



ASEAN

- The ASEAN-India Trade in Goods Agreement (TIG) was concluded on 13th August at the 12th ASEAN-India Consultations in Bangkok, Thailand. It paves the way for the creation of one of the world's largest free trade area (FTA) – a market of 1.8 billion people with a combined GDP of \$2.75 trillion. The ASEAN-India FTA (AIFTA) will see tariff liberalisation of over 90% of products traded between the 2 regions. The TIG, which forms the first substantive pillar of the AIFTA, comes into force on 1 January 2010. India is currently ASEAN's 7th largest trading partner. In 2008, bilateral trade reached US \$ 47.4 billion which constituted 2.8% of total trade with ASEAN. The leaders of India and ASEAN have set a target of US \$ 50 billion by 2010. Formal negotiations on liberalising services and investment are set to commence in October.
- ASEAN economic ministers also signed the ASEAN-China Investment Agreement with China on 13th August. The establishment of the ASEAN-China FTA will be complete when the investment enters into force in February 2010.

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CAMBODIA

- The US government said it will provide technical assistance to the Cambodian government to support the country's public management reform program and efforts to improve fiscal controls and promote greater transparency in financial transactions. "The assistance is designed to help Cambodia strengthen the enforcement of laws and controls as they relate to budgeting and financial accountability, banking and financial services, the insurance and financial industries, and tax administration and collection," it said in the statement. The programs are expected to begin within the next few months.
- Cambodia launched its national carrier Cambodia Angkor Air in July. The airline is a Cambodia – Vietnam joint venture, of which the latter holds 49%. The airline currently operates domestic flights from Cambodia's capital of Phnom Penh to Siem Reap, and to the coastal tourist town of Sihanoukville. [Cambodia has had no national carrier since Royal Air Cambodge went bankrupt in 2001 with estimated losses of \$25 million.]

INDONESIA

- Indonesia's GDP expanded 4% y-o-y in Q2 2009 from 4.4% in the previous quarter. Economists say the economy's growth momentum stemmed from resilient domestic demand while political positives had help to bolster consumer and investor confidence and demand.
- Indonesia's manufacturing registered its slowest growth in Q2 2009 since the start of the economic slowdown. The Central Statistics Agency reported a 1.85% q-o-q growth in total output valued at 327.7 trillion rupiah.

- Bank Indonesia (BI) lowered its reference rate by a quarter of a percentage to 6.5% for a 9th straight month and signaled that further cuts may be unwarranted as inflation is expected to accelerate with rising domestic demand and higher global commodity prices. Indonesia's inflation is expected to quicken to 5% next year; and monetary policy will be anticipative of the potential inflation increase. The central bank has been able to reduce its policy rate from 9.5% in December with inflation slowing. Consumer prices rose 2.71% in July from a year earlier, the smallest gain since June 2000. Economists expect BI to start raising interest rates by the first quarter of 2010.
- Indonesia's growth this year is expected to be at the 'upper end' of a forecast range of 3.5% to 4%. Lower borrowing costs are helping buoy Indonesia's economy, which expanded 4.4% in the first quarter from a year earlier. President Yudhoyono whose government has earmarked a further 61.2 trillion rupiah (\$ 6.1 billion) for stimulus spending in the next year said the country's economy is expected to grow 5% or more in 2010 and 'even faster' in subsequent years.
- Indonesia mulls a proposed presidential decree that would oblige foreign-controlled mining firms to divest at least 20% of shares to the central government, regional government, state enterprise or other domestic investors after 5 years of operation, within a 4 year period.
- The Indonesia Stock Exchange says foreign-owned natural resources firms would find it easier to meet divestment requirements via listing on the local exchange as the finance ministry had on some instances failed to take up stakeholding offers from such firms owing to a lack of funds. The Exchange is looking to double market capitalisation to 3,000 trillion rupiah through the listing of such companies. It said the target was attainable if the government lends its support by passing the requirement to list into law.
- Total investment in Indonesia fell to \$7.3 billion in the first half of this year. According to the Indonesia Investment Coordinating Board (BKPM), investments had risen 27% from H2 2008 but was 35% less in comparison to H1 2008. FDI in H1 2009 fell 48% y-o-y to \$5.39 billion despite a rise in the number of projects registered. Domestic investment, which accounted for 26.8% of total investments in H1 2009, doubled y-o-y to \$1.9 billion.

