

Welcome to the latest issue of D&B's ASEAN Newsletter, where we aim to round up exciting developments in D&B, news around the region, data stories and product updates. Referenced below are a number of hot topic areas, take a look, click on the links, ask your local sales team for further clarification or drop us an email directly.

Made in ASEAN: Vietnam Cuts Import Taxes for ASEAN-made Vehicles

Jan. 6 – As of January 1, 2014, vehicles imported from other ASEAN countries to Vietnam are eligible to receive a 10-50 percent tax cut following the 2008 ASEAN Trade in Goods Agreement (ATIGA). The new tax rate for vehicles imported into Vietnam from ASEAN nations is displayed in the following chart:

Type of Vehicle	Tax
Emergency cars and prisoner transport vehicles	0% to 5%
4-seater to 9-seater cars	50% (down 10% from 2013)
Trucks and other vehicles (depending on type)	0% to 50%
Bicycle, motorcycle, and electric vehicles taxes	Set to decrease
Completely knocked down (CKD) cars	0% to 50%
Aircraft (airplanes and helicopters)	0%

ASEAN Economic Integration

The realization of the ASEAN Economic Community (AEC) by 2015 will enable the free mobility of goods, services, skilled labor and investment. Vietnam continues to enact several measures in order to prepare itself for regional competition in a market that encompasses over 600 million people and US\$2 trillion in production. [Read more](#) / Source: The ASEAN Briefing

Japan Cements Future Ties with ASEAN

Dec. 27 – During a meeting in Tokyo marking the 40th anniversary of Japan-ASEAN relations, Prime Minister Shinzo Abe pledged ¥2 trillion (about US\$20 billion) in aid and loans to Southeast Asian countries over the next five years in a move signaling both tighter cooperation between Tokyo and the Southeast Asian block, and an attempt to counterbalance China's growing influence in the region.

Cementing Ties

At the Japan-ASEAN Summit, PM Abe emphasized the importance of strengthening economic ties between Japan and the regional organization, saying that his administration's recent policies aimed at promoting Japanese growth will benefit ASEAN whose growth, in turn, will benefit Japan.

In 2009 Japan ranked as ASEAN's largest trading partner, but has since been replaced by China, the world's second largest economy. Nevertheless, Japan is still a major economic player, accounting for 11 percent of ASEAN trade – just two percentage points behind China. [Read more](#) / Source: The ASEAN Briefing

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ASEAN Industry Highlights

For more News, click [Here](#)

ASEAN

26-Dec-13 The ASEAN Briefing [World Economic Forum Assesses ASEAN's Rising Energy Demand](#)

18-Dec-13 Asia News Network [Non-tariff barriers slow down AEC](#)

11-Dec-13 Asia News Network [Asean businesses see economic integration as an opportunity](#)

Combodia

16-Dec-13 Cambodia Daily [Government Predicts Increase in Trade Volume](#)

Indonesia

20-Dec-13 Bisnis Indonesia [Commercial Vehicles Sales May Stable Until End-2013](#)

20-Dec-13 Bisnis Indonesia [Indonesia Leads To Be World's Rubber Industry Basis](#)

12-Dec-13 Bisnis Indonesia [Heavy Equipment Outlook 2014: Imports Overpower Domestic Products](#)

Laos

28-Nov-13 Asean Affairs [Laos seeks foreign direct investment from South Korea](#)

Malaysia

31-Dec-13 The Star [Malaysian economy to see 5.5% growth in 2014:economist](#)

26-Dec-13 The Star [Fuelling manufacturing growth](#)

Myanmar

30-Dec-13 Myanmar Times [Trade volumes likely to fall short of \\$25b goal](#)

22-Dec-13 Myanmar Times [Prolonging IP law will hurt business, experts say](#)

22-Dec-13 Myanmar Times [Dealers put the brakes on car imports](#)

Philippines

20-Dec-13 Business World [Electronics exports seen to hit 15-year low](#)

19-Dec-13 Manila Standard [PH to rise as major car exporter](#)

Singapore

31-Dec-13 Channel News Asia [Singapore's economy did well in 2013, say economists](#)

31-Dec-13 Channel News Asia [China surpasses S'pore as global market leader in building rigs](#)

26-Dec-13 Channel News Asia [Singapore's industrial output grows at slower pace in November](#)

Thailand

12-Jan-13 ABS CBN News [Can Thailand's 'Teflon' economy withstand protests](#)

28-Dec-13 The Nation [Slow development in skills holding back ICT industry](#)

27-Dec-13 The Nation [Honda may pass Toyota as top seller](#)

27-Dec-13 The Nation [Growth forecasts forced down again](#)

Vietnam

27-Dec-13 Thanh Nien News [Cell phones topple garments as Vietnam's top export](#)

26-Dec-13 Vietnam Investment Review [Retailers told link up or die](#)

26-Dec-13 Vietnam News [Industrial production surges](#)

Country Risk Update

ASEAN Regional Risk Indicators

Cambodia	DB5d
Indonesia	DB4b
Malaysia	DB3b
Myanmar	DB6a
Philippines	DB4c
Singapore	DB2b
Thailand	DB4d
Vietnam	DB5b

*Indicates that the D&B Country Risk Indicator has been changed this month.

The DB risk indicator is divided into seven bands, ranging from DB1 through DB7. Each band is subdivided into quartiles (a-d), with an 'a' designation representing slightly less risk than a 'b' designation and so on. Only the DB7 indicator is not divided into quartiles.

DB1 Lowest risk	Lowest degree of uncertainty associated with expected returns, such as export payments, and foreign debt and equity servicing.
DB2 Low risk	Low degree of uncertainty associated with expected returns. However, country-wide factors may result in higher volatility of returns at a future date.
DB3 Slight risk	Enough uncertainty over expected returns to warrant close monitoring of country risk. Customers should actively manage their risk exposures.
DB4 Moderate risk	Significant uncertainty over expected returns. Risk-averse customers are advised to protect against potential losses.
DB5 High risk	Considerable uncertainty associated with expected returns. Businesses are advised to limit their exposure and/or select high-return transactions only.
DB6 Very high risk	Expected returns subject to large degree of volatility. A very high expected return is required to compensate for the additional risk or the cost of hedging such risk.
DB7 Highest risk	Returns are almost impossible to predict with any accuracy. Business infrastructure has, in effect, broken down.



Country Risk Spotlight - Indonesia

Policy-makers still face challenges as the economy slows and inflation rises.

Policymakers will face ongoing challenges over 2014 with the economy slowing, price pressures rising and the currency set to remain under significant pressure. In November, the central bank lifted its benchmark interest rate by 25 basis points to 7.5%. The Bank has raised rates five times since May in order to curb lending growth, dampen inflationary pressures and halt capital outflows. Inflationary pressures (driven up by government-administered fuel-price hikes earlier in the year and the weaker currency) continue to be strong: CPI inflation rose by 8.4% year on year (y/y) in November, up from 8.3% in October.

Thanks to the central bank's tighter monetary policy, alongside assurances by US policymakers that US monetary policy will remain accommodative, capital outflows have been less severe in recent months. Nevertheless, the currency has been under pressure: by December, the rupiah had fallen by nearly 20.0% against the US dollar since the beginning of the year, bringing it to a five-year low. The central bank will almost certainly continue to intervene in the FX market to limit currency volatility and to ensure liquidity in the months ahead. The weaker currency will exacerbate inflationary pressures. D&B believes that the central bank will need to raise rates again in early 2014.

"This complimentary write-up from D&B's Country Insight Services group has been put together by their team of experts using the most up-to-date information to provide a snapshot of the latest country risk situation, and provides an excellent overview for those exposed to cross-border credit or investment risks"

Other Country Risk Headline News

- **Philippines** - Typhoon Haiyan takes a modest toll on the economy.
- **Thailand** - D&B downgrades Thailand's country risk rating due to political unrest and a slowing economy.
- **Myanmar** - Surging levels of FDI and natural gas exports underpin growth.

D&B provides analysis on over 130 countries worldwide. If you wish to order reports using your D&B subscription [please click on the link](#) and select the country/region in which you are registered as a D&B subscriber. Non-D&B subscribers wishing to order reports please contact Customer Services at your local D&B Office.

News Around The Region

Indonesia

18-Dec-13	Bisnis Indonesia	Prices Of Car And Its Accessory Increase In 2014
16-Dec-13	Bisnis Indonesia	Car Market 2014: Economic Declines, Sales Stagnant
16-Dec-13	Bisnis Indonesia	National Car Sales To Make Domination In Regions
13-Dec-13	Bisnis Indonesia	Manufacturing Industry Suffered By Exchange Rate Hike
11-Dec-13	The Jakarta Globe	Govt Eyes \$20 Billion Investment in Manufacturing in 2014
10-Dec-13	The Jakarta Globe	Indonesia's Retail Sales Surge on Strong Household Spending
09-Dec-13	Bisnis Indonesia	Southeast Asia's Largest Motorcycle Production Capacity Lies In Indonesia
06-Dec-13	Asean Briefing	Indonesia Focuses on Improving Investment Climate

Malaysia

28-Dec-13	The Star	Auto sector to slow down?
23-Dec-13	The Star	M'sia auto policy to focus more on initiatives for electric vehicles
23-Dec-13	The Star	M'sia small and medium enterprises sector seen growing further next year
23-Dec-13	The Star	Malaysian packaging industry sees strong orders from Japan
17-Dec-13	News Straits Times	Government target RM53 bil in timber export by 2020
17-Dec-13	The Star	M'sia retail sector hit by slow sales, consumers cautious with money

Myanmar

18-Dec-13	Asia News Network	EU seeks to invest in Myanmar's mining industry
15-Dec-13	Myanmar Times	Doors opening for foreign banks
08-Dec-13	Myanmar Times	Mekong trade corridors key to growth

Philippines

17-Dec-13	Daily Inquirer	Imported vehicle sales up by 6% in 11 months
16-Dec-13	Business Mirror	Nov foreign portfolio investments reach \$4.58B
11-Dec-13	Daily Inquirer	Manufacturing output posts fastest growth in 3 years
11-Dec-13	Daily Inquirer	Electronics remain top PH export
29-Nov-13	Daily Inquirer	Japan firms shy away from PH

Singapore

26-Dec-13	Channel News Asia	Singapore's manufacturing output grows 4% on-year in Nov
17-Dec-13	Channel News Asia	Dormant labour constraints expected to limit Singapore's growth
28-Nov-13	Channel News Asia	New scheme to help local exporters become more competitive
28-Nov-13	Channel News Asia	More Singapore companies seeking opportunities in Germany
27-Nov-13	Channel News Asia	New programme to help Singapore SMEs expand overseas

Thailand

26-Dec-13	The Nation	Industrial investment remains high in 2013
26-Dec-13	The Nation	2013 exports may contract for first time in four years
25-Dec-13	The Nation	Automotive
25-Dec-13	The Nation	CEOs fault govt's failure to halt economy's decline
24-Dec-13	The Nation	SMEs' GDP to increase by 4.3-4.7%
23-Dec-13	The Nation	Slowdown sees rise in personal, business bankruptcies
04-Dec-13	The Nation	Growth this year might be only 0.5%
04-Dec-13	The Nation	Consumer confidence hits 22-month low in November: poll
03-Dec-13	The Nation	Companies disrupted, business events delayed by protests
20-Nov-13	Bangkok Post	New Zealand keen on Thai trade hub

Vietnam

26-Dec-13	Vietnam Plus	Vietnam expects 12-14 pct credit growth in 2014
26-Dec-13	Vietnam Plus	2013: booming year for Vietnamese export to US
25-Dec-13	Vietnam News	VN sees trade surplus for second consecutive year
20-Dec-13	Vietnamnet	Japanese investors have poured more money into the service, retail finance and banking sectors, but they will continue focusing on industrial projects in Vietnam, experts say.
16-Dec-13	Vietnam News	Gold jewellery exports to be tax-free
13-Dec-13	Vietnam News	Strictness rules timber exports
13-Dec-13	Vietnam News	Heavy discounts boost auto sales
10-Dec-13	VOV news	National economy to face challenges in 2014
05-Dec-13	Vietnam News	Electronics retailers expect good sales

Feedback

The ASEAN Newsletter will continue to evolve and we have exciting plans moving forward that will further improve communication. We welcome your feedback so please send us your comments via this [Quick Survey](#), or to the Newsletter Team directly at yoongs@dnb.com. We welcome your feedback so please send us your comments for us to serve you better.