AFP

Protesters gather in front of Independence Square in Kuala Lumpur on Tuesday during a protest against the rising cost of living in Malaysia.

# Thousands protest price hikes in Malaysia

AFP, *Kuala Lumpur*

THOUSANDS of demonstrators clad in black flooded a square in the centre of the Malaysian capital late Tuesday to protest at increases in petrol and other prices, putting pressure on a government struggling to reduce debt.

Demonstrators gathered at Kuala Lumpur's Independence Square in defiance of police warnings not to rally and caused a New Year Eve's performance held there by the city to be cut short.

The protest ended peacefully after midnight. Organisers said some 15,000 people attended the rally, while police put the number at 5,000.

Wearing black T-shirts and Guy Fawkes masks -- a symbol of anti-establishment defiance worldwide -- the protestors carried posters that read "Drop prices" and "Defending our rights" and chanted "Long live the people".

"Today is a signal. We hope the government realises that the people are angry and can listen to our demands -- reduce the cost of living for the people," Bukhairy Sofian, chairman of youth group Student Solidarity Movement Malaysia, said after giving a speech together with other activists and opposition politicians.

"There is too much corruption," he said, adding there could be more protests. Prime Minister Najib Razak, whose Barisan Nasional (National Front) coalition won May elections with its worst showing yet in its 55-year rule, has been struggling to reduce the debt of Southeast Asia's third largest economy.

In his New Year message, Najib said cutting subsidies of essentials, such as petrol and sugar, which cost the government billions of dollars, and raising other prices were "necessary".

"We must accept that we have to make changes to keep our finances under control," he said, adding low-income earners would continue to receive handouts to help them.

Petrol prices rose 10.5 percent when the government cut fuel subsidies for the first time since 2010 in September, while electricity tariffs have been increased by some 15 percent.

Malaysia has one of Asia's highest debt-to-GDP ratios, and Fitch ratings agency in July warned the country to get its financial house in order or face a possible sovereign-debt downgrade.

Malaysian critics say the government has failed in its pledge to fight endemic corruption.

Authorities had urged people not to gather, alleging protesters would cause unrest, but hundreds of police on stand-by allowed them to rally.

A 2012 electoral reform demonstration at the square ended in violence when protesters broke through a barricade and police retaliated with tear gas, water cannon and mass arrests.

"The government earns a lot. There are many things that they can do to take care of the people. But the cost of living is getting higher and higher," said Shafiq Baik, 23, who earns about 800 ringgit ($240) a month selling chicken rice.

# Latvia rings in euro for New Year

AFP, *Riga*

LATVIA woke up to both a New Year and a new currency Wednesday after the ex-Soviet Baltic state swapped its cherished lats for the euro at midnight, becoming the 18th member of the troubled eurozone.

The entry of the country of two million people capped another turbulent year for the eurozone, recovering gradually from a crippling debt crisis and ensuing recession.

But despite the fanfare, with a spectacular firework display illuminating the sky over Riga, many in Latvia bade a reluctant farewell to the lats, seen as a proud symbol of independence from the crumbling Soviet Union.

With fears over possible price hikes and uncertainty about joining a bloc in crisis, polls show that only around a quarter of Latvians are enthusiastic about adopting the euro as their currency.

Half oppose the third currency switch in just over two decades, as they join a club in which five of its members have been forced to seek an international bailout in recent years.

Nevertheless, Prime Minister Valdis Dombrovskis, who has pushed through a bruising set of austerity measures to meet the stringent criteria for joining the bloc, hailed it as a "big opportunity" for Latvia's economy as he withdrew a crisp new 10-euro note after midnight.

Avoiding excessive debt through "responsible" spending was key to any future success, he warned.

"I am against the euro. This isn't a happy day. The lats is ours, the euro isn't -- we should have kept the lats," Zaneta Smirnova told AFP as the 40-year-old watched ceremonies marking the euro adoption.

But as business got underway on New Year's Day, pragmatism appeared to outweigh nostalgia and fear.

"Guests are paying their bills in euro with no problem at all...It's a good thing for the hotel industry, even though we liked our lati," Riga hotelier Uldis Sebris told AFP.

