

Report # 118**Business and Politics in Muslim World**

South East Asia
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From 30 April to 7 May

(Outline)

Summary	4
Indonesia	
• Political front	10
• Indonesia: President opens Muslim congress	
• Economic Front	10
• Indonesia mantles \$10 million bamboo house in Shanghai	
• Indonesian Finance Minister to Assume World Bank Post	
• Indonesia's Exports Increase 54% as Recovery Firms	
• Foreign Tourist Target on Track as Arrivals to Indonesia Rise 14%	
• Middle East investors eye Indonesia banking sector	
• Social front	14
• Thousands Demonstrate In Jakarta On Labor Day	
• Pakistani kidnapped, murdered in Jakarta	
• At Environmental Front	15
• A magnitude 6.3 earthquake has struck off the coast of Sumatra in Indonesia.	
• More Dirty Deforestation: 55% of Indonesia's Logging Illegal + Cargill's Two Hidden Palm Oil Plantations	
• Indonesia, Iceland to Expand Geothermal Energy	
Malaysia	
• Political Front	16
• Malaysia wants nuclear power by 2021	
• Economic Front	17
• Malaysian ringgit leads gains in Asian currencies	
• Palm Oil Declines as Harvest of Soybeans Gets Underway	
• Malaysia, Indonesia palm oil groups unite against critics	
• Geo Strategic Front	20
• Malaysia And Indonesia Have Meeting On Cooperation For Information And Communication	
• Navy and air force test preparedness for enemy attacks	
• Social Front	21
• Malaysian Women Raise Funds For Street Children In Indonesia	
• Environmental Front	

Philippine

- **Political Front** 22
- Aquino Pulls Ahead in Philippine Presidential Race
- Vote machine glitch heightens poll fears
- Philippines hosts Asean-US Dialogue
- Arroyo's election lawyer wants polls postponed
- Foreign military attachés to deploy poll observers
- Police chief expects more NPA attacks as polls near
- **Social Front** 30
- Philippine forces kill five rebels

Thailand

- **Political Front** 30
- Thai cabinet set for emergency meeting on crisis
- Thailand: No plans for martial law over protests, says PM
- Thai PM says govt set to vacate Bangkok protesters
- With red shirts on back foot, Thaksin re-emerges
- Abhisit of Thailand offers plan to get Red-shirts off the streets
- Thai PM offers reconciliation plan
- Army chief's tactics force election offer
- Deadly violence rocks Thai capital
- Thai "various-colors" group disagrees with PM's House dissolution, election
- UK lifts warning against travel to Thailand
- **Economic Front**
- **Social Front**

Cambodia

- **Political Front** 39
- Chinese President meets with Cambodian PM
- **Geo-strategic Front** 40
- U.S. attacks inside Cambodia, escalates Vietnam war: The Plain Dealer front page 40 years ago today
- China promises trucks for Cambodian military after US rap
- Cambodia's parliament approves consular treaty with China
- **Economic Front** 43
- CIMB likely to get Cambodia banking licence
- Najib Makes First Official Visit To Cambodia From May 9-11
- **Social Front** 45
- Australia boosts Cambodia food aid, scholarships

Vietnam

- **Political Front**
- **Geo-strategic Front** 45
- Canadian Vietnam vets still feel pain over fall of Saigon
- Vietnam to host ASEAN Defense Ministers' Meeting soon

- What Did The Military Learn About Media In Vietnam?
- Vietnam Airlines losing \$10 mln a year on domestic routes
- Vietnamese Derision Once the Beastly Merciless US Military-Economic Empire Collapses?

• **Economic Front** **50**

- Vietnam to spend billions on islands amid China dispute
- Government agency divests from 353 firms
- Vietnam pledges \$100,000 for China earthquake relief
- Vietnam Targets 7% GDP Growth in Second Half of 2010 (Update1)
- ADB approves loan to help rehabilitate Vietnam's largest irrigation system

• **Social Front** **53**

- Vietnam calls for more support from int'l community in fight against tuberculosis

Singapore

• **Political Front**

• **Economic Front** **54**

- S'pore & Saudi Arabia sign avoidance of double taxation agreement
- PM Lee opens Shell's ethylene cracker complex
- Best World posts 53.1% drop in Q1 net profit
- Singapore's life insurance industry sees 43% jump in sales in Q1

• **Social Front**

Laos

• **Political Front** **57**

- ASEAN cooperation on preventing Tran boundary diseases

• **Economic Front** **57**

- Govt invests 8.5 billion kip in Borikhanh development
- World Vision gives medical equipment to dispensaries in Park Kading
- Singaporean company to export 30% of Lao coffee beans

• **Social Front** **59**

- Lao-Vietnamese-Thai cultural village built in Laos

Environmental Front **59**

- US donates US\$20,000 for gibbon conservation

Summary

At political Front

- Malaysia

The final decision as to whether a plant is built will rest with the International Atomic Energy Agency. MALAYSIA'S government hopes to construct the country's first nuclear power station by 2021. Peter Chin, Malaysia's minister for energy, green technology and water, says that the country's Economic Council has given the go-ahead for the ministry to begin the search for suitable sites for a nuclear power station, although it is expected that it will be 12–15 years before commercially viable power is produced.

According to Malaysian national news agency Bernama, Chin told reporters at a press conference that the necessary nuclear technology could come from South Korea, France, Japan or China. He says that nuclear power will be necessary to meet Malaysia's growing power demand. Chin writes in his online blog that Malaysia's current reliance on coal and gas for energy generation is "unhealthy". The government is aware that various aspects such as safety, human resources, technology know-how and location have to be taken into consideration seriously," says Chin.

- Philippine

With a week to go before the May 10 general election in the Philippines, presidential front runner Benigno "Noynoy" Aquino III is pulling sharply ahead of his nearest rival, according to public-opinion surveys released this week by the country's two main pollsters. In a Pulse Asia poll, Aquino, the son of popular former President Corazon Aquino, held a 19-point lead over his nearest rival, Manuel "Manny" Villar, a real estate tycoon from an underprivileged background. Thirty-nine percent of respondents supported Aquino. A Social Weather Stations (SWS) poll showed Aquino was 12 points ahead of Villar; the two were almost neck and neck in a January SWS poll.

The Philippines is hosting the three-day 23rd Association of Southeast Asian Nations (Asean)-United States Dialogue that starts today, the Department of Foreign Affairs reported Wednesday. The meeting aims to enhance cooperation between Asean and the United States and exchange views on areas relating to global and regional issues.

The Philippines is currently the Country Coordinator for Asean-US Dialogue for 2009 to 2012. Asean groups the Philippines, Brunei, Cambodia, Laos, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

The senior officials from 10 Asean countries and the US will also tackle the preparations for the 2nd Asean-US Leaders Meeting to be held in the last quarter of the year

Amid new problems that have cropped up in the country's first nationwide automated polls, President Gloria Macapagal Arroyo's election lawyer has called for the May 10 elections to be postponed. In a statement, he said "postponement of the election is the only remedy to prevent a failure of election." He said the Commission on Elections (Comelec) is authorized to postpone the polls under certain conditions.

- Cambodia

Hu said China and Cambodia enjoy a long history and solid foundation of friendship, and the two nations are good neighbors, good friends and good partners.

He said it is the unswerving policy of China to constantly deepen and expand the comprehensive, cooperative partnership between the two nations.

China is willing to work with Cambodia to boost the cooperation and exchanges in various fields to achieve a mutually-beneficial situation, promote common development and benefit the two peoples, he said. China will continue to provide support and assistance within its own capabilities for Cambodia, he said. Hu thanked Hun Sen for his concern for the earthquake-hit region in northwest China's Qinghai Province.

China is to donate more than 250 trucks to Cambodia just weeks after the United States withheld a shipment of military vehicles in response to Phnom Penh's recent expulsion of 20 Uighur refugees, local media reported Monday.

The donation was announced by Cambodia's Foreign Minister Hor Namhong on his return from Shanghai, the Phnom Penh Post newspaper reported.

Hor Namhong said China would donate 257 military trucks and 50,000 military uniforms. He said the gesture was made by Beijing of its own accord during a meeting in Shanghai between China's President Hu Jintao and Cambodia's Prime Minister Hun Sen. '[Hun Sen] did not ask them, but they know our requirements, and [Hu Jintao] promised to provide further military assistance in the future,' he said.

- Thailand

Thailand's Prime Minister said on Sunday the government was preparing to clear an area of Bangkok defended by thousands of anti-government protesters, seeking to end a crisis which has virtually paralyzed the capital, media reports said.

Many Thais have grown increasingly frustrated with the stalemate, which has dragged on for nearly eight weeks, claiming the lives of at least 27 people and costing the country tens of millions of dollars. It has sparked concerns of a flare-up of civil unrest.

The attack on Friday has sparked fears of rising tensions in the capital after a week of calm. At least two policemen have been killed and 12 other people injured in a grenade blast and a drive-by shooting in the Thai capital Bangkok.

Police said early on Saturday that a grenade attack hit a security checkpoint in front of a

city park that forms the edge of the protest encampment.

"Eight people including five police and three soldiers were wounded," the Bangkok Emergency Medical Service said.

At economic Front

- Indonesia

Indonesia's finance minister has been named to the post of managing director of the World Bank. Sri Mulyani Indrawati is being hailed as an outstanding finance minister in a statement by World Bank president Robert Zoellick announcing her appointment. But analysts say her departure could be a blow to Indonesian economic reforms. Sri Mulyani and Boediono, who was formerly Indonesia's central bank governor, have come under fire by opposition lawmakers for authorizing a \$740 million bailout of PT Bank Century in 2008, amid allegations the money was misspent.

Indonesia's exports soared by 54 percent year-on-year during the first quarter, and 13 percent during March, providing further evidence that the economic recovery is gaining ground, analysts said.

The Central Statistics Agency (BPS) reported on Monday that total exports reached \$35.4 billion during the first quarter, up from \$23.03 billion during the year-earlier period.

Imports surged 57 percent during the first quarter to \$30 billion, from \$19.09 billion during the same quarter last year. The result was a healthy \$5.4 billion trade surplus for the first three months of 2010, up from \$3.94 billion during the same period a year ago.

Malaysia's Bank Islam and Middle East investors are keen to buy a stake in Bank Muamalat, the Indonesian bank said yesterday, as they look to tap Indonesia's vast but untested Islamic banking market. The potential investors want to take a stake in Bank Muamalat, Indonesia's biggest Sharia-compliant bank, via a planned 1 trillion rupiah (Dh399 million) rights issue in June, the bank's finance director said.

"Bank Islam is one of the interested investors to acquire stakes in our banks through right issues but we also have several Middle Eastern investors aside from them," Andi Buchari, Muamalat's finance director, told Reuters. "The total value of the rights issue is around 1 trillion rupiah but the exact value has not [been] decided yet. However, we're surely going to conduct the plan in June." Bank Islam had no immediate comment. Gulf investors are also eyeing Asia's Islamic finance market to diversify their sources of earnings. The Indonesian government has tried to kickstart its Islamic finance industry by holding regular sukuk auctions and recently amended laws to remove double taxation on Islamic financial transactions. Banks such as top sukuk arranger CIMB and insurers like Prudential and Malaysia's Takaful Ikhlas are among those interested in expanding in Indonesia.

Indonesia's banking sector, comprising mainly small to mid-sized banks, has been increasingly attractive to foreign investors while domestic consolidation has been relatively slow. Deals in the pipeline include the acquisition of Bank Agroniaga by Bank Rakyat Indonesia.

The Indonesian and Iceland's governments have agreed to seal a deal in developing the geothermal energy and fisheries. The agreement was cemented after both governments met in Bali. Indonesian President Susilo Bambang Yudhoyono and Iceland's President Olafur Ragnar Grimsson held a meeting in Bali after the 2010 World Geothermal Congress. Indonesia is in possession of 40% of world's geothermal resources while the energy utilization is only 5%. In addition, Iceland is known for its progress in geothermal technologies. "There is an agreement to build clean energy and more solid partnership," said Presidential adviser on International Relations Dino Patti Djalal.

- Malaysia

Asian currencies rallied last week, led by Malaysia's ringgit and South Korea's won, on speculation regional central banks will raise borrowing costs as economic growth accelerates, boosting demand for higher-yielding assets.

Brighter prospects in Asia and widening interest-rate differentials are likely to attract more capital, while bets for exchange-rate appreciation in the region may boost carry trades, the International Monetary Fund said in a report Friday. Currencies in South Korea, the Philippines, Taiwan and Malaysia halted two days of losses after the Federal Reserve reiterated on Friday it will keep rates near zero for an "extended period" and noted that hiring and spending are picking up.

Palm oil producers from Malaysia said Wednesday they had formed a coalition with their counterparts in Indonesia to counter intensified campaigns that blame the industry for rapid deforestation. The Indonesia-Malaysia Palm Oil Group brings together six organisations from the two countries, which account for 85 percent of global production.

They said they had come together after being attacked by non-government organisations (NGOs) for causing deforestation and threatening the survival of endangered species.

"The group will enable us to get together to defend some allegations that were made by the NGOs," Mamat Salleh, chief executive of the Malaysian Palm Oil Association (MPOA), a member of the new group, told AFP.

- Singapore

A Singaporean company, Outspan Bolovens Limited, has an ambitious plan to produce coffee beans covering about 25 and 30 per cent or equivalent to 7,500 tonnes yearly out of the total Lao coffee export. This company was given green light to invest in coffee

plantation by the Lao government early this year

- Cambodia

CIMB, Malaysia's second largest banking group, is likely to be given a commercial banking licence in Cambodia in a development that could be announced when Prime Minister Najib Razak begins his official visit to Phnom Penh next week.

It won't surprise analysts. Earlier this year, Nazir Razak, CIMB's urbane chief executive and, incidentally, Mr Najib's younger brother, said that the bank had applied for licences from both Vietnam and Cambodia and fully intended to have a presence in every South-east Asian country going forward.

China is to donate more than 250 trucks to Cambodia just weeks after the United States withheld a shipment of military vehicles in response to Phnom Penh's recent expulsion of 20 Uighur refugees, local media reported Monday. The donation was announced by Cambodia's Foreign Minister Hor Namhong on his return from Shanghai, the Phnom Penh Post newspaper reported.

Hor Namhong said China would donate 257 military trucks and 50,000 military uniforms. He said the gesture was made by Beijing of its own accord during a meeting in Shanghai between China's President Hu Jintao and Cambodia's Prime Minister Hun Sen.

- Vietnam

The Asian Development Bank's (ADB) Board of Directors has approved a \$100M concessional loan to rehabilitate one of Vietnam's oldest and largest irrigation and drainage systems located in the heart of the Red-Thai Binh river basin.

The loan will also help build a campus for Water Resources University (WRU) which is the only university in the country with a full program of subjects necessary to educate water engineers.

"The loan-funded project is designed to address two binding constraints that contribute to the core sector problem of poor quality and delivery of water-related services – insufficient human resource capacity and inadequate public infrastructure," said Dennis Ellingson, Senior Natural Resources Management Specialist of ADB's Southeast Asia Department.

Vietnam needs to target 7 percent economic growth in the second half of 2010 to meet its full-year expansion goal of 6.5 percent, Prime Minister Nguyen Tan Dung said at a ministerial meeting yesterday. The nation's growth may increase by as much as 0.5 percentage points in the second quarter from 5.83 percent in the previous three months, according to a statement on the government's website.