Value of Foreign Direct Investments in Sectors (US\$)	
Transportation, Warehousing and Telecommunications	\$ 1.2 billion
Chemicals & Pharmaceuticals	\$ 958.4 million
Construction	\$ 481.4 million
Trade & Services	\$ 441.2 million
Metal, Machinery and Electronics	\$ 306.5 million

- Indonesia set up its 20th Trade Promotion Centre in Chennai. The Centre, purposed to address queries relating to trade and tourism was inaugurated by Indonesian ambassador to India, Andi M.Ghalib on 4 August. Mr.Ghalib said trade between India and Indonesia had grown from \$8.7 billion in 2007-2008 to over \$10 billion in 2008-2009 in spite of the global economic slowdown. He added that India and Indonesia shared a rich cultural heritage, and with Western markets in turmoil, it was an opportunity to strengthen economic ties.
- Indonesian national carrier Garuda Airlines may revive plans to connect Chennai and Medan with a direct flight after the global economy recovers. The said service between the 2 cities were to have commenced in June last year – if not for the recession. Currently, Garuda plies the Chennai-Medan route via Singapore. Flying direct would reduce flight time by upto 4 hours; and fares from Rs. 30,000 to Rs 10,000.
- Tata Motors Ltd is conducting a feasibility study to market its cars in Indonesia. Society of Indian Automobile Manufacturers (SIAM) says several Indian car manufacturers were keen on Indonesia. 'Indonesia's economy is still positive. And it's a growing market,' he said. Domestic car sales in Southeast Asia's biggest economy are expected to reach 450,000 units this year.
- National Aluminium Co. Ltd (NALCO) said it will delay construction of its aluminium smelter in Indonesia until its coal supply requirements are ensured. The \$4 billion project, conceived to produce 500,000 tones of aluminium using about 250 megawatts each from 5 power plants, was expected to commence construction in 2010. The delay is expected to set it back by 6 months to 1 year.
- BEML Limited, formerly known as Bharat Earth Movers, said an amount of \$44 million has been earmarked to set up its marketing office, spare part depot as well as a product services centre in Balikpapan in East Kalimantan province to support its business expansion in Indonesia.

- GMR Group has acquired a 100% stake in Indonesian coal mine, PT BSL, for approximately \$80 million to help fuel its expanding energy projects for the next 25 years.
- Indian state-run power producer NTPC said it has appointed Macquarie as consultant for acquiring coal mines in Indonesia.
- Indian firm JSW Energy is in the final stages of completing due diligence for a 50-million tonne coal linkage in Indonesia to secure coal supplies for its forthcoming power projects at Ratnagiri and Vijaynagar, Karnataka.
- Coal & Oil Group, which supplies coal in India and Pakistan, anticipates India's coal imports will more than double to 100 million tonnes by 2012 from 40 million tonnes currently – a figure it says is about 40% of Indonesia's estimated coal production for this year.

LAOS

- The Lao economy grew 7.1% in the first half of this year despite the global economic downturn, the Lao newspaper Vientiane Times reported. Lao deputy Planning and Investment minister Bounthavy Sisouphanthong attributed the growth performance to FDI and key exports. The government has set a GDP growth target of 7.5% for this year.
- India's Aman Resorts (acquired by DLF in 2007) announced the opening of Amantaka in Luang Prabang (the former royal capital of Laos) in July. The 24-suite resort incorporates 15 French-colonial-style buildings that were once part of the city's old provincial hospital. Nine of the buildings are protected under UNESCO's World Heritage regulations. Located south of Mount Phousi, the resort rests on a peninsula framed by Mekong and Khan rivers.
- The Laos national assembly has approved an amendment to the country's investment law to allow foreign investors who invest more than 2.5 billion Kip in Laos the right to lease lands for 99 years as well as to buy and sell buildings in Laos.