"Some people have been buying things they don't really need just so they can use euros for the first time," Irina, a shop assistant at a Riga convenience store told AFP.

"I'm being extra careful with entering the prices. So far, so good," she said.

European Commission President Jose Manuel Barroso praised Latvia's "impressive efforts" and "unwavering determination", as he welcomed the newest member of the eurozone -- now a bloc of 333 million Europeans.

And European Central Bank chief Mario Draghi told AFP that Latvia was "a role model as far as fiscal adjustment is concerned."

Like the crisis-hit eurozone, which expects to limp back to growth some time in 2014, Latvia was hit hard by the 2008-9 world financial crisis.

It endured the world's deepest recession when GDP shrank by nearly a quarter over the two years.

Dombrovskis -- who deftly steered Latvia towards the euro -- orchestrated a 7.5 billion-euro ($10.3-billion) international bailout to avert bankruptcy, but at the price of deep austerity cuts.

Latvia bounced back to top EU growth charts with two consecutive years of five percent growth in 2011-2012. A four percent expansion is expected for 2013.

And the 18th member of the club joins as the eurozone ends 2013 on a more positive note after years of lurching crises, enduring recession, unemployment and social unrest.

On Tuesday, Spain officially exited its bank bailout programme, a day after Greece's prime minister announced it was ready to return to the markets.

Ireland has also put its bailout programme behind it and EU leaders stitched together an historic banking union deal in December they hope will end the excesses that brought the bloc to its knees.

But the green shoots have not convinced Latvia's vocal "No Euro" campaign: it still casts the European Union as a successor to the USSR.

Both lati and euros will be legal tender for the first 14 days of the new year before the lats is mothballed.

Other countries currently inside the EU but outside the eurozone are biding their time.

Only Denmark and Britain have a formal opt-out from joining the euro.

Sweden rejected it in a 2003 referendum and is unlikely to join soon.

Lithuania has targeted 2015 to pocket the euro while larger economies Poland and the Czech Republic are still several years off meeting the strict membership criteria.

Hungary and more recent recruits to the EU including Bulgaria, Croatia and Romania are even less likely to join the common currency any time soon.

# Indonesia struggles to clean up corrupt forestry sector

AFP, *Berau, Indonesia*

DEEP in the forests of Borneo island, workmen from an Indonesian timber company fell a tree with a chainsaw, stick a red tag with a serial number onto it and attach a corresponding stub to the stump.

This is all part of an arduous auditing process, one of many government attempts to clamp down on illegal logging and clean up one of the country's most corrupt and mismanaged sectors as Western countries demand proof their timber imports are legal.

Following an agreement signed with the European Union in September, Jakarta is rolling out a system under which companies holding government-issued permits are given a certificate to prove their wood is harvested within the law.

Indonesia, Asia's leading exporter of timber to the EU, is hoping the pact will help it double timber exports to Europe to the tune of $2 billion a year.

But critics say logging permits considered legal are often obtained through illegal means, and laws passed in Europe, the US and Australia to give consumers a clear conscience do little to tackle under-the-table transactions that compromise the sector.

"This system is basically asking, do you have a permit, and if you do, that box is ticked. It's saying anything that the government does is considered legal," said Emily Harwell, lead author of "The Dark Side of Green Growth", a recent report by Human Rights Watch.

"It is silent on corruption."

Indonesia is rapidly losing its forests, mostly to make way for plantations for timber products such as paper and palm oil.

According to a map released by Google Earth in November, two million hectares (20,000 km2) are lost annually, the equivalent of 10,000 football fields every day.

The forestry ministry is considered the country's most corrupt institution, according to a 2012 survey by the country's respected Corruption Eradication Commission (KPK), which found permits being bought from officials with bribe money was the most common act of corruption.

Timber companies in Indonesia, which has the world's third-largest expanse of rainforests, are legally obliged to comply with strict guidelines before being granted permits, such as carrying out environmental impact assessments and consulting communities affected by their operations.

But permits are handed out even when such requirements are not fulfilled, critics say, while even government data shows only 16 percent of such permits have been through the process of consulting affected communities.

# World's biggest fish market set for new home

AFP, *Tokyo*

AS most of Tokyo sleeps, men in rubber boots haggle over tuna in the cavernous halls of Tsukiji market.

The clang of a bell around 5:30 am kicks off the action at the world's biggest fish emporium. Traders flash hand signs and bellow out prices as they buy and sell what will soon end up on plates in the Japanese capital and beyond.

Fins are lopped off to expose the red flesh among rows and rows of the hulking tuna carcasses, which are still moved around the market by wooden cart.

In all, about $18 million worth of fish, seafood and vegetables -- over 2,900 tons -- change hands each day at the market.

"Do you see how we use hand signs?" asks one bidder, seconds after another man violently rings the bell and starts yelling out bids.

"This is exactly how people used to trade stocks in the old days."

Major stock markets have shifted to computer trading while Tokyo mushroomed into one of the world's biggest cities over the decades, but little has changed in the way business is done at Tsukiji since its opening in 1935.

Now, almost 80 years later, the city plans to move the market to a new location and give the popular tourist draw what advocates say is a badly-need technological update.

But not everyone is happy about the move away from prime-real estate in the centre of the teeming metropolis.

AFP

Wholesalers check frozen bluefin tuna before an auction at the world's largest fish market at Tsukiji in Tokyo.

Relocating the market and building to a modern facility about 40 percent larger with state-of-the-art refrigeration will cost upwards of $3.8 billion.

And the move, now scheduled for 2016, has been marred by revelations of heavy soil contamination at the site, once formerly a gas plant about 2.3 kilometres away (1.4 miles).

That has saddled Tokyo with more than half a billion dollars in cleanup costs at the less-than-central location.

It is unclear what will happen to the current site beyond building a new road linking downtown with some 2020 Olympic Games venues.

Hiroyasu Ito, chairman of the Seafood Wholesalers' Association, insists the move is crucial for Tsukiji to handle modern-day demands for freshness.

"Railroad freight cars used to roll into the market and unload fish and goods right here," he says, pointing to a large picture in his office that gives a birds-eye view of Tsukiji's layout.

"We don't use the rail cars anymore. Now refrigerated trucks drive around instead."

Key to ensuring perishable goods stay fresh is a so-called cold chain which maintains produce at a consistent temperature until consumers buy it, something the market is ill-equipped to do, Ito says.

"Customers want fresher and fresher seafood so that they can eat it raw, which puts pressure on us. Delivery people have had to come up with high-tech cooling methods," he says.

"We have managed to keep the fish cold in high-quality foam coolers. But we're pushing the limit -- Tsukiji is totally outdated.

"In the new facility, we plan to shut out air from the outside and keep the fish section at a steady temperature."

But the move to a scrubbed-clean market farther away from downtown is not popular with some shoppers.

"The messy and crowded scenes at Tsukiji are what makes the place attractive," said out-of-town visitor Tetsuya Kojima, who added that he was unlikely to visit the new site.

Some of the old guard are not about to leave quietly either.

Union member Makoto Nakazawa, a leader in the fight to stop Tsukiji's move, lashes out at what he sees as profit trumping all else.

"Tokyo wants to move the market to satisfy the greed of real-estate interests here -- I cannot think of another reason," says Nakazawa, who has organised small demonstrations in protest.

**Soil contamination, whopping bills**

The 40 hectares of land earmarked for the new market is soaked with toxic chemicals, the legacy of its previous life as a gas plant.

Opponents have filed lawsuits over the city's purchase of the land without requiring Tokyo Gas to clean up its former site. That means taxpayers will shoulder the hefty 58.6 billion yen cleanup.

And the bill could still grow.

Labour and materials prices are shooting up with contractors in short supply as they focus on quake-tsunami disaster reconstruction projects and building for the Olympics in seven years.

Still, the municipal government says it is pushing ahead with plans to uproot Tsukiji and erect the new market by March 2016, about a year later than previously scheduled.

"We are aware of a number of difficulties," says Masataka Shimura, a Tokyo official leading the new market project.

"But we're still planning to do the move as scheduled."