major General Anuchai

Lekbamroong declined to speculate whether the bombing was related to Thailand's continued political turbulence after street demonstrations that paralysed much of the capital for weeks.

The bomb wounded 10 Thai people and one woman from Myanmar, all of whom were taken to hospital, said the Government's Erawan Centre, which accounts for casualties in such incidents. According to unofficial results, Panich Vikitsreth, the Government candidate, scored a narrow victory over Red Shirt leader Kokaew Pikulthong, who is being held in jail on terrorism charges.

[http://www.nzherald.co.nz/world/news/article.cfm?c\\_id=2&objectid=10661478](http://www.nzherald.co.nz/world/news/article.cfm?c_id=2&objectid=10661478)

- **Two corruption cases haunt Thai leader**

Red Shirt protesters are demanding a vote as a way to unseat Prime Minister Abhisit Vejjajiva, but two corruption cases could do the work for them. (Associated Press) IN THEIR FACE: Red Shirt protesters are demanding a vote as a way to unseat Prime Minister Abhisit Vejjajiva, but two corruption cases could do the work for them.

Mugshot An Indonesian activist puts a poster next to a mask of Mr. Abhisit on the gate of the Thai Embassy during a protest against the military crackdown against Red Shirts in Bangkok.

Now that the most controversial elements of Arizona's immigration law (which still goes into effect Thursday) have been blocked by a state judge, will the controversy quiet down?

Two corruption cases threaten to unseat Prime Minister Abhisit Vejjajiva, dissolve his political party and hobble the bickering coalition that administers Thailand's military-backed government.

Prosecutors in the office of the attorney general have presented charges to the Constitutional Court accusing Mr. Abhisit's Democrat Party of receiving illegal donations worth more than \$8 million from a major cement petrochemical company, TPI Polene, in 2005. In a separate case, prosecutors accuse the Democrat Party of misusing a \$900,000 grant in 2005 from the Election Commission's political development fund.

If the Constitutional Court returns a guilty verdict in either case, the party could be disbanded and its leaders — including Mr. Abhisit — could be ousted and banned from holding public office for five years. "We will respect and follow the decision of the court," the soft-spoken prime minister said.

However, Mr. Abhisit and Democrat Party leaders reportedly are looking for a loophole that would allow them, if convicted, to remain in power under the guise of a new political party.

The Political Party Act of 1998 calls for the liquidation of political organizations found

guilty of corruption, including accepting illegal donations and misusing public funds. In 2007, the punishment was expanded to include banning top party officials from holding public office for five years.

Democrat Party officials are expected to argue that any violations they may have committed in 2005 should not be subject to the increased punishments, which came into effect two years later.

If the party is convicted and dissolved under the 1998 version of the act, Mr. Abhisit and his top executives could jump to a new political party to try to stay in power. Parliamentarians then could make deals to unite the coalition behind the new party and even keep Mr. Abhisit as prime minister.

The Constitutional Court, however, has ruled twice that the act's 2007 version is valid when applied retroactively, and has dissolved five political parties and banned their leaders from holding office. The court's decision is final and cannot be appealed.

<http://www.washingtontimes.com/news/2010/jul/25/two-corruption-cases-haunt-thai-leader/>

- **Thailand's Democrat wins first local election after red-shirts rally**

The candidate from Thailand's ruling Democrat Party won Bangkok's Constituency 6 election on Sunday, the first local election after the chronic anti-government rally by the red-shirts group, according to the unofficial counting by the Election Commission.

Narathip Phattarawimol, the director of Klong Samwa district of Bangkok, announced at 7:30 pm local time that Panich Vikitsreth from the Democrat got 96,480 votes, beating the opposition Pheu Thai Party's candidate Kokaew Pikultong, who got 81,776 votes. "I consider this victory as the return of democracy to Thai people," Panich said after knowing the unofficial result. Meanwhile, Wicharn Meenchainant Puea Thai MP for Bangkok, said the opposition party accept the by-election result and thank for all the votes for Korkaew, who is also a detained red-shirts leader involved in the anti-government rally from March 24 to May 19.

Narathip, the election chief for Constituency 6, said 191,598 of 386,660 eligible voters, or 49.55 percent, exercised their voting right.

<http://english.people.com.cn/90001/90777/90851/7080120.html>

- **Thailand to end emergency rule in six provinces: PM**

Thailand's premier said Thursday he would end emergency rule in six provinces but maintain the strict laws in Bangkok, where a weekend bomb blast rekindled tensions in the wake of deadly street protests.

The emergency decree, which bans public gatherings of more than five people and gives security forces the right to detain suspects for 30 days without charge, will remain in

place in 10 provinces, out of a total of 76. Prime Minister Abhisit Vejjajiva said he would revoke the emergency laws in Chonburi, Ayutthaya, Nong Bua Lam Phu, Maha Sarakham, Mukdahan and Chaiyaphum in central and northeastern Thailand on the advice of security officials.

Abhisit has pledged to roll back the state of emergency gradually, saying it is still needed in the capital after a weekend bomb attack at a Bangkok bus stop killed one person and wounded 10. Defence Minister Prawit Wongsuwon told AFP on Thursday that security officials were confident they could handle the situation in the areas where the state of emergency has been lifted. "All of the state security agencies... said there is little political movement in these provinces," he said.

The government has come under pressure from the United States and rights groups to end emergency rule to help the country recover from deadly civil unrest that has left it deeply divided. Authorities have used the powers -- introduced in Bangkok on April 7 -- to arrest hundreds of Red Shirt suspects and silence anti-government media.

The protests by the Reds, many of whom back fugitive ex-premier Thaksin Shinawatra, attracted up to 100,000 people demanding immediate elections but were crushed by the army in a bloody crackdown in May. About 90 people died and some 1,900 were injured in a series of street clashes between armed troops and demonstrators.

Critics say the government may in effect be fanning the crisis as it clamps down and censors the protest movement rather than addressing its grievances. A separate state of emergency has been in place since 2005 in three Muslim-majority southern provinces where a separatist insurgency has left more than 4,100 people dead in six years, with no end in sight to the violence.

[http://www.channelnewsasia.com/stories/afp\\_asiapacific/view/1072216/1/.html](http://www.channelnewsasia.com/stories/afp_asiapacific/view/1072216/1/.html)

- **PM: Conflict's solution is demarcation**

The conflict over Preah Vihear should be brought back into the framework of the memorandum of understanding (MoU) signed by Thailand and Cambodia in 2000, Prime Minister Abhisit Vejjajiva said on Thursday.

The MoU was about demarcating the boundary of Preah Vihear temple. The work was carried out by the Thai-Cambodia Joint Commission on the Demarcation of the Land Boundary (JBC). Mr Abhisit said the sidelines meeting between Thai and Cambodian diplomats during the World Heritage Committee meeting in Brazil had not been fruitful.

"Thailand has made it clear that we will accept Cambodia's management plan for the temple only if the temple is jointly listed between the two countries," he said. The WHC approved Cambodia's listing of Preah Vihear temple as a World Heritage site two years ago.

Responding to Cambodia foreign minister Hor Namhong's comments that Cambodian troops would fire at Thais who intrude into the disputed land, Mr Abhisit said that Thai security forces were prepared in case of violence. He also said that Thailand's stance is not that much different from Cambodia's.

<http://www.bangkokpost.com/news/local/188483/solution-to-conflict-begins-at-demarcation>

- **At Geo-strategic Front**
- **Thai military ready to send more troops to border if land dispute with Cambodia heats up**

Thailand's army is prepared to defend its border with Cambodia if a territorial dispute heats up, the prime minister said Wednesday, as the two nations were set to tussle on the diplomatic front at a U.N. meeting in Brazil.

Deadly clashes have flared in the past over the Preah Vihear temple, which the United Nations Educational Scientific and Cultural Organization named a World Heritage site in 2008, over Thailand's objections.

Two Thai soldiers were killed and 12 wounded in April 2009 after troops exchanged fire with assault rifles and rocket launchers along Cambodia's northern border near the temple, one of several clashes in recent years. Cambodia will present a management plan in Brazil on the disputed territory at a UNESCO meeting this week.

The International Court of Justice in 1962 ruled the 10th-century border temple belongs to Cambodia, rejecting Thai claims. Cambodia's World Heritage bid reignited Thai resentment over the ruling, and there have been small armed clashes in the area during the past few years. Thailand claims the management plan would infringe on a small area of undemarcated territory around the temple, of which both sides stake a claim. It has called on UNESCO to reject the plan, and said it will walk out of the meeting if it is accepted. It also said it would consider withdrawing from UNESCO's membership if Cambodia's plan is accepted. Leaders of both countries have used the issue to stir up nationalist sentiment and shore up domestic political support. Abhisit met Wednesday with Defense Minister Pravit Wongsuwan, who told him that, pending Cabinet approval, the army is ready to deploy more troops to the already heavily defended border if Cambodian forces intrude into Thai territory.

"The army is now ready to defend our sovereignty if breached," said Abhisit after his weekly Cabinet meeting. He said he was appealing to members of UNESCO's World Heritage Committee "to remember the very purpose this committee was set up for. It should be a purveyor of peace and culture, not of tension and conflicts."

A Thai delegation, led by Minister of Natural Resources and Environment Suwit

Khunkitti, is in Brasilia to attend the UNESCO meeting.

"We must make it clear that Thailand cannot and will not accept the proposal," said Abhisit. "And if the committee will not listen to our objection, we will not take part in the voting process."

<http://www.foxnews.com/world/2010/07/28/thai-military-ready-send-troops-border-land-dispute-cambodia-heats/>

- **Myanmar Reviews Border Closure After Negotiations With Thailand**

Myanmar will consider reopening the Thai-Myanmar border at the Mae Sot-Myawaddy bridge after negotiations with Thailand, Thai news agency (TNA) reported quoting the Thai Deputy Commerce Minister Alongkorn Ponlaboot as saying on Wednesday. The negotiation led to better understanding, Alongkorn said, and the Myanmar officials will report the matter to their leaders for further consideration to reopen the border.

The deputy minister will report the results of the negotiations with Myanmar government on reopening of the Thai-Myanmar border at Mae Sot-Myawaddy Bridge bordering Thailand's Tak province to other Cabinet members on Wednesday. Alongkorn confirmed that the border closure would not affect the official visit of Thai Prime Minister Abhisit Vejjajiva in August.

The Cabinet will discuss adjusting working processes of the Thai-Myanmar Township Border Committee (TBC) at local and national level in order respond to border problems more quickly and decisively regarding policies to avoid irritations being blown out of proportion and escalating to conflict in the future.

The ongoing closure of the Thai-Myanmar Friendship Bridge and more than 20 ports along the Moei River since July 18 is to protest Thailand's riverbank protection construction after no response from Thailand to its letter requesting Thai ambassador to Myanmar to hold talks on the issue. The deputy minister said the problem must be solved, so that the two countries will continue cooperation in mega projects including Dawei deep sea port for goods transportation to Thailand's Kanchanaburi through Laos and Vietnam.

The Dawei-Kanchanaburi investment is approximately around Bt400 billion (US\$12.5 billion). Thailand wants to push the Mae Sot-Myawaddy border zone of some 2,240 acres as a special economic zone, within the near future. The issue will be proposed to the Cabinet for consideration next week. Alongkorn said the border closure since July 18 caused damage of about Bt88 million (US\$2.7 million) per day.

Exports in the first nine months of the fiscal year across the Mae Sot- Myawaddi border were valued at Bt25 billion (about US\$780,000) or 45 per cent growth.