MALAYSIA

- Malaysia's economy fell at a slower pace of 3.9% y-o-y in Q2 2009 compared with a 6.2% contraction in the Q1 2009, derived from higher public spending and positive growth in private consumption. Weak external demand – which fell 26.3% on top of a 20% contraction in the first quarter – continued to hamper growth for manufactured goods from major trading partners, while commodity exports fell 40.6%. Still, Q2's manufacturing contraction narrowed to minus 14.5% from minus 17.9% with improvement in production on inventory stocking and higher domestic consumption, while construction expanded 2.8% from 1.1% as the stimulus measures began manifesting in higher activities in the non-residential and civil engineering subsectors.
- Malaysia's international reserves stood at \$91.4 billion in August compared to \$91.2 billion in July according to the central bank data. The reserves are enough to finance 9 months of retained imports and were 3.8 times the short-term external debt.
- Malaysia's biotechnology sector is projected to register an average annual revenue growth of 15%, according to Frost & Sullivan in the Human Capital Development Report 2009, jointly undertaken with the Ministry of Science, Technology and Innovation and the Malaysian Biotechnology Corp (BiotechCorp). The global research firm said Malaysia's biotechnology sector is expected to generate revenue of RM 45 billion by 2013. Based on the report, the healthcare sector is anticipated to record the highest growth with compound annual growth rate (CAGR) of 20 %, driven by the development in the healthcare industry and the market for biotechnology therapeutics (medicines and vaccines) and diagnostics. The agriculture sector is expected to achieve a 15 % annual revenue growth supported by the expected fast-paced expansion over the next 5 years; followed by the industrial sector with a 10% annual revenue growth, due to the rising demand for biofuel, processing and materials.

- The IMF warns that Malaysia's budget deficit will continue to balloon unless its government implements the Goods and Services Tax (GST) and remove subsidies. The tax was proposed in 2005 but shelved due to political and inflationary pressures. Since then, Malaysia's budget deficit has surged and is expected to hit 7.6% of GDP this year. The IMF said Malaysia's budget deficit was 11% of GDP in 2008, if excluding revenues from oil which provides about half the country's government revenues. Economists anticipate policymakers will continue to delay the GST for as long as new sources of revenue to reduce the over dependence on oil and gas income avail.
- Malaysia's Qualitas Medical Group Ltd has acquired a 40% stake in specialist dental care chain, V V Dentistree India Private Limited, for INR 20 million. The group already operates a clinic with diagnostic facilities in the country.
- Malaysia's Proton Holdings wants to go regional and has marked India as a major target market to launch its passenger cars. The national carmaker has not indicated any time frame for their India entry.
- Pay-TV provider, Astro All Asia Networks PLC, is paying RM 60.55 million via its wholly owned South Asia Multimedia Technologies Ltd (SAMT) for an additional 13.02% stake in South Asia FM Ltd (SAFL) which runs the Red FM radio stations in India to tap into the country's growing radio advertising market that is expected to reach RM 1.25 billion by 2013. This will bring its shareholding to 20%. The company is looking forward to 'positive developments' that are expected to take place on the Indian radio landscape, including the relaxation of radio licensing requirements, which includes higher FDI limits and ownership of multiple frequencies and radio stations.

MYANMAR

- Myanmar's Ministry of National Planning and Development statistics showed foreign investment into the country swelled 6 fold to \$984.9 million in the fiscal year that ended March 2009, from \$172.7 million the previous year. China accounted for 87% of total foreign investment, with \$855.9 million pumped into its mining sector. Other investment projects in that fiscal year included a combined \$114 million from Russia and Vietnam in the oil and gas sector, and \$15 million from Thailand in the hotel and tourism industry. There were no new investments in the manufacturing, fishing, transport, or power sectors.

Cumulative foreign investments into Myanmar, since the opening of its doors to neighbours in 1988, are estimated at \$15 billion. A report in a weekly journal called The Weekly Eleven said Thailand is the country's leading investor with estimated interests of \$7.41 billion, followed by the United Kingdom which has invested \$1.8 billion despite imposing economic and financial sanctions against the junta. Singapore ranks third with \$1.55 billion invested, followed by China (\$1.33 billion), Malaysia (\$660.75 million), Hong Kong (\$504.22 million), France (\$469 million), United States (\$243.565 million), Indonesia (\$241.50 million) and South Korea (\$293.32 million). The weekly said investments were made by 31 countries in 424 projects across 12 economic sectors. The energy sector, which includes oil and gas and hydroelectric power plants, has been the biggest FDI draw.

- A 15-member delegation from Myanmar visited the Central Institute of Freshwater Aquaculture (CIFA) in Bhubaneswar (Orissa) and Kolleru Lake (Andhra Pradesh) to study India's aquaculture development. The delegation comprised of members from the Myanmar Fish Association, the Myanmar Fisheries Federation and the Myanmar Fisheries Department.

