

INSIDE

Global impact story

[Carbon neutral economy:
Why you need to buy in NOW](#)

Analysis

[Under the Chinese influence :
Emerging ASEAN and rising
debt](#)

[Digital business prospects in
Indonesia](#)

News Snippets

About Us



Dispatches from the team

The first month of the new year brought in with itself an eclectic mix of emotions. While on the covid19 front, there is reason to cheer with increasing vaccination drives and related success stories, it has been a mixed bag on the political and economic news front. On 1 February 2021, the world woke up to the news of a military coup in Myanmar, thwarting the democratically elected government formed in November last year and pushing the country to the brink of civil uprisings. Read more on our [website](#).

With the coming of the new year, we highlight in our first article, the urgent need to shift our focus back to the most impending issue plaguing our planet - that of climate change and its effects on global economies especially on the geologically sensitive ASEAN region. We also look at the rising debt from China on the emerging ASEAN nations and we highlight Indonesia, a country at the helm of a digital revolution. As part of our regular section, we also have a round-up of news across the 10 ASEAN countries over the last 30 days.

We hope you enjoy this edition and we look forward to your comments and suggestions so we can make the publication more relevant to you.

Carbon neutral economy: Why you need to buy in NOW

“There is no company whose business model won’t be profoundly affected by the transition to a net zero economy.”

Larry Fink, co-founder BlackRock
Letter to CEOs, 2021



Climate change, previously known as global warming, increasingly impacts not just global weather but also its societies, politics and commerce. The issue has moved from conference margins to centre-stage, driving policy action by leaders of the world’s largest states and corporations. This article explores these developments and considers the likely impact of climate change on politics and commerce in ASEAN.

Quick fix or “greenwashing”?

At the United Nations’ Conference of the Parties (COP21) agreement in Paris 2015, states agreed to limit global warming to well below 2OC, preferably below 1.5OC compared to pre-industrial levels. To achieve this long-term objective, countries pledged to reach global peaks of greenhouse gas emissions and then achieve subsequent reductions for a carbon neutral world. Signatories including China, Japan, South Korea, E.U., U.K. and U.S. have since committed to achieve their own carbon neutrality by 2050 (2060 for China). Pledges alone won’t implement the Paris agreement, so countries also need to submit their “Nationally Determined Contributions”, or NDCs, to ensure Paris ambition is actually implemented in time. Currently just 75 countries from 197 have presented their NDCs. The next UN Convention round will be COP26 to be held in Glasgow, U.K. in November 2021. It is billed as the most significant since COP21 in Paris. Climate change finance, NDCs and implementation of prior pledges will feature prominently. The consequences of the Paris commitments, and their continuing evolution, are profound.

Yet “carbon-neutral” isn’t as simple as it sounds.

On one hand, policymakers, consumers and producers who meet their demand are adapting to embrace this carbon-neutral future. Nuclear energy, heat pumps, wind and tidal power will all feature even more prominently. Solar panels of photovoltaic cells produce genuinely sustainable, renewable energy in rising quantities in both domestic and industrial applications. However, there is growing fear that policy capture by lobbying corporates has enabled greenwashing of corporate strategies that remain fundamentally unsustainable.

There is a growing call for “pro-forestation – to allow trees to reach their biological age” as newly planted trees require decades to become a sink, a privilege of time we do not have. There are no substitutes for ancient forests with their rich biodiversity, yet their carbon neutral count carries no premium.

Carbon capture usage and storage (CCUS), which basically seals CO₂ in rocks and under the sea, has been promoted as the “quick fix” we all need but sadly it is increasingly being viewed as a failed model. While biofuels reduce greenhouse gas emissions, their long-term environmental impact is often even worse than fossil fuel extraction. Biofuels are more expensive to operate than renewable platforms and often have to burn more fuel to power the equipment to capture carbon in the first place. One by-product of the renewable energy (r)evolution is the batteries which store electrical energy for cars and other appliances. CO₂ is no longer emitted by the car (although it may be in producing the energy its batteries store) but the waste batteries become a toxic environmental challenge – and their manufacture is also environmentally problematic.

For all its challenges, global carbon-neutrality is rightly still the preferred policy aim of the U.N. and member states are moving fast towards it.

