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2021 started with a bang, and three months into the year, it looks a lot more propitious than the one we left behind. With the global vaccine rollout looking promising, there is hope for a rebound, world over. ASEAN has performed better on the economic front than many developed countries and has emerged as a region to watch out for. While the region's geopolitics continue to be sensitive, the demographic dividend is too stark to ignore. We cover the intra-Asian ties in this issue.

Our first article highlights the watchful relations between ASEAN and Hong Kong. We also look at India's eastward vision and at Singapore playing the hub-spot for most ASEAN activities. 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 look forward to your comments and suggestions so we can make the publication more relevant to you.

Why ASEAN treads cautiously over Hong Kong



Hong Kong has been accustomed to – even thrived on – political upheaval. Ever since China ceded Hong Kong island in perpetuity to the British in the “unequal” Treaty of Nanking at the close of the First Opium War (1842), the territory has faced down challenges and grown commercially. Hong Kong expanded into the Chinese mainland, Kowloon, in 1860 and then further inland to the New Territories under a 99-year lease granted in 1898. Hong Kong’s colonial century had begun.

All this changed on expiry of the New Territories lease in 1997, when the entire territory was transferred back to China. Under the Sino-British Joint Declaration, Hong Kong citizens became subject to the Basic Law under an agreed principle of “One country, two systems”. On the night of 30 June 1997, the last British Governor of Hong Kong sailed off in Queen Elizabeth’s Yacht, Britannia, accompanied by her eldest son, Prince Charles; and Hong Kong became a Special Administrative Region (SAR) of the People’s Republic of China.

Post-1997

By this point Hong Kong had developed into a successful global city-state, trading port and financial centre with its own traded currency. Its 6.5m citizens at that time had never known “one person, one vote” democracy but had benefited from improving public services, including education, rising wealth and GDP. More than during the colonial era, Hong Kong citizens in the new millennium began to assert their democratic principles, however limited under the Basic Law, causing increasing friction with Beijing. There were (and are) cultural issues, too. Many Hongkongers are proud of their own identity, history, and international exposures. With their distinct Cantonese dialect, they could easily differentiate visiting “mainlanders” who were perceived as often flaunting more money than manners. Tourist arrivals from the mainland rose to 43.77m in 2019, compared with just 2.3m in 1997.

Mutual distrust between Hong Kong and China exploded politically during the 2019-20 Hong Kong protests. There had been tremors previously, including the “Umbrella Revolution” in 2014 against proposed reforms to the

Hong Kong electoral system. But 2019 saw a political earthquake of widespread, extended demonstrations and some lawlessness in Hong Kong, culminating in Beijing enacting the Hong Kong National Security Law on 30 June 2020. Numerous high-profile arrests followed, and China's clampdown has been strictly applied since. 23 years to the day since Royal Yacht Britannia had sailed off in 1997, many Hongkongers are still unable to identify themselves with China. They are convinced that China had formally broken its commitment to Basic Law and "One country, two Systems", while China maintained that Hong Kong people continue to enjoy a high degree of autonomy on the basis that the One Country principle is upheld.

Hong Kong and China within Asia

Beneath the political headlines, China's rapid growth post-1997 meant that Hong Kong's relative economic significance was declining. Hong Kong was China's "golden egg" in 1997, contributing 18.4% of its GDP (10 times more than Shenzhen). But this had reduced to 2.8% by 2015, in line with Shenzhen and Guangzhou. Similarly, Hong Kong's economic dependence on China had risen over the same period, the territory's trade with China rose from just one-third of total imports and exports to well over half. Today the ports of Shanghai, Shenzhen and Ningbo all ship more containers than Hong Kong. Financially, too, Hong Kong's significance was diminishing losing trading, listings and expertise to Shanghai in China and Singapore in ASEAN while Hong Kong broadcast globally images of urban disorder.

The view from ASEAN

The 10 countries of ASEAN are geographically and politically removed from unfolding events in Hong Kong, yet some impact is shared. ASEAN states have themselves felt China's new political assertiveness in the South China Sea. Brunei, Indonesia, Malaysia the Philippines and Vietnam are all competing claimants – partly with each other but mostly with China itself. China Belt and Road initiatives have also been controversial, with China exacting heavy commercial and financial concessions for infrastructural development in ASEAN states which is driven by Chinese commercial and political interests.