THE PHILIPPINES

- The Filipino economy grew a seasonally adjusted 2.4% (q-o-q) in Q2 2009 to reverse a revised 2.1% drop posted in the first quarter. Romulo Virola, head of the government statistical agency, said the government's resiliency plan which included huge spending on road construction and repairs works (giving employment a third more than annual hires than in the past 4 years), and cash handouts to more than 700,000 poor households, had helped to resuscitate the domestic economy. Public construction rose by 29.9% in Q2 2009 compared to 11.5% in Q1 2009. Stronger household consumption (typically representing two thirds of GDP) which doubled to 2.2% from 1.3% in the previous period, was further aided by unexpected continued growth in remittances from Filipinos abroad, to significantly help the Philippine economy return to growth in the second quarter. Y-o-y, the economy grew by 1.5% in Q2 2009, faster than the government's forecast of -0.1% to 0.9% growth.

Economists say revenue shortfalls and a yawning budget deficit could however undermine any economic recovery next year as the government may find it more costly to borrow money with which to sustain spending for infrastructure and social programmes. Government revenues in the first half of the year fell short of target and were down by 4.3% y-o-y, while state spending, which accounts for a tenth of the economy, grew by 9.1% y-o-y in Q2 2009 compared to 4.5% in Q1 2009.

- The Asian Development Bank (ADB) said it has approved a \$500 million short term loan to the Philippines. The loan will help close the Philippine government's budget financing gap for this year and support its 2009 budget expenditure programme to counter the crisis, including labour-intensive infrastructure projects, the bank said.
- Moody's Investors Service upgraded its Philippine credit rating for the first time in 12 years, citing 'stability in the financial system and rising currency reserves. The rating was raised one level to Ba3 in July, on par with Indonesia, Turkey and Uruguay.
- The Philippines is targetting \$800 million to \$1 billion in investments this year after missing that same billion-dollar target in 2008 with just \$630 million drawn in. Its mining sector is aiming to attract between \$10 billion and \$13 billion in investments by 2013.

SINGAPORE

- Singapore's GDP expanded 20.7% q-o-q on a seasonally adjusted basis in Q2 2009, compared to the 12.2% contraction in Q1 2009. According to the the Ministry of Trade & Industry, growth was underpinned by strong gains in manufacturing sector which saw output soar 49.5% q-o-q from -18.5% in the last quarter – largely owing to a surge in production by the biomedical manufacturing cluster. Except for the hotels and restaurants cluster, all other services producing sectors registered growth from the previous quarter – construction (+32.7%); services (+8.7% from -9.8% in Q1, boosted by Financial Services which grew 22.8%). Y-o-y, GDP in Q2 2009 contracted by 3.5%.
- Singapore has raised its 2009 growth forecast after a less severe contraction in the first half of 2009. The Ministry of Trade & Industry (MTI) now expects the economy to contract by 4% to 6% instead of 6% to 9% predicted in April. Flash estimates based mainly on April and May data showed the economy had surged 20.4% q-o-q compared with the 12.7% contraction in Q1 2009. The Singapore economy however is still expected to register a contraction of 3.7%, on year. MTI said its new forecast were based on an upward revision in Q1 2009's performance, a spike in manufacturing output resulting in an improved Q2 performance, and a subdued outlook for the rest of the year.
- Singapore is studying a minority buy-out rights regime that will allow minority shareholders who dissented from any fundamental change to the enterprise or alteration of shareholder rights, to require the company to buy their shares at fair value, in bid to enhance minority shareholders' rights. Its Companies Act review committee is also looking at increasing increasing the number of proxies offered to institutional investors to attend companies' general meetings from the current limit of 2 votes.
- Singapore topped the Asian region (sans Japan) in the latest corporate governance report by UBS and US-based Governance Metrics International (GMI) with an average rating of 5.1 on a scale of 1-to-10, based on GMI's evaluation of 46 firms in the Republic. Its score was above the region's median of 4.5 but lower than the global median of 6.5. Thailand and India took second and third placings with GMI scores of 4.7 and 4.5 respectively.

Keppel Corp (Singapore), Genting (Malaysia), Infosys (India) and Siam Commercial Bank (Thailand) were listed among UBS' regional top 10 corporate governance picks. [Corporations in the UBS-GMI study were assessed on board accountability, financial disclosure, internal controls, shareholders rights, directors' remuneration as well as socio-economic factors such as business environment and regulatory developments.]

- Singapore rose a notch to 18th position in a ranking of the world's most expensive retail locations at end Q1 2009 from 19th position at end 2008, according to CB Richard Ellis' (CBRE) latest Global Retail Market View. The average retail rental value for end Q2 2009 was S\$49.80 per square foot per month - down 3.9% q-o-q; 8.5% lower y-o-y. It emerged 11th in CBRE's ranking of the top 15 Global Retail Cities (based on the percentage of leading global retailers present in the city) as at the end of last year. [Singapore is currently the only Southeast Asian city to have made the rankings.]

How markets in Asia (sans Japan) f in corporate governance

Country	Average Score
1. Singapore	5.1
2. Thailand	4.7
3. India	4.5
4. Malaysia	4.5
5. Taiwan	4.5
6. Hong Kong	4.0
7. Indonesia	3.8
8. South Korea	3.8
9. Philippines	3.6
10. China	3.0

- Bihar's Minister for Public Health and Engineering Department (PHED) Ashwini Kumar Choubey announced that a team of engineers from Singapore's Public Utilities Board would be visiting Bihar to suggest improvements to the supply of potable water in the state.
- The Monetary Authority of Singapore (MAS) said the severe global economic crisis has pared 80% of profits gained in the previous 2 years. The central bank announced a net loss amounting to S\$9.2 billion in the last financial year ending March 2009. This compares with a profit of S\$7.4 billion in the previous financial year, and S\$3.85 billion in 2006. The central bank says the loss represents 3.5% of its average total assets which comprise bonds and equities in developed countries.
- Singapore's Manpower ministry has recalibrated its point allocation system to the existing set of criterion (which include, salary, educational qualifications, skills, job type and work experience) for issuance of the S-Passes from 1 June to encourage businesses to employ better qualified foreign employees. [S-Passes are for semi-skilled foreigners who earned a fixed minimum salary of S\$1,800. The number of S-Pass holders a firm can hire is limited to a 25% proportion of their total work force.
- Punj Lloyd is looking at listing its Singapore-based subsidiary Sembawang Engineers & Constructors to fund its backlog of orders. Chairman, Atul Punj, said the company would consider private equity infusion and strategic financial partners as well.
- Changi Airports International (CAI) has finalized a deal to acquire 26% in Bengal Aerotrpolis Projects Ltd. CAI's initial investment will be \$20 million but could be raised to \$100 million, depending on how successfully the project unfurls. Under its Technical Service Agreement, CAI will provide a suite of technical services relating to the development of Gurgapur Airport over a period of 24 months.
- Gujarat Vittal Innovation City (GVIC) was reported to be in advanced discussions with the Singapore government and other aviation firms to set up maintenance, repair and overhauling (MRO) facilities. The MRO facilities are likely to be a part of the aerospace and avionics subconclave that the promoters of GVIC plan to build in their 2,500-acre SEZ.
- IFCI Infrastructure Development has inked an agreement with Singapore's Frasers Hospitality to manage its 90-unit serviced apartments property, named Fraser Suites, for 10 years. Frasers has lined up to manage 600 units in separate developments in Chennai, Bangalore and Gurgaon scheduled to open in India over the next 3 years.
- Singapore's Hyflux and the Japan Bank for International Cooperation (JBIC) have signed a memorandum of understanding for global collaboration on water projects. The purpose of the MOU is to identify areas where JBIC would consider providing financing for Hyflux's water projects in Asia (including China and India) and MENA (Middle East & North Africa) regions that involve the participation of Japanese equipment suppliers or investors.

- Essel Propack is speculated to be putting its medical devices business based in the US and Singapore on the block as part of its plan to divest its non-core businesses to meet capex requirements. Essel had acquired Singapore-based Avalon Medical Services as part of its foray into the medical devices business in March 2006.
- Wipro's FMCG arm, Wipro Consumer Care and Lighting (WCCL), is expanding its go-to market strategy and re-energising the portfolio of Singapore-based Unza (which it acquired \$246 million) to enlarge its base in high-growth markets in east and west Africa. Unza is the third largest player in personal care in Vietnam and Malaysia.
- Singapore's United Overseas Bank's fund management arm has formed an alliance with UTI International (Singapore) - a unit of India's UTI Asset Management - to jointly launch and distribute mutual funds. UTI International (Singapore) is a joint venture involving India's largest mutual fund company UTI, Shinsei Investments, and another firm.
- Bharti Airtel Ltd unveiled in Singapore in August its Global Wholesale Service Portfolio which enables the global carrier community in 50 countries access to Bharti Airtel's services to and from any part of the globe.
- Chennai-based Zylog Systems said it was in the final stages of acquiring a Singapore firm offering solutions for e-governance and public utility services.

THAILAND

- Thailand's recession eased last quarter on government spending and improving export orders. The country's GDP fell 4.9% (y-o-y) in Q2 2009 after contracting 7.1% in the first quarter of this year. On quarterly, seasonally adjusted terms, the Thai economy expanded 2.3%, reversing from a 1.8% contraction in Q1 2009.

Manufacturing resumed growth on a quarterly basis — expanding 6.2% — following two quarters of steep contraction (-8.4% in Q1 2009 and -14.4% in Q4 2008) when the downturn in world trade flattened demand for cars, electronics and electrical goods made in Thailand. Agricultural production fell and activity in the services sector was however flat.

Private spending rose from Q1 2009 as the government rolled out an economic stimulus plan including cash handouts to low income workers.

The National Economic & Social Development Board expects the economy to shrink between 3% and 3.5% in this year compared with 2008.

- The Thai Cabinet approved a revised 1.06 trillion-baht, 3-year investment program to help lift the economy out of its recession. The spending plan, involving transportation, logistics, health and education projects, is in addition to a 116.7 billion-baht stimulus package implemented in the first half of 2009.
- Thailand's CPI declined 1% y-o-y in August, compared with a 4.4% fall in the previous month. Consumer prices however increased 0.4% m-o-m in August. The core inflation, which excludes fresh food and fuel prices, dropped 0.2% on an annual basis in August - in line with economists' expectations.
- Thailand's manufacturing industry witnessed its smallest contraction in June since November last year. Its MPI indicated a 7.8% drop from a revised 9.8% decline a month earlier, according the Bank of Thailand (BoT). The median estimate of 15 economists polled by Bloomberg was a 9.5% contraction.
- The Joint Foreign Chambers of Commerce in Thailand (JFCCT) in Thailand have called on the government to remove Article 21 in Annex III of the Foreign Business Act (FBA), to bolster foreign investment in the services sector. Bangkok responded saying 'Thailand must retain Article 21 in Annex III of the FBA in order to ensure protection of service businesses that have yet been freed up.' Foreign investors in new service businesses are currently required to apply to the Business Development Committee under the Commerce Ministry which consider the applications on a case-by-base basis.
- Thailand's largest steel bar maker, Tata Steel (Thailand), has plans to operate a new mini blast furnace in the eastern province of Chonburi from August. The \$112 facility will have an annual production capacity to of 500,000 tonnes.

- Kingfisher has commenced a new daily service between Kolkata and Bangkok.
- Thailand's Central Marketing Group said it was seeking a distributor or joint venture partner with strong retail experience in India to market its S'fare mens' apparel, adding that it was already in talks with an Indian investor with whom the company has a 30-year business relationship with for a joint-venture possibility. The company recently signed a licensing agreement with the Cotton Council International to use its 100-per-cent cotton fibre and Cotton USA label to help boost the credibility of the S'fare brand.
- Thailand's biggest listed electronics firm, Delta Electronics (Thailand) PCL, is planning to build a fourth Indian assembly plant. The firm's Indian operations are currently located in Gurgaon, Pondicherry and Rudrapur (Uttarakhand).
- Absolute Hotel Services (AHS), a Thailand-based hospitality chain, said it was concluding deals for eight hotels in India. The company recently also signed a consultancy-cum-management contract with Mumbai-based KBJ Group to manage the latter's first five-star hotel in Varanasi which will be operated under AHS' 'U' brand.
- Commerce & Industry Minister Anand Sharma told the Bangkok Post while in Thailand that the TIG agreement between India and ASEAN should pave way for the FTA between Thailand and India, which now covers only 82 items under an early-harvest scheme. Minister Sharma also met with Prime Minister Abhisit Vejjajiva who shared keenness to drive trade between the 2 countries beyond \$10 billion next year. [Thailand is the fourth-largest trading partner with India in Asean members, after Singapore, Malaysia and Indonesia. Trade reached \$4.11 billion in 2008, with exports from Thailand valued at \$2.3 billion.]

VIETNAM

- Vietnam's GDP in Q2 2009 quickened to 4.5% y-o-y from 3.1% in Q1 2009, fuelled by the growth of the industry and services sectors. The industry sector, contributing 40% of the GDP, recorded a surge from 1.5% in the first quarter to 4.3% in the second. Meanwhile, the services sector increased from 5.4% to 5.9%. On a half-yearly basis, the economy grew an estimated 3.9% y-o-y in the first 6 months, slowing from annual growth of 6.5% in the same period last year.
- The World Bank forecasts GDP growth of 5.5% in 2009, faster than the 4.5 percent projected by the Asian Development Bank and also above the governments revised growth target of 'around 5%'. The statistics office said the government should take measures to achieve growth of around 5.9% in the second half to meet the annual target. The steps included restructuring the economy to raise the efficiency and the competitiveness, prevent of a return of high inflation in the second half as well as directing fiscal stimulus to the right targets, the office said.
- Vietnam's CPI edged up 0.24% in August against July and 1.97% when compared to the same period last year. Nine out of 10 staple commodities experienced price increases with postal and transport services seeing the highest rise of 1.31% due to rising oil prices, followed by housing and construction materials at 0.93%.
- Vietnam's Foreign Investment Agency (FIA) recorded FDI of \$10.1 billion in the first 7 months of this year – of which 53% was registered capital of more than \$5.4 billion for 385 newly licensed projects. The agency said the country was on course to meet its goal of attracting \$20 billion worth in FDI in 2009. This is despite FDI pledges into the country and planned capital increases for existing projects have plunged 81% in the 7 months from a year earlier. [Taiwan is the country's largest investor with cumulative investments of \$21.2 billion in 2,005 projects, followed by South Korea (\$20.1 billion), Malaysia (\$18 billion), and Japan (\$17.6 billion)]

RECENT HAPPENINGS

- Participation of Prof. Ng Wun Jern, Executive Director, Nanyang Environment and Water Research Institute (NEWRI), Singapore at the 4th CII University-Industry Council Symposium from 31 July – 1 August 2009 at Shibpur, Howrah, West Bengal, India.

- CII hosted a dinner for then High Commissioner to Singapore, Dr. S Jaishankar on 3 August, in Singapore. Senior Minister Goh Chok Tong graced the gathering as the Guest-of-Honour. Other distinguished guests included Singapore Ambassadors-at-Large: Prof. Tommy Koh, Mr Ong Keng Yong, Mr Gopinath Pillai; Mr Peter Ong, Permanent Secretary, Ministry of Trade & Industry; Mr Kishore Mahbubani, Dean, Lee Kuan Yew School of Public Policy; and Prof C Raja Mohan, S Rajaratnam School of International Studies.
- Mr Tarun Das, Chief Mentor, CII visited Singapore on 3 August 2009. During his visit, he met with Mr Ravi Menon, Second Permanent Secretary, Ministry of Trade and Industry, Mr Tharman SHANMUGARATNAM, Minister for Education and Second Minister for Finance, Mr George Yeo, Minister for Foreign Affairs, Mr Vikram Khanna, Associate Editor, Business Times – 3 August 2009
- Dinner with Mr S Iswaran, Senior Minister of State for Trade & Industry and Education, Singapore in New Delhi on 3 August 2009
- Lunch arranged between SMS Iswaran and Mr Deepinder Hooda, Member of Parliament in New Delhi on 3 August 2009
- Mr Pradipto Mohapatra, Past Chairman, CII Southern Region spoke at the opening ceremony of Indonesia Trade Promotion Centre in Chennai, 4 August 2009
- Visit of H E Mr Andi M Ghalib, Ambassador and Mr Otto Riadi, Counsellor, Embassy of Indonesia to CII, Southern Region Headquarters, Chennai, 5 August 2009
- CII Business delegation to Indonesia, 6 – 7 August 2009 & Made in India Show in Jakarta, Indonesia, 7-10 August 2009
- Participation of Mr Sivaraman Arasu, Asst Director, Policy and Planning Dept, Public Utility Board, Singapore at the SUMINFRA 2009 - Fast Tracking Infrastructure Development through PPPs” on 6-7 August 2009 in Chennai
- Address by H E Mr Kasit Piromya, Hon'ble Foreign Minister of Thailand during the session on "India - Thailand Partnership: Exploring Opportunities", Kolkata, 17 August 2009
- Singapore Logistics Association delegation to Chennai led by Mr Ryan Ang, Center Director, IE Singapore, 23 – 28 August 2009
- CII Core Group visit to Singapore, 24 – 25 August 2009.

CII Core Group met with the following during their visit to Singapore:

- a. **H.E. Mr S R Nathan**, President, Republic of Singapore
 - b. **H.E Mr Goh Chok Tong**, Senior Minister, Republic of Singapore
 - c. **Mr Lim Hng Kiang**, Minister of Trade and Industry, Singapore
 - d. **Prof Tommy Koh**, Ambassador-at-Large
 - e. **Mr Tan Cheng Gay**, Vice President, Singapore Chinese Chamber of Commerce and Industry
 - f. **Mr Gopinath Pillai**, Ambassador-at-Large and Chairman, Institute of South Asian Studies (ISAS)
 - g. **Mr S Dhanabalan**, Chairman, Temasek Holdings (Private) Limited
 - h. Network India Steering Committee
- Delhi Mumbai Industrial Corridor (DMIC) Investment Seminar for Singapore and Japanese Companies co-organised by JETRO-IE-CII, Singapore, 27 August 2009
 - Session on “Tamil Nadu Business Know-How & Opportunities in Singapore”, Chennai, 31 August 2009
 - SBF - SMaF Business Mission to Tamil Nadu, 30 August to 4 September 2009



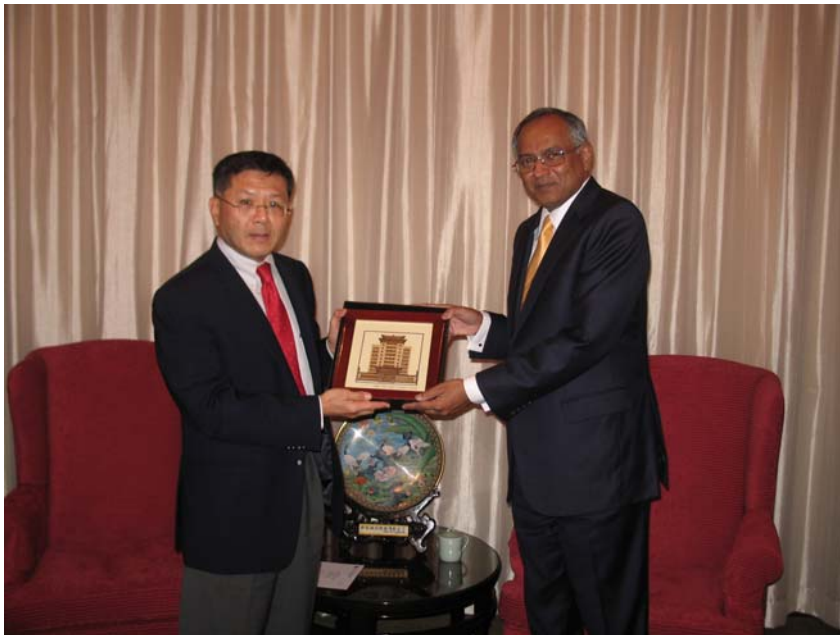
Ambassador Biren Nanda; Mohamad Hidayat, Chairman, KADIN; Jyotiraditya Scindia, Minister of State for Commerce and Industry, India; H.E Fahmi Idris, Minister of Industry, Indonesia; Rajive Kaul, Past President, CII and Chandrajit Banerjee, Director General, CII during the "Made in India" inauguration in Jakarta, Indonesia on 7 August 2009



Vijay R Kirloskar, Chairman & Managing Director, Kirloskar Electric Company Limited; Steve Sondakh, Chairman International Committee on Economic Cooperation for APAC, Indonesian Chamber of Commerce & Industry (KADIN); Rajive Kaul, Past President, CII; Chandrajit Banerjee, Director General, CII during the seminar on "Trade and Investment Opportunities in India : India-Indonesia The Road Ahead", 7 August 2009



The CII Core Group CEOs met with Singapore Senior Minister Goh Chok Tong on 25 August during their annual visit. From Left to Right: Tsewang Namgyal, Acting High Commissioner of India (Singapore); Venu Srinivasan, President, CII, and Chairman, TVS Motor Company Ltd; N Kumar, Past President, CII, and Vice Chairman, Sanmar Group; Senior Minister Goh Chok Tong; Neerja Bhatia, Director & Head (Southeast Asia Region); Syamal Gupta, Chairman, Tata International; R S Ramasubramaniam, Vice Chairman, Feedback Ventures; and Tarun Das, Chief Mentor, CII.



Tan Cheng Gay, Vice President, Singapore Chinese Chamber of Commerce & Industry (SCCCI) presenting a memento to Venu Srinivasan, President, CII after meeting with the CII Core Group CEOs who were in Singapore (24-25 August 2009).