Impacts on Asia

Much of Asia (including China) is particularly vulnerable to extreme weather events, including flooding from rain and rising sea levels. China is the world’s largest producer of carbon dioxide, c.28% of global emissions. It’s in the country’s own interest to minimise these ecological hazards by helping to reduce global warming, allowing its statesmen to take the moral high ground which USA under Donald Trump surrendered. President Biden’s new administration has firmly restored the United States’ green credentials. Indeed, climate change is one issue where the USA’s and China’s policy interests increasingly converge; this should be nurtured by both sides despite being in conflict on so many other fronts (in Taiwan, Hong Kong, North Korea, Myanmar, South China Sea, etc).

The 10 countries of ASEAN share similar self-interests of ecological hazard and commercial opportunity. Indonesia, Malaysia and Philippines are among the planet’s 17 “megadiverse” vital countries, with the most biodiverse coral reefs in the world. Indonesia’s rich biodiversity in ancient forests and sea meadows (“lungs of the planet”) is almost as vital to our planet as Brazil’s Amazon rainforest, yet their ecological miracle risks being undone by shorter-term commercial calculations.

Indonesia is among the five highest states for greenhouse gas emissions, and worse even than China on a per capita basis. The emissions vary significantly, being driven by irregular peatland megafires which release carbon accumulated over centuries. Following Paris, the country pledged 29-41% reduction by 2030 compared to a “business as usual” scenario. More recently, President Joko Widodo’s government has shown determined policies to curtail peatland burning, aiming for “improved land use and spatial planning, energy conservation, the promotion of clean and renewable energy sources, and improved waste management”.

De-forestation remains challenging, still driven by commercial appetite for palm oil, with Indonesia producing

about half the world's supply. It's a sensitive subject both commercially and politically but at least the challenge is now well recognised. More positively, Indonesia is the world's 2nd largest producer of geothermal power (after the U.S.) with massive potential to develop more, situated on the Pacific Ring of Fire and home to 139 volcanoes. Wind and solar power offer further potential, still largely untapped although necessary investment is now being ear-marked.

Malaysia's Paris pledges were to achieve a 35% cut in emissions by 2030 relative to 2005 levels. More recently, state-owned energy giant Petroliam Nasional Bhd announced a target for zero emissions by 2050, right up with global corporates best practice.

Generally, ASEAN will follow the global climate change lead, especially since it broadly aligns West with East. ASEAN states have all signed up to the UN's carbon-neutral commitments to some degree: land reclamation for "sustainable" biofuel is hardly re-wilding or re-forestation, but it beats pumping out CO2 from coal-fired power stations.

Green meets greed

Michael Douglas' delivered his "greed is good" speech in Wall Street (1987) 24 years ago. The new generation of financiers can still agree with Gordon Gecko and see value in sustainable energy. BlackRock, the world's largest asset manager, demands that all companies demonstrate plans to reach carbon zero by 2050 – and plans to drop laggards from their active portfolios. Environmental, Social and Governance [ESG] issues are now an agenda item at most corporate board meetings globally, pushed by policymakers and the industry regulators they appoint. Climate change finance generally and carbon markets in particular are a tool to support net zero efforts – private financial institutions have an important contribution to make here, as do multilateral global financial institutions (largely western-controlled). The tradeable market "price of carbon" (being the cost of releasing one tonne of CO2) is at a record high in Europe near EUR38 per tonne, reflecting EU legislation under its "Green Deal".

2020 was the 3rd hottest year globally ever recorded. The past decade was the hottest in human history. Average temperatures in parts of Siberia are 5OC above their long-term averages. Polar ice caps are melting and sea levels rising. Like COVID-19, Climate change doesn't respect national borders.

These are the hard facts and are what has driven even hard-nosed financiers like Larry Fink at Black Rock to demand change. He's not alone: The United Nations, U.S.A., E.U., China, ASEAN, BlackRock, millennial financiers and even Gordon Gecko have all joined a growing Climate change coalition. Their motivations vary but they share one ultimate objective: saving human habitation on Planet Earth.

Buy in.

Under the Chinese influence : Emerging ASEAN and rising debt

China's role as a debtor to the world has become increasingly prominent in past years. In fact, according to a report by Vox, estimates suggest that debt from China (to the 50 most exposed countries) has risen from less than 1% of debtor country GDP in 2005 to over 15% in 2017. Furthermore, according to a 2020 article by Harvard Business Review, if one were to add up portfolio debts (including U.S. Treasury debt and trade credits) "the Chinese government's aggregate claims to the rest of the world exceed US\$ 5 trillion in total".

Many developing nations have relied on China for financing to help accomplish and deliver key infrastructure projects. And they are now heavily indebted to China. Emerging ASEAN has not been excluded from this trend. In this article we analyse the specific impact that Chinese debt is having on four emerging markets in ASEAN, namely Myanmar, Laos, Cambodia, and Brunei.

Myanmar



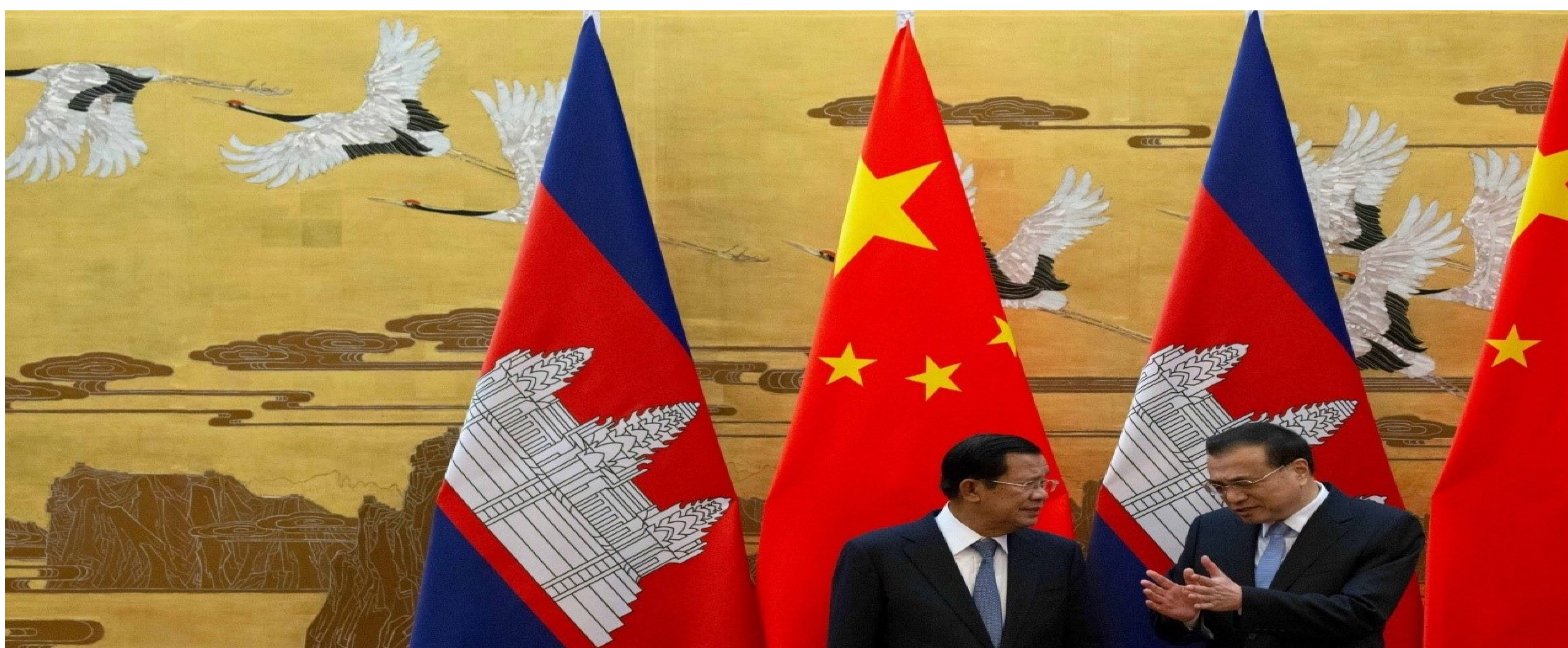
The country of Myanmar has been taking on tremendous amounts of debt from China, so much so, that in June 2020, Myanmar's Auditor General publicly cautioned the government on the country's continued reliance on Chinese loans. According to a report by the Economic Times, as of June 2020, 40% of Myanmar's national debt (or US\$ 4 billion out of a total of US\$ 10 billion) was owed to China. There is now growing concern that this debt could begin to have a crippling effect on the Myanmar economy. Currently, Myanmar needs to repay as much as US\$ 500 million to China each year (figure taken from the Economic Times) to cover principal and interest payments, and the country's reliance on Chinese debt is only increasing. As a result of its participation in China's Belt and Road Initiative (BRI), Myanmar has continued to take on new debt to finance its huge infrastructure projects. Given that these loans from China come at higher interest rates as opposed to loans from the World Bank or the International Monetary Fund, overreliance on Myanmar's part could have an impact on its economic prospects in the future.

Laos



Another tale of debt obligation is originating out of Laos as we speak. There has, for a while, been growing talks surrounding Laos' snowballing debt to China, and this was only exacerbated last year when Laos was forced to give up majority control of its national power grid to a Chinese company. Due to its growing debt obligations, much of it was owed to Chinese state banks. In recent years, Laos has pursued many capital intensive infrastructure projects that have been backed by China and, as per a 2018 report published by the Centre for Global Development, Laos is the one Southeast Asian nation at risk of significant debt distress due to the BRI loans it has received from China. It is also important to note that, as per an October 2020 report by the East Asia Forum, nearly half of Laos' total public debt is held by China. All of these facts collectively indicate that Laos is perhaps over-reliant on Chinese debt. But how the country can steer itself around this debt, remains to be seen.

Cambodia



Chinese influence in the Cambodian economy has been following an upward trajectory over the past few years, and the economic fate of Cambodia now seems intertwined with that of China's. As Cambodia's largest military

benefactor and foreign investor, China has had a very prominent role to play in Cambodia's development thus far, and this relationship only seems to be getting stronger. Even in Cambodia's political sphere, China has managed to cement its presence, having provided funds in 2016 to support the country's election infrastructure. However, like its neighbours, Cambodia too has taken on a significant amount of Chinese debt, and it can count itself among the nations whose debt to China amounts to more than 25% of their GDP. There have been multiple instances where countries have taken on seemingly 'no strings attached' loans from China and then faced debt distress – having to cede control of valuable assets due to inability to repay loans. Though Cambodian Prime Minister Hun Sen has maintained that Cambodia is far from falling into any kind of Chinese 'debt-trap', questions have also been raised about the transparency and accountability surrounding Chinese loans to Cambodia. As relations between the two countries get stronger, it will be interesting to see the long-term impacts of Chinese debt in Cambodia.

Brunei



The oil-rich Southeast Asian country of just 420,000 people is a recent recipient of China's interest, having volunteered its participation in China's elaborate Belt and Road Initiative (BRI). Brunei has long been heavily dependent on its fossil fuel reserves, but there is growing realisation of the fact that the economy must become more diversified if it is to thrive in the long run. And it is with a view to this diversification that Brunei is now increasingly welcoming Chinese investment and cooperation. In recent years China has invested significantly into the Bruneian economy and has emerged as one of the largest investors in the country. Not only is China backing the Muara Besar refinery – the largest foreign investment project in Brunei's history – but it is also backing the development of the Temburong bridge - the largest ever infrastructure project in Brunei. As per 2018 dated reports, China's total investments in Brunei are estimated at US\$ 4.1 billion, making it one of the largest investors in the country alongside the United Kingdom and Japan. Given Brunei's relatively small size and overreliance on energy, it is particularly at risk of falling into a debt trap, but only time will tell how well the ASEAN nation is able to manage the benefits and risks of its increasing debt.

Digital business prospects in Indonesia



Globally, the pandemic has fast forwarded the adoption of digital technologies and nowhere does this ring truer than the emerging nations of ASEAN. The fact that digital transformation is crucial for business longevity has been accepted for some time now, but the stay-at-home restrictions accelerated the need and justification for it.

We focus on Indonesia, which is at the cusp of a digital revolution. While businesses were quick to adopt digital transformations to overcome pandemic-induced disruptions, there have also been large changes in customer behavior in terms of usage of mobile devices, cloud computing, and adoption of Internet of Things.

Status of Indonesia's digital economy

The Indonesian government has been focusing on creating a digital ecosystem to compete with regional economies of Singapore, Vietnam and Malaysia. The government has repeatedly stressed on the role of the government, monetary authorities and financial sector in facing the dynamics of digital development together.

The geographical spread of this archipelago consisting of over 17,500 islands, is said to be one of the reasons for the unequal access to internet which has kept Indonesia in 56th place in the digital competitive index. Connectivity is still highly concentrated in Java, the country's most populous island, followed by Sumatra as the country continues to build internet connection in remote areas. As per the Indonesian Internet Providers Association (APJII) nationwide survey in November 2020, Indonesia's internet penetration rate has gone up to 73.7 percent in 2020 from 64.8 percent in 2018 catching up with ASEAN peers: Brunei (94 percent), Singapore (84 percent) and Malaysia (80 percent).

President Widodo has previously announced allocation up to USD 2 billion in 2021 state budget for information and communication technology (ICT) development, as it aims to aid digital transformation in public services and to improve the country's connectivity inclusion. Central to this is the now completed USD 1.3 billion Palapa Ring broadband project, a 35,000-kilometer fiber-optic network installed across the country, designed to provide 4G services across the entire archipelago. This is likely to help provide internet access to remote areas of the country.

Attracting regional investments can also go a huge way in pushing Indonesian digital plans. Recently in January 2021, the Indonesian and Chinese Governments signed a memorandum of understanding covering cyberspace, international internet governance, data security and 5G technology development. In 2020, Indonesia had already signed agreements with China based Huawei through the country's Agency for the Assessment and Application of Technology (BPPT). President Joko Widodo termed this collaboration as "central to achieving its goal of producing a creative and digital economy by 2035 and a "more developed" nation by 2045".

In 2019 Japanese telecom giant NTT announced investment of USD 500 million in a new data center in Indonesia, the company's third in the country. During the Digital Economy Summit in February 2020, Microsoft Corporation, is said to have expressed interest in building data centers in Indonesia. Japanese investment behemoth - SoftBank has also announced investment of USD 2 billion in Indonesia over the next five years, through digital firm Grab, in a bid to boost Indonesia's digital infrastructure development.

As per the e-Conomy SEA report 2020 by Google, Temasek and Bain and Company, the gross merchandise value of the internet economy in Indonesia is expected to reach USD 124 billion by 2025, accelerating to ~23% CAGR. Amid such investment climate, banking sector too has shown a digital uptick by opening digital banking services, including BCA, the largest private bank in Indonesia, which announced the launch of BCA Digital Bank in early 2021. Other banks such as Bank Jago and Bank Neo Commerce, are all working towards providing all their services online. Bank Indonesia released a new regulation serving as the legal umbrella for the payment system regulation which has helped boost the nascent fin-tech sector. Increasing activity has been observed in the space with multiple global technology players such as Alibaba, WeChat, Samsung looking to collaborate with local bank partners, as required by the existing regulation for their e-wallet operations.

Road ahead

While the government has shown focus and clarity in terms of its future roadmap in ICT development, it still needs to bring in transparent policies and regulations to help further bolster the sector. Data security systems and governance policies for digital banks need overhaul amid threat of increasing cybercrime. Also, digital surveillance needs to be fair and transparent with strict penalties for violations and misuse of personal data. Human resources is another area Indonesia will have to tackle as digital talent is hard to find in the country. To compete with neighbors such as Singapore and Vietnam, Indonesia must invest in vocational upskilling and digital immersion programs to adapt international best practices. A 2021 published report by Asia Partners, revealed that most of the ASEAN region (barring Singapore) is lagging behind the world in terms of senior tech leadership or even in its concentration of general programmers (those in knowledge of Java and Python). Looking at data from LinkedIn, in Singapore, tech leaders (Chief Information Officer + Chief Technology Officer + Chief Product Officer + Chief Information Security Officers) as a percentage of all LinkedIn profiles stood at 0.20% compared to the regional average of 0.08%. Starting at the basic level, the Education and Culture Ministry in 2020 proposed a budget of USD 100 million for school digitalization programs in a bid to reduce technological discrepancies by improving digital access to education, a much-needed step to match human resources with the skills required by the industry in the immediate future.

News Snippets – ASEAN News that matter

A news round-up from the ever-evolving ASEAN region

ASEAN

Myanmar coup: Aung San Suu Kyi detained; military seizes power

February 2021

In early hours of February 1, 2021, Myanmar's military once again ousted the democratically elected government, detaining Aung San Suu Kyi and other leaders. The military has been crying foul over the November 2020 elections in which Suu Kyi's government had won a landslide victory. Myanmar's generals have been alleging fraud in the election, citing unsupported evidence. A one-year state of emergency has been declared. [Read more](#)

Indonesia, Malaysia Seeking ASEAN Meeting on Myanmar After Coup

February 2021

The leaders of Indonesia and Malaysia said they were seeking a special meeting of Southeast Asian nations to discuss the situation in Myanmar. After meeting visiting Malaysian Prime Minister Muhyiddin Yassin, Indonesian President Joko Widodo said their foreign ministers had been asked to talk to Brunei, the current chair of the Association of Southeast Asian Nations (ASEAN), to try to set up the special Myanmar meeting. [Read more](#)

ASEAN Business Partners and PeopleStrong join hands to help organizations in South East Asia be Future-Ready

January 2021

ASEAN Business Partners (ABP), the leading market entry specialist firm in ASEAN, and PeopleStrong, the leading HR SaaS company from India – announced a strategic alliance at ABP's Jakarta office. ABP will be licensed partner in Indonesia, Philippines, and other parts of ASEAN for Alt One – a HRM platform and end-to-end digital solution for enterprises comprising of Talent Acquisition, Talent Management and Human Capital Management. [Read more](#)

UK makes ASEAN 'high priority'; formally joins CPTPP post Brexit

February 2021

On 1 February 2021, Britain formally asked to join the 11-nation Comprehensive and Progressive Agreement for Trans-Pacific Partnership, a pact that currently covers a 13% share of global gross domestic product. The U.K. has already signed free trade agreements with Singapore and Vietnam. But the U.K. will need to forge deals from scratch with other ASEAN members. [Read more.](#)

US-ASEAN Trade and Labor Dialogue to conclude

February 2021

Two-day talks between the US and the Association of Southeast Asian Nations (ASEAN) concluded on 3 February 2021. Increasing engagement with ASEAN will be a top priority for the Biden administration President Joe Biden recently created a new position within the National Security Council that cements the region's importance within the policymaking process. [Read more](#)

Turkey seeks to enhance ties with ASEAN amid COVID-19 economic woes

January 2021

Turkey is seeking to enhance its relations with the Association of Southeast Asian Nations (ASEAN) amid the economic challenges from the COVID-19 pandemic, experts said. Turkish Foreign Minister Mevlut Cavusoglu

recently met with the Southeast Asian ambassadors in the capital Ankara and underlined the importance of enhancing relations with the ASEAN countries as part of Turkey's Asia Anew initiative. [Read more](#)

MYANMAR

The dilemma facing foreign investors in Myanmar

February 2021

Post the coup which took the world by surprise, corporates in Myanmar grapple with the same basic dilemma — whether to engage or withdraw. It is a question now facing companies, many Japanese, active in Myanmar. [Read more.](#)

Myanmar economy expected to grow despite coup: analysts

February 2021

Myanmar's recent military coup has likely slowed its economic recovery, but the main challenge will be foreign direct investment (FDI), watchers have said. Maybank Kim Eng expects gross domestic product (GDP) to grow by 3 per cent in FY2020/21, against an earlier forecast of 4.5 per cent, while growth in FY2021/22 could come in at 4 per cent, from an expected 6 per cent before. [Read more.](#)

THAILAND

World Bank: Thai economy to grow 4% in 2021 following 6.5% decline in 2020

January 2021

The World Bank expects that the Thai economy to expand by 4 per cent in 2021, according to the latest World Bank Thailand Economic Monitor anticipate Restoring Incomes, Recovering Jobs. The recovery is contingent upon a rebound in tourism and exports. Following vaccinations, if large, advanced economies such as the US, EU, Japan and China, could start to recover by the second half of the year, this would allow greater international tourism and exports for Thailand. [Read more](#)

Thailand's latest tax relief package for businesses

February 2021

Thailand's government has issued its latest tax relief package for businesses, in addition to the incentives extended last year (2020). This latest version of the tax relief package named Phase 3, saw US\$15 billion provided to commercial banks to lend to SMEs in the form of soft loans. A further US\$30 billion was allocated as financial aid for farmers and US\$18 billion to temporary workers, contract workers, and self-employed persons. This includes providing 5,000 baht (US\$154) in monthly handouts for six months. [Read more](#)

VIETNAM

Intel invests additional \$475 million in Vietnam plant

January 2021

Intel Corp has invested an additional \$475 million in its plant in Vietnam to improve technologies and boost production of its 5G products and core processors. The move takes Intel's total investments in Vietnam to around \$1.5 billion, it said. [Read more.](#)

HSBC reiterates Vietnam's GDP surge, pegs it at 7.6 pct

January 2021

Vietnam will grow at 7.6 percent this year, driven by newly signed free trade deals and rising foreign investment, HSBC has forecast. According to the latest HSBC Global Research, inflation will be capped at 3.3 percent, below

the 4 percent target set by the State Bank of Vietnam. FDI continues to pour in since investors find Vietnam an attractive country. [Read more.](#)

SINGAPORE

UK-Singapore free trade deal enters into force in February 2021

February 2021

The UK and Singapore signed a trade agreement last year which will cover over USD 224.8 billion of bilateral trade in goods and services post UK's departure from the European Union. The agreement comes into force in February 2021. The agreement retains the features of the existing EU-Singapore FTA, including measures on trade tariffs on goods, access to services and government procurement markets, and low non-tariff barriers.

[Read more](#)

Singapore Competition Board: Uber Must Pay S\$6.6 Million Fine Over Merger Deal

January 2021

Singapore's Competition Appeals Board has upheld fines of S\$6.6 million (Singapore dollars) levied against Uber affirming that its merger deal with ride-hailing rival Grab had curbed competition in the country. The appeals board said it had dismissed Uber's appeal, which was against the Competition and Consumer Commission of Singapore (CCCS). Regulators had ruled that Uber's sale of its Southeast Asian business to Grab for a 27.5 percent stake in Grab resulted in a "substantial lessening of competition in the ride-hailing platform market in Singapore." [Read more](#)

MALAYSIA

Malaysia-based SPAC Catcha Investment files for a \$250 million IPO

January 2021

Catcha Investment, a blank check company formed by Catcha Group targeting "new economy" sectors in Asia Pacific, filed on Monday with the SEC to raise up to \$250 million in an initial public offering. The Kuala Lumpur, Malaysia-based company plans to raise \$250 million by offering 25 million units at \$10. Each unit will consist of one share of common stock and one-half of a warrant, exercisable at \$11.50. At the proposed deal size, Catcha Investment would command a market value of \$313 million. [Read more.](#)

Leading Malaysian Bank buys up 19% Stake in Crypto Exchange

February 2021

Malaysia's top independent investment bank, the Kenanga Investment Bank, has announced that its PE arm has acquired a 19% stake in the domestic crypto exchange Tokenize Xchange. The trading platform is one of just three in the country to have received a digital asset exchange (DAX) license from the regulatory Securities Commission Malaysia. [Read more.](#)

Malaysia's 4Q GDP contracts 3.4%, full-year 5.6%

February 2021

Malaysia's gross domestic product (GDP) shrank further in the fourth quarter of 2020 (4Q20), registering a contraction of 3.4% compared to a decline of 2.7% in 3Q20, as the recovery of the economy was impacted by the tightening of movement restrictions. This brings full-year GDP performance in 2020 to a contraction of 5.6%, the biggest decline since 7.4% in 1998. The contraction is more severe than the Ministry of Finance's projection of 3.5% to 5.5% for 2020. [Read more.](#)

Tyson Foods Invests in Malaysia Company

February 2021

Tyson Foods Inc. of Springdale said it had bought a stake in Malayan Flour Mills Berhad, a food manufacturing company in Malaysia. The companies said the investment is a 49% stake in the Malayan Flour Mills Berhad's poultry segment. Publicly traded Tyson Foods said the partnership will provide more supply flexibility. [Read more](#)

BRUNEI

Brunei FDI firm Golden eyes 5,000 tonne shrimp output for 2021

January 2021

Golden Corporation Sdn Bhd (Golden), an established foreign direct investment (FDI) company in Brunei Darussalam, is looking at producing no less than 5,000 tonnes of shrimps this year, directly contributing to the Sultanate's gross domestic product (GDP). [Read more](#)

INDONESIA

Freeport- Tsingshan likely to ink a \$2.8 billion deal in Copper Smelting

February 2021

Indonesia announced that China's Tsingshan Holding group and Freeport-McMoRan were close to reaching the \$2.8 billion deal. The smelter could produce copper pipes and wires with an output value of \$10 billion, a senior minister said without specifying a timeline. The target is to conclude (negotiations) by the end of March," Indonesia's deputy head for investment and mining coordination, Septian Hario Seto, told reporters. [Read more](#)

Tesla investment to position Indonesia as EV battery production hub

February 2021

On February 4, the Jakarta Globe reported that Tesla would submit a proposal to the Indonesian government for the establishment of a battery production facility in the country. This is on the back of the automaker strive to secure nickel supplies for its larger 4680 cells that is planned to be used in future Tesla vehicles such as the Cybertruck and the Semi models. In December 2020, reports emerged that Tesla would send delegations to Indonesia in January to discuss potential investment in a supply chain for its electric vehicles. [Read more.](#)

Indonesian investment platform Ajaib gets \$25 million Series A led by Horizons Venture and Alpha JWC

January 2021

Ajaib Group, an online investment platform that says it now runs the fifth-largest stock brokerage in Indonesia by number of trades, announced it has raised a \$25 million Series A led by Horizons Ventures, the venture capital firm founded by Li Ka-Shing, and Alpha JWC. Returning investors SoftBank Ventures Asia, Insignia Ventures and Y Combinator also participated in the round, which was made in two closes. [Read more.](#)

LAOS

Laos shifts to China equity from loans as party congress starts

January 2021

Laotian Prime Minister Thongloun Sisoulith has signaled a change in tack to slow the communist-ruled country's slide toward defaulting on its foreign debts: securing foreign financing through equity rather than more loans, the largest source of which has been China. [Read more](#)

Laos govt pledges to reduce debt burden

January 2021

The government has vowed to restructure the payment of debts. The government also intends to lower the fiscal deficit to an average of 2% of GDP. [Read more.](#)

PHILIPPINES

Philippines to raise \$23.7bn for budget deficit and projects for 2021

February 2021

The Philippines has set an aim to raise \$23.71 billion from external funds to cover the budget deficit and finance infrastructure projects, according to its finance department(DOF). \$8.06bn will be for budget support and \$15.65bn will be for project financing. DOF plans to secure \$7.67bn in loans and grants from multilateral institutions, \$10.54bn from bilateral sources and \$5.5bn from commercial markets. [Read more.](#)

Philippines, India set to enhance economic ties in digital tech, infrastructure

January 2021

Philippines is set to partner with India to drive growth in its technology and banking sectors. Department of Finance (DoF) Secretary Carlos Dominguez III announced in a statement that he has been in talks with Indian Ambassador to the Philippines, Shambhu Kumaran, to strengthen the two countries' economic ties in improving digital technology and developing infrastructure. Speaking through a virtual courtesy call, the two officials were one in saying that both countries are "poised to bounce back" from the economic impact of the pandemic. They also agreed that the benefits of strengthening the two nations' economic cooperation are many. [Read more.](#)

Philippines cancels \$10 billion airport plan with Chinese-led group

January 2021

A Philippine province has cancelled a decision to award \$10 billion airport project to a consortium led by a Chinese state firm. This is likely to hurt President Rodrigo Duterte's infrastructure ambitions. The consortium of China Communications Construction Co (CCCC) and Philippine firm MacroAsia Corp was the only bidder in the 2019 auction to help the Cavite provincial government upgrade Sangley airport. [Read more](#)

Philippines signs \$940 million deal with China to link Subic Bay and Clark Air Base by rail

January 2021

China and the Philippines have agreed to build a railway linking a pair of former American military facilities on the island of Luzon that are still used by visiting U.S. forces. Chinese Ambassador to the Philippines Huang Xilian trumpeted the \$940 million deal to link Subic Bay and Clark Air Base. China's state-run Xinhua news agency reported that negotiations between the two countries over a loan to finance the project would soon begin. [Read more.](#)

Philippines introduces interest and collateral free loan to MSMEs and cooperatives

January 2021

CARES program has been introduced by Department of Trade and Industry (DTI) under its financing arm, Small Business (SB) Corp with the intent to accelerate the process for applying and approving loans under the Covid-19 Assistance to Restart Enterprises. The country encourages all MSMEs in all regions to consider taking the step-in reopening or reviving their respective businesses. [Read more](#)

CAMBODIA

Cambodian VC Obor Capital backs Animal doctor International

January 2021

Phnom Penh-based venture capitalist firm Obor Capital Co Limited has announced its first stake in a firm outside

Cambodia. Chief Operating Officer Andrew Durke said its investment in Vietnam-based Animal Doctors International (ADI) will help the firm's goal of being a regional player. ADI currently has two veterinary clinics in Ho Chi Minh City, Vietnam and one in Vientiane, Laos. [Read more.](#)

Negotiations for Cambodia-Korea free trade agreement (CKFTA) concluded

February 2021

The Cambodia-Korea free trade agreement (CKFTA) is expected to be signed by mid-2021 after both countries announced the conclusion of negotiations on the deal. This momentous achievement was first initiated by Prime Minister Hun Sen during a state visit by Moon Jae-in, president of the Republic of Korea to Cambodia, in March 2019. [Read more.](#)

About us

ASEAN Business Partners is an independent, specialist consultancy that helps companies manage and operate their presence in ASEAN. We are well-networked, independent of governments, and dedicated purely to serving our clients. Our management and country experts are unrivaled in their ASEAN network, experience, and expertise, with proven credentials.

We are a team of top-class professionals with expertise in different industries. Our executives have worked as CEOs, CFOs and in other senior positions in top multi-national companies and represent the best talent available globally. Our founder, Sumit Dutta, is an ex HSBC CEO who has worked in Indonesia, Vietnam, Hong Kong, India, and the US. A majority of our team and country experts are former senior-level executives from multinational corporations.

We are passionate about the ASEAN region, one of the highest growth markets in the world, and believe it will be the market of choice for all forward-looking international companies. We seek to create value for our clients and their customers in ASEAN, and so contribute to the prosperity of ASEAN nations and their people.

Please take a moment to review our [website](#). If there is any way we can assist you, please reach out to us below.

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