Vietnam's economy has been "relatively stable" so far this year and the government will continue to prioritize the maintenance of stability as well as prevent inflation from

accelerating to a very high level, according to the statement.

April 30, 2010 Vietnamese celebrated, many in sorrow for lost loved ones, the 35th anniversary of its costly victory over the mass murdering Army, Navy and Air force of the United States of America. April 30, 1975 brought independence thirty years after President Truman cruelly went back on Roosevelt's promise that colonies freed from Japanese occupation would not be given back to European powers, and treacherously turned against Ho Chi Minh, America's decorated ally during the Second World War.

Truman used Nationalist Chinese, British and even Japanese troops to thwart the independent nation Ho had proclaimed from the balcony of the Hanoi Opera House with high American and British Officers standing alongside him. Then Truman brought back the French colonial army in U.S. ships.

At Social Front

- Indonesia

Indonesian president Susilo Bambang Yudhoyono officially opened the 5th Indonesian Muslim Congress in East Jakarta on Friday. Sahal Mahfudh, chairman of the Indonesian Ulema council, which represents Muslim scholars, Sahal Mahfudh told the congress that Muslims had an obligation and responsibility to play a bigger role in directing national development programmes.

"Therefore, a synergy is necessary among Muslims in Indonesia, who are very much pluralistic in the aspects of race, language, political affiliation, religious understanding, and strategic choices of efforts," he said. More than 80 percent of Indonesia's 200 million people identify themselves as Muslim.

At environmental Front

- Indonesia

There's a reason Indonesia is the third-largest greenhouse gas emitter and this is far and away the biggest part: Yale e360 highlights a new report produced by some of the biggest names in environmental activism that shows how 40-55% of Indonesia's logging is done illegally, and often from protected forest areas. At the same time, a Rainforest Action Network report alleges that a subsidiary of agri-giant Cargill is operating two undisclosed palm oil plantations which are actively clearing forest and peatland

Detailed News Monitoring

Indonesia

- **Political front**
- **Indonesia: President opens Muslim congress**

Indonesian president Susilo Bambang Yudhoyono officially opened the 5th Indonesian Muslim Congress in East Jakarta on Friday. The congress is a forum for key organisations and institutions in the world's most populous Muslim country. Yudhoyono was accompanied by his wife Ani Yudhoyono and a number of ministers, including religious affairs minister Suryadharma Ali.

Sahal Mahfudh, chairman of the Indonesian Ulema council, which represents Muslim scholars, Sahal Mahfudh told the congress that Muslims had an obligation and responsibility to play a bigger role in directing national development programmes.

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- **Economic Front**
- **Indonesia mingles \$10 million bamboo house in Shanghai** |

The government of Indonesia is using the World Expo 2010 in Shanghai, China, as a stepping stone to nation branding, which is constantly being redefined and improved, Trade Minister Mari Elka Pangestu said here Friday.

In Shanghai, the government has built a US\$10 million pavilion that depicts a tropical-themed house using bamboo. The 2,400-square-meter pavilion will be officially opened for the public Saturday, the day the expo opens.

Mari emphasized that Indonesia's participation in the five yearly event was to showcase the progress that had the government had achieved, as well as answer misperceptions the public might have about Indonesia such as it being unsafe, undemocratic and marred with corruption.

"We want to use the expo to show how wonderful Indonesia is," she said.

"We hope our participation at the event can increase the number of tourists from China. Data from the visa issuance shows that about 350,000 Chinese tourists visit Indonesia annually. The figure, however, is lower compared to other Southeast Asian countries."

Edy Putra Irawadi, deputy to the coordinating economic minister, in charge of industry and trade, said that Indonesia's participation at the expo covered many regions in the archipelago. The government hopes to net Rp 1 trillion (US\$110.8 million) in transactions at the six-month long event from a multiplying effect tourism, trade and investment

sectors can produce. To further herald the Indonesia brand, the government will host a series of other international events such as the ASEAN Summit and the SEA Games next year, as well as the 2013 APEC meeting.

“By hosting those events, Indonesia will be under the spotlight. We have plenty of homework to do, especially in the service sector,” she said after visiting the China and Japan pavilions at the expo with Coordinating Economic Minister Hatta Rajasa.

“We should provide better services, especially at the country’s entrances such as airports. We have an advantage in our role as host for ASEAN, as the bloc is holding meetings throughout the year. As for the APEC meeting, we should consider if we need to build new hotels or convention centers.”

- **Indonesian Finance Minister to Assume World Bank Post**

Indonesia's finance minister has been named to the post of managing director of the World Bank. Sri Mulyani Indrawati is being hailed as an outstanding finance minister in a statement by World Bank president Robert Zoellick announcing her appointment. But analysts say her departure could be a blow to Indonesian economic reforms.

The 47-year-old Sri Mulyani, along with Indonesian Vice President Boediono has played a key role in President Susilo Bambang Yudhoyono's efforts to institute economic reforms and crackdown on graft and tax evasion. The reforms have credited with attracting greater economic investment to Indonesia in recent years.

Indonesia's stock market dropped 3.2 percent Wednesday following the news of Sri Mulyani's appointment.

However, some analysts think her departure will not have an adverse impact on the country's economic reforms. "I think Indonesia is much bigger than just Sri Mulyani herself. I don't believe country's reforms are going to be derailed. A lot of the macro-economic changes have been secured in over the last few years," said Nicholas Cashmore, of the financial group CLSA in Indonesia, in an interview with VOA.

Sri Mulyani assumes her new post at the World Bank on June 1.

Sri Mulyani and Boediono, who was formerly Indonesia's central bank governor, have come under fire by opposition lawmakers for authorizing a \$740 million bailout of PT Bank Century in 2008, amid allegations the money was misspent.

- **Indonesia's Exports Increase 54% as Recovery Firms**

Indonesia's exports soared by 54 percent year-on-year during the first quarter, and 13 percent during March, providing further evidence that the economic recovery is gaining ground, analysts said.

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Imports surged 57 percent during the first quarter to \$30 billion, from \$19.09 billion during the same quarter last year. The result was a healthy \$5.4 billion trade surplus for the first three months of 2010, up from \$3.94 billion during the same period a year ago.

“On the trade front, we think the rises in commodities prices and the sustained recovery in the global industrial cycle will continue to help underpin Indonesia’s exports,” said Ma Tieying, a Singapore-based economist at DBS Group Research. “As the low-base effect gradually dissipates, we expect export growth to cool to about 15 percent year-on-year in the fourth quarter of 2010. We also note that import growth has been outpacing export growth in recent months, which could be an indication of accelerating recovery in domestic demand.”

The low-base effect refers to the plummeting export figures of early 2009, during the low point of the global economic crisis.

On a monthly basis, total exports rose 13.01 percent to \$12.63 billion in March, and total imports rose 16.32 percent to \$11.05 billion, making for a trade surplus of \$1.58 billion on the month.

“We should note that this slight dip in trade surplus arises from a robust import growth [rather than a weakness in exports], which is another indication of a sustained pick-up in domestic demand,” said Gundy Cahyadi, of OCBC Bank’s treasury research and strategy group. Deputy Trade Minister Mahendra Siregar said non-oil-and-gas imports were dominated by capital goods, showing a strong pattern of recovery in domestic demand and private-sector expansion. Mahendra said imports for capital goods during the first quarter reached \$5.95 billion, an increase of 39.7 percent year on year.

But Ma of DBS warned that she expected a cooling of exports and stronger import demand, causing the monthly trade surplus to narrow to about \$1 billion from the second half onward. “Essentially, we think the strongest recovery in exports is already behind us. As the effects of global fiscal and monetary stimulus measures dissipate, the rising trend in export demand is likely to moderate.

“The low-base effects for year-on-year export growth will also gradually disappear in the second half of 2010. The major reason for the reduction in trade surplus in fact would come from the import side,” Ma said.

- **Foreign Tourist Target on Track as Arrivals to Indonesia Rise 14%**

The number of foreign tourists arriving in Indonesia during the first quarter climbed 14.5 percent over the same period last year, the Central Statistics Agency announced on Monday. This put the country on track to reaching its goal of nearly seven million foreign visitors this year. There were 1.61 foreign tourists in the first three months of the year, compared with 1.41 million during the same quarter last year, said the agency, also

known as the BPS.

Noviendi Makalam, secretary of the Culture and Tourism Ministry, said that with the high season still ahead, the country was set to reach the government's goal of 6.75 to seven million foreign tourists this year.

Noviendi added that if double-digit growth continued for the rest of the year the target would be easily surpassed. "We only projected an 8 percent increase this year," Noviendi said. But he also warned that an unanticipated event such as an earthquake or another major terrorist attack or demonstrations such as the ones paralyzing Bangkok, could derail growth. "Tourism is a sector that is sensitive to security issues," Noviendi said.

Bangkok is one of the top destinations in Asia, but political turmoil and massive protests have scared away foreigners. According to Dow Jones Newswires, Thailand is likely to miss its target of drawing 15.5 million visitors this year.

Rising tensions between anti-government protesters and troops in Bangkok are sparking more cancellations, especially among East Asian tourists.

Foreign arrivals at Indonesia's main tourist destination, Bali's Ngurah Rai Airport, from January through March totaled 560,845, an increase of 13.74 percent over the same period last year.

The average stay in Bali was 3.69 days in March, down from 3.75 days, while foreign tourists stayed in Jakarta an average of 2.48 days, down from 3.09 days.

However, the average length of stay in the nation's top tourism destinations in 17 provinces, was 2.88 days in March, a slight decline from an average of three days during the year-earlier period, which was at the height of the global crisis. Tourism professionals say the global crisis caused tourists to favor shorter stays, resulting in lower spending.

- **Middle East investors eye Indonesia banking sector**

Malaysia's Bank Islam and Middle East investors are keen to buy a stake in Bank Muamalat, the Indonesian bank said yesterday, as they look to tap Indonesia's vast but untested Islamic banking market. The potential investors want to take a stake in Bank Muamalat, Indonesia's biggest Sharia-compliant bank, via a planned 1 trillion rupiah (Dh399 million) rights issue in June, the bank's finance director said.

"Bank Islam is one of the interested investors to acquire stakes in our banks through right issues but we also have several Middle Eastern investors aside from them," Andi Buchari, Muamalat's finance director, told Reuters.

"The total value of the rights issue is around 1 trillion rupiah but the exact value has not [been] decided yet. However, we're surely going to conduct the plan in June." Bank Islam had no immediate comment.

Bank Islam is Malaysia's No. 2 sharia bank and it is 51 per cent owned by financial group

BIMB Holdings. Dubai Financial Group has a 40 per cent share and the Malaysian pilgrim's fund owns 9 per cent.

A source familiar with the plan said Bank Muamalat would hold "a board of commissioners' meeting next week, which will talk about the details on rights issue as well as any possible deals with interested overseas investors, including Bank Islam."

Bahraini Islamic lender Al Baraka expects to buy a stake in Malaysia's Bank Muamalat by year-end. Bahrain's Unicorn Investment Bank has said it is considering purchasing Dubai Group's stake in Malaysia's Bank Islam. Bank Muamalat had said in February it wanted to raise 1 trillion rupiah from a share sale to double its capital base and allow it to attract new business. Indonesia is seen as the next big market for the \$1 trillion Islamic finance industry as growth matures in its traditional base of the Middle East and Malaysia.

Gulf investors are also eyeing Asia's Islamic finance market to diversify their sources of earnings. The Indonesian government has tried to kickstart its Islamic finance industry by holding regular sukuk auctions and recently amended laws to remove double taxation on Islamic financial transactions. Banks such as top sukuk arranger CIMB and insurers like Prudential and Malaysia's Takaful Ikhlas are among those interested in expanding in Indonesia.

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- **Social front**
- **Thousands Demonstrate In Jakarta On Labor Day**

Thousands of workers thronged several towns in Indonesia in conjunction with Labour Day on Saturday. They gathered in various strategic places, including outside government buildings, to fight for better working conditions and worker welfare.

In Jakarta, a demonstration was seen in front of President Susilo Bambang Yudhoyono's office at the Merdeka Palace, while another group congregated in front of the Labour Department building. Demonstrators also filled up several protocol roads in the city.

Among the quarters making claims in the demonstration was the Social Security Action Committee on behalf of 54 unions focusing on lifetime health benefits for all Indonesians, including the retired.

They also asked for lifetime pension for formal workers so that it is not only offered to those in the public service, army and police.

An opportunity to present their wishes inside the Merdeka Palace was given to 20

demonstrators although President Susilo was not in his office.

Another group that took part in the demonstration was the Jabodetabek (Jakarta, Bogor, Depok, Tangerang and Bekasi) Labour Union which urged the government to reject the Asean-China Free Trade, said to be a loss for workers.

- **Pakistani kidnapped, murdered in Jakarta**

The National Police Friday arrested a suspect concerning the death of a Pakistani, whose body was found April 27 in Jakarta, according to a press release by the Pakistani Embassy. The release said Akasha Rao was kidnapped and murdered April 26 in Jakarta when he was visiting the city to meet his wife and son, who are Indonesian nationals.

Saeed Javed, press attache at the embassy, said the police were still investigating the murder.

- **At Environmental Front**

- **A magnitude 6.3 earthquake has struck off the coast of Sumatra in Indonesia.**

The US Geological Survey said the quake occurred at 11.29pm on Wednesday local time and was centred about 137 km southwest of Bengkulu in Sumatra. It was at a depth of 18 km.

There were no immediate reports of damage or injuries.

The Pacific Tsunami Warning Center said there was no threat of a destructive, widespread tsunami although there was a small possibility of a local tsunami near the area of the quake.

- **More Dirty Deforestation: 55% of Indonesia's Logging Illegal + Cargill's Two Hidden Palm Oil Plantations**

There's a reason Indonesia is the third-largest greenhouse gas emitter and this is far and away the biggest part: Yale e360 highlights a new report produced by some of the biggest names in environmental activism that shows how 40-55% of Indonesia's logging is done illegally, and often from protected forest areas. At the same time, a Rainforest Action Network report alleges that a subsidiary of agri-giant Cargill is operating two undisclosed palm oil plantations which are actively clearing forest and peatland.

Mongabay quotes a spokesperson for Cargill denying the RAN accusation: "We do not have a set of plantation that are hidden from the public where we are doing things we would not do in public at the plantations we clearly own and operate."

But, field investigations by RAN and a local Indonesian NGO show that CTP Holdings has been operating two hidden palm oil plantations, occupying some 15,000 hectares, of which over 10,000 have been cleared since 2005.

The report also states that this palm oil plantation is actively destroying carbon-important peatlands. In addition, locals in the area say that the palm oil plantation has cleared tribal

lands without their permission. Since these palm oil plantations don't exist on paper, they are actively spurning both Indonesian law and RSPO requirements.

The other report, *Illegal Logging in Indonesia: The Environmental, Economic and Social Costs*, was produced by the BlueGreen Alliance, Sierra Club, United Steelworkers, Rainforest Action Network, and NRDC.

Beyond the startling rate of illegal logging's environmental impact, the report shows that logging...has depressed timber prices worldwide, costing the logging, wood, paper and cabinetry industries more than \$1 billion in the U.S. alone, the report said. Illegal logging also is undercutting the production of sustainably produced timber. "Under current conditions, there is no level playing field," the report says.

- **Indonesia, Iceland to Expand Geothermal Energy**

The Indonesian and Iceland's governments have agreed to seal a deal in developing the geothermal energy and fisheries. The agreement was cemented after both governments met in Bali. Indonesian President Susilo Bambang Yudhoyono and Iceland's President Olafur Ragnar Grimsson held a meeting in Bali after the 2010 World Geothermal Congress. Indonesia is in possession of 40% of world's geothermal resources while the energy utilization is only 5%. In addition, Iceland is known for its progress in geothermal technologies. "There is an agreement to build clean energy and more solid partnership," said Presidential adviser on International Relations Dino Patti Djalal.

Malaysia

- **Political Front**
- **Malaysia wants nuclear power by 2021**

The final decision as to whether a plant is built will rest with the International Atomic Energy Agency. MALAYSIA'S government hopes to construct the country's first nuclear power station by 2021. Peter Chin, Malaysia's minister for energy, green technology and water, says that the country's Economic Council has given the go-ahead for the ministry to begin the search for suitable sites for a nuclear power station, although it is expected that it will be 12–15 years before commercially viable power is produced.

According to Malaysian national news agency Bernama, Chin told reporters at a press conference that the necessary nuclear technology could come from South Korea, France, Japan or China. He says that nuclear power will be necessary to meet Malaysia's growing power demand. Chin writes in his online blog that Malaysia's current reliance on coal and gas for energy generation is "unhealthy".

Malaysia's prime minister, Najib Razak, agrees, and says that energy generation from fossil fuels will become too costly in the future. He hopes to create a low-carbon economy in the country, and while detailed feasibility studies into nuclear energy are

being carried out, renewable options are also being considered.

The government will launch consultations with interested parties once a suitable site for a nuclear power plant has been identified.

"The government is aware that various aspects such as safety, human resources, technology know-how and location have to be taken into consideration seriously," says Chin.

The minister says the final decision as to whether a plant is built will rest with the International Atomic Energy Agency.

- **Economic Front**
- **Malaysian ringgit leads gains in Asian currencies**

Asian currencies rallied last week, led by Malaysia's ringgit and South Korea's won, on speculation regional central banks will raise borrowing costs as economic growth accelerates, boosting demand for higher-yielding assets.

Brighter prospects in Asia and widening interest-rate differentials are likely to attract more capital, while bets for exchange-rate appreciation in the region may boost carry trades, the International Monetary Fund said in a report Friday. Currencies in South Korea, the Philippines, Taiwan and Malaysia halted two days of losses after the Federal Reserve reiterated on Friday it will keep rates near zero for an "extended period" and noted that hiring and spending are picking up.

"The Fed appears to favour a cautious approach even though their assessment on the economy is more upbeat," Calbert Loh, head of treasury at Bangkok Bank Bhd. in Kuala Lumpur, said. "This will support currencies in markets where policymakers are more ready to raise interest rates."

Malaysia's ringgit strengthened 0.6 per cent to 3.1955 per dollar in Kuala Lumpur, after falling 1.1 per cent in the previous two days, according to data compiled by Bloomberg. The won climbed 0.4 per cent to 1,114.85 and the Taiwan dollar appreciated 0.3 per cent to NT\$31.45. The Philippine peso gained 0.3 per cent to 44.645.

In carry trades investors borrow in a country where interest rates are low and invest the funds in higher-yielding assets elsewhere.

Pacific Investment Management, which runs the world's largest mutual fund, said it is bullish on the Chinese, Korean and Singapore currencies. Pimco Senior vice-president Chia-Liang Lian said exchange rates in China, Korea and Singapore present "attractive opportunities" as Asian economies "warm to the benefit of currency gains in boosting households' real purchasing power."

Korea's won strengthened after a central bank survey showed the nation's manufacturers are the most upbeat in seven years, adding to evidence an economic recovery is gaining

momentum. Federal Open Market Committee officials said in a statement on Friday that growth in household spending has "picked up recently" and the job market is "beginning to improve." "Fundamentals in Korea are very strong, and it's an opportunity to get back in," Thio Chin Loo, a Singapore-based senior currency analyst at BNP Paribas SA, said.

- **Palm Oil Declines as Harvest of Soybeans Gets Underway**

Palm oil for June delivery declined 0.3 percent to 2,551 ringgit (\$795) a metric ton on the Malaysia Derivatives Exchange on Monday amid concerns that demand for edible oils would weaken as supply grows amid the soybean harvest. The contract rose 0.7 percent last week. "Generally, we have seen a weaker outlook for edible oils," said Scott Briggs, agricultural commodities strategist at Australia and New Zealand Banking Group, noting high soybean stocks. "My view is that it's down from here over the medium term."

Palm oil futures dropped 1.7 percent in March as the South American harvest of soybeans, which produce rival soybean oil, got under way. The premium of soybean oil over palm oil is near the lowest since November 2007, potentially reducing demand for the cheaper product. Last week, industry publication Oilworld raised its soybean output estimate for this year to 258.2 million tons, up 2.7 million tons from an earlier estimate.

- **Malaysia, Indonesia palm oil groups unite against critics**

Palm oil producers from Malaysia said Wednesday they had formed a coalition with their counterparts in Indonesia to counter intensified campaigns that blame the industry for rapid deforestation. The Indonesia-Malaysia Palm Oil Group brings together six organisations from the two countries, which account for 85 percent of global production. They said they had come together after being attacked by non-government organisations (NGOs) for causing deforestation and threatening the survival of endangered species.

"The group will enable us to get together to defend some allegations that were made by the NGOs," Mamat Salleh, chief executive of the Malaysian Palm Oil Association (MPOA), a member of the new group, told AFP.

"(The NGOs) have even influenced some of the big companies to boycott (the use of palm oil). It's getting serious, we are not as bad as portrayed by those people," he said.

Palm oil, which is used extensively across the globe for biofuel, processed food and toiletries, is a key export for the two nations, earning them more than 25 billion dollars in total last year.

As well as the MPOA, the coalition includes the Indonesian Palm Oil Association, the Association of Plantation Investors of Malaysia in Indonesia and the Indonesia Oil Palm Smallholders Association.

It also includes the Sarawak Oil Palm Plantation Owners Association and Federal Land Development Authority.

The announcement comes after Indonesian producer Sinar Mas was dropped by high-profile clients following allegations it was not following environmentally sound practices. In a statement, the coalition -- which was formed at an industry meeting in Malaysia on Monday -- said they agreed "to engage with the existing Roundtable on Sustainable Palm Oil (RSPO) for a more practical scheme". The RSPO was formed in 2004 to establish stringent social and environmental criteria including a ban on clearing forests in order to plant the crop.

The MPOA's Mamat did not elaborate on the "practical scheme" or whether the group will shun the RSPO, but said "we will decide what we want to do".

Sinar Mas has been hit hard by campaigners after Anglo-Dutch multinational Unilever and Switzerland's Nestle this year dropped it as a supplier in response to protests by Greenpeace. And in March US food company Cargill asked Sinar Mas to respond to Greenpeace's allegations and sought an investigation by the RSPO.

The environmental group accused the producer of wiping out rainforests and destroying endangered orangutan habitats. Sinar Mas has rejected the claims.

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Rainforest Action states that Indonesia plans to clear an additional 18 million hectares for palm oil in Indonesia in the next 5-10 years.

18 million acres is an area the size of the U.S. state of Missouri. If you look at a map of Indonesia and place the map of the state of Missouri over it, you will see that if 18 million hectares of tropical forest are cleared/burned to plant palm oil plantations there, that will eliminate almost all the remaining tropical forest in Indonesia. This will drive the Indonesian tigers, rhinos and orangutans into extinction. They are already severely endangered. These are some of the LAST rainforests in southeast Asia.

Palm oil is used in junk food snacks sold all over the world, and in lipstick and chocolates and other processed foods and products. This is a relatively new development.

Ancient tracts of tropical rainforest and their wildlife, which took millions of years to evolve, are now being cleared so our kids can eat cheap snack foods and wear lipstick and other cosmetics.

Indigenous people are being driven off of their lands to plant these plantations and to build mega-dams to provide electricity to process the palm oil products, which also includes biofuels, so we can keep driving our big shiny cars while we eat our snack pies.

This is also going on in Malaysia, Myanmar, Thailand and almost every other country in southeast Asia but is particularly concentrated in Indonesia, which seems intent on turning its entire country into an enormous palm oil plantation while destroying millions

of species of plants and animals. Go to the "Survival International" and "International Rivers" websites to learn more about these issues.

- **Geo Strategic Front**
- **Malaysia And Indonesia Have Meeting On Cooperation For Information And Communication**

The Joint Committee on Information and Communication Meeting (JCICM) between Malaysia and Indonesia started here Monday with senior officers of both nations to cement ties in information and communication.

The secretary-general of the Ministry of Information Communication and Culture, Datuk Kamaruddin Siaraf, said the focus of the meeting was discussion on the memorandum of understanding (MoU) that was inked in 1984.

This follows the merging of the information, communication and culture sectors under the purview of one ministry in April 2009.

Earlier it was known as the Joint Committee in the field of Information (JCIM). "The MoU is ready for ministers to view tomorrow and we will present it to the Cabinet and the Indonesians will do the same to their legislature for approval," he said.

"The MoU will be signed in the following meeting," he said. Kamaruddin said this when met at the JCICM 2010 meeting at the Crafts Complex here Monday. He said the two-way meeting was also to review the cooperation between the two nations before exploring new ventures.

"In the meeting there was a suggestion to produce a documentary film to enhance cultural ties." "With this understanding sensitive issues between both countries can be controlled.

"The documentary film will involve both countries, joint production and shared cost," he said. Kamaruddin said the documentary film will show that Malaysia and Indonesia were committed to better understanding to enhance better relations.

Fifty Malaysian delegates and 25 from Indonesia will attend the JCICM 2010 meeting that will be held at senior officials and ministerial levels.

Kamaruddin heads the Malaysian delegation while Indonesia is represented by its secretary-general of the Ministry of Communication and Information Technology, Dr Basuki Yusuf Iskandar.

The Malaysian delegation includes Bernama general manager Hasnul Hassan, Deputy Chief Editor (Foreign Services) Ahmad Zukiman Zain, Broadcasting director-general Datuk Ibrahim Yahaya, Filem Negara director-general Raja Rozaimie Dalnish and the deputy director-general (Operations) of Finas Mohd Zulkifli Ab Wahab. The Information Communication and Culture Minister Datuk Seri Dr Rais Yatim will attend the ministerial level meeting on Tuesday together with the Indonesian Minister of

Communication and Information Technology Tifatul Sembiring.

- **Navy and air force test preparedness for enemy attacks**

The Royal Malaysian Navy Special Forces (Paskal) dropping off from a helicopter to reclaim the "hijacked" KD Sri Indera Sakti from "terrorists" during an anti-terrorism exercise along the Straits of Malacca near Pangkor Island recently.

Projectiles were launched and within minutes, the threat was destroyed in a burst of flame. This was a scenario that the RMN put up to show members of the media fraternity on how they operate during an attack.

Members of the media were invited by the navy to have a rare insight on their routine exercises at sea recently. KD Lekiu commanding officer Commander Mohamad Azuwan Harun said the exercise was as close as it would be to a real war.

"All exercises are done realistically to prepare crew members for any eventuality they may have to face in the future. The exercises also teach them the importance of teamwork and decision-making," he added. He said the exercise also aimed to test the capabilities and competence of the naval ships.

He noted that this was to ensure that the ships were always in tip-top condition and ready to be sent out for missions.

Earlier, the navy was also involved in an anti-terrorist exercise when its Special Forces (Paskal) team was deployed to reclaim a 'hijacked' KD Sri Indera Sakti from terrorists.

The ships also participated in an anti-air and tactical exercise where they had to detect and track down enemy planes.

RMN fleet commander Vice-Admiral Datuk Seri Ahmad Kamarulzaman Ahmad Badaruddin, who was also present during the exercise, gave a commentary on the navy's operations for the pressmen.

Calling for reinforcement: A KD Lekiu crew member guiding the Superlinx helicopter onto the ship's landing pad during the exercise.

He said fighter jets from the Royal Malaysian Air Force were used during the exercise.

Pressmen were also shown how the navy crew members transferred goods from ship to ship via a jackstay procedure using rope and pulley.

During the day-long exercise, pressmen were also given a tour inside the ships and briefed on the functions of the various sections.

- **Social Front**

- **Malaysian Women Raise Funds For Street Children In Indonesia**

It was a fun-filled afternoon yesterday as a group of Malaysian women organised a charity workshop entitled "Your Image Is Your Asset" to raise funds in support of Indonesian street children.

The guests, comprising women from the corporate sector and international women's organisations, were exposed to a new and dynamic perspective on personal image grooming at the workshop conducted by Malaysian image consultant Sharifah Shawati Syed Mohd. They were also entertained to tea with a spread of Malaysian cuisine and songs and dances at the Shangri-La Hotel here. The event was organised by Perwakilan Jakarta or the Ladies Association of the Malaysian embassy and Tourism Malaysia and sponsored by Malaysian and Indonesian companies here.

Irma Alamsyah Djaja Putra, deputy head of the Women's Protection Section of the Women's Empowerment and Child Protection Ministry of Indonesia, represented the minister, Linda Amalia Sari Gumelar, at the event.

Perwakilan Jakarta president Datin Sharifah Ikhlas Aljaffree said the money raised through the sales of tables and promotional booths would go to a halfway house for street children in Indonesia to be determined by the Indonesian Foreign Ministry later.

She said the programme was one of the association's community outreach programmes.

"I believe the welfare and happiness of today's children will impact positively on the world in future.

"In this context, change for the better especially for disadvantaged children such as street children can only happen if each and everyone of us play a meaningful role to make them feel cared for and protected, and not forgotten or sidelined," she said.

The event, she added, also provided an opportunity for the women to renew their networking and friendship.

Perwakilan Jakarta has 54 members and their programmes include organising talks, sports and recreational activities.

Sharifah Shawati said she agreed to conduct the workshop for free in support of Perwakilan Jakarta's initiative, and was grateful that it also provided her an opportunity to promote herself and her book on personal image grooming entitled "Imej - Diri Anda Aset Anda" to the Indonesian woman.

- **Environmental Front**

Philippine

- **Political Front**
- **Aquino Pulls Ahead in Philippine Presidential Race**

With a week to go before the May 10 general election in the Philippines, presidential front runner Benigno "Noynoy" Aquino III is pulling sharply ahead of his nearest rival, according to public-opinion surveys released this week by the country's two main pollsters. In a Pulse Asia poll, Aquino, the son of popular former President Corazon Aquino, held a 19-point lead over his nearest rival, Manuel "Manny" Villar, a real estate

tycoon from an underprivileged background. Thirty-nine percent of respondents supported Aquino. A Social Weather Stations (SWS) poll showed Aquino was 12 points ahead of Villar; the two were almost neck and neck in a January SWS poll.

Deposed former President Joseph "Erap" Estrada placed third in the SWS poll and tied with Villar in Pulse Asia's. Estrada, a former screen idol who was sentenced to life imprisonment for corruption in 2007 and pardoned by President Gloria Macapagal Arroyo, is still popular with the masses, though not to the degree of his 1998 landslide election win.

(See pictures of the 2009 politically driven massacre in the Philippines.)

The top three are trailed by six other presidential candidates, including the current administration party's bet, Gilberto Teodoro, a well-regarded former national-defense chief. His association with the unpopular Arroyo seems to have hurt his chances. Just under 5% of respondents in Pulse Asia's poll were undecided. Noted veteran political commentator Amando Doronila, writing in the April 30 Philippine Daily Inquirer: "Time is not on Villar's side in his almost desperate effort to erase Aquino's lead."

Even for a country used to rowdy elections, the contest for the presidency has been spattered with mudslinging and dirty tricks. Aquino had to fend off allegations that he was mentally unfit to lead the country after two psychiatrists' reports — both forgeries — were slipped to the local media. One claimed the 50-year-old Senator sought medical help for depression in 1992 and that he was a solitary drinker and user of illegal drugs as a teenager. The country's largest television news network has disclosed that it received the report from sources in Villar's Nacionalista Party. While Aquino was barnstorming in Isabela province last week, text messages were reportedly circulated there claiming he had suffered an epileptic attack.

(See the TIME 100 list of the world's most influential people.)

Villar's opponents, meanwhile, have been scouring records looking for evidence that his upbringing was not as poor as suggested in his campaign advertisements, in order to discredit his poor-boy-made-good story. (A Villar election song begins, "Have you ever had to swim in a river of garbage?") In his campaign's bid to convince the skeptics, Villar's 86-year-old wheelchair-bound mother was presented to reporters this week. She tearfully related that the family was "really poor" when her son was growing up and had struggled financially to run a fish stall. A whispering campaign has tried to persuade voters that Villar is being secretly supported by the unpopular Arroyo, which some observers believe has slowed his momentum in the pre-election polls.

May 10 will be the first nationwide test of an automated vote counter to replace a manual tally that typically takes weeks to complete. The initiative, which has been years in the

making, is aimed at helping cleanse the country's cheating-tainted elections by delivering fast and accurate results. Some 82,000 precinct-count optical-scan (PCOS) machines are set to be dispatched to regions to tally the hand-marked ballots of more than 50 million registered voters, who will be voting for 50,000 candidates running for nearly 18,000 posts in local and national government, including nearly 300 congressional seats.

Preparations for the automated polling have attracted nearly as much interest as the presidential race itself. Filipinos desperately want a credible election — especially after the political turmoil unleashed by allegations in 2005 that vote-rigging enabled Arroyo to win the last general election. Even so, the \$160 million project, which is being handled by Smartmatic, a Venezuelan-founded company, along with a Philippine partner, has been a tough sell. Election-monitoring groups have raised concerns about practically every aspect of the process. When a delegation from the Washington-based National Democratic Institute met with some of these groups in Manila in March, it found a "high degree of anxiety and lack of confidence" in the automated system. "Certainly, a project of this scale would be a complicated exercise even for a developed country like the U.S. to pull off," says Pete Troilo, a Manila-based business-risk consultant at Pacific Strategies and Assessments. Computer experts worry the system could be vulnerable to hacking. (Automated cheating has become part of the election lexicon.) The deactivation of a device on the PCOS machines to read ultraviolet security marks on the ballots was a particular point of concern after glitches were uncovered in laboratory tests.

In newspaper advertisements last week, six presidential candidates — including Aquino and Estrada but not Villar — along with business and IT groups and Filipino members of the Roman Catholic Church, called on the Commission on Elections (Comelec) to conduct a parallel manual vote count for the presidency and vice presidency to "guarantee the credibility" of May 10's polls. Comelec rejected the proposal. But a random audit of ballots cast in selected precincts will be checked against automated results.

In public forums and television appearances, Comelec and Smartmatic officials have tried to respond to the nation's doubts. But public trust in the commission, a body under the constitution with a checkered reputation, is not high. Says Earl Parreno, an analyst with the Institute for Political and Economic Reform, a local think tank: "If you look at it objectively, the Comelec is doing its best to hold a credible election. But in this political atmosphere, people are too easily persuaded by emotional issues."

Comelec spokesman James Jimenez points out that even if there is a systems breakdown — a scenario he calls "inconceivable" — there is still a paper trail of every vote cast. All the same, there are fears that snafus of one kind or another could cause automated voting to fail in some precincts and result in delays in proclaiming results. Says Troilo: "This is

a new and unfamiliar voting system that opens up major opportunities for protest" from losing candidates. On the other hand, he adds, a largely successful automated-polling exercise would win much needed plaudits for the country: "The Philippines has a chance to come out of this shining."

- **Vote machine glitch heightens poll fears**

The Commission on Elections has admitted it now faced a race against the clock to replace memory cards for 82,000 machines that are to be used in the country's first attempt at a computerised tallying of ballots

Soldiers from the Philippine Air Force guard Precinct Count Optical Scanner (PCOS) machines which will be distributed to various polling precincts, inside a warehouse in Quezon City, Metro Manila yesterday. More than 50mn Filipinos will elect a president, a vice-president and nearly 300 lawmakers in the two houses of Congress on May 10

Fears that national elections in the Philippines next week could descend into chaos grew yesterday after authorities said they had detected a major technological flaw with vote-counting machines.

The Commission on Elections admitted it now faced a race against the clock to replace memory cards for 82,000 machines that are to be used in the country's first attempt at a computerised tallying of ballots.

"We are not sugar-coating this. This is definitely a setback," said Information and Communications Technology Secretary Ray Anthony Chua, who is part of the commission's advisory body. Chua and other officials said a "human error" had resulted in the memory cards, which carry software telling the machines how to read the ballots, being configured incorrectly.

They said the mistake was only picked up on Monday when full-scale testing began.

The election commission officials insisted that the faulty memory cards could be replaced in time for the May 10 polls and that the automated process would succeed.

But the embarrassing episode fuelled widespread concerns across all sides of politics that the computerised vote-counting experiment could prove to be a failure with extremely dangerous consequences. "Our confidence in the election commission has been shattered," said Gilbert Remulla, spokesman for presidential candidate Manuel Villar. "What appears now is that there is basis to believe there is a spectre of failure of elections hanging over us."

Presidential frontrunner Benigno Aquino, who has been warning for weeks of problems within the automated election process, said yesterday's announcement showed his concerns were justified. "We have said it before and we are saying it again: we are wondering why the Comelec (election commission) is not meeting its obligation under

this election to make sure that it is a clean, clear and credible process,” he said.

More than 50mn voters will go to the polls to choose a new president, as well as thousands of lower-level government positions. The government decided to introduce a computerised system in an effort to shorten the vote-tallying process from a few weeks to a few days, and to minimise cheating that has plagued previous elections.

However critics of the system have said it is too complicated for the developing Southeast Asian nation of more than 7,000 islands, and that a parallel manual count should be carried out.

Bobby Tuazon, policy studies director at the Centre for People Empowerment and Governance, said he doubted whether there would be enough time to correct the problem. “This will raise doubts about the winners and results. This will just increase fears among the public,” said Tuazon.

An election lacking in credibility could lead to a dizzying range of chaotic scenarios, including people taking to the streets in support of presidential candidates who may lose but challenge the result. Security analysts have also said an elections failure could lead to a power-grab by elements within the military loyal to President Gloria Arroyo, who is required by the constitution to step down on June 30.

Arroyo’s critics have accused her of secretly plotting to try and stay in power, and that an election failure would suit her ambitions. A spokeswoman for Joseph Estrada, who surveys showed is tied for second alongside Villar in the race for the presidency, also voiced concern. “It is ironic that poll automation, which is supposed to secure the sanctity of the ballot, is now the very threat to the electoral process,” said Estrada spokeswoman Margaux Salcedo. Salcedo repeated Estrada’s call for a parallel manual count. The government has said it does not want a manual count as that would sow further confusion.

- **Philippines hosts Asean-US Dialogue**

The Philippines is hosting the three-day 23rd Association of Southeast Asian Nations (Asean)-United States Dialogue that starts today, the Department of Foreign Affairs reported Wednesday.

The meeting aims to enhance cooperation between Asean and the United States and exchange views on areas relating to global and regional issues.

The Philippines is currently the Country Coordinator for Asean-US Dialogue for 2009 to 2012. Asean groups the Philippines, Brunei, Cambodia, Laos, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam. The senior officials from 10 Asean countries and the US will also tackle the preparations for the 2nd Asean-US Leaders Meeting to be held in the last quarter of the year.

The Manila-hosted conclave will be co-chaired by Foreign Affairs Undersecretary Erlinda Basilio, the Philippine senior official in the Asean, and US Department of State assistant secretary for East Asian and Pacific Affairs, Dr. Kurt Campbell.

Philippine President Gloria Arroyo has assured that the Philippines would do its best in its capacity as country coordinator for Asean-US Dialogue relations, including drafting a plan of action to implement the Asean-US Enhanced Partnership for 2011 to 2015, which was taken up during the 1st Asean-US Leaders Meeting held in Singapore on November 15, 2009.

The Asean-US Dialogue was established in 1997 to further strengthen political, security and economic relations of Southeast Asian countries and the United States.

- **Arroyo's election lawyer wants polls postponed**

Amid new problems that have cropped up in the country's first nationwide automated polls, President Gloria Macapagal Arroyo's election lawyer has called for the May 10 elections to be postponed. In a statement, he said "postponement of the election is the only remedy to prevent a failure of election." He said the Commission on Elections (Comelec) is authorized to postpone the polls under certain conditions.

"The Comelec en banc, on its own, based on serious cause like the apparent failure of the PCOS [Precinct Count Optical Scan] machines to properly and correctly function, is authorized under Section 5 of the Omnibus Election Code to postpone the polls," he said.

"Under the present situation, a 15-day postponement would be reasonable to give time for Comelec to print additional forms for manual tally and canvass," Macalintal proposed.

He also said it was not the time for finger-pointing.

"This is not the time to blame anybody but the time to solve this serious problem," Arroyo's election lawyer said.

CIBAC wants polls reset to June

Meanwhile, a party-list representative on Tuesday said he will file a resolution asking the House of Representatives to ask the Comelec to move the nationwide automated elections to June. In an interview on radio dzMM, Citizens Battle Against Corruption (CIBAC) party-list Rep. Joel Villanueva, son of Bangon Pilipinas presidential candidate Eddie Villanueva, said the Comelec should be given an extension of one more month to better prepare for the automated elections.

Villanueva said the House of Representatives can hold a special session to tackle his resolution. If the House leadership decides to snub his resolution, the congressman said he will directly file a petition with the Comelec. Villanueva came up with the idea after the PCOS machines failed to read votes cast for local candidates in some areas during tests held on Monday. The latest glitch alarmed election watchdogs and candidates for the May

10 elections.

He said that he is aware that the Constitution is very specific that elections should not be delayed. However, he said that pushing through with a glitch-ridden automated elections would be more unconstitutional. Spaces caused misreading Cesar Flores, Smartmatic Southeast Asia president, explained in a press conference on Tuesday that the latest glitch was caused by human error. Flores said the company's programmers failed to properly configure compact flash disks of the PCOS machines to properly read the votes for local candidates because of the changes made in the spacing of the names on the ballots.

He said the error showed up on the local ballot and not the national ballot "because the local ballot has double spacing. If you look at the national position, they are all single spaced." "If you mark the first row, it will be read correctly but for some reason, the configuration is telling the machine that the candidate on the second row is actually on a third row [because of the space]," he said.

- **Foreign military attachés to deploy poll observers**

DEFENSE Secretary Norberto Gonzales formally met with foreign defense and military attachés of various countries for the participation of their personnel as observers in the Philippines' first automated elections on May 10.

"We want you to observe how the Armed Forces of the Philippines [AFP] will perform its mandated duties on election day. We appreciate your independent reporting and personal observations on AFP's performance," Gonzales told some 20 defense and military attachés during the executive meeting held at the Department of National Defense on Wednesday.

The countries that responded to Gonzales' invitation were the United States, Australia, Japan, Korea, Thailand, Malaysia, Vietnam, Spain, Indonesia, Singapore, People's Republic of China and Brunei.

Gonzales said that the envoys are free to choose where they want to be on election day, assuring them that the Armed Forces and Philippine National Police (PNP) had been properly briefed and are in its highest level of alert.

Asian observers

Saying the success of the Philippines' first automated elections would bring a "huge impact" on the Asian community, the Asian Network for Free Elections (ANFREL), an international organization of civil society groups, has deployed 41 international observers from 14 different countries to help ensure the success of the May 10 polls. "If we show to them that the Philippines successfully conducted the elections, it will give confidence to other nations who are apprehensive about [poll automation]. This is crucial," ANFREL Mission Director Ichal Supradi said in an interview. The Philippines is the first country in

Asia to hold automated elections.

“Those observers will be distributed in what we call the election hotspots like Ilocos Norte and Abra in Luzon; Samar and Masbate in Visayas; and Davao and eastern parts in Mindanao,” Supradi said. “The observers are familiar with the PCOS [Precinct Count Optical Scan] machines; they were trained for two days and were oriented about the political overview of this country,” he added.

He said the observers have had previous experience in the general and local elections at the Autonomous Region in Muslim Mindanao in 2007 and 2008, respectively.

The group believes that the upcoming elections could be “a new chapter of clean and credible elections for the country and an admirable initiative for the Asian people towards ensuring freedom of elections in the region.”

“Tell [the public] what is going on, make the tabulation transparent,” said Supradi after being asked about the potential measures that the Comelec [Commission on Elections] could do to be more transparent.

- **Police chief expects more NPA attacks as polls near**

Philippine National Police (PNP) director-general Jesus Verzosa on Saturday alerted police units nationwide in anticipation of supposed increase in attacks by Communist rebels against local politicians running in the May 10 elections. “All commanders are directed to increase the alert level of police stations, camps, outposts, COMPACs (community precincts), including JSCC (PNP-Comelec-AFP Joint Security Control Centers) checkpoints and other vital installations,” Verzosa said in a directive issued to all regional directors.

The PNP chief said attacks by the New People's Army (NPA) on local candidates may increase with only 9 days before election day.

He advised all police units not to lose focus as they are now busier with their election duties, including the delivery of voting machines, ballots and other election paraphernalia to polling precincts nationwide.

“The recent atrocities committed by communist terrorists against candidates, civilians and the public in general indicate their deliberate effort to exploit the PNP (Philippine National Police) focus on election duties and derail the objectives for H.O.P.E.,” Verzosa said, referring to the police's promise for honest, orderly and peaceful elections.

The police chief also advised all regional police directors to watch out for possible “terrorists actions by dissidents” during Saturday's Labor Day commemoration.

The Armed Forces of the Philippines has also placed all its units nationwide on full alert in preparation for the May 10 elections. With a report from Noel Alamar, radio dzMM

- **Economic Front**

- **Social Front**
- **Philippine forces kill five rebels**

Philippine presidential candidate Senator Benigno 'Noynoy' Aquino III distributes election campaign souvenirs to supporters during campaigning in Kawit, Cavite southwest of Manila yesterday. Philippine opposition lawmaker Aquino held a 19-point lead over his nearest rival in the forthcoming presidential election, the biggest margin since December, a poll showed

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

Soldiers seized explosives and bomb-making materials after heavy fighting with the Muslim militants linked to Al Qaeda on Basilan island. One soldier was killed and dozens wounded on both sides, said Brigadier-General Eugene Clemen.

"Our troops found the Abu Sayyaf's bomb factory," Clemen told reporters, adding the rebels planned to disrupt the presidential and congressional elections on May 10.

Muslim separatists and Maoist guerrillas have in the past attacked voting centres and harassed people trying to vote in the country's troubled south.

Bomb-making manuals in Arabic, mobile phones, two-way radio sets, electric circuits, switches and detonating cords were also seized from the militants' base in a wooded area near Sumisip town, Clemen said. On April 13, Abu Sayyaf militants, dressed in army and police uniforms, detonated two crude bombs on Basilan's main city and exchanged gunfire with troops, killing 15 people and wounding more than a dozen others. US-trained troops had scored tactical successes against the Abu Sayyaf when they killed a senior militant leader, Albader Parad, in a gunbattle in February. But experts say it remained a potent security threat.

Thailand

- **Political Front**
- **Thai cabinet set for emergency meeting on crisis**

Thailand's cabinet was set for an emergency meeting Sunday on a long-running standoff with anti-government "Red Shirts" in Bangkok after a warning it could deteriorate into an "undeclared civil war."

Thai "Red Shirt" anti-government protesters rebuild their main barricade made of bamboo sticks, used truck tires and barbed wire in Bangkok. Thailand's cabinet was set

for an emergency meeting Sunday on a long-running standoff with anti-government "Red Shirts" in Bangkok after a warning it could deteriorate into an "undeclared civil war."

Deputy premier Suthep Thaugsuban, in charge of national security, told reporters Saturday the meeting would be held at a Bangkok military base as ministers mull how to end protest rallies that began in mid-March.

Thailand is reeling from its worst political violence in almost two decades in the capital, where 27 people have died and nearly 1,000 have been injured in a series of clashes, but the government has rejected suggestions of outside mediation.

Amid simmering tensions top think-tank the International Crisis Group (ICG) said Thailand must consider mediation help from other countries to avoid a slide into further violence.

"The Thai political system has broken down and seems incapable of pulling the country back from the brink of widespread conflict," the ICG report, which was released late Friday, said.

"The stand-off in the streets of Bangkok between the government and Red Shirt protesters is worsening and could deteriorate into an undeclared civil war," it added.

The Department of Special Investigation said it seized bullets, grenade parts and official government security documents Saturday in a raid on the Bangkok apartment of one Red leader, Suporn Attawong.

However, Jatuporn Prompan, another core Red leader, used an evening news conference to accuse authorities of planting the material.

The demonstrations are the latest chapter in years of turmoil pitting the ruling elite against the Reds, who say the government came to power illegitimately in 2008.

Many of the Reds come from Thailand's rural poor and urban working classes and support former prime minister Thaksin Shinawatra, who was ousted in a 2006 coup and now lives overseas to avoid a jail term for corruption.

Protest leaders on Saturday slammed management at a Bangkok hospital, saying its chaotic evacuation of patients after it was stormed by Red Shirts was a ploy to make the protesters look bad.

The Reds have faced heavy criticism after about 100 supporters raided Chulalongkorn hospital Thursday evening under the mistaken belief it sheltered security forces preparing a crackdown.

The Reds, who have occupied sections of Bangkok for over a month in their bid to force snap elections, claim the hospital was used in an April 22 grenade attack on a pro-government rally that killed one person and wounded dozens.

The government said the grenades were fired from inside the Reds' camp -- an accusation

the movement has denied.

Prime Minister Abhisit Vejjajiva vowed to prosecute those who were involved in the hospital incident.

New York-based Human Rights Watch issued a statement on Saturday calling for all sides to "negotiate a political solution before the situation escalates."

"Thailand is spiralling further into political violence as protesters, counter-protesters, and security forces respond tit for tat against attacks and provocations," said Brad Adams, Asia director at Human Rights Watch.

About 70 bomb and grenade attacks have been carried out by unknown parties in Bangkok since the Reds began the street protests in mid-March, according to the rights group.

- **Thailand: No plans for martial law over protests, says PM**

Thailand's prime minister, Abhisit Vejjajiva, said today he had no plans to declare martial law despite demands for the government to take firmer measures to end protests that have paralysed parts of Bangkok for seven weeks.

In a concession, demonstrators shifted tyre barricades to allow a hospital on the edge of their encampment to reopen.

Many Thais have grown frustrated with the political deadlock and violence that has killed 27 people and cost the country tens of millions of pounds. The cabinet approved special funding for the police to contain the demonstrators in an emergency meeting on Sunday. Ahead of the meeting, prime minister Abhisit Vejjajiva said the government had a plan for ending the crisis – but he declined to say what it was.

"I insist that the government has a clear approach," he said in his weekly television address. "All responsibilities rest with me. Every decision has been made. At the moment it's at the stage of execution for the most successful outcome."

Abhisit did not elaborate on what those decisions were, though he expressed willingness to make some compromises.

"Those violating the law must cease, whereas the government should not ignore the political demands," he said.

The Red Shirts, who view the government as an illegitimate puppet of Bangkok's urban elite and the military, are demanding Abhisit resign, dissolve Parliament and call new elections.

Abhisit has publicly suspended talks with the protesters but says he still hopes a political solution will persuade the thousands of so-called Red Shirts to abandon the barricaded encampment they have set up in the streets of the capital. He has not ruled out a crackdown, which would almost certainly add to the bloodshed.

But Abhisit said Sunday he was reluctant to give in to demands from a group of pro-establishment protesters who have called for a declaration of martial law.

"So far, from what we have discussed, we (the government and the army) think that the situation doesn't warrant martial law," he said.

The Red Shirts said they would ignore any declaration of martial law anyway.

"Even if they announce that, we are not going to go home, we are going to stay put," said Nattawut Saikua, a Red Shirt leader.

The Red Shirts drew intense criticism last week after raiding Chulalongkorn Hospital on the edge of their protest site, prompting medical officials to evacuate it of patients.

On Sunday, the demonstrators dismantled the barricade blocking access to the hospital and rebuilt it about 50 metres away, on the other side of the entrance to the facility. Police then used a crane to assemble a short barrier of concrete blocks in front of the new barricade, effectively fortifying the protest camp.

Maj. Gen. Vichai Sangparpai, a top police official, said the blocks were intended to keep the protesters away from the hospital, which was guarded Sunday by large groups of police officers.

Nattawut Saikua, a Red Shirt leader, said the raid on the hospital was a mistake.

"(We) have to apologize for what has happened," he said. "I would like the government to take responsibility for several incidents the same way the protesters did for the Chulalongkorn Hospital case."

Since the Red Shirts moved into Bangkok in mid-March, there have been several clashes between protesters and security forces. With negotiations between the protesters and the government on hold and hopes for a peaceful end to the standoff dwindling, calls have grown for international mediation.

The International Crisis Group think tank said on Saturday that Thailand's political system had broken down and expressed fears the standoff could "deteriorate into an undeclared civil war."

- **Thai PM says govt set to vacate Bangkok protesters**

Thailand's Prime Minister said on Sunday the government was preparing to clear an area of Bangkok defended by thousands of anti-government protesters, seeking to end a crisis which has virtually paralyzed the capital, media reports said.

Many Thais have grown increasingly frustrated with the stalemate, which has dragged on for nearly eight weeks, claiming the lives of at least 27 people and costing the country tens of millions of dollars. It has sparked concerns of a flare-up of civil unrest.

"We are sending a clear signal that we have given people enough time to leave (the occupied zone). We are now in the process of sealing off and cutting off support before

we actually move in," Prime Minister Abhisit Vejjajiva said in an interview with several foreign journalists to be nationally televised.

Thousands of so-called Red Shirt protesters have occupied a barricaded encampment in the commercial heart of Bangkok, centered on its most upmarket shopping district, forcing the closure of several malls and hotels.

Abhisit declined to elaborate on an earlier announced plan to end the crisis which he said did not include the declaration of martial law. In an emergency meeting Sunday, the Cabinet approved special funding for the police to contain the demonstrators.

"My belief is that the majority of the people want the protest to end. Increasingly their patience is running out. This is a situation we have to handle," he said in the interview.

Abhisit has rejected the call for quick elections and publicly suspended talks with the protesters but says he still hopes a political solution will persuade the Red Shirts to leave. Speaking at a closely guarded military camp on the city's outskirts, Abhisit gave no indication when any operation against the entrenched protesters would be launched. But he said the demonstrators, who include a large number of women and children, would be given prior warning. "I can say that we continue to exercise restraint and patience and the first, best solution is one that does not involve violence," he said.

- **With red shirts on back foot, Thaksin re-emerges**

It might have been coincidental, but the timing of Thaksin Shinawatra to return from his "death" was almost perfect. In a flurry of local and international media interviews, he has unceremoniously repelled continual rumours that he had died last week - and given the red shirts much needed breathing space.

The public backlash over the Chulalongkorn Hospital invasion had pinned the red shirts against the ropes, but "Thaksin is alive" may prove sexy enough to distract some from the controversy. If Thaksin's disappearance from the red shirts' stage - his last video link was on April 9 - was ambiguous, his re-emergence seemed quite out of the blue.

Nation Group reporter Naya Jaikawang did not expect much when she made a phone call to interview Pheu Thai MP Pracha Prasopdee, one of the MPs closest to Thaksin, to ask him about latest reports that Thaksin had ordered Pheu Thai MPs to re-mobilise people to support the anti-government protesters.

Naturally, the topic of "Is Thaksin still alive" came up. Pracha said he just talked to Thaksin on Saturday and, unexpectedly, gave Naya his phone number.

At 3pm yesterday, she called the number, without expecting much, and someone "who sounded undoubtedly Thaksin" answered.

"I'm from Nation Group sir," she said. "Can I talk to you?"

"Oh.. of course you can. But my plane is taking off any minute now. Can you call again

in a few hours?" the voice said. She agreed and the brief conversation ended.

At 6.50pm, she dutifully called again. The same familiar voice answered.

"Are you Thaksin?" she asked. "Yes I am. And I am not a ghost," he replied.

The man acknowledged that there had been rumours about him since he suspended his video contact with his supporters. Thaksin said he did not suffer from any disease. "I'm very healthy and have been travelling a lot. My latest health check only yielded a little high cholesterol because I haven't exercised much," he said.

When asked why his family members were wearing black while travelling overseas, he said he had not seen his ex-wife for two years.

The interview came hot on the heels of his talks with international media. In a brief conversation with The Straits Times on Saturday, Thaksin said he was very much alive and used the same "You are not talking to a ghost" joke. Emerging Markets website on Saturday also published an exclusive telephone interview in which the ousted Thai leader slammed the Abhisit government and said there were too many red-shirts for the Abhisit regime to kill.

Thaksin told Naya he would not propose anything to the government. However, he added: "It would be better if we could change our attitudes and talk together. We should not take advantage of each other and stop treating each other badly."

He also asked the government not to bring the issue of the monarchy into the conflict. "The monarchy is the highest institution for Thai people so the government should not link it to this political fighting," he said.

Thaksin claimed he was not behind the recent bloody turmoil, but he said he was monitoring developments in Thailand closely. He distanced himself from "men in black" blamed for the murder of troops on April 10, saying "If they want to accuse me about this, it will never end."

The political fight was no longer about him, Thaksin reiterated. However, his re-emergence, albeit in the form of telephone interviews, could be what the red shirts need. The movement seems rudderless without him, and it remains to be seen whether the proof that he is still alive can fix the heavy damage caused by their act of insanity at the Chulalongkorn Hospital on Thursday.

For one thing, the hospital incident seemed to give him discomfort. When Naya asked him about it, he said he did not know details and suddenly hung up.

- **Abhisit of Thailand offers plan to get Red-shirts off the streets**

The Thai prime minister has offered to hold elections in November in an effort to halt the standoff between his government and Red-shirt protesters.

The prime minister, Abhisit Vejjajiva, has been facing pressure from all sides of politics

to bring to an end protests which have brought parts of Bangkok to a standstill and created a tourist backlash.

The Red-shirt supporters have been protesting in Bangkok since 14th March, sometimes becoming involved in deadly protests.

Mr Abhisit said the elections would only go ahead under the condition that there is reconciliation between the individual camps.

Protest leaders have said they will seriously consider his reconciliation plan.

The prime minister made the election offer during a televised speech in which he set out a plan for reconciliation, which includes: respect for the monarchy, social inequality reforms, an independent inquiry into recent fatal street clashes, and a debate on the need for constitutional reform.

- **Thai PM offers reconciliation plan**

2012 DAN QUAYLE Presidential Foreign Policy and Affairs / The Southeast Asia watch: We welcome the ruling Thai PM Abhisit Vejjajiva is serving the BEST Thai interior interests to the country's future and the Yellow Shirt rally and the mainstream of Thai middle-class will continue to support Abhisit Vejjajiva led Thai government and confidence. There is NO sign to any military coup but remained loyal to the Thai King dynasty. The exiled Thaksin bought the Red-Shirt army WON'T get a chance to move on their new Thaksin's dynasty in November election.

- **Army chief's tactics force election offer**

Prime Minister Abhisit Vejjajiva has been compelled to offer a house dissolution to break the country's political deadlock because of the army's reluctance to use force to clear anti-government protesters from Ratchaprasong intersection.

Army chief Anupong Paojinda made it clear on April 12 that he was opposed to another crackdown on red shirt demonstrators, instead favouring a house dissolution and the use of political measures to solve the impasse.

Gen Anupong said politicians should facilitate talks between the government and the United Front for Democracy against Dictatorship because the use of force would lead to more deaths. Defence Minister Prawit Wongsuwan, who once said police, not soldiers, should lead any crackdowns on protesters, holds the same position.

"It's unacceptable for me to use soldiers to shoot Thais," he said.

Although the prime minister forced Gen Anupong to take a more decisive role in ending the rallies by appointing him chief of security operations on April 16, the army leader has made no obvious effort to disperse the rally at Ratchaprasong intersection.

He has only taken direct action to end red shirt rallies staged outside of the Ratchaprasong area.

As the political crisis drags on, the army's dissatisfaction with Mr Abhisit is increasing because of pressure from the government to use force to end the protests.

The government has invoked threats to national security, terrorism and attacks on the monarchy as grounds for the army to clear the protesters from Bangkok's streets. But the army has maintained its support for Gen Anupong's position that a political resolution is the only way out of the crisis.

A Defence Ministry source said Gen Prawit was feeling increasingly uncomfortable with the differences between the government's and the army's approach to ending the impasse. Gen Prawit felt he was being forced by Mr Abhisit to use military force too quickly, the source added.

"Using force against the demonstration needs time," the source said. "It should not have a time frame.

"We must gradually contain them [red shirts] by using military tactics. The attack has to come at the right time to keep the loss of lives at a minimum. The government should not rush, demand a time frame or use words to goad the army.

"Relations between the army and the prime minister are not that good," the source said.

Both field commanders and senior officers oppose the use of the military to end the rallies.

"We are not afraid of death," one commander said. "In fact, we sympathise with the foot soldiers because they are risking their lives for a political cause.

"The order to kill is easily executed because soldiers have guns. But what will happen afterwards?" After the red shirts are defeated, those still with weapons will go underground and launch operations in other areas," he added. "Soldiers will become their targets after the crackdown. That will bring the country closer to civil war. And there will be more red shirts coming out in other provinces." The reluctance of the military chiefs to act means all the government can do is threaten the red shirts with the use of force.

This inability of Mr Abhisit to convert his words into reality resulted in Monday's proposal of the Nov 14 elections - a time frame which can save faces on all sides of the political divide. The offer of fresh elections also comes at the right time for the UDD. It has faced severe criticism over its raid on Chulalongkorn Hospital last Thursday, and a willingness to accept Mr Abhisit's offer on the occasion of Coronation Day would show the movement's loyalty to the higher institution. There is now a clear way out for both the government and the red shirts. The question now is whether they will complicate things too greatly by setting overly onerous preconditions to agreement.

- **Deadly violence rocks Thai capital**

The attack on Friday has sparked fears of rising tensions in the capital after a week of

calm At least two policemen have been killed and 12 other people injured in a grenade blast and a drive-by shooting in the Thai capital Bangkok.

Police said early on Saturday that a grenade attack hit a security checkpoint in front of a city park that forms the edge of the protest encampment.

"Eight people including five police and three soldiers were wounded," the Bangkok Emergency Medical Service said.

A hospital official said that one 35-year-old policeman died during surgery.

Earlier, one policeman was killed and four others - two police and two civilians - were wounded when a man on a motorbike opened fire on a patrol in the nearby Silom financial district, which is under heavy guard.

The incident took place after midnight on Friday, in the Silom Road area popular with tourists, and struck a group of protesters that had gathered to voice their opposition to the so-called red shirts near a branch of Krung Thai Bank.

The same location was targeted in a grenade attack on April 22 that killed one person and wounded more than 80 others.

Friday's incident threatened to raise tensions in the capital after a week of calm, as protesters led by the United Front for Democracy Against Dictatorship - popularly known as the "red shirts" - hinted they may be able to strike a deal in the coming days to end a deadly crisis that has killed 28 people and wounded more than 1,000.

The red shirts include followers of Thaksin Shinawatra, the deposed Thai prime minister, and others who oppose the 2006 military coup that toppled him.

Crippling standoff

Abhisit Vejjajiva, the current prime minister, has put forward a plan to end the rallies that have crippled the capital and scared off tourists, but it remained in limbo as rival factions squabbled over details, including a proposed early election in November.

- **Thai "various-colors" group disagrees with PM's House dissolution, election**

The "various-colours" group, which has opposed to early House dissolution, on Friday disagreed with Prime Minister Abhisit Vejjajiva's offer to dissolve the lower House of parliament and hold an election on Nov. 14.

Group leader Doctor Tul Sithisomwong said during a meeting with Premier Abhisit that he informed the prime minister his group did not want the prime minister to make a decision due to the anti- government group's pressure, the National News Bureau of Thailand reported.

The House dissolution should take place in early 2011 and later a new government could be formed in late March and prepare the country's expenditure budget, Doctor Tul said.

Prime Minister Abhisit addressed the nation during a live television program on Monday night (May 3) the government is ready to hold a new general election on Nov. 14 if conditions are met. "I think that if the reconciliation process (is accepted by all sides) and the situation returns to normal, the election will be held on Nov. 14, a goal that the government is ready to achieve," Abhisit said.

Dissolution of the House of Representatives could take place any day from Sept. 15 to 30, Abhisit said.

The "red-shirts" anti-government rally has been held from March 12 and they are now gathering at the Rathchaprasong Intersection in the center of capital Bangkok.

Totally, 27 people lost their lives and some 1,427 were wounded during the recent four major clashes between the protesters and security forces, Public Health Minister Jurin Laksanawisit said on May 3.

- **UK lifts warning against travel to Thailand**

The United Kingdom's Foreign Office has lifted its warning against non-essential travel to Thailand.

The decision reflects "a reduction in the level of political violence across the country in the last few days", the Foreign Office said yesterday.

The UK is maintaining its warning on travel to Bangkok, however, because it deems the situation to be more volatile. Travellers should continue to exercise caution throughout Thailand and avoid demonstrations, the office said. British nationals currently in Thailand, or those who are planning to travel here, should also closely monitor the office's travel advice.

"The situation is unpredictable and could change rapidly," the office's statement said.

British authorities also advise against all travel to the Preah Vihear temple area and all but essential travel to the restive southern provinces of Pattani, Yala, Narathiwat and Songkhla. Other countries, including the US, Canada, Australia, Germany, New Zealand, Japan, China, Singapore, South Korea and Taiwan, still advise against all travel to Thailand.

- **Economic Front**
- **Social Front**

Cambodia

- **Political Front**
- **Chinese President meets with Cambodian PM**

Hu said China and Cambodia enjoy a long history and solid foundation of friendship, and the two nations are good neighbors, good friends and good partners.

He said it is the unswerving policy of China to constantly deepen and expand the

comprehensive, cooperative partnership between the two nations.

China is willing to work with Cambodia to boost the cooperation and exchanges in various fields to achieve a mutually-beneficial situation, promote common development and benefit the two peoples, he said. China will continue to provide support and assistance within its own capabilities for Cambodia, he said. Hu thanked Hun Sen for his concern for the earthquake-hit region in northwest China's Qinghai Province.

He said that Cambodia, with the leadership of Hun Sen, sees a stable political situation, a growing economy, and rising international prestige.

He said Cambodia's economy has shown momentum of rebound in coping with global financial crisis, and China is delighted to see the achievements Cambodia has made.

Hun Sen congratulated China on the successful holding of the Expo opening ceremony, and thanked China for helping Cambodia attend the Expo. He said Cambodia and China have maintained close contacts over recent years and Cambodia is satisfied with the bilateral ties. He extended gratitude to China for the unselfish assistance to Cambodia in its social and economic development.

He said Cambodia attaches great importance to its ties with China and is willing to make joint efforts with China to maintain a good momentum of the sound relationship, enhance cooperation and exchanges in various fields and strengthen coordination in international and regional affairs. He said Cambodia adheres to the one-China policy and respects China's sovereignty and territorial integrity.

- **Geo-strategic Front**
- **U.S. attacks inside Cambodia, escalates Vietnam war: The Plain Dealer front page 40 years ago today**

President Nixon dramatically announced last night that American ground troops have attacked -- at his order -- a Communist base extending 20 miles inside Cambodia.

Nixon told a nationwide radio and television audience that he would stand by his order, certain to provoke controversy, even at the risk of becoming a one-term President.

"This is not an invasion of Cambodia," he asserted. "The areas in which these attacks will be launched are completely occupied and controlled by North Vietnamese forces. Our purpose is not to occupy the areas. Once enemy forces are driven out of these sanctuaries and their military supplies destroyed, we will withdraw."

The attack, commanded by American officers and augmented by units of the South Vietnamese army, began about 7 p.m. EDT, about two hours before Nixon address the nation and about one hour before he met with Democratic and Republican leaders of Congress to discuss his decision.

- **China promises trucks for Cambodian military after US rap**

China is to donate more than 250 trucks to Cambodia just weeks after the United States withheld a shipment of military vehicles in response to Phnom Penh's recent expulsion of 20 Uighur refugees, local media reported Monday. The donation was announced by Cambodia's Foreign Minister Hor Namhong on his return from Shanghai, the Phnom Penh Post newspaper reported.

Hor Namhong said China would donate 257 military trucks and 50,000 military uniforms. He said the gesture was made by Beijing of its own accord during a meeting in Shanghai between China's President Hu Jintao and Cambodia's Prime Minister Hun Sen.

'[Hun Sen] did not ask them, but they know our requirements, and [Hu Jintao] promised to provide further military assistance in the future,' he said.

The US embassy in Phnom Penh declined to comment Monday.

China has growing business and strategic interests in Cambodia, and is Phnom Penh's most important investor. In the past four years Cambodia has approved more than 6 billion dollars of Chinese investment. Much of that is in infrastructure, particularly hydropower dams. The investment figure excludes 880 million dollars in Chinese grant and aid during that period. It also excludes 1.2 billion dollars in economic assistance awarded by China immediately after Cambodia expelled the 20 Uighur asylum-seekers in December at Beijing's request.

Both countries denied any link between the two events, though that denial was not widely believed. The expulsion of the Uighurs drew strong criticism from Washington, which promised penalties for Cambodia's failure to meet its international obligations. Cancelling the shipment of US trucks was the first of those punishments.

Human rights workers have expressed rising concern at growing ties between private business and the military in Cambodia after Hun Sen encouraged business leaders to 'adopt' military units. Cambodian military regularly guard huge private land concessions across the country, and have been used in the past to evict the rural poor

- **Cambodia's parliament approves consular treaty with China**

Cambodia's National Assembly approved Friday a consular treaty between Kingdom of Cambodia and China to boost cooperation between the two nations.

The approval of the treaty was made unanimously by all 89 out of 123 parliamentarians who were present at the session. The Cambodian government signed the treaty with China on Feb. 25, 2010 in Phnom Penh. The treaty was based on the norm of the 1963 Vienna Convention to which Cambodia is a party since 2005.

Hor Namhong, deputy prime minister and minister of foreign affairs told the parliamentarians that the treaty was significant to promote further cooperation between Cambodia and China. The treaty allows consular officials to make direct contacts with

their own citizens who run businesses or work in the country where consular office is located.

It also allows consular officials to work as facilitators or mediators for the citizens or the people of the country where the office is located; as well the officials will help process with visa paperwork and applications for citizenship.

Cambodia and China has had long-term relations, and this treaty will help boost more cooperation in the fields of trade, investment, tourism, culture, science and education among others.

At present, Cambodia has established six Consulate Generals in China, including China's Hong Kong, Guangzhou, Shanghai, Kunming, Chongqing and Nanning, while China has not yet set up the consulate in Cambodia.

Oil spill takes toll on Cambodian, Vietnamese fishermen

With their boats docked and livelihoods in limbo, frustrated families meet with BP officials and hope for answers.

Families attend a meeting with BP officials in Buras, La. Interpreters were on hand for some Cambodian and Vietnamese immigrants. Language barriers have stunted outreach efforts by BP.

About 2,000 Cambodian and Vietnamese immigrants in this remote bayou community — mostly families that have staked their American livelihoods on shrimping and fishing — have found themselves isolated by more than just vast stretches of swampland since the gulf oil spill disaster.

Language barriers have made it even more difficult for them to be plugged into the latest information about temporary jobs offered by BP after thousands of fishermen like themselves have been put out of work by the oil spill.

About 200 of them gathered Thursday in a sweltering bayou restaurant, trying to contain their frustrations as a BP representative, flanked by interpreters, urged them to enroll in the company's paid cleanup programs.

The programs were designed to help create a line of defense along the nation's richest fishing grounds and to provide some income to grounded fishermen.

But BP spokesman David Kinnaird offered little in the way of immediate help. He said that the company had hired enough workers for the time being but that the fishermen could get on the waiting list.

The fishermen said they were more concerned with what BP could do to remedy their immediate cash flow problems after fishing was banned on Sunday for at least 10 days. Federal waters from the mouth of the Mississippi River to Pensacola, Fla., are off-limits.

"We need money to pay bills and buy food," said Benjamin Truongo, 48, who has been

plying local marshes for two decades.

Kinnaird said BP planned to set up a claims office in nearby Venice, La. "If the claims are legitimate and can be properly documented, they will be paid promptly," he said.

Meanwhile, BP Chief Operating Officer Doug Suttles said at a news conference Thursday that the company would pay claims regardless of a \$75-million cap established by federal law. He said checks had already gone out.

As in many other Gulf Coast fishing communities, Buras' marinas were filled with docked boats while its residents' livelihoods were in limbo.

"Many of these people do not speak English, so they don't understand what kind of assistance is available, and they are scared," said Billy Nungesser, Plaquemines Parish president. "Just the other day, a 94-year-old fisherman, who has his wits about him and looks forward to taking his vessel into the marsh each day, said, 'Mr. Billy. Please help. What do I do?' I didn't know what to tell him."

The meeting was organized by local officials and Miami attorney Spencer Aronfeld to allow BP officials to answer concerns from people such as Chuck Nguyen, 35.

"I haven't worked in four months because the oil spill hit at about the same time as the start of the new fishing season, which runs from May through December," he said. "I borrowed a few thousand dollars from a relative who was only a little better off than me." But what Nguyen and other fishermen heard from Kinnaird and a representative from United Way was that they would have to be patient.

They were also told that applications for the cleanup programs would be translated into Cambodian and Vietnamese. Kinnaird said BP had already signed up about 700 boat owners in Louisiana and Mississippi to scoop crude out of fouled waters and deploy booms. "We'll let you know if we need more later," he said. "These people got nothing but words and empty promises," Aronfeld said.

In the meantime, shrimp boat captain Hung T. Le, 48, kills time, wondering when he will be able to take his 40-foot vessel, Southern Lady, back into the marsh.

"She's so sad just sitting there with an empty shrimp box. I can't wait for work much longer."

- **Economic Front**

- **CIMB likely to get Cambodia banking licence**

CIMB, Malaysia's second largest banking group, is likely to be given a commercial banking licence in Cambodia in a development that could be announced when Prime Minister Najib Razak begins his official visit to Phnom Penh next week.

It won't surprise analysts. Earlier this year, Nazir Razak, CIMB's urbane chief executive and, incidentally, Mr Najib's younger brother, said that the bank had applied for licences

from both Vietnam and Cambodia and fully intended to have a presence in every South-east Asian country going forward.

CIMB (2009 assets: RM240 billion or S\$103 billion) is already the South-east Asian bank with the most extensive branch network in the region through its operations in Malaysia and those of its subsidiaries in Singapore, Thailand and Indonesia.

CIMB has recorded spectacular growth since Mr Nazir took over in 2005, mostly by acquisition but also by a happy knack of snagging some of the country's biggest deals. It is currently capitalised at RM51 billion making it one of the country's biggest firms, but it still remains an institutional investor favourite.

The lender keeps landing deals. It arranged South-east Asia's largest initial public offering of Maxis Communications last year and, two months ago, helped arrange the US\$2.6 billion buyout of pay-TV operator Astro All Asia Networks plc and the US\$554 million share placement of telecoms firm Axiata.

Indeed, CIMB topped the list of the country's biggest corporate dealmakers in 2009, helping to arrange the lion's share of a total RM52.46 billion worth of domestic bonds issued last year. It was also the top equity underwriter in the domestic initial public offering market last year.

Ultimately, however, Mr Nazir wants to be a regional force, in part due to the near-saturated nature of the Malaysian market of 27 million people served by 25 banks. That's why he began buying abroad - a brokerage in Singapore (GK Goh) and banks in Thailand, Indonesia and China.

It's already showing results. The lender's Indonesian operations CIMB-Niaga contributed slightly over a fifth of pre-tax profits last year and is expected to become a strong earner.

Indeed, Mr Nazir has told analysts that by 2014 he expects CIMB's earnings in Indonesia to account for 40 per cent of the group's earnings, a figure that, if it pans out, would surpass earnings at home. Meanwhile, the bank's units in Thailand and Singapore would account for 20 per cent. For the year to end-December 2009, the bank registered a net profit of RM2.8 billion.

- **Najib Makes First Official Visit To Cambodia From May 9-11**

Prime Minister Datuk Seri Najib Tun Razak will make an official three-day visit to Cambodia from Sunday, his first trip there since taking office in April last year.

Najib will be accompanied by his wife, Datin Seri Rosmah Mansor, and a 45-member delegation including businessmen and the media, said a Wisma Putra statement.

"The visit illustrates Malaysia's commitment to actively engage Cambodia in dialogues and discussions as a means to broaden and deepen the existing cooperation between both countries and pave ways to explore other potential areas for future cooperation," it added.

It would also provide an opportunity for Najib to exchange views and achieve closer understanding on issues of mutual interests with Cambodian leaders.

Najib is scheduled to have an audience with King Norodom Sihamoni at the Royal Palace in Phnom Penh and meet with his Cambodian counterpart, Hun Sen.

Najib will also address a business luncheon of the Malaysian-Cambodian Business Forum and have a meeting and dialogue with Malaysian investors and businessmen.

He is also expected to visit a Malaysian company in the Cambodian capital before returning to Malaysia on May 11.

- **Social Front**
- **Australia boosts Cambodia food aid, scholarships**

Australia has announced what it says is its largest ever package of food aid to Cambodia, as well as extra help for HIV-AIDS care and further Australian Development Scholarships.

The two countries have also agreed to closer legal and law enforcement co-operation.

Australia's announced \$US5.3 million for the World Food Programme to buy and distribute more than 8,500 metric tonnes of rice.

Particular emphasis will be on Cambodian farmers and labourers and their families during the pre-harvest season. Australia will also fund a home-based care program for HIV/AIDS sufferers.

And Canberra has doubled the number of scholarships for Cambodians to 25.

There's also a new joint declaration for better co-operation on all forms of transnational crime. The agreements came during a visit to Australia by Cambodia's deputy prime minister Sar Kheng, who's also attending his son's graduation from police training college.

Vietnam

- **Political Front**
- **Geo-strategic Front**
- **Canadian Vietnam vets still feel pain over fall of Saigon**

Thirty-five years after the pullout of U.S. troops in 1973 and finally the surrender by South Vietnam two years later and the rapid takeover of the South Vietnamese capital by North Vietnamese troops — sorrow and anger wells up in Canadian Vietnam veterans in their late 50s and early 60s.

Photograph by: Tyler Brownbridge, The Windsor Star

The Fall of Saigon, 35 years ago today, ended the Vietnam War. But “let’s face it,” say the Windsor men who were there, fighting “in country” with the U.S. military: it’s a date they neither celebrate nor observe.

Talking about it even now — the pullout of U.S. troops in 1973 and finally the surrender by South Vietnam and the rapid takeover of the South Vietnamese capital by North Vietnamese troops — sorrow and anger wells up in these men in their late 50s and early 60s.

The Fall of Saigon (promptly renamed Ho Chi Minh City) ended a conflict that lasted decades but really escalated when U.S. combat troops arrived in the mid 1960s. Killed were more than 3 million Vietnamese on both sides, at least a million Laotians and Cambodians, and more than 58,000 U.S. soldiers. The U.S. soldiers, the vets say, were sacrificed to a failed effort to oppose the supposed spread of communism, which back home protesters called them baby killers.

“All those people killed, and for what? I still don’t know the answer,” said Gary Deschaine, 59, a Canadian living in California in the 1960s who was declared a “naturalized” U.S. citizen and registered in the draft. When he was the 37th next on the list to go, he enlisted to avoid ending up in the infantry. At 19 he was riding in an armoured division, making daily search and rescue runs into the jungle looking for downed helicopters. His company lost about 100 men in a year.

“A lot of incoming and sniper fire,” he explained, “because they were waiting for us, they knew we were coming.”

They lost buddies to a war they quickly realized they couldn’t win.

“Our whole goal was to keep out the south, and one day, 58,000 men later, we walk away and in they come,” said Deschaine, who’s president of the Windsor-area Vietnam veterans association.

“We were pawns.”

“We were pawns,” agreed Mike Lepine, a U.S. citizen who moved to Canada at the age of 11, ended back in the States at 16, and joined the U.S. army at 17 to accompany a friend who was about to be drafted. He was in Vietnam by the time he was 18, a “gung-ho” soldier, ready to do what he was told to do. In a matter of months in Vietnam, he realized he’d been lied to. “I wasn’t there to win. Whether it was politics or money, it was the wrong place to be, and so many lives lost.”

Lepine, 60, who’s lived in Windsor since the mid 1970s, said veterans of the Second World War can celebrate V-E Day, the day Germany surrendered on May 8, 1945, because they defeated an enemy that was “going to take over if they didn’t put a stop to it.” They knew their enemy was the man in the German uniform. In Vietnam, the threat could come from a child wrapped with explosives or anyone else in civilian clothing, said Wayne Hillman, a Windsorite who was just out of high school, with no prospect of finding a job in the city, when he joined the U.S. military in the early 1960s. He was

stateside for more than two years, and was on leave in Windsor when he got the call to ship out to Vietnam. “I had to make a choice: either follow orders or stay in Canada and never be able to go to the U.S. again,” he recalled. He followed his orders, and within hours of arriving in Vietnam in 1965 he was in a helicopter being shot at from the ground by Viet Cong guerrillas.

“I saw some of my best friends get killed and that’s the hard part when you talk about the Fall of Saigon,” said Hillman, 66. Actually, he added, the departure of U.S. combat troops in 1973 was an even greater disappointment — it was as if 58,000 soldiers, including at least 131 Canadians, had died for no reason.

Coming home, these veterans of a war that so many civilians opposed, and which Canada never entered, kept quiet about their experiences. “I remember getting off the plane and being spat at,” said Hillman.

“We don’t ever talk about it, ever,” said Deschaine. It’s estimated that 40,000 Canadians served in Vietnam.

The healing only began in 1995 when, through the efforts and funding by three Michigan Vietnam vets - Ric Gidner, Ed Johnson and Chris Reynolds - the Canadian Vietnam Veterans Memorial, known as the North Wall, was erected on Windsor’s riverfront, commemorating the Canadians who died.

“That’s when the healing started,” said Hillman. “We weren’t ashamed to call ourselves Vietnam veterans.”

- **Vietnam to host ASEAN Defense Ministers' Meeting soon**

Vietnam will host a meeting among defense ministers from members of the Association of Southeast Asian Nations (ASEAN) in the capital city of Hanoi from May 10 to 13, according to a press conference held here on Tuesday.

Under the theme "Strengthening ASEAN Defense Cooperation for a stability and development of the region", the fourth ASEAN Defence Ministers Meeting (ADMM-4) is expected to gather defence ministers and senior defence officials from ten ASEAN countries and the ASEAN Secretariat.

Speaking at the press conference, Deputy Director of the General Politics Department of the Vietnam People's Army Nguyen Tuan Dung said that the participants will review cooperation activities in defence sector of the ASEAN countries, share common interests on regional security and introduce defence policy of each country.

At the meeting, delegates are also expected to focus their discussions on and approval for two important documents to reach agreement on establishing ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus) including "ADMM-Plus: Structure and Participants", and "ADMM-Plus: Protocol and Procedure", said Dung.

The ASEAN Defense Ministers' Meeting is the highest ministerial defence and security consultative and cooperative mechanism in ASEAN. It provides a forum for defence dialogue and cooperation in each ASEAN country as well as in the ASEAN region as a whole.

- **What Did The Military Learn About Media In Vietnam?**

Submitted by Chip on Sat, 2010-05-01 18:53 Asia Media Military Industrial Complex

Michael Munk shared a telling observation:

A report on a journalists' reunion in Ho Chi Minh City on the 35th anniversary of the US defeat in Vietnam says it all:

"This was the first foreign war the U.S. ever fought where the press challenged government thinking, challenged the decisions of generals, challenged the political decisions the war was based on," said former CNN correspondent Peter Arnett, who won a Pulitzer Prize for his Vietnam coverage in 1966 while working for The Associated Press. Arnett, like many of the globe-trotting journalists, came to Vietnam as a young reporter and grew up covering battles from the trenches where correspondents were permitted to go without restrictions. Many carried their war experience into other conflicts, including Iraq and Afghanistan, but said they were never again given such freedom to tell their stories from the front lines.

"No longer will you ever be able to do wars like Vietnam," said Bob Carroll, a former United Press International photographer. "What did the military learn about press access from Vietnam? Don't give it to them."

- **Vietnam Airlines losing \$10 mln a year on domestic routes**

National carrier Vietnam Airlines said it is incurring losses of around US\$10 million every year operating domestic service as many flights outside key routes are unprofitable, news website VietNamNet reported Friday.

General Director Pham Ngoc Minh said it is almost impossible to recoup operating expenses for flights to provinces that attract little tourism. According to the airline, launching a new route now can translate to an annual loss of at least \$1 million.

Other local carriers like Jetstar Pacific and Indochina Airlines only focus on key routes linking Hanoi, Ho Chi Minh City and famous tourist cities, VietNamNet said.

Meanwhile, state-owned Vietnam Airlines is operating 35 domestic routes and it plans to start offering flights to new destinations this summer, including Vinh and Chu Lai, both in the central region.

Minh said Vietnam Airlines needs financial support from local administrations and businesses so that it can launch more new routes.

The carrier's overall operation is profitable. It posted pre-tax profits of US\$8.1 million

last year, down from \$14 million a year earlier due to the global recession.

- **Vietnamese Derision Once the Beastly Merciless US Military-Economic Empire Collapses?**

April 30, 2010 Vietnamese celebrated, many in sorrow for lost loved ones, the 35th anniversary of its costly victory over the mass murdering Army, Navy and Air force of the United States of America. April 30, 1975 brought independence thirty years after President Truman cruelly went back on Roosevelt's promise that colonies freed from Japanese occupation would not be given back to European powers, and treacherously turned against Ho Chi Minh, America's decorated ally during the Second World War.

Truman used Nationalist Chinese, British and even Japanese troops to thwart the independent nation Ho had proclaimed from the balcony of the Hanoi Opera House with high American and British Officers standing alongside him. Then Truman brought back the French colonial army in U.S. ships.

The same heartless capitalist-imperialists who convinced Truman to frighten the Soviet Union by atom bombing Japan twice wanted to help the capitalist parties of France improve their position with voters by regaining its Indochinese colonies. The Communist party in France was extremely popular for its war time heroics against the Nazi occupation.

During the administrations of six presidents America and Americans crucified Laos, Vietnam and finally Cambodia. Nevertheless Vietnamese, except for complaining about U.S. failure to care for Agent Orange victims including massive amount of children still being born with crippling deformities, appear to have little resentment towards America. No point in going over the napalm, the heavy high altitude carpet bombing, biological warfare and the atrocities committed on the ground in villages all over South Vietnam. What is not so well known is the even greater suffering during the post 1975 monstrous economic warfare practiced viciously with the same disregard that it bombed and butchered before 1975.

Today, too many Americans still hail anyone who willingly went to Vietnam and followed orders to kill Vietnamese as Communists. The Communists are still there but the U.S. is now a "friend" in keeping with its money making investments.

One day the American capitalist empire, so brutal in economic dominance and so homicidal in its wild and internationally unhindered use of a devastating ever more high tech military will fall. (As do all empires.)

When that happens the Vietnamese will not have to hold their tongue in deference to their trading relationship with a United States able to punish it again at will.

Sweet and pleasant natured destiny accepting Buddhist though they be, the Vietnamese,

Laotians and Cambodians will be able to freely express their holding the capitalist society of Americans accountable for its many years of senseless, ignorant and merciless horrific and beastly insanity toward a people on the other side of the world which had expected quite the opposite behavior.

And out of this sick body-count nation of an America asleep to the most minimum decency toward its mass media designated enemies, will be born a nation of much kinder Americans feeling similarly awakened as did Germans when forced to realize their nation's holocaust guilt.

But Americans might go deeper to the source of such widespread insanity, namely, a pathetically desperate capitalists, controlling media to maximize accumulation of private wealth with absolutely no moral impediment permitted.

Think how many Americans were never on the United States side during the U.S. war in Vietnam? How many of us were completely on the side of the Vietnamese just as Jane Fonda dramatized? How many of us are informed enough to see that the roots of imperialist wars are in the capitalist political economy all around us?

We will appreciate the Vietnamese not letting the rest of us forget what was done to them in the name of anti-Communism. or to put it positively, in the name, and for the urgencies, of Capitalists.

P.S. Jay Janson was Assistant Conductor of the Vietnam Symphony Orchestra in Hanoi for eight years and on tour playing all the Brahms symphonies, and Beethoven, Prokofieff, Shostakovitch, Haydn, Mozart, Tchaikovsky, Rachmaninov, dozens of Overtures and concertos including both Chopin concertos with the only Asian winner of the Moscow Tchaikovsky Piano Competition, Dan Tai-son, who practiced for it in a Hanoi bomb shelter. The orchestra was founded by Ho Chi Minh, and it plays most of its concerts in the Opera House, a diminutive copy of the Paris Opera. In 1945, our ally Ho, from a balcony overlooking the large square and flanked by an American Major and a British Colonel, declared Vietnam independent. (By the way the little hotel, where I stayed in the 90s, lay just across from our American Embassy in Hanoi, and the Ambassador was just so happy to be arranging business contracts with the same government our Veterans died trying to defeat, by killing as many of their patriot soldiers and volunteers as possible.) Everyone in the orchestra lost family, "killed by the Americans", they would mention simply, with Buddhist un-accusing acceptanc

- **Economic Front**
- **Vietnam to spend billions on islands amid China dispute**

Vietnam has announced an 8.5-billion-dollar economic and defence development plan for a string of islands along its resource-rich coastline, as a broader sovereignty dispute

simmers with China.

A copy of the plan, dated April 28, was obtained by AFP on Tuesday.

It calls for development over a 10-year period of a string of islands stretching from Phu Quoc near Cambodia in the southwest to Cat Ba off Haiphong in the north near China.

The document says authorities aim to boost seafood, tourism, agro-forestry and other sectors under the plan, which will require an estimated investment of 162.5 trillion dong (8.5 billion dollars) over 10 years to 2020.

"That's a significant wad of cash for Vietnam to be spending," said Ian Storey, a fellow at the Institute of Southeast Asian Studies in Singapore.

The plan also calls for increased investment in the islands' defences.

"It is essential to pay attention to security and defence tasks during arrangements for economic and civil projects on islands," the document says, calling for them to become an "outer defence stronghold".

The stronghold would include the Spratlys, the document says, although the South China Sea archipelago is not among the islands listed for the economic development initiative.

Vietnam and China are engaged in a long-running dispute over sovereignty of the Spratlys and another archipelago to the north, the Paracels, which China occupies.

The archipelagos are considered strategic outposts with potentially vast oil and gas reserves and rich fishing grounds.

Taiwan also claims the Paracels, while the Spratlys are claimed in full or in part by China and Vietnam as well as the Philippines, Malaysia, Brunei and Taiwan.

Over the past year Vietnam has reported cases of fishing boats and equipment being seized by China.

In the latest incident, reported by the state Vietnam News on Monday, China released 23 Vietnamese fishermen but allegedly kept one of their boats and gear worth 500 million dong. The men were arrested while fishing off the Paracels.

Among the islands included in Vietnam's development plan are Phu Quy and Con Dao, off southern Vietnam, where the country already produces oil and gas.

Last year a US State Department official said Beijing told US and other foreign oil companies to halt work with Vietnamese partners in the South China Sea or face consequences.

While Vietnam's island initiative appears to be about economic development, "another factor would be the need to protect these offshore oil and gas deposits" as well as fishing stocks, Storey said.

In December, Vietnam reached a major arms deal with Russia that was reported to involve the purchase of six submarines. Analysts said the deal aimed to bolster Vietnam's

maritime claims against China.

The islands contribute about 0.2 percent of Vietnam's economy but this would more than double to 0.5 percent under the development plan, the government document said.

- **Government agency divests from 353 firms**

The State Capital Investment Corp. (SCIC), the Vietnamese government's investment arm, completed by the end of March the sale of its holdings in 353 companies for VND1.2 trillion (US\$63.7 million).

In the first three months of this year alone SCIC divested completely from 29 companies, receiving a total VND149.3 billion, the Vietnam Economic Times reported Thursday.

SCIC plans to sell shares in 297 businesses this year. The corporation last year said it has been asked by the government to reduce investment outside key sectors and focus only on large projects to support national development.

The corporation, established in 2006, had investments in 574 businesses at the end of March with a combined capital of VND11.5 trillion (\$610 million).

- **Vietnam pledges \$100,000 for China earthquake relief**

A man wanders through the rubble after an earthquake hit China's Qinghai province.

Vietnam will send aid worth US\$100,000 to China's Qinghai province that has suffered thousands of casualties since a powerful earthquake hit it last Wednesday.

A Ministry of Foreign Affairs representative announced the aid at a meeting with the Chinese Embassy in Hanoi on Thursday.

The Chinese representative at the meeting expressed gratitude for Vietnam's support to China in its efforts to recover from the earthquake, saying it was an expression of the friendship between both countries.

The 6.9 magnitude quake that hit high up on the Tibetan plateau killed at least 2,187 people, including over 200 schoolchildren, and left another 80 missing, AFP reported on Friday.

- **Vietnam Targets 7% GDP Growth in Second Half of 2010 (Update1)**

Vietnam needs to target 7 percent economic growth in the second half of 2010 to meet its full-year expansion goal of 6.5 percent, Prime Minister Nguyen Tan Dung said at a ministerial meeting yesterday. The nation's growth may increase by as much as 0.5 percentage points in the second quarter from 5.83 percent in the previous three months, according to a statement on the government's website.

Vietnam's economy has been "relatively stable" so far this year and the government will continue to prioritize the maintenance of stability as well as prevent inflation from accelerating to a very high level, according to the statement.

The Southeast Asian nation's government has been implementing measures including

eliminating the links between market interest rates and the benchmark to buoy the economy. The central bank on April 14 issued guidelines for lenders to set their own rates for lending at “reasonable levels,” to make it easier for companies to access funds.

Vietnam’s economy may expand 7.2 percent this year, the fastest pace since 2007, according to HSBC Holdings Plc. That would be faster than the 6 percent forecast from the International Monetary Fund.

Consumer prices climbed 9.23 percent in April from a year earlier, down from 9.46 percent in March, as food costs eased. The country expects to keep inflation at 7 percent this year.

- **ADB approves loan to help rehabilitate Vietnam’s largest irrigation system**

The Asian Development Bank's (ADB) Board of Directors has approved a \$100M concessional loan to rehabilitate one of Vietnam’s oldest and largest irrigation and drainage systems located in the heart of the Red-Thai Binh river basin.

The loan will also help build a campus for Water Resources University (WRU) which is the only university in the country with a full program of subjects necessary to educate water engineers.

“The loan-funded project is designed to address two binding constraints that contribute to the core sector problem of poor quality and delivery of water-related services – insufficient human resource capacity and inadequate public infrastructure,” said Dennis Ellingson, Senior Natural Resources Management Specialist of ADB’s Southeast Asia Department.

The Red River delta is one of the key economic hubs of Viet Nam. Around 560,000 people living in the surrounding area of the 50-year old Bac Hung Hai (BHH) irrigation and drainage system are expected to benefit from increased household incomes from improved irrigation. A total of 1.9 million people in BHH area will benefit from improved drainage and reduced risk of flooding.

The loan will fund education facilities to train engineers in water-related fields that are needed to meet the heightened demand of a rapidly growing economy. A total of 13,400 future students and 800 faculty members will benefit from improved quality of education and improved learning and accommodation facilities at the new WRU campus.

ADB will provide the loan from its Special Funds resources. The loan will have a maturity of 32 years with a grace period of 8 years and an interest rate of 1% every year during the grace period and 1.5% thereafter.

Agence Française de Développement will cofinance the project with a loan of €20M. The government of Vietnam will provide counterpart financing of \$51M for the project.

- **Social Front**

- **Vietnam calls for more support from int'l community in fight against tuberculosis**

Vietnamese Deputy Prime Minister Nguyen Thien Nhan on Tuesday called for more support from the international community and the International Union Against Tuberculosis and Lung Disease (Union) in the country's fight against tuberculosis.

Nhan made the calling at the 18th meeting of the union coordinating committee held here on Tuesday.xc\

At the meeting, Nhan said that the inception and operation of the union meets the urgent demand to contain the dangerous disease, creating the fairness in access to healthcare services and responsibility sharing among countries in fighting against tuberculosis in the globe.

The union's activity serves as a driving force, promoting initiatives and new techniques and mechanisms in the prevention and fight against tuberculosis, according to Nhan.

Vietnam welcomes anti-tuberculosis activity of the union in the country, said Nhan.

According to the World Health Organization, about 150,000 people are found infected with the disease in Vietnam every year. A large number of them are women and living in the southern part of the country.

Singapore

- **Political Front**
- **Economic Front**
- **S'pore & Saudi Arabia sign avoidance of double taxation agreement**

Singapore and Saudi Arabia have enhanced trade links with the signing of an Avoidance of Double Taxation Agreement (DTA).

The agreement was signed in Riyadh on Monday by Singapore's Minister for Foreign Affairs, George Yeo, and Saudi Arabia's Minister of Finance, Dr Ibrahim Al-Assaf.

The new DTA is expected to further enhance the strong bilateral trade links by minimising the double taxation of income that may occur as a result of cross-border economic activities between the two countries.

Amongst other provisions, the DTA includes the internationally agreed Standard for the exchange of information upon request for tax purposes. It also provides for lower withholding taxes, and sets out permanent establishment rules for businesses.

During their meeting, Dr Ibrahim and Mr Yeo also discussed bilateral and international issues, including the G20.

"Dr Ibrahim was pleased with the progress in relations between both countries," said Singapore's Ministry of Foreign Affairs (MFA).

The chairman of the King Faisal Centre for Research and Islamic Studies, Prince Turki

Al Faisal bin Abdulaziz Al Saud, will host Mr Yeo to lunch. Mr Yeo will also participate in a roundtable discussion organised by the centre.

In the evening, Mr Yeo will have a discussion with senior officials from the Ministry of Interior. A day earlier, Mr Yeo called on the Assistant Minister of Defence and Aviation, Prince Khalid bin Sultan bin Abdulaziz Al Saud. They discussed a broad range of issues, including recent developments in the Middle East and Southeast Asia.

Mr Yeo also called on, and was hosted to dinner by, the chairman of Kingdom Holding Company, Prince Alwaleed bin Talal bin Abdulaziz Al Saud.

They discussed the present global economic environment and regional and bilateral issues, including Kingdom Holding's joint investments with Singapore.

- **PM Lee opens Shell's ethylene cracker complex**

Singapore is now home to Shell's largest integrated petrochemicals manufacturing hub.

This includes a new cracker plant at the refinery on Bukom Island and other Shell facilities on Jurong Island.

Speaking at the launch event on Tuesday, Singapore Prime Minister Lee Hsien Loong said the facility could help to attract some S\$2 billion in fixed asset investments from leading chemical firms.

The multi-billion dollar Shell Eastern Petrochemicals Complex will enable the energy giant to up production level to better serve the Asian market.

Mr Lee said the new complex is a key project that will bring a new source of feedstock to Jurong Island and that will help to spur a new wave of high-value downstream investments in the chemical industry.

Singapore, on its part will continue to support the sector's growth.

The energy and chemical industry accounts for a-third of Singapore total manufacturing output at S\$60 billion annually. But Mr Lee notes that managing the carbon emissions from such projects is key.

He said: "The government is tracking closely the UN framework convention on climate change talk, and how an international agreement to limit greenhouse gas emission would impact Singapore.

"We will strive to safeguard our interests at the talks together with other countries who share these interests. And we will also work with the chemical industry to improve emission standards to help it remains competitive and viable in Singapore."

- **Best World posts 53.1% drop in Q1 net profit**

Wellness company Best World said its first quarter net profit decreased 53.1 per cent to S\$940,000 for the period ended March 31.

This compared to a net profit of S\$2 million it recorded in the same quarter last year.

Revenue also decreased over the period, by 39.3 per cent to S\$11.5 million.

Best World attributed the loss to lower sales from all regions as consumers were still spending cautiously in light of continuing economic recovery.

It added that the seasonal nature of its business means that business tends to be slower in the first quarter.

Looking ahead, Best World said it will focus on building brand equity and launching new products. In addition, it will continue to focus on establishing its presence in the new markets of Myanmar, Philippines, Cambodia and South Korea.

- **Singapore's life insurance industry sees 43% jump in sales in Q1**

Singapore's life insurance industry capped the first quarter on a high note - with a 43 per cent rise in sales compared with the year-ago period.

Latest data from the Life Insurance Association shows the industry chalked up S\$315 million dollars worth of new business premiums on a weighted basis in the three months to March. The sales of single premiums soared to S\$1.01 billion, marking a significant 56 per cent improvement on year.

Meanwhile, sales of annual premiums rose 40 per cent to S\$244 million.

But LIA President Tan Hak Leh remains guarded and says the current performance must be viewed in context against the first quarter of 2009.

Going forward, LIA is cautiously optimistic, pointing to improving consumer sentiment, stronger economic recovery, and positive market conditions.

Neal Armstrong, deputy president, LIA, says: "The feedback from analysts in the market is very positive about Singapore. Singapore is experiencing the strongest period of growth for some time.

"And now it's a good time for people to review their financial situation, in light of potential increasing inflation, people's requirement for some kind of insurance goes up, and also in light of a recovering economy, our outlook is positive for the next few quarters."

Mr Tan adds that his only concern is that Singaporeans are still some way from closing the gap on their life protection and retirement needs.

To address that concern, LIA says it will be embarking on a series of 'Know Your Financial Health' workshops in the second half of the year to encourage every Singaporean to look into retirement planning.

Mr Tan says that LIA is still considering whether these workshops will be opened free to the public, or to charge a nominal sum.

These workshops will also look into educating the public on providing full disclosure on their financial background to financial advisors.

Adds Mr Tan: "This is similar to doctors who can't provide proper diagnosis to their patients, when they do not provide full details of their illness. The consumer needs to provide full information to financial advisors as well."

- **Social Front**

Laos

- **Political Front**

- **ASEAN cooperation on preventing Trans boundary diseases**

A Workshop on Animal Welfare and the 18th ASEAN Sectoral Working Group on Livestock (ASWGL) Meeting are being held in Vientiane on May 5-7. The event was attended by representatives of ASEAN member states and international organisations.

The events are aimed at promoting the cooperation among ASEAN member countries on the control and prevention of transboundary diseases and animal-to-human diseases as avian flu and foot-and-mouth disease.

The participants also learned the results of a research on the resolutions of infectious diseases and animal diseases in Malaysia and Thailand. Both countries are well-known for dealing with avian flu and foot-and-mouth disease and their provision of technical assistance to other member countries in coping with such diseases

- **Economic Front**

- **Govt invests 8.5 billion kip in Borikhanh development**

The government has invested 8.55 billion kip in implementing 45 projects of socio-economic development in Borikhanh district, Borikhamsay province, over the past five years (2005-2009). Twelve out of these projects are in agriculture and forestry, 10 in public works and transport, 17 in education and six in various areas.

Mr. Khen Lormany, Chief of Borikhanh district, said that the district paid attention to the materialisation of the 8th Party Congress resolution on village cluster and focal area development, the allocation of land for the locals for agricultural production and the termination to slash-and-burn cultivation practice.

Over the past five years, the authorities in the district have allocated residential land for 211 families and farmland for 4,086 families, amounting to 186,456 ha totally. Over 100 agricultural production groups have been founded over the past five years. These groups of cattle and pig raisers and cash crop farmers have 2,486 member families. The efforts of promoting market-oriented production of the district authorities have contributed to the significant reduction of the practice of slash-and-burn cultivation.

According to Mr. Khen, people in 13 out of 32 villages in the district live over poverty line.

This year the district has 3,538 ha of rainy season rice farmland, up by 438 ha over the

last fiscal year 2008-2009. On average, last year's rice yield was 3.4 tonnes. Meanwhile this year's dry season rice field covers 443 ha, up by 143 ha, with an average yield of 5.4 tonnes of rice.

- **World Vision gives medical equipment to dispensaries in Park Kading**

The World Vision has given medical equipment, worth 50 million kip (US\$ 6,000), to Park Kading Health Office, Borikhamsay province, for further distribution to dispensaries in five development village clusters in the district.

The donation package includes sonography machine, baby incubators, birth delivery suits, and emergency power generators.

The handover of the assistance took place at the Park Kading Administration Office in Borikhamsay province on April 27. It was performed by Head of the World Vision in Borikhamsay province, Mr. Tin Tuonvin, and Head of the Park Kading Administration Office, Mr. Khamphet Saypanya. Relevant officials and authorities witnessed the handover.

- **Singaporean company to export 30% of Lao coffee beans**

A Singaporean company, Outspan Bolovens Limited, has an ambitious plan to produce coffee beans covering about 25 and 30 per cent or equivalent to 7,500 tonnes yearly out of the total Lao coffee export. This company was given green light to invest in coffee plantation by the Lao government early this year.

Mr. Sanjeet Khurava, Director General of the Outspan Bolovens Limited as a subsidiary of the Olam International Limited Singapore, said that "our company sets a plan to produce 7,500 tonnes of coffee beans per year on 3,000 hectares in Kongtoun, Lak 12 (KM 12) and Lak 15 (KM 15) villages in Parksong district, Champassak province.

The coffee plantation of the company is now in the process of land clearance and some has already been grown. The plantation is expected to be achieved by 2011.

The Outspan Bolovens Limited is one of many large investors in the Lao PDR to plant coffee for export.

Mr. Sisanouk Sisombath, President of the Lao Coffee Growers' Association, gave his views that the coffee plantation invested by overseas companies in Laos would drive the export volume of Lao coffee upward in the future.

The export volume of Lao coffee is only 20,000 tonnes per year. This figure is just a small amount if compared to the real demand on the world market. The coffee plantation in Laos which has seen a slow growth is attributed to the limited land for coffee plantation and the shortage of labour force.

Concerning this problem, Lao coffee investors could not respond to the demand of coffee in the world market.

The investment in coffee plantation in the southernmost Champassak province by the Outspan Bolovens Limited amounts to US\$40 million.

This company has been granted 30-year land concession for coffee plantation

- **Social Front**
- **Lao-Vietnamese-Thai cultural village built in Laos**

A ground-breaking ceremony for building a Lao-Vietnamese-Thai cultural village has been held in Laos – central province of Borikhamsay.

Eight border provinces of the three countries along Road 8B, namely Borikhamsay and Khammouane provinces of Laos, Nghe An, Ha Tinh and Quang Binh provinces of Vietnam and Noong Khai, Xacon Nakhon and Nakhon Phanom provinces of Thailand, will build their traditional houses, clubs, parks and exhibitions halls in the 197ha village.

The village, which is being built under the agreement reached between the three countries in 2006, will depict the three countries – housing architectures, according to the a Vietnam News Agency – s report on 3 May.

Environmental Front

- **US donates US\$20,000 for gibbon conservation**

The United States has donated over 160 million kip (US\$20,000) to support the conservation of gibbons in Laos. An agreement on providing the grant aid from the US government was signed in Vientiane on April 5 by the United States Ambassador to Laos, Mr. Ravic Huso, and Director of the International Union for Conservation of Nature and Natural Resources (IUCN) Country Representative, Ms. Latsamay Silavong. The signing was witnessed by relevant officials of both sides.

The assistance is to support the conservative works of the IUCN and its international partners. Presently, gibbons are endangered in the country. Its population is declining in number due to the reduction of forests and illegal trafficking.