Hong Kong's challenges with China elicit mixed responses in ASEAN. Observers are wary of China's growing influence there and throughout Asia. ASEAN trades willingly with its north Asian neighbours, yet also competes with them economically, both regionally and globally. While Hong Kong and Singapore (like Dubai) have both benefited from globalisation, Hong Kong's commercial losses have been Shanghai's and Singapore's gains. ASEAN is hardly a collective beacon of democracy itself: on an informal "democracy index" some members score quite highly (Singapore, Indonesia); others less so (Thailand, Philippines); but for half of ASEAN's member states democracy – albeit for different reasons – seems a remote concept (in Vietnam, Brunei, Myanmar, Laos, Cambodia). This also partly explains why ASEAN has failed to say much of significance about Myanmar's recent military coup – even against one of its own.

The way ahead

Hong Kong's economic strength and sense of identity have diminished since 1997 whilst China's have grown – at least relative to each another. Developed northern Asia, including Hong Kong, Taiwan, South Korea and Japan as well as China itself, has historically held economic sway over South East Asia. But this is changing despite China's continued growth. ASEAN's collective population (650m), domestic markets and GDP (\$2.8tn) increasingly compete with China, and demographics are trending clearly in ASEAN's favour. Hong Kong's comparable statistics (7m, \$0.4tn) are tiny. For all its political challenges, ASEAN commands the economic heft to navigate its own path under China's long shadow.