<http://www.bernama.com/bernama/v5/newsworld.php?id=516995>

- **Thailand resists approval for Cambodia's plan for 11th-century Hindu temple**

Thailand's cabinet meeting on Wednesday resolved to oppose the endorsement of Cambodia's management plan for the ancient Preah Vihear temple by the World Heritage Committee, the Thai News Agency (TNA) reported.

According to the Bangkok Post's website, local media reports citing an informed source at Government House said the cabinet resolutions include Thailand's opposing Cambodia's management plan for the Hindu Preah Vihear temple that infringes upon the disputed border area. Secondly, the Thai government will review its membership at the United Nations Educational, Scientific and Cultural Organization (UNESCO), if the international agency endorses the management plan.

Thirdly, Thailand's Foreign Ministry is assigned to send letters informing the Thai cabinet's resolutions to the UNESCO and the meeting of the World Heritage panel in Brasilia, Brazil.

Thailand and Cambodia have historically laid claim to the site, which is located on a mountain top on the Thai-Cambodia border. The disputed area of 4.6 square kilometers has not been demarcated. In 1962 the International Court of Justice ruled that the 11th-century Preah Vihear temple belonged to Cambodia.

<http://english.people.com.cn/90001/90782/90873/7084284.html>

- **Thailand to defend rights over land dispute with Cambodia**

Thai Prime Minister Abhisit Vejjajiva Tuesday (July 27) vowed to protect Thailand's rights and interests, as Cambodia makes moves to submit its management plan for Preah Vihear Temple and its adjacent areas at the Unesco World Heritage Committee meeting in Brazil. The Thai delegation, led by Natural Resources and Environment Minister Suwit Khunkitti, is at the forum to lobby against the plan. The meeting runs until August 3.

"We think the World Heritage Committee should not consider this plan until Thailand and Cambodia have agreed upon the demarcation line," Abhisit said, after discussing the issue on Tuesday with some leaders of the People's Alliance for Democracy (PAD).

He met the yellow-shirt leaders for two hours after about 1,000 PAD supporters rallied outside the Unesco office on Sukhumvit Road despite the emergency decree.

Unesco recognised the ancient temple as a World Heritage Site in 2008. Preah Vihear, perched on a mountain on the Thai-Cambodian border, has been the source of a sovereignty dispute between the two nations for decades. In 1962, the International Court of Justice ruled that the temple belonged to Cambodia, but failed to make a decision on the land adjacent the complex, giving rise to constant spats between the two nations.

According to PAD co-founder Chamlong Srimuang, Thailand would lose more than 1.8

million rai of land to Cambodia if this management plan were to go ahead. Chamlong threatened to unseat Abhisit if he failed to protect Thailand's sovereignty. However, after meeting the PAD leaders, Abhisit admitted that he and PAD view the issue from different perspectives. "But our intention is the same. We are committed to protecting our country's sovereignty and rights," the premier reiterated.

Abhisit promised that his government would not accept a resolution from the Unesco World Heritage Committee that could hurt the Kingdom's interests in any way. "The resolution must not interfere with Thailand's territory or sovereignty," he said. "We will not cooperate if the management plan encroaches on our soil." Abhisit also revealed that the Cabinet would discuss the issue today.

When asked if Thailand would withdraw from the Unesco World Heritage Committee if Cambodia's management plan were to be approved, Abhisit said: "There are many options. We may consider harsh measures."

He added that Unesco had already been told about his government's stance on the plan. "The United Nations and its related agencies were established to promote peace. The Unesco World Heritage Committee needs to review why its world-heritage inscription often turns tourism zones into areas of conflict," he said.

Abhisit said Cambodia and Thailand had built up a military presence along the border to declare their rights without confrontation for a while now, and though he agreed to discuss the issue with PAD leaders yesterday, he would not bow to their pressure about what his government should do. PAD spokesman Panthep Puapongpan told ASTV that Abhisit did not agree with the PAD's suggestion that the government cancel the memorandum of understanding on demarcation signed with Cambodia in 2000.

He said the PM also rejected PAD's suggestion that Thailand force Cambodian soldiers and people out of the disputed area. "The prime minister said his government would exercise its right to protest, and did not want to see the dispute develop into a war," Panthep said.

He said Abhisit also disagreed with the idea of not sending a team to the Unesco World Heritage meeting, even though the PAD believes a boycott would be more effective. However, Panthep admitted that the PAD agreed with Abhisit's plan to not accept Cambodia's map. "It would be a violation of Thailand's sovereignty," he said.

After learning of the meeting results, the PAD protesters dispersed peacefully.

<http://www.asianewsnet.net/news.php?id=13330&sec=1>

- **Economic front**
  - **Optimism as economy ably weathers turmoil**

Thailand has emerged almost unscathed from the political crisis in the first half of this

year, with the Bank of Thailand revising its economic growth projection close to the International Monetary Fund's 7-8 per cent estimate. With a strong export rebound and a surge in investment, the Bank of Thailand has revised its projection to 6.5 per cent to 7.5 per cent, according to central bank Assistant Governor Paiboon Kittisrikangwan. This represents a sharp revision from the 4.3-per-cent to 5.8-per-cent projection made in April by the central bank.

Anoop Singh, the director of IMF's Asia-Pacific Department, said the strong recovery of the Thai economy reflected the resilience of the country in spite of the global crisis and the political crisis in the first half of the year.

He attributed the strong recovery to the Thai authorities' timely response, both in its fiscal stimulus and an accommodative monetary policy, which has helped keep the growth humming.

After the political crisis ended in May, tourism has started to recover while the export sector continues to provide the underpinning growth. Investment is also about to make a comeback. "Private investment will pick up as rising demand for exports encourages companies to expand capacity," Paiboon said. "Capacity utilisation in many industries is nearly full now." In June, exports outperformed the already strong May figure, which provided a strong lift to growth in the second quarter. "Exports in the second quarter posted a seasonally adjusted gain of 3.9 per cent quarter on quarter that implied an annualised rate of 16.4 per cent. Imports on the other hand were also better than anticipated although on a seasonally adjusted basis, it dipped by 0.1 per cent month on month," said a report of Citi's Emerging Market Daily: Asia Edition, published last week. Exports to Asean grew 51.2 per cent year on year, compared with 37.9 per cent for the US, 49.3 per cent for Japan and 36.9 per cent for Europe. This does not hint at the likelihood of an upcoming downturn in external demand. Shipments to key Asian markets also surged, with export growth of 61 per cent to Hong Kong, 43.8 per cent to Taiwan and 59 per cent to Korea.

"The export surprise and the hefty trade surplus of US\$2.3 billion [Bt74 billion] in June ought to support market sentiment in favour of the baht although BOT intervention may stand in the way of baht gains," the Citi report said.

DBS Group Research in its report published on Thursday also said the customs exports and trade balance in June were far stronger than expected.

"The trade balance registered a surplus of \$2.3 billion, twice as much as expected. In terms of the breakdown of exports by country, growth in exports to China moderated (but continued to grow) while that to the rest of the world accelerated," the report said.

The Commerce Ministry upgraded its export forecast to 19 per cent from 17 per cent

earlier, the second time in a month.

"While export growth momentum is defying our expectation for the path to normalise by now, it is important to note that exports can be very volatile and even more so if temporary factors such as inventory rebuilding are in play," DBS Group Research said. "However, even if part of the rise in exports owes to temporary effects, it is clear that the momentum in underlying demand is strong. Indeed, the risks to our above-consensus export forecast of 26 per cent for 2010 may now lie to the upside." In the same vein, risks to the GDP growth forecast of 7 per cent for 2010, which were more balanced hitherto, are also moving northwards."

<http://www.nationmultimedia.com/home/2010/07/26/business/Optimism-as-economy-ably-weathers-turmoil-30134530.html>

- **Abhisit sees investment surge**

Thailand is in a good position to attract rebounding global foreign direct investments, thanks to the country's strong economic recovery, Prime Minister Abhisit Vejjajiva says.

Mr Abhisit on Thursday told the launch of the World Investment Report 2010 prepared by the United Nations Conference on Trade and Development (Unctad) that Thailand is among Asian countries whose economies have recovered significantly from the global financial crisis. "Global investments have shown clear signs of a rebound. Thailand and Asia have been perceived as the main locations for world investments and have played major roles in driving the global economic recovery," he said.

Figures from the Board of Investment (BoI) indicate that foreign direct investments (FDI) into Thailand rebounded from late 2009 and continued to grow in the first half of this year.

FDI has arrived from major investors such as Japan and from other countries which want to step up their presence here, Mr Abhisit said.

The tourism sector, which was hard hit by the recent political turmoil, has remained an area attracting foreign investments. But investments over the past month are not only in sectors in which Thailand is a major player. They also are in industries which have the potential to grow, he said.

Mr Abhisit said Thailand's investment policies have focused more on promoting a low-carbon emission economy. Projects which are less harmful to the environment and help tackle global warming have been well promoted under the investment policies of the BoI.

"We will focus on protecting the environment and creating a balance of economic development and taking care of people's lives," he said. The Unctad report said Southeast Asia nations are among the beneficiaries of recovering global investments together with South and East Asian economies.

"South, East and Southeast Asia remain priority investment destinations," the report said. "Compared to FDI inflows to other parts of the world, those to South, East and Southeast Asia were less affected by the crisis, dropping by a modest 17% to \$233 billion [7.45 trillion baht] in 2009."

The region's relatively strong performance has helped reshape the global FDI landscape as this part of Asia now accounts for one-fifth of FDI inflows worldwide.

Outflows from the region fell only 8% to US\$153 billion while intra-regional FDI gained ground. The great majority of investment policies are aimed at promoting foreign investments while countries such as Thailand have eased conditions for outward FDI.

Globally, FDI inflows plummeted by 37% worldwide to \$1.114 trillion during recession-plagued 2009, following a 16% drop in 2008. Outflows plunged some 43% to \$1.1 trillion. The prospects for FDI this year are relatively decent, with an expected pick-up to over \$1.2 trillion. Estimates for 2011 are \$1.3 trillion to 1.5 trillion and heading back towards the 2008 level of \$1.6 trillion to 2 trillion in 2012, the report said.

During the crisis, large emerging markets continued to perform well with the US remaining the biggest recipient of FDI in 2009 followed by China. Three of the six top destinations for FDI - China, Hong Kong and Russia - are now developing or transition economies.

<http://www.bangkokpost.com/news/local/187443/abhisit-sees-investment-surge>

- **SE Asia Stocks-Thailand up slightly but others fall back**

Most Southeast Asian stockmarkets fell on Monday, fretting over the U.S. economic outlook and over Europe's fiscal health as Moody's cut Ireland's credit rating. Markets in Singapore .FTSTI, Malaysia .KLSE, Indonesia .JKSE and the Philippines .PSI each fell to around a one-week low. However, Thailand .SETI eked out slim gains on selective buying of stocks focused on the domestic economy and Vietnam .VNI was slightly higher.

Credit Suisse touted Thailand, along with South Korea and China, as the most attractive markets in Asia outside Japan. [ID:nSGE66I08X] The Thai SET index has gained 13.05 percent so far this year, Southeast Asia's second-best performer. It traded at the second cheapest valuation in Southeast Asia at 10.9 times forward price to earnings, ahead of Vietnam's 10.8, according to Thomson Reuters StarMine. Property shares outperformed in Bangkok amid optimism over the recovery in the economy, with investors undeterred by the central bank's modest 25 basis point increase in interest rates last week from a record low of 1.25 percent.

Housing developer Pruksa Real Estate PS.BK jumped 7.1 percent while Sansiri SIRI.BK rose 3.4 percent and LPN Development LPN.BK gained 2 percent.

Kasikornbank KBAN.BK, the country's third-largest lender, fell 0.5 percent even though it reported a 29 percent rise in quarterly net profit, better than expected. [ID:nBAK003063] Dealers attributed the fall to profit-taking. "We like property more as banks might face selling pressure once their results season is completed on Wednesday," said Rakpong Chaisuparakul, a strategist at broker KGI Securities. Foreign investors bought Philippine shares on Monday, but they sold Vietnam and Indonesia, with Jakarta suffering net foreign selling of \$14.08 million after eight straight sessions of buying, Thomson Reuters data showed. Indonesia has enjoyed net inflows of \$1.07 billion so far this year, compared with \$496 million in the Philippines. As of Friday, Thailand had recorded net foreign outflows of \$543 million. Commodity stocks in the region were out of favour on Monday, with palm plantation stocks tracking weakness in palm oil prices and as crude oil eased. Singapore's Wilmar International (WLIL.SI), the world's largest listed palm oil firm, fell 0.8 percent, Malaysian rival Sime Darby (SIME.KL) lost 0.8 percent and Malaysian number two IOI Corp (IOIB.KL) eased 1 percent. IOI expected the La Nina weather pattern to have a major impact on palm oil production in Southeast Asia as heavy rainfall may hamper harvesting. [ID:nSGE66I08L] Banks led losers in Jakarta, with state lender Bank Mandiri (BMRI.JK), second-biggest Bank Rakyat Indonesia (BBRI.JK) and third biggest Bank Central Asia (BBCA.JK) all losing more than 1 percent.

<http://www.reuters.com/article/idUSSGE66I04520100719?rpc=401&feedType=RSS&feedName=rbssFinancialServicesAndRealEstateNews&rpc=401>

- **Thailand smiles towards Korean investments**

Thailand might have lost some of its smiles during the protests that turned ugly in the middle of May but winks from investors kept the country's economy afloat.

To make sure the flow of investments continues from one of Thailand's most trusted business partners, the Board of Investment's Secretary General Atchaka Sibunruang was in town a few weeks ago to conduct seminars and speak to local business leaders concerning the benefits of investing in Thailand. She held private meetings that ran late into the day with the purpose of assuring investors that the situation in Thailand has calmed down and that the country is ready for business.

About the possible resurfacing of demonstrations, Sibunruang told The Korea Herald "It's finished, you will not see any more demonstrations of this scale."

Early forecasts from the Thai fiscal policy office says that the economic losses due to the demonstrations are projected to be over \$4.4 billion, which represents about 1.1 percent of the country's GDP. "But this year, despite these events, we expect our growth rate to be 4.5 to 5.5 percent," she said. "Otherwise it would have been higher than this because our

export sector did very well.”

In the first five months of this year, Thailand’s exports grew more than 30 percent fueled by the automotive and electronic sectors. One strong piece of evidence that proves that large companies still have faith in Thailand came soon after the deadly protests, which witnessed 89 people dead and more than 1,400 injured. Ford Motor announced a plan to build a \$450 million car factory in Thailand, its first wholly owned plant in the country, showing that the company was undeterred by the deadly anti-government protests in Bangkok a month earlier. Ford is not the only one, explained Sibunruang.

Eco-cars are now becoming big business in Thailand with Nissan Motors producing environmentally friendly vehicles starting in March. Nissan was not the only car celebrating a milestone when it exported its first eco-car from Thailand. Toyota hit the millionth exported car from Thailand two weeks ago and Mitsubishi Motors produced its 2 millionth automobile just recently. “Japanese (automotive) companies are either under construction or planning to use Thailand as a production base for other eco-cars, so in a way, the political crisis didn’t really affect our auto manufacturing industry because we have built up, for a long time, a strong support industry,” she said.

“If they invest elsewhere they will have to import parts and components from Thailand, so what’s the point.” Sibunruang explained that Thailand was moving out of the business of competing with their neighbors for low-end or labor-intensive products. “What we tried to do is build up clusters in each industry so we now have the support industries around each sector,” she said. “These deep roots have made it very difficult for large companies to move out.” The Thai government forecasts that the country’s automotive sector will produce 1.6 million units this year because of domestic and international demand. That’s a 14 percent increase from initial estimates. But the automotive sector is not the only one and Sibunruang has high hopes.

One promising area for cooperation between Korean and Thai companies is in the renewable energy sector. “We are offering maximum incentives for this sector while at the same time the energy ministry is offering added subsidies for renewable energy companies,” said Sibunruang. While in Seoul she spoke to several local firms, from small to large, about investing in Thailand’s renewable energy sector. “We have investors wanting to produce solar cell panels,” she said. The maximum incentives Sibunruang is talking about include the waiving of import duty on machinery, corporate tax incentives for eight years plus 50 percent reduction on corporate income tax for five years extra.

<http://www.asianewsnet.net/news.php?id=13168&sec=2>

- **Social Front**

## **Cambodia**

- **Political Front**
- **Economic Front**
- **Cambodia alarmed at illegal import of pigs from Vietnam**

Cambodia is alarmed at the illegal import of pigs from the neighboring country of Vietnam. Srun Pov, president of Association of Pigs Raising in Cambodia, said Wednesday that about 1,000 pigs are illegally imported from Vietnam into Cambodia every day, and some of them are ill.

He said if such situation continued, the pig raising industry in Cambodia will be dead, adding that the pigs imported from Vietnam are priced at just over 6,000 riel (about 1.42 U.S. dollars) per kilogram, about 3,000 riel cheaper than pigs raised in Cambodia.

Srun Pov, however, acknowledged that throughout Cambodia, a total of more than 4,000 pigs are needed for daily consumption, and in Phnom Penh alone it needs between 1,200 to 1,300 pigs, but the domestic pigs in Cambodia is not sufficient.

He said the country lacks about 700 to 800 pigs per day, but farmers are discouraged to raise pigs because of those imported ones from neighboring countries. Cambodia allowed to import 800 pigs per day from Thailand, but as their price is higher than those imported from Vietnam, Thai pigs import have been stalled over the past months, said Srun Pov.

In May this year, Curtis Hundley, chairman of Micro, Small and Medium Enterprises (MSME) of the USAID said Cambodia had imported about one million pigs per year from Thailand alone and that had lost about 45 million U.S. dollars a year to the farmers' pockets.

Cambodia is an agrarian country and rich in natural resources, while it still imports pigs, chicken and fish from neighboring countries as well as other household stuff and products for daily consumption.

<http://english.people.com.cn/90001/90777/90851/7084484.html>

- **Developers should consider resource-rich countries for long-term retail investments**

Developers should target resource-rich and heavily-populated countries like Vietnam for long-term investments in the retail sector. Some property analysts said such nations also see increasing spending power among the young.

Vietnam and Indonesia have a young population with a median age of about 27. And analysts said large shopping malls will meet the basic needs of such consumers in a developing nation. Such malls will include a mix of department stores and retail chains.

The booming tourism industry in Southeast Asia will also help drive growth in the retail sector. Chua Yang Liang, head of research, Southeast Asia, Jones Lang LaSalle, said: "With other countries like Thailand, they are looking at achieving 15.5 million tourist

arrivals by next year. And in Indonesia, it is about 7 million. And all that will stack up and influence the retail market in the respective countries."

CapitaMalls Asia said it is looking at Ho Chi Minh City as its first stop when entering the Vietnam market. It said this is due to the spending habits of the locals in the most populated city in the country of some 85 million people. Compared to Hanoi which is up north, CapitaMalls Asia said residents of Ho Chi Minh City are more open to shopping and eating out. Lim Beng Chee, chief executive officer, CapitaMalls Asia, said: "That difference actually can translate in terms of the business. When they entertain outside, it means that they will go to shopping malls, spend money at the restaurant...so I think based on this habit, I think our first stop will actually be Ho Chi Minh City." Mr Lim added that mixed-developments comprising both residential and commercial space will be one way to enter the Vietnamese market. But he said challenges include strict legislations within the countries for foreign developers.

<http://www.channelnewsasia.com/stories/economicnews/view/1072059/1/.html>

- **Social Front**
- **The guilty must pay for Khmer Rouge atrocities**

Cambodians deserve justice for the genocide committed by the Khmer Rouge regime during its rule three decades ago. They have not been given that with the sentencing yesterday of the Maoist regime's chief jailer Kaing Guek Eav, better known as Duch. As the lowest-ranking of the five former top officials before a UN-backed war crimes tribunal, his conviction is welcome. But the reconciliation that the nation needs to put its tragic past behind and move confidently forward will not happen until the government stops obstructing proceedings

<http://www.scmp.com/portal/site/SCMP/menuitem.2c913216495213d5df646910cba0a0a00/?vgnextoid=1b2a94537af0a210VgnVCM100000360a0a0aRCRD&vgnextfmt=teaser&ss=Asia+%26+World&ss=News>

- **Anger in Cambodia Over Khmer Rouge Sentence**

For 30 years since the brutal Khmer Rouge regime was driven from power, Cambodians have lived with unresolved trauma, with skulls and bones from killing fields still lying in the open and with parents hiding the pain of their past from their children.

Enlarge This Image

Paula Bronstein/Getty Images

Khmer Rouge survivors watched the courtroom proceedings as Kaing Guek Eav, also known as "Duch", was sentenced in Phnom Penh, Cambodia.

Multimedia

- **A Living Ghost of the Khmer Rouge**

A Cambodian woman cried after Kaing Guek Eav, a Khmer Rouge leader responsible for more than 14,000 deaths, was sentenced to 35 years Monday. Journalists watched in Phnom Penh as Kaing Guek Eav, awaited his sentence. It was Cambodia's first conviction of a major Khmer Rouge figure.

On Monday, Cambodia took a significant step toward addressing its harsh past with the first conviction of a major Khmer Rouge figure in connection with the deaths of 1.7 million people from 1975 to 1979.

But some survivors were distraught over what they saw as a lenient sentence, one that could possibly allow the defendant, Kaing Guek Eav, 67, commonly known as Duch, to walk free one day. A United Nations-backed court found Duch (pronounced DOIK), the commandant of the central Khmer Rouge prison, Tuol Sleng, guilty of war crimes and crimes against humanity and sentenced him to 35 years in prison for overseeing the torture and killing of more than 14,000 people. The court reduced that term to 19 years because of time already served and in compensation for a period of illegal military detention. "I am not satisfied!" cried one of the few survivors, Chum Mey, 79, who had testified in excruciating detail about his 12 days of torture. "We are victims two times, once in the Khmer Rouge time and now once again."

He was shouting in agitation in the muddy courtyard outside the tribunal building. "His prison is comfortable, with air-conditioning, food three times a day, fans and everything," he said. "I sat on the floor with filth and excrement all around." It was the first time in Cambodia's modern history that a senior government official had been made accountable for serious human rights violations and the first time such a trial had been held that met international standards of justice.

The verdict took into account mitigating circumstances that a court spokesman, Lars Olsen, said included Duch's cooperation, his admission of responsibility and limited expressions of remorse, the coercive environment of the Khmer Rouge period and the possibility of his rehabilitation.

There is no death penalty in Cambodia and prosecutors had sought a 40-year sentence, but many people said they would accept nothing less than a term of life in prison.

"People lost their relatives — their wives, their husbands, their sons and daughters — and they won't be able to spend any time with any of them because they are dead now," said Nina You, 40, who works for a private development agency. "So why should he be able to get out in 19 years and spend time with his grandchildren?"

Bou Meng, 69, another survivor who testified at the trial about his torture and humiliation, said he had waited for this day to quiet the ghosts he said continued to torment him. "I felt it was like a slap in the face," he said of the verdict.

But Huy Vannak, a television news director, said it was enough simply to have justice in a court, 30 years after the killing stopped. No sentence could measure up to the atrocities Duch committed, he added. "Even if we chop him up into two million pieces it will not bring our family members back," he said. "We have to move on now."

Others still needed more time. "Actually I'm kind of shaking inside at the moment," said Sopheap Pich, 39, a sculptor. "I'm not sure how I should feel. I'm not happy, not sad, just kind of numb." For its symbolism, he said, a life sentence would seem most appropriate. "To come up with a number doesn't seem to make sense," he said. "I'm not sure how you come up with a number." Mr. Olsen said the prosecution had 30 days to file an appeal. For now, Duch was returned to the special detention house he shares with four other defendants who are awaiting trial in what is known as Case 2.

In that case, four surviving members of the top Khmer Rouge leadership are accused of crimes against humanity and war crimes. In addition to those tortured to death and executed in killing fields, many people died of starvation, disease or overwork or in the forced evacuation of Phnom Penh, in which the entire population of the city was driven out to the countryside.

The defendants include Ieng Sary, 84, who was foreign minister; his wife, Ieng Thirith, 78, who was minister of social welfare; Nuon Chea, 84, known as Brother No. 2; and Khieu Samphan, 78, who was head of state. Several other major figures have died, including the Khmer Rouge leader, Pol Pot, in 1998.

The judicial investigation in this case is expected to conclude in September with formal indictments, and the trial itself is not expected before sometime next year. Unlike Duch, these defendants have denied guilt, and their lawyers have been active in raising legal challenges.

In their most interesting challenge, they failed in an attempt this year to exclude evidence obtained through torture — in other words, the Tuol Sleng archives of prisoner confessions that contain some of the potentially most damaging testimony about the chain of command. The four defendants have been in custody since late 2007 and some of them hate each other, according to people familiar with the conditions of their detention.

In particular, these people say, Mr. Nuon Chea refuses to speak to Duch, who implicated him during his trial. According to testimony in pretrial hearings, Ms. Ieng Thirith, who has shouted angrily during court hearings, has been abusive to her fellow detainees on at least 70 occasions. For his part, Duch is said to be fascinated by the court's actions and follows reports and analyses closely on television.

[http://www.nytimes.com/2010/07/27/world/asia/27cambodia.html?\\_r=1&partner=rss&e](http://www.nytimes.com/2010/07/27/world/asia/27cambodia.html?_r=1&partner=rss&e)

[mc=rss](#)

- **Cambodia: Politics of Justice and Cambodia's Teflon Tribunal**

The first conviction against one of the lead perpetrators of mass murder under the Khmer Rouge was issued on Monday, but questions remain about the tribunal process, Simon Roughneen writes for ISN Security Watch.

The Extraordinary Chambers in the Courts of Cambodia (ECCC) ,a hybrid UN-Cambodian war crimes tribunal, sentenced 'Comrade Duch', a former Khmer Rouge chief jailer and executioner to 35 years in prison Monday for overseeing the deaths of thousands of people in the gristly 'S-21' detention and torture center during the height of the Pol Pot regime.

An estimated 1.7 million people, a quarter of the country's population, were killed during the Communist Khmer Rouge era, as Pol Pot and his lieutenants sought to return the country to 'Year Zero', abolishing money and property and herding people out of cities and into massive labor camps. Across the country, an estimated 5 million survivors of the Khmer Rouge era remain, alongside thousands of Khmer Rouge officers and foot soldiers.

Small time for big crime

Relatives of victims wept as the verdict was handed out, but for some, the catharsis turned to anger and disappointment as it became apparent that Kaing Guek Eav, to give his real name, may serve no more than 18-19 years, by which time he will be 85-86 years old. He has already spent 11 years in jail, since Irish journalist Nic Dunlop discovered the executioner living quietly under a pseudonym in rural Cambodia. The sentence took into account time already served, meaning that Comrade Duch could one day leave jail as a free albeit elderly man.

Dr Sophal Ear is a Cambodian-American political economist and a survivor of the genocide. He is now a TED Fellow based in Monterey, California, and, stressing that these were his views alone, told ISN Security Watch that "No sentence can be sufficient in this lifetime or the next. How do you sentence someone responsible for a place that killed up to 16,000 people?"

Speaking to media after the sentence was announced, prosecutor Chea Leang said that the prosecution team could "reserve our right to review," after they had sought a 45-year term for Comrade Duch, but added that "This sentence is a clear message to those who commit crimes - those who took many lives cannot avoid justice."

One judge, Jean-Marc Lavergne, issued a dissenting statement after the sentence, which concluded that "I am therefore of the opinion that in this case, the law does not allow the Chamber to sentence Kiang Guek Eav to more than 30 years imprisonment."

During his 77-day proceedings, Duch admitted to heading S-21 - now a genocide museum - where the worst 'enemies' of the paranoid and murderous Khmer Rouge state were held and brutalized. More than 16,000 people passed through its gates before they were killed. Torture used to extract confessions included pulling out prisoners' toenails and electrocution. Duch personally signed off on the executions, which he usually documented beforehand by photographing the accused before having them taken to a nearby orchard, one of Cambodia's Killing Fields, to be murdered.

According to the indictment against Duch, executioners threw victims to their deaths, bludgeoned them and then slit their bellies, or slowly bled inmates to death. Duch himself allegedly oversaw the atrocities, which included dropping children from the third floor of the building.

Unlike the other four defendants whose trials are due to take place next year, Duch was not part of the Khmer Rouge leadership and is the only major figure of the regime to have expressed remorse, even offering at one point to face a public stoning and to allow victims to visit him in jail. But he made a surprising request on the final day of his trial in November 2009, asking to be acquitted and freed, which left many wondering if his contrition was sincere.

#### Politics of justice

The sentencing will likely bolster the view that the tribunal has been a slow, politicized process. Andrew Cayley, who was appointed international prosecutor late in 2009, has said that the court will move to bring the other four other defendants to trial by 2011. The accused are some of the most notorious figures from the Khmer Rouge leadership - Khieu Samphan, former head of state; Nuon Chea, known as 'Brother Number Two' and the regime's chief ideologist; Ieng Sary, the regime's foreign minister; and Khieu Thirith, Ieng Sary's wife and minister for social affairs under Pol Pot, who died in 1998 without ever facing trial. All are aged between 78 and 86, and are reportedly in poor health.

The possibility that the four will not see a day in court is real, and underscores some of the problems inherent to the tribunal throughout its existence, with allegations of political interference and kickbacks compounding the sheer slowness of the proceedings and the limited number of indictees in a country where tens of thousands of former Khmer Rouge members are at large over 30 years after the regime was felled by the invading Vietnamese Army.

Attempts to have the caseload doubled to 10 were dismissed by Cambodian Prime Minister Hun Sen, himself a former Khmer Rouge member, who said "If the court wants to charge more senior Khmer Rouge cadres, the court must show the reasons to Prime

Minister Hun Sen."

The tribunal has been criticized in some quarters for failing to account for the role of US bombing runs in Cambodia during the years leading up to the Khmer Rouge takeover in 1975, which some historians allege facilitated the rise of Pol Pot, who was supported at various times by the North Vietnamese and by China.

Sophal Eal summed up the court so far as "the Teflon tribunal," saying that "nothing sticks to it." He described the verdict as "the first down-payment for the international community's failure to deal with the Khmer Rouge in the first place," with the tribunal likely to limp on, dependent on the financial backing of donor states.

In the hours after the first verdict was handed down, one of the three known survivors of Comrade Duch's murder-camp stood on the steps outside the court and let his feelings be known. Chum Mey was tortured in S-21, while his wife and children were killed by the Khmer Rouge. "I ask if Cambodians are happy and the world is happy that millions of people died, a lot of money has been spent on the court - and the perpetrator is free in 19 years? I am not happy with that," he said.

Chum Mey's dismay may be deepened by an announcement on Tuesday by Duch's lawyer, Kar Savuth, who told the AFP news agency: "We will appeal against the decision."

[http://ionglobaltrends.blogspot.com/2010/07/cambodia-politics-of-justice-and.html?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+blogspot%2FzqKG+%28i+On+Global+Trends%29](http://ionglobaltrends.blogspot.com/2010/07/cambodia-politics-of-justice-and.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+blogspot%2FzqKG+%28i+On+Global+Trends%29)

- **Cambodia ends long wait for justice**

A 31-YEAR delay in bringing any Khmer Rouge leader to justice meant up to 2 million victims of the Cambodian genocide were very nearly denied justice. Vietnamese forces ousted the regime in 1979 after four years in which as many as one in four Cambodians was executed, starved or worked to death, but not until 1997 did the government bow to pressure to begin the work of bringing those responsible to justice. This week, a United Nations-backed tribunal recorded the first conviction of a senior Khmer Rouge figure, sentencing Kaing Guek Eav, known as Comrade Duch, to 35 years in jail. He ran the Tuol Sleng prison where up to 14,000 people were tortured before being executed; only a dozen survived.

Duch, 67, will serve 19 years with remissions for time served and a period of illegal detention, but time is running out for bringing to justice those whose monstrous orders he followed. Pol Pot, the "Brother Number One" who led the genocidal return to Year Zero, died in 1998. His security chief, Son Sen, was killed on Pol Pot's orders in 1997. Duch's conviction paves the way for the trial of the four most senior surviving Khmer Rouge

leaders. He could be a key witness against the four, who were arrested in 2007 and are aged 78 to 85.

Their prosecution has been complicated by political interference by the government of Prime Minister Hun Sen, a former Khmer Rouge member - although he is not suspected of atrocities - to whom they surrendered in the mid to late 1990s. The ages of the accused and a lack of funding for the tribunal have aroused fears that the trial will not be completed.

None of this detracts from the significance of what the tribunal has achieved with its first case. As with the Nuremberg trials, the main architect of evil has escaped justice. Yet, in "case one", the tribunal heard from many witnesses, tested all the evidence and made incontrovertible findings of fact about Duch's role and his place in the Khmer Rouge policy of eliminating all "enemies" of its revolutionary return to an agrarian society.

Millions of Cambodians - three out of four are too young to remember the genocide - watched live broadcasts of the trial. Duch is the only senior Khmer Rouge figure to publicly acknowledge his crimes. His trial ensures there can be no rewriting or whitewashing of history, as some of Cambodia's leaders might wish to this day. This evil happened. It cannot be denied. It is documented and proven by the standards of justice. Many individuals may avoid punishment, but they have not escaped this defining verdict on the Khmer Rouge and its killing fields.

<http://www.watoday.com.au/opinion/editorial/cambodia-ends-long-wait-for-justice-20100728-10w0z.html>

- **Cyber world**
- **Twitter User Present at Khmer Rouge Trial Tweets All the Way Through**

Vinh Dao is a Cambodian photographer who tweeted in the official court press room during the trial of Cambodia's Khmer Rouge leader, "Duch," this morning. The UN-backed war crimes tribunal announced a long-awaited sentence and Fast Company got the scoop on the verdict and twitter in Cambodia, a country where only .5% percent of the population uses the internet.

How many others at the trial were tweeting through it?

Surprisingly, I think I was the only one. I kept searching to see who else was there so I could retweet what I missed from the feed but couldn't find anyone. Were you in the actual room where the trial was taking place? What was the mood like?

I was in the press room during the trial but I had a chance to talk to a couple of people that were in the courtroom and they said it was somber with some people crying during the verdict.

How do you think the general public in Cambodia feels about the verdict?

I think people are a bit shocked about the light sentence. With the 19 years taken off the 35-year sentence, there might be a possibility he could walk out of jail. This disturbs me every time I think about it.

What is the Twitter community like in Cambodia?

Small compared to the population. Even though Cambodia has made huge leaps and bounds in redeveloping after the Khmer Rouge, there are still huge hurdles to overcome. I just searched some numbers here and found that just .5% of the population uses the internet.

### **Vietnam**

- **Political Front**
- **Politics Isn't War**

Ask the average voter, "Is American politics an insufficiently ruthless business?" and most won't even take your question seriously. They're attune to the acrimony in Congress, sit wearily through attack ads every election cycle, and flip through a radio dial filled with angry sounding people on the way home from work. In presidential elections, they vote for sunny personalities like Ronald Reagan, and gravitate toward slogans like "I'm a uniter, not a divider," and "hope and change." In my career, I've tried to discuss politics with as many different kinds of people as possible: progressives, centrists, and conservatives, Orange County Republicans and Harlem Democrats, Indiana factory workers, Arizona CEOs, Orthodox Catholics, Vietnamese immigrants -- the list goes on and on, and folks from every group find something unsavory about the whole business of politics.

But if you spend time talking politics with people who identify as hard core progressives or movement conservatives, you'll find that a significant percentage believe their ideology would prevail more often if only their partisans were more angry, their attacks more pointed, their operatives more ruthless. This is most often expressed via the use of metaphors that draw on the language of war and fighting. Usually it doesn't make any sense. In war, the victor kills as many folks as possible on the opposing side. Political winners persuade more people to join their coalition.

When I reflect on the actions and words of people who subscribe to this mentality, I am often puzzled. Take the controversial comment made by a DC journalist about how his fellow progressives should react to the Jeremiah Wright story: by picking a conservative "like Fred Barnes or Karl Rove" and calling him a racist. In describing this tactic, he used an unexpected metaphor: "take a right-winger's [sic] and smash it through a plate-glass window." Of course, it's wrong to falsely accuse people of racism, and the plate glass

window comment is intemperate, but let's forget about the ethics of it for a moment.

Say that the racism accusation had been levied. It makes no sense to believe that calling Fred Barnes a racist would stop the right from attacking Barack Obama over Jeremiah Wright, nor does it make sense to think the accusation would help progressives in any significant way. People like Al Sharpton have gotten notoriety from race-baiting, and even scored brief tactical victories, but overall does anyone think that kind of thing has advanced progressive policy ends? Does anyone think that comparing George W. Bush to Adolf Hitler in the run-up to the Iraq War made invasion less likely?

Is there any instance in the history of American politics when aggressively virulent rhetoric from the left has resulted in a big policy win? Does anyone think that people like Michael Moore help the left rather than hurt it?

The "battles" waged by the conservative movement's polemicists make as little sense to me. Take a guy like Andrew Breitbart. Even in the course of criticizing him for publishing an edited video that misled his audience about Shirley Sherrod, a lot of conservative writers were insistent that he is "on the side of the angels," that his style of rhetoric has proved invaluable in the past, and that "we're lucky he's on our side."

This doesn't make sense. Conservatives are ostensibly concerned about the federalization of health care, the deficit, the size of the federal government, the erosion of federalism, etc. As someone who shares these concerns, I am painfully attune to how difficult it's going to be to address them.

Apparently it is emotionally satisfying for some folks on the right to force ACORN to reorganize, plumb the alleged racism of an obscure USDA official, expose the fact that some census workers were paid for their lunch breaks, etc. I can't help but think that these are all insignificant distractions that won't make the slightest difference when it comes to accomplishing anything that conservatives actually care about -- the conservative movement is asserting goals that require a decade long project, and they're elevating as their champions people who specialize in generating page views, winning individual news cycles, and selling books.

In an alternative universe where Mr. Breitbart triumphed in all his highest profile crusades, communities groups other than ACORN, but staffed by many of the same people, would get community block grants for the same kind of work. An NAACP esteemed by somewhat fewer people would levy accusations of racism that were slightly less credible but that still got judged on the merits of individual cases, resulting in zero policy changes. Everyone would agree that no one yelled the n-word as some Congressmen emerged from the Capitol during the health care debate.

However noble or emotionally satisfying these sorts of victories seem to movement

conservatives, are they doing anything significant to advance their desired ends? And, of course, Mr. Breitbart hasn't even achieved all the things I've just mentioned. The episode with Ms. Sherrod destroyed Big Government's credibility more than the NAACP. The people most persuaded by his posts are already hard core conservatives, not converts being persuaded by his charm or the force of his arguments.

It isn't that there is never an instance when these tactics are effective -- it's just that even in those rare instances, it is only a short-term tactical victory, because it is based on slightly altering the balance of political power at a frozen moment rather than beneficial changes in long term public attitudes. The culture war waged against Bill Clinton arguably helped to defeat Hillary-care, but the prescription drug benefit passed a few years later, and Barack Obama's health care overall came soon after. Yet this short term calculus is the most dominant one in politics.

Let's look at some other data-points. In 1992, Bill Clinton didn't win because he ran a more ruthless campaign. It was the economy, mostly. Hillary Clinton ran the more ruthless campaign in the 2008 Democratic primary. She lost.

The last conservative triumph, back during the Reagan years, came when the biggest voices on the right were people like William F. Buckley, Milton Friedman, and Ronald Reagan himself. The supposedly indispensable Rush Limbaugh rose to prominence after that election had been won, and although many movement conservatives insist that his influence with the base is critical, I can't help but wonder what use it is if it couldn't stop all the George W. Bush excesses that conservatives complain so much. And how strong can his influence possibly be considering that GOP primary voters last selected John McCain, the guy Rush Limbaugh hates most, to be their candidate.

Lots of hard core progressives and movement conservatives are wrong: Political and ideological gains don't come from being best at smashing faces through plate glass windows or winning news cycles or employing the most extreme rhetoric. Perhaps you disagree with some of the examples I used. These are contentious issues. Overall, however, I hope you'll agree that the subset of people who treat politics as guerrilla warfare have a terrible win-loss record, and a warped, wrongheaded view of how winning in politics is done. I don't really know if one side of the political spectrum or the other engages in this kind of nonsense more often, but this isn't an argument about which side is worse, its an observation that some people on both sides are operating on a faulty premise.

Disagree? Have counterexamples? I'd like to hear them. This isn't something I've argued about very much, so perhaps there are holes in what I've said. Do note that I am not talking about ruthlessness as practiced by people who wield actual power in government.

That is a different conversation.

<http://www.theatlantic.com/politics/archive/2010/07/politics-isnt-war/60526/>

- **Geo-strategic Front**
- **Japan, Vietnam agree to launch foreign, defense talks framework**

Foreign Minister Katsuya Okada and his Vietnamese counterpart Pham Gia Khiem agreed Saturday to launch a bilateral framework for consultations between high-level foreign and defense officials to strengthen their security ties, a Japanese official said.

Okada, who was on a visit to Vietnam for meetings of the Association of Southeast Asian Nations, also pitched Japan's nuclear power generation technology and high-speed railway system for export to the fast-growing Southeast Asian country, the official said. The two countries will establish a so-called "two-plus-two" dialogue for bilateral strategic partnership involving vice foreign ministers and director general-level defense officials, he said.

<http://www.japantoday.com/category/politics/view/japan-vietnam-agree-to-launch-foreign-defense-talks-framework>

- **Economic Front**
- **Vietnam's inefficient state firms in spotlight**

The near-bankruptcy of one of Vietnam's largest state-owned enterprises highlights a lack of oversight and easy access to capital by the inefficient business groups, observers say.

In early July the ruling Communist Party announced that the chairman of shipbuilder Vinashin, Vietnam Shipbuilding Industry Group, would be reprimanded for pushing the firm to the brink of bankruptcy. The government said Pham Thanh Binh had been suspended and was accountable for the group's debts, which local media said amounted to at least 80 trillion dong (4.3 billion dollars).

Police are reportedly investigating.

Vietnam began opening its economy to the world 24 years ago. While small-scale private enterprise flourishes, 60 or 70 percent of the nation's capital and assets are held by state-owned groups, outspoken economist Pham Chi Lan, a former economic adviser to the government, was quoted by local media as saying.

Along with Vinashin, these groups include Electricity of Vietnam (EVN), the power monopoly, and PetroVietnam, the Vietnam National Oil and Gas Group, as well as others.

Prime Minister Nguyen Tan Dung, who assumed his post four years ago, "has been a major supporter of building up Vietnamese business conglomerates along the model of South Korea's chaebols," said Carl Thayer, a Vietnam specialist at the University of New South Wales.

Vinashin, established in 1972 to consolidate the country's shipbuilding industry, built and repaired vessels but also engaged in shipping, heavy industry and other services, the company website said. Local media have reported that the firm -- whose interests included ports and real estate -- would now be restructured to focus on its core business.

The Vinashin case emerged just months before next year's Communist Party Congress, at which key leadership posts will be determined. Thayer said the scandal could have been a threat to Prime Minister Dung but he "struck pre-emptively" by ordering the restructuring. "Dung has put himself in a win-win situation," Thayer said.

Before the scandal, Vinashin said it had more than 160 subsidiaries including 39 shipyards, and benefited "from strong government support". In an interview with local media, Lan accused state-owned business groups such as Vinashin of being over-indulged. "Vinashin was given huge resources, and allowed to spend money freely and incur big debts," she was quoted as saying. "I think if the state didn't give money to Vinashin so freely, the losses would have not been so huge." Lan declined to speak to AFP.

Jonathan Pincus, dean of the Fulbright Economics Teaching Program in Ho Chi Minh City, said some large state companies had easy access to state land and capital without being forced to compete, which led to over-investment. He said the solution was to force them to borrow at commercial terms and to buy land at normal market prices.

"The tenure and compensation of managers of state companies should be linked to company performance. Greater transparency is also essential," Pincus said, suggesting that large state firms list on international equity markets, which would force them to disclose information. Hanoi's Young Business Association, in a paper for a World Bank-backed forum last December, said the efficiency of capital investment in state-owned businesses was lower than in private enterprises from the same industry.

"Forty-five percent of the state-owned corporations are encountering losses," it said. "Yet resources, both human and material, still flow overwhelmingly into state firms". Pincus said other state sectors could adopt Vietnam's telecommunications model. All the mobile phone providers are majority-owned by the state but none dominates the market, meaning they all have to compete on service and price, he said.

Lan was quoted as saying that because top executives of state groups are appointed by the prime minister, they scorn guidance from anyone else, and regulations do not clearly specify the supervisory responsibilities of government ministries.

She said state business groups should be even more transparent than listed firms "because they hold the assets of the people."

[http://news.yahoo.com/s/afp/20100728/bs\\_afp/vietnamtransportshippingpolitics](http://news.yahoo.com/s/afp/20100728/bs_afp/vietnamtransportshippingpolitics)

- **Vietnam Inflation Slows, Supporting Growth Push**

Vietnamese inflation cooled for a fourth month, a slowdown that may ease concerns the government's focus on stoking economic growth will revive price pressures.

Consumer prices rose 8.19 percent this month from a year earlier, according to figures released today by the General Statistics Office in Hanoi. The inflation rate in June was 8.69 percent, according to previously reported data. Prices climbed 0.06 percent in July from June. "I had been expecting inflation for the full year to be in double-digits," said Adam McCarty, chief economist at Mekong Economics in Hanoi, in a telephone interview today. "Given these figures, there's probably some scope for the central bank to loosen monetary policy a bit further."

Vietnam's policy makers urged banks to reduce interest rates to bolster the economy after first-quarter credit expanded by 3.3 percent, compared with the central bank's full-year target of 25 percent. Prime Minister Nguyen Tan Dung's government is targeting 6.5 percent growth in 2010. "Inflation will probably slow some more in coming months," Kevin Grice, a London-based economist at Capital Economics Ltd., said, in a July 19 note. "Food and transportation costs have moved lower."

Prices in the category including rice climbed 9.28 percent, compared with 9.34 percent in June. Vietnam is the world's fifth-biggest rice consumer.

#### Autumn Harvest

Prospects for a good autumn food harvest may help Vietnam further contain inflation, Alan Pham, chief economist at VinaSecurities, a unit of VinaCapital Investment Management Ltd., said in a note this month. VinaSecurities predicted a year-end inflation rate of 8 percent to 9 percent. Prices for some varieties of rice fell by as much as 0.7 percent in the week to July 2 from the week before, the agricultural attaché's office at the U.S. embassy in Hanoi said in its latest price update, released July 15.

Still, Vietnam's move to target growth over managing inflation is a "dangerous strategy," given its "low" level of foreign reserves and a lack of confidence in the dong, Grice said. The country's reserves fell to \$15.2 billion at the end of 2009 from \$23 billion in 2008, according to the World Bank. The Vietnamese currency has fallen 3 percent this year, according to Bloomberg data. "Growth is picking up, wages are rising rapidly, and, from what limited data are available, there appears to be little spare capacity in the economy," Grice said. Loans from the beginning of the year to mid-June increased 10.5 percent, helping Vietnam's economic growth accelerate to 6.4 percent in the second quarter from a year earlier, compared with 5.8 percent in the first three months of 2010.

<http://www.businessweek.com/news/2010-07-24/vietnam-inflation-slows-supporting-growth-push.html>

- **Vietnam's coffee exports surge 69%**

Vietnam's coffee exports this month surged almost 70 per cent from the same month last year to an estimated 90,000 tonnes, or 1.5 million bags, the government said on Monday. July shipment brought exports of the commodity in the first 10 months of the 2009/2010 crop year to 1.03 million tonnes, or 17.2 million 60-kg bags, up only 1.1 per cent from a year earlier, the General Statistics Office said in its monthly report.

Vietnam's coffee crop year lasts between October and September, starting with a four-month harvest. The statistics office revised up June shipment slightly to 94,900 tonnes from a previous estimate of 90,000 tonnes.

Exporters in Vietnam sold quickly in late June and early July to catch up with a price rally in London's robusta market that touched a 20-month peak on July 2.

Sales have since slowed on lower stocks among better-off farmers and domestic speculators. July's shipment brought coffee exports from Vietnam, the world's second-largest producer after Brazil, to 748,700 tonnes, or 12.48 million bags, in the first seven months of 2010, down 5.9 per cent from the same period last year, the report said. Revenues in the seven-month period totalled \$1.06 billion, or 10.4 per cent lower than a year ago, the report said. Coffee is the country's second-largest agro-product export item in terms of value after rice.

The export volume so far meant stocks now had thinned to around 68,000 tonnes, or 1.13 million bags left in the country.

<http://gulftoday.ae/portal/766a9760-96fd-4377-9cb8-c21a28d692be.aspx>

- **Social front**
- **the Vietnam Syndrome: The Islamic 'Threat' Part XIII**

As we have seen, Anglo-American domination of the oil-rich Middle-East based on Moslem disunity exacerbated by insidious divide-and-rule tactics and punctuated by occasional invasions or coups d'état, brought relative stability to the region for the better part of the 20th Century. It took the born-again genius of Bush II and the Republican Right to invade an already helpless Iraq in 2001, wreck the infrastructure, turn power over to the pro-Iranian Shiites, tip the regional balance of power in favor of Iran, and successfully destabilize the whole Middle East.

After eight years stuck in the Bush Administration's deepening military quagmires, the U.S. elected centrist Democratic policy wonk on an implied promise of peace. Once elected, however, Bush's Democratic successor enlisted in the U.S. Middle-East March of Folly. As we have seen, President Obama has escalated the hopeless war in Afghanistan, further destabilized regimes teetering on the brink of civil war in both Yemen and nuclear-armed Pakistan, and employed terror tactics guaranteed to antagonize

the populations of the entire Moslem ME/A world – all the while talking about ‘winning their hearts and minds.’ Moreover, unlike the case of Dubya, we cannot attribute Barrack's self-willed ignorance of consequences and irrational Pursuit of Policies Contrary to Self-Interest and to an obvious personality disorder.

The danger today is not only that the Obama Administration might ignite a nuclear war in West Asia but also that its escalation of Bush's War on Terror might prove fatal to U.S. democracy as well. To illustrate the danger, allow me to compare today's Middle-East crisis with the crises of the 1960's when Mutually Assured Destruction (MAD) was the U.S. military's official nuclear doctrine (talk about folly!) and when Kennedy and Khrushchev were playing nuclear games of ‘chicken’ over Berlin and Cuba. I was an anti-war organizer active during the scary Berlin crisis as well as during the terrifying nuclear showdown over Russian missiles in Cuba. Later I was one of the earliest (1963) critics of U.S. intervention in Vietnam – thanks to my familiarity with France's earlier defeats in Indochina and Algeria. I was appalled by the risks Johnson and Nixon were taking, but I didn't really feel scared at the time.

Yet today forty years later I am appalled to confess I consider Bush-Obama's March of Folly in the Middle-East more dangerous still. Why? Back in the Sixties Presidents Kennedy, Johnson and Nixon had a tacit agreement with Khrushchev and his successors to contain these regional conflicts, to fight each other mainly through proxies, above all not to go nuclear despite simian displays and threats. MAD retained the balance of terror, and both sides had a lot to lose.

Today, President Obama has no way of foreseeing who will have his hand on the Pakistani nuclear trigger a year from now. Unstable Pakistan has a history of political assassinations and military coups. The Pakistani governments harbors Islamic fundamentalists in its intelligence/security apparatus and unleashes them against regional rivals like India and India's ally Afghanistan. A recent Taliban offensive within Pakistan came close to threatening the capitol before the military intervened, at U.S. insistence, perpetrating a bloodbath and a humanitarian nightmare. Meanwhile the father of the Pakistani atom bomb, although convicted of selling nukes to the North Koreans, remains at large and influential. Paradoxically, the U.S. and the U.N. Security Council express hysterical concern over nuclear reactors in Iran that might produce enough weapons-grade Uranium to build a bomb, but no one seems excessively concerned about the nuclear canons loose on the pitching Mid-East deck in the form combat-ready Israeli, Indian and Pakistani A-bombs.

Further, back in the Sixties and thanks to the pioneering Civil Rights and Black Power movements, there was political space for protest in the streets, and the media were

compelled to pay attention to the anti-Vietnam-war movement. Our teach-ins, mass demonstrations, acts of civil disobedience and military insubordination thus played an historical-recognized role in ending the Vietnam war. Perversely, this victory for democracy and sanity over murderous Folly has been stigmatized as 'the Vietnam Syndrome' – as if our protests were the disease, not the cure. This bogus label allows today's pundits to dismiss out of hand the obvious comparison between the military Follies of Iraq/Afghanistan and those of Vietnam. And so I wonder if such a successful anti-war movement still possible in the U.S. today. Alas, the Pentagon and its allies learned the perverse lesson of the 'Vietnam Syndrome' all too well: In order to pursue imperialist aggression abroad, personal liberties and the right to free speech, free assembly and political organization must be curtailed at home.

The U.S. national security state has long been preparing for a preventive or pre-emptive counter-revolution. Police and other security forces have been super-armed with tasers, water-cannons, percussion grenades, tear-gas, and lethal riot-weapons. Protected behind armored vests, plastic shields and Darth Vader helmets, trained in violent riot-control methods, the forces of repression stand ready and eager to crush any suspicious gathering of hippies, weirdos, feminazis, gays, tree-huggers peaceniks and other government-designated 'terrorist suspects'. Today's protestors are often confined to 'Free Speech Areas' enclosed by chain-line fences and established far from the targeted event and attendant media. There we are free to march in circles carrying signs and chanting slogans to each other. This reminds me of the old philosopher's paradox about the sound of a tree falling in an empty forest: 'If free speech is emitted in the forest and nobody hears it, is it free speech?'

Worse still, today's peace activists and indy journalists are routinely subject to groundless arrest, warrantless searches, seizure of their computers, cameras, and poster-making equipment before they can even get their protests off the ground. In Pittsburgh in 2009, the government brought in National Guardsmen from out of state and the local police rounded up the would-be environmentalist demonstrators before the economic summit even began! Apparently, the Establishment – never hospitable to whistle-blowers – is bent on removing the democratic safety-valve that during the Sixties whistled long and loud enough to prevent the U.S. from going all the way down the Road to Folly in Vietnam. Alas! Where are the riots of yester-year? But I guess if the Iranians are brave enough to demonstrate against Amadinejad's police and Islamic thugs, we'll work something out.

<http://www.zcommunications.org/the-vietnam-syndrome-the-islamic-threat-part-xiii-by-richard-greeman>

- **Cyber world**

### **Singapore**

- **political Front**
- **Opposition SPP elects 14 members to CEC**

The opposition Singapore People's Party (SPP) held its Ordinary Party Conference on Sunday, and elected 14 members to its decision making Central Executive Committee (CEC). Veteran politician Chiam See Tong remains in the committee.

The new faces include his wife Lina Chiam and member Desmond Lim, who's reported to have differences in the party over the possible inclusion of the Reform Party into the Singapore Democratic Alliance. Mr Chiam is the chairman of the Alliance while Mr Lim is its secretary-general.

The CEC will meet in three weeks to decide on the positions. Current Chairman Sin Kek Tong said he hopes to make the party stronger for the next general election. But Sunday's event wasn't without its drama. A group of about 30 people tried to become members on the spot to take part in the party conference. But they were asked to leave after cadre members voted against the move.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1071470/1/.htm>

- **Economic Front**
- **Singapore and Cambodia agree to explore more areas of cooperation**

Singapore and Cambodia have agreed to explore more areas of cooperation, such as tourism. This follows Cambodian Premier Hun Sen's official visit to Singapore.

Mr Hun Sen, who is in Singapore on a three-day official visit, was given a ceremonial welcome at the Istana. Then he met with Prime Minister Lee Hsien Loong, and the two leaders affirmed the close ties the two countries share.

They agreed that Singapore and Cambodia can explore other areas of cooperation, including tourism. The leaders also exchanged views on developments in the region and reaffirmed their close cooperation in ASEAN, and other international forums.

The Cambodian leader also attended a lunch hosted by Trade and Industry Minister Lim Hng Kiang and the Singapore business community. Mr Lim said bilateral trade continued to grow in the first six months of this year, pushing total trade to S\$1.3 billion.

This is a 60 per cent increase over the same period last year. Singapore is Cambodia's eighth largest foreign investor. The Cambodian Premier also visited the Marina Barrage during his trip. In the afternoon, Mr Hun Sen called on President S R Nathan at the Istana. They welcomed the strengthening of ties between the two countries.

Prime Minister Lee hosted a dinner in honour of the Cambodian leader on Monday evening, during which they continued with their discussions. The wives of both leaders

were also present at the dinner, as well as officials from both countries.

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1071626/1/.html>

- **Developers should consider resource-rich countries for long-term retail investments**

Developers should target resource-rich and heavily-populated countries like Vietnam for long-term investments in the retail sector.

Some property analysts said such nations also see increasing spending power among the young. Vietnam and Indonesia have a young population with a median age of about 27.

And analysts said large shopping malls will meet the basic needs of such consumers in a developing nation. Such malls will include a mix of department stores and retail chains. The booming tourism industry in Southeast Asia will also help drive growth in the retail sector. Chua Yang Liang, head of research, Southeast Asia, Jones Lang LaSalle, said: "With other countries like Thailand, they are looking at achieving 15.5 million tourist arrivals by next year. And in Indonesia, it is about 7 million. And all that will stack up and influence the retail market in the respective countries."

CapitaMalls Asia said it is looking at Ho Chi Minh City as its first stop when entering the Vietnam market. It said this is due to the spending habits of the locals in the most populated city in the country of some 85 million people.

Compared to Hanoi which is up north, CapitaMalls Asia said residents of Ho Chi Minh City are more open to shopping and eating out. Lim Beng Chee, chief executive officer, CapitaMalls Asia, said: "That difference actually can translate in terms of the business. When they entertain outside, it means that they will go to shopping malls, spend money at the restaurant...so I think based on this habit, I think our first stop will actually be Ho Chi Minh City."

Mr Lim added that mixed-developments comprising both residential and commercial space will be one way to enter the Vietnamese market.

But he said challenges include strict legislations within the countries for foreign developers.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1072059/1/.html>

- **Singapore's manufacturing output up at slower pace**

Singapore's manufacturing output continued to increase at a double-digit pace in June, but the rate of growth came in slower on the back of a drop in the biomedical segment.

Data released on Monday by the Economic Development Board (EDB) showed that industrial production in June increased by 26.1 per cent on-year, well below market forecasts of a 36.7 per cent expansion. It is also a far cry from the previous two months that saw the fastest pace of expansion since records began in 1980. Output had risen 58.6

per cent in May and 49.7 per cent in April.

The volatile biomedical segment put a drag on Singapore's manufacturing output in June. Although the segment grew by 29.8 per cent on-year, it was sharply slower than the 118 per cent clip recorded in May.

Compared to the previous month, manufacturing output in June decreased by 23.4 per cent. Excluding the biomedical sector, output would have declined by only 1.8 per cent.

Analysts were not surprised, saying the biomed production was coming off a high base.

Tai Hui, Regional head of Research, SEA, Standard Chartered, said: "I would not attribute the slowdown in the bio sector largely because of US and Europe." "I still think that the technical factors - the switch in the production of medicine made, or maybe some technical factors, cleaning of plants and equipment - all of which could explain some of the slowdown in the biotech sector that we have seen in June."

The electronics segment expanded by 46.8 per cent on-year, a tad below the 52.1 per cent increase seen in the previous month.

Mr Tai said: "The electronics sector at the end of the day is about a quarter of manufacturing production, if not more. So in that sense, the fact that it's still expanding at around 35 to 40 per cent - that is still making huge contribution to the manufacturing sector, but also to the overall economic performance." Meanwhile, the chemicals cluster increased 7.4 per cent on-year in June, down from the 19.7 per cent growth seen in the previous month.

One segment which saw a contraction instead of an expansion was the transport engineering cluster. It contracted by 3.6 per cent in June, worse than the previous month's 0.7 per cent decline. For the entire first half of 2010, manufacturing output expanded 41.6 per cent.

Looking ahead, Standard Chartered expects manufacturing numbers in the third quarter to be in the range of 17 to 20 per cent. It expects output in the second half to expand by 15 to 16 per cent and then taper to high single-digit growth. This will be driven largely by strong domestic demand in the region, including China, India and Indonesia.

<http://www.channelnewsasia.com/stories/singaporebusinessnews/view/1071551/1/.html>

- **Energy Conservation Act set for 2013 to regulate industry: MEWR**

The Singapore government is now looking at energy management practices for companies.

Senior Parliamentary Secretary in the Ministry of the Environment and Water Resources (MEWR), Dr Amy Khor says the ministry is preparing to introduce the Energy Conservation Act which will come into force in 2013.

The legislation will set minimum energy management requirements for large industrial energy users. Dr Khor says companies that consume more than the equivalent of 15 GWh of energy annually will be required to appoint an energy manager.

They would also have to monitor and report their energy use to the National Environment Agency (NEA) and develop and submit their energy efficiency improvement plans. NEA is currently consulting with companies on the detailed requirements under the proposed Act.

Dr Khor adds that international experience indicates that implementing energy management programmes in companies is one of the most cost-effective ways to improve energy efficiency. And companies can expect to reduce their energy consumption by at least 10 to 15 per cent. Such energy management practices ought to be the norm for the companies, says Dr Khor, and some countries like Japan have mandated energy management practices for their companies. Dr Khor said: "Sustainable development is a key priority for Singapore because it paves the way for a cleaner, greener environment.

"With a mere 710 sq km of land size, every part of this island is precious and a resource, we need to safeguard for future generations. We have set goals under the Sustainable Singapore Blueprint that will help Singapore continue to grow and prosper but in a responsible manner." "To achieve these goals, it is imperative that we receive full support from the business community, and indeed from each and everyone in Singapore."

<http://www.channelnewsasia.com/stories/singaporelocalnews/view/1072144/1/.html>

- **Social front**

### **Brunei**

- **Political Front**
- **Economic Front**
- **Malay experts conference a success, next is exploring the solutions**

Participants of the Malay Experts Conference, yesterday said that the gathering had been highly beneficial, but there was much more to do following the conclusion of the three-day event.

The conference, which ended yesterday, saw the presentation of 29 working papers by an equal number of invited experts from Brunei, Indonesia and Malaysia.

Professor Emeritus Datuk Dr Osman Bakar told The Brunei Times that he had benefited a lot from the conference, as they not only discussed traditional achievements of Malay Muslims but also how they related to and were relevant to modern knowledge.

The professor, who is from the University of Malaya in Kuala Lumpur and the CEO of the International Institute of Advances in Islamic Studies in Malaysia, said that he had also widened his network of academic and scholarly contacts in the region.

"This is the first time I've attended a major conference in Brunei and I am pleased to meet many intellectuals and scholars from the country. I've learned from their presentations as well as the presentations of my colleagues from Malaysia and Indonesia," he said. Professor Datuk Dr Osman said that he felt the issues raised at the conference were important and not just for curiosity's sake.

"It will help us to develop new knowledge, science and technology on the basis of our values," he said. "We will not separate values and knowledge, because it very important to ensure that our contemporary and future knowledge culture will be based on the right values. This is to ensure that knowledge will be pursued for the sake of true progress and development of the people and religion."

Asked whether there were any topics that would be interesting for further exploration, the professor said there had been several suggestions from the conference participants, for example looking at the factors that have led the younger generation to show less respect for traditions and customs.

"We have identified some of these factors such as globalisation and the flow of ideas and cultural influences. The question is how to get the younger generation to respect the tradition because we are saying that tradition is not opposed to modernity and progress," he said. Professor Datuk Dr Osman said that the conference would benefit those outside of the experts circle as they would be summarising what was discussed in an interview with Radio Television Brunei (RTB) and they had plans to organise further seminars to disseminate the knowledge discussed with a wider audience.

He added that he looked forward to participating in future conferences, saying that it was important as the problems of Brunei were not unique to the country but were experienced in the Southeast Asian region. Mohd Azmi Abdul Hamid, President of Teras Pengupayaan Melayu (Foundation of Malay Empowerment) in Malaysia, described the conference as a "meeting of minds"; a gathering of the best scholars, who are working towards the enhancements of Muslim Malays.

"I see that as a very effective way of discussing our problems and how to find solutions," he said. "All the ideas and thoughts shared, have to be sorted out in a way that we will then see real action... I think this meeting should come up with a summary of what we should do to solve the problems we face, and what future endeavours we should engage in." Mohd Azmi said that the conference was an excellent way to deal with issues in the region as it tackled things much more rationally. "We cannot just be rhetorical all the time, we have to come up with solid ideas," he said. "Learning from the past, understanding the present and charting the future is the basis of solving problems."

Mohd Azmi added there was much more that could have been talked about a the

conference, and there was much more to be done following its conclusion."This cannot be just a Brunei agenda, but regional one. What's happening in Brunei, in the region, outside the region will effect us all, that gives me the sense that we need to do more concrete things in the future," he said. Meanwhile, Pg Dr Karim Pg Osman, Deputy Director of Museums in Brunei said he was honoured to have been selected as a speaker for the conference."It was a gathering of experts and I am very proud to be considered as an expert of Brunei, to talk about my paper on archaeology and maritime history," he said. Pg Dr Karim added that they was much more he would like to explore in the way of research into Brunei's shipping and maritime history."I applaud the government for organising this event. Even though it cost a lot, we have got a lot back in return, not just the experts but the visitors and the students too. This is a great way to contribute our knowledge and gain knowledge from our peers," he said.

<http://www.bruneitimes.com.bn/news-national/2010/07/29/malay-experts-conference-success-next-exploring-solutions>

- **Behind the amazing growth of Indianomics**

NOWADAYS, economists are assailed by irresolute thoughts: what, for example, is the right term to apply to current global economic conditions? Is it "depression", "recession", or, finally, "recovery"? What of the euro? Will it flounder or regain its "health"?

As these debates fill the air in finance ministries and economics departments around the globe, India continues its steady GDP growth, now projected to reach 9.4 per cent this year. Indeed, the government says that the growth rate will hit double figures soon.

Although many people seem amazed that India has maintained rapid growth for so long even in the face of the global downturn surprise is unwarranted. India's proportion of global GDP stood at 25 per cent in 1750, but slumped to 1.6 per cent in 1900, at the high noon of imperialism. India is simply rising again to reassert its traditional global position. Can India achieve this?

Many challenges confront India on its path to sustained strong growth, principally that of converting the country's vast promise into reality. In order to achieve this in a true democracy, India must ensure distributive justice. It must ensure that enhanced purchasing power leads to a markedly improved quality of life for all of India's citizens.

Currently, India has a window of opportunity, nearly unique in nature, thanks to a huge demographic dividend: almost 60 per cent of the country's population is below the age of 30. But this advantage is limited in duration, lasting two or perhaps three decades. If it is not used now, it will dissipate.

To seize this opportunity, India first must move decisively away from state capitalism, the remnants of which continue to retard the country's economic progress. India's

economic future lies in maximising its private sectors dynamism, which demands an acceleration of institutional reform, including privatisation at both the national and state level.

But, as the Indian economist and frequent policymaker Vijay Kelkar has put it, "India needs to fashion [its] own sui generis model of growth and development towards an advanced economy, always promoting inclusive growth, and thus gain the benefits of enhanced efficiency, greater equity, and better governance under a liberal democracy." Simply copying American, British, or other Western policies and institutions will not work.

Moreover, India is not China; it cannot be indeed, it must not be. That is why it should not hanker after any ersatz export-led or state-directed growth.

India's second great challenge is to resolve its enormous infrastructure shortcomings. India is no longer primarily an agricultural economy; indeed, agriculture accounts for only around 20 per cent of GDP. But this does not mean that agriculture should be neglected; on the contrary, it remains a way of life for many millions of Indians, who need capital and new technology.

Raising farm productivity and income requires improved irrigation, wasteland reclamation, warehousing, marketing, transport development, and the free movement of produce within the country. This is why rapid strengthening of India's physical and social infrastructure is central to its progress.

This leads us to examining India's current fixation with GDP growth as a national panacea. The theory is that the government, as the agent of the people, collects taxes and delivers public goods in return. In this sense, the Indian state has been rather a poor agent; it collects little and delivers a pittance and what it does deliver is of grossly inadequate quality. Yet the Indian state continues to ask for a disproportionately high price from the people. This must change, by directly targeting the alleviation of poverty and ultimately its elimination. I accept that the most powerful anti-poverty programme is economic growth, but it works only if and when it is accompanied by distributive justice. Only such "just" growth can eventually be converted into high GNC: "Gross National Contentment", a truer index of economic well-being. Rather than endless debates about higher budgetary allocations, India needs to find practical ways to promote effective, targeted, self-adjusting, and self-liquidating anti-poverty programmes.

It is not the amount of money allocated by government that matters. The true litmus test of budget expenditures is what actually gets delivered. Only an inclusive approach to reform can meet peoples expectations, and in turn spread contentment.

<http://www.bruneitimes.com.bn/opinion/2010/07/29/behind-amazing-growth->

indianomics-0

- **Social Front**
- **Historian tells Bruneian youth to strengthen religious values**

AT 89, our very own historian, Yang Berhormat Pehin Jawatan Dalam Seri Maharaja Dato Seri Utama Dr. Haji Awang Mohd. Jamil Al-Sufri Begawan Pehin Udana Khatib Dato Seri Paduka Haji Awang Umar is a genuine model for the definition of the Bruneian spirit who has witnessed the changing times and people of Brunei over the years.

Based on observations of the distinguished writer who has exerted literary efforts in fields of local education, literature, history, culture and religion, he advised the Bruneian Malay youth of today to fend off the moral eroding values of secularism and globalisation highlighting the urgency and need for young Bruneians to hold on to religious knowledge as protection. "Young Bruneians of today carry out their lives based on knowledge from the West. Most of them have a Western understanding of values that they learn from studying overseas without considering that these values or beliefs may go against Islam," said YB Pehin Dato Jamil in an interview with the The Brunei Times.

He elaborated that this is most evident in the relationship code youths adhere to today, where most have opted to establish long-term relations without commitment. "A notable example is youths today will have an advanced established relationship way before marriage. This is a manner practised in the West and is encouraged on a basis that it will help get to know someone better but in the matter of a fact, this is prohibited in Islam," he said.

The writer's comment on the subject can be linked to the evidence of the consequences surfacing in our society today. According to past articles ran by The Brunei Times, since January of this year there have been three reported cases of abandoned newborns, while there were five reported cases in 2009, of which only two survived.

With regards to this, the issue of abortion has also come up whereby it is illegal in the country to practise. However, the Social Welfare Council at the Ministry of Culture, Youth and Sports this year has noted the presence of the activity in the country while also noting that is an issue to be handled by various stakeholders which include the parents, family and community. "This is due to globalisation which promotes the secularist lifestyle making this their main understanding of life and causing them to forget religion because the influence of the West is stronger than the influence of religion in which it controls their lives making them somewhat live a life of a mere fantasy," said YB Pehin Dato explained. In relation to this, in his book Brunei Darussalam The Road to Independence, YB Pehin Dato Jamil highlighted how the issue of secularism has been felt by Bruneians even way back prior to its independence especially after Brunei accepted

British Resident in 1905/1906.

"Even though in the beginning secularism was not well received by the people, the British administration was not disheartened nor regarded it as a failure, but instead they persisted in their effort to spread secularism among the Bruneians. The resistance of the old people towards secularism was because Islamic principles and teachings were not included in the government administration and school curriculum.... Islam however encompasses all aspects of life of the Muslim ummah," narrated YB Pehin Dato Jamil in his book. He highlighted that though resistance was felt, "the nationalistic feeling of the Bruneians, which was slowly being influenced by the idea of secularism, had affected their attitude and lessened their religious inclinations".

When asked why there was a declining sense of moral value among the youth today, he mentioned that it had a lot to do with the internalising of religious values. "We must have an active sense of the studying of our religion. The presence must be felt more in both schools and universities to overcome these negative influences. This is not to say that most Bruneian youngsters do not have religious knowledge, most of them do, but they choose not to practice it," he said. "Religious values must be strong. Because what we want as a Muslim is to have a blessed present life as well as blessed afterlife. If during the present we live utmost with values to only satisfy carnal desires what would our fate be in the hereafter," he said.

YB Pehin Dato Jamil has highlighted in his book that the independence attained by Brunei should be nurtured, preserved, improved and developed further, "not only by mere lip-service" as it reflects the struggles of Brunei's forefathers in the defence of the sovereignty of race, religion and country. "The intricacies of such relationship should be studied and closely scrutinised so that every citizen and inhabitant of this nation could understand his responsibility, and collectively as a team, carry out his duties according to the level of his education and capability, so that the benefit of living as a race and a nation could always be maintained and guaranteed," he narrates in his book. The Brunei Times

<http://www.bruneitimes.com.bn/features/2010/07/28/historian-tells-bruneian-youth-strengthen-religious-values>

## **Asean**

- **Political Front**
- **ASEAN urges Myanmar to hold free, fair election**

ASEAN Secretary General Surin Pitsuwan attends the 43rd ASEAN ministerial meeting in Hanoi, Vietnam Tuesday, July 20, 2010. (AP Photo/Luong Thai Linh, Pool)

Southeast Asian foreign ministers gave Myanmar's military-run government an "earful" while demanding that it hold free and fair elections -- a rare stand by the cautious group often accused of overlooking rights abuses in member nations. Foreign ministers from the 10-member Association of Southeast Asian Nations ended their annual meeting Tuesday in the Vietnamese capital of Hanoi, where they tackled a diverse agenda -- from setting up a European-style economic community by 2015 to bolstering ties with the West and regional powers China, Japan and India.

But at a dinner on the eve of the conference, Myanmar took center stage as diplomats vented their concerns about planned elections, which the junta has said will be held this year, without giving a date.

Many ministers told Myanmar's that the junta should hold "free, fair and inclusive" elections. Such straight talk is unusual given ASEAN members' bedrock policy of not interfering in one another's domestic affairs.

"Myanmar, I think, got an earful last night that ASEAN is very much concerned," ASEAN Secretary-General Surin Pitsuwan told reporters on the sidelines of Tuesday's meetings. The ministers also offered to send observers to the elections.

Myanmar Foreign Minister Nyan Win, in keeping with his government's typical secrecy, did not give a date for the vote. "The responsibility is for the ... elections commissioner, not the foreign minister," he said. Some ministers expressed hope for some change within the regime, while continuing to press for the release of detained democracy leader Aung San Suu Kyi, 65, who has spent 15 birthdays in detention over the past 20 years, mostly under house arrest. She is the world's only imprisoned Nobel Peace laureate.

"Once the generals take off their uniforms and they've got to win votes and kiss babies and attend to local needs, the behavior will change and the economy will gradually open up," Singapore Foreign Minister George Yeo told reporters on the meeting's sidelines. "We suggested quite strongly to our Myanmar colleagues that they consider having ASEAN observers at the elections." Indonesian Foreign Minister Marty Natalegawa told reporters that Nyan Win has agreed to inform the ASEAN members whether their offer to help is approved by the government.

In a joint statement after their meeting on Tuesday, the ASEAN ministers devoted one of 73 paragraphs to repeat their call for free elections in Myanmar. It did not mention demands to release Suu Kyi and other prisoners, reflecting efforts to avoid embarrassing Myanmar officially.

Critics have dismissed the election -- the first in two decades -- as a sham designed to cement nearly 50 years of military rule in Myanmar, also known as Burma. Suu Kyi is not allowed to participate in the election, and her party is boycotting the vote and has

been disbanded."The way that the military regime is treating political prisoners led by Aung San Suu Kyi even makes the ASEAN countries embarrassed," said Trevor Wilson, a Myanmar expert at the Australian National University in Canberra. "And they're pretty good at treating political prisoners badly themselves."

On Monday, Thai Foreign Minister Kasit Piromya also raised concerns about allegations that Myanmar may be interested in developing a nuclear weapons program with help from North Korea. Myanmar has denied those claims.

The ministers also discussed North Korea's nuclear program. The Philippines has proposed that a group be formed to persuade the North to return to stalled talks aimed pressuring the regime into giving up its nukes, according to a diplomat, who spoke on condition of anonymity because she was not authorized to speak to the press. Tensions between the Koreas are high following the deaths of 46 South Korean sailors in the sinking of a warship blamed on Pyongyang earlier this year. The North has denied involvement. "We deplored the incident of the Cheonan ship sinking," the ministers said in their statement, referring to the South Korean ship. "We urged all parties concerned to exercise the utmost restraint." The North's top diplomat is expected to arrive in Hanoi on Wednesday and attend an ASEAN security forum later in the week with all members of the disarmament talks, including U.S. Secretary of State Hillary Rodham Clinton.

The last talks, which involve the two Koreas, China, Japan, Russia and the United States, were held in Beijing in 2008. ASEAN, founded in 1967, includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

[http://www.salon.com/wires/world/2010/07/19/D9H2K4681\\_as\\_asean/index.html](http://www.salon.com/wires/world/2010/07/19/D9H2K4681_as_asean/index.html)

- **Scholarships, Initiatives Strengthen New Zealand-Asean Ties**

New Zealand's Foreign Minister Murray McCully has announced the country's biggest scholarship scheme to provide 100 new education scholarships, bringing the total up to 170 each year for developing ASEAN countries, according to Vietnam news agency. The scheme is aimed at helping ASEAN countries develop emerging leaders and strengthening their civil service capabilities, Foreign Minister Murray McCully said in a media release.

It will be the biggest scholarship scheme involving New Zealand since the Colombo Plan began in 1951 and is one of four initiatives that will help New Zealand strengthen its relationship with the Association of Southeast Asian Nations (ASEAN), he said.

"ASEAN has ambitious development plans over the next five years, and New Zealand, as a key regional partner, will offer its support by providing expertise in a number of areas," said McCully, who is in Hanoi to attend the ASEAN-New Zealand Post Ministerial Conference, the ASEAN Regional Forum, East Asia Summit Foreign Ministers'

consultations, and the South West Pacific Dialogue meeting.

According to McCully, the other initiatives include a Young Business Leaders Exchange Programme, which will seek to develop a new generation of business relationships in the region to underpin the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) which came into force this year.

New Zealand will also launch programmes within ASEAN that cover agricultural development and disaster risk management, both areas where New Zealand expertise complements the needs of ASEAN member states. The growing strength and significance of New Zealand's relationship with ASEAN is being matched by a dynamic increase in trade. ASEAN is now New Zealand's third-largest trading partner, with two-way trade worth around 10 billion NZD last year. This year marks 35 years of Dialogue Partnership between New Zealand and ASEAN, which comprises Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

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