Singapore: Big Kahuna of the ASEAN world

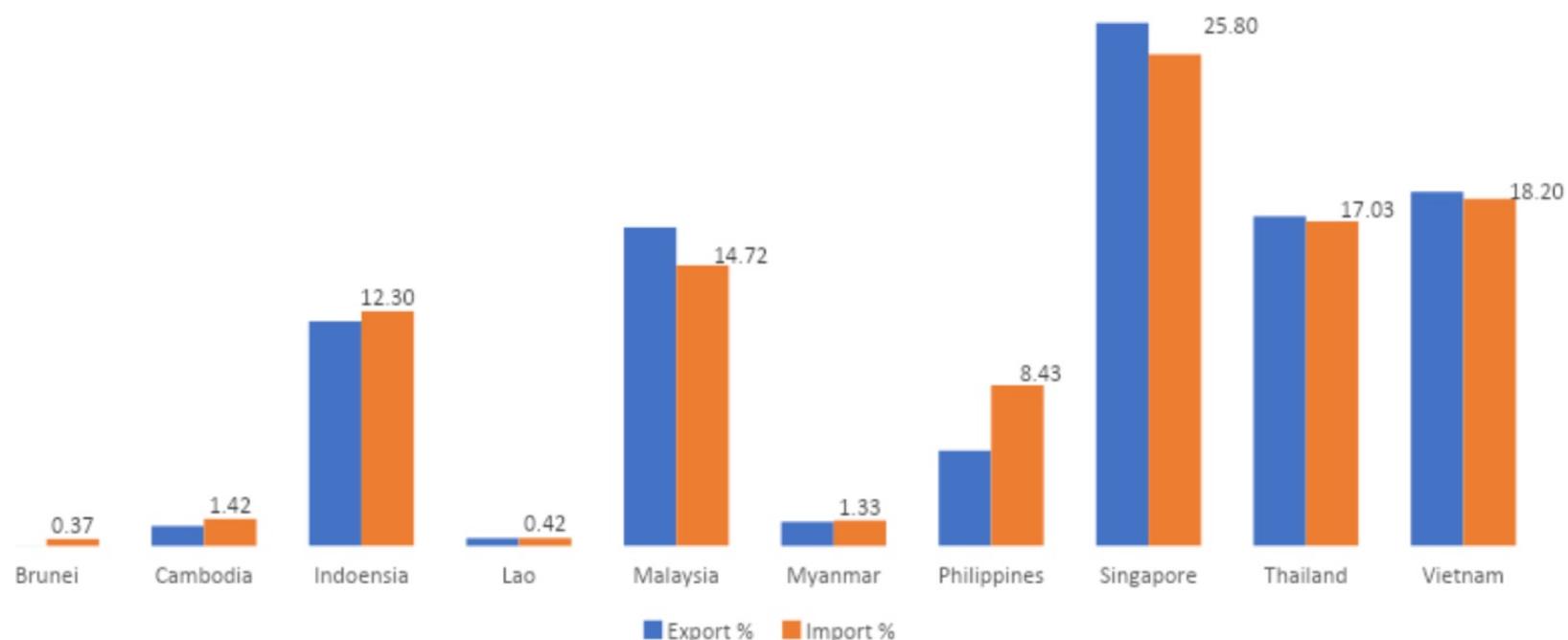


ASEAN with a population of over 650 million people and a combined GDP of over US\$ 3.2 trillion in 2019 is increasingly becoming a focus market for global companies looking for stable and high growth opportunities. While Singapore is home to less than 1% of ASEAN's population, it contributes to more than 11% of the ASEAN GDP. Singapore ranks 2nd globally in the 2020 Doing Business study conducted by World Bank followed by Malaysia and Thailand at 12th and 21st, respectively.

Singapore as a hub-spot

The business-friendly regulations, political and policy stability, superior business and public infrastructure, extensive network of Free Trade Agreements (FTAs), tax & cost competitiveness and skilled workforce have all contributed to Singapore's emergence and continued growth as a global economic centre. A well-developed capital market and presence of a vibrant network of strong local and global banks has added to the lure of Singapore as a gateway to ASEAN.

International trade and foreign direct investment (FDI) have become the key to the growth of the region and the reason for disparity in economic performance amongst member states in the recent years. In 2019, ASEAN total value of merchandise trade was US\$2,815.2 billion. As a trade hub, Singapore was the largest exporter of goods in the region, with a share of 27.5% of the ASEAN total exports, followed by Malaysia (18.6%), Viet Nam (17.3%), and Thailand (16.7%). As for imports, similarly, the largest importer was Singapore with a share of 25.8% of ASEAN total imports.



While it is easy to gloss over the large contribution by Singapore to the ASEAN numbers by saying that a large part of the import and export from other ASEAN countries happens through Singapore, this is precisely the reason that makes Singapore the big brother of ASEAN. Singapore has ranked 1st for a number of years, in the World Bank’s Logistics Performance Index and also in the efficiency of customs clearance of goods. The ASEAN total value of trade in services in 2019 was US\$ 844.6 billion and here again numbers indicate Singapore punching way above its weight. Singapore accounted for the highest share in ASEAN’s total trade in services at 47.8%, followed by Thailand (16.6%), Malaysia (10.0%), and the Philippines (8.2%).

Choice of investor destination

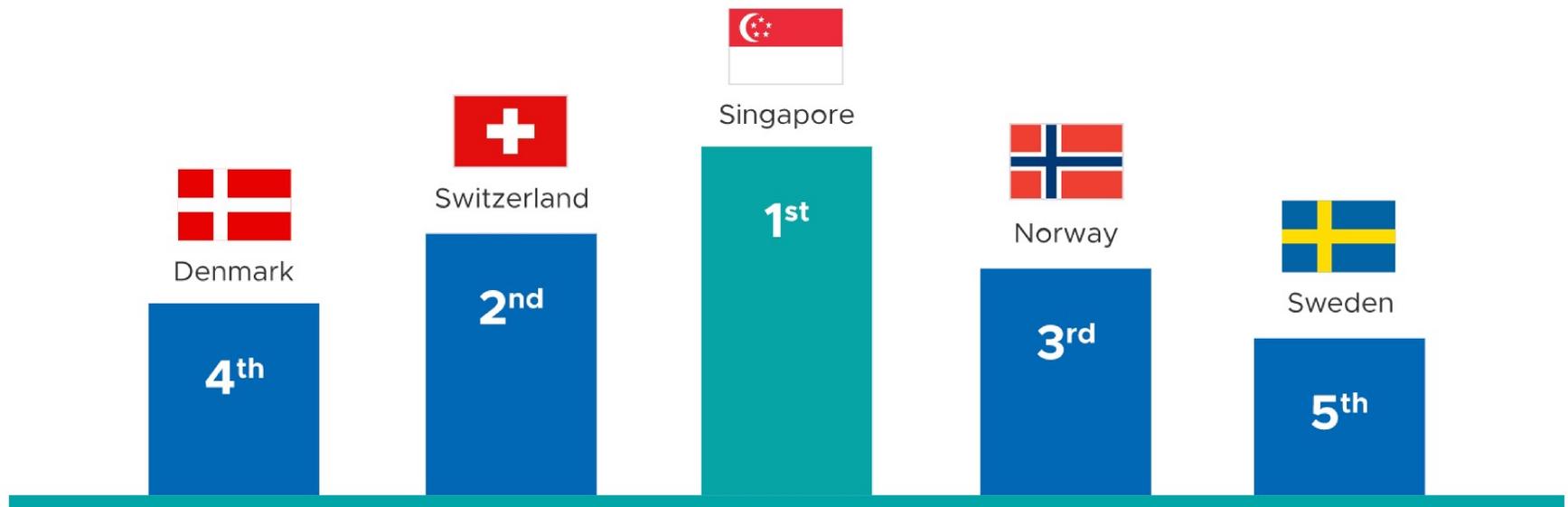
While total FDI inflows to the region amounted to US\$160.6 billion in 2019, the inflow into Singapore was disproportionately high (57.3%) at US\$ 92.1 billion. US\$ 16.0 billion of the FDI inflow into ASEAN was from Singapore, and even if this entire amount is reduced from the FDI number from outside ASEAN into Singapore, the net FDI into Singapore US\$ 76.1 billion still remains disproportionately high.

Singapore is the preferred choice for setting up the regional head-quarters office as compared to other key Asia (not just ASEAN) hubs for almost 50% of the Global Fortune 500 companies . The high density of headquarters, centres of excellence, research centres, and a vibrant start-up ecosystem that provides ample partnership opportunities has set in motion a virtuous cycle that ensures Singapore remains the first port of call for any company looking to enter ASEAN both for trade and investments. The Global Financial Centres Index (GFCI28) survey by London-based thinktank Z/Yen and China Development Institute ranks Singapore as the 6th most competitive Financial Centre in the world. The next Asean centres on the list are Kuala Lumpur at 41 and Bangkok at 58, way behind Singapore. This is a reflection of the pivot position that Singapore enjoys as financial centre of choice in the region.

Tencent, ByteDance and Alibaba have joined other Chinese startups to set up shop in Singapore and made substantial investments over the last couple of years with an eye to use this as their launching pad into the region. Singapore is now home to the largest collection of Chinese-owned technology companies outside of China. This adds to the international coterie of technology bigwigs like Google, Amazon, Facebook, Salesforce and Stripe that already have headquarters or significant operations, including R&D centres in Singapore. Regulations have played a big role in attracting these companies especially related to tax perspective, making it an intuitive choice for regional headquarters.

The number of Single Family offices based in Singapore has grown to over 200 in recent years. Singapore is home to more than 50 billionaires including many who have moved to the city from other locations. High Net-worth Individuals (HNIs) typically seek safe harbours for their investments – environment insulated from economic, financial, regulatory and geo-political risks. The city-state finds favour amongst HNIs also on account of the lower tax rates.

Least risky countries for investment



Source: Euromoney Country Risk, Country Risk Survey, 2019 Q3

While, the other countries in the region are also trying ease business climate with Vietnam emerging as a strong player by offering fiscal incentives and competing fiercely for attention of global investors and businesses. However, the technology-driven transformations pose additional challenges for policy makers in ASEAN, as disruptions and instabilities impact the way of doing business as can be seen in the last 12 months by the impact of COVID-19. This makes predictions problematic and less reliable, but one continues to see the Red Dot staying relevant and grabbing attention of investors and technocrats as an accelerator for start-ups and innovation.

The recent political developments in Myanmar, the continuing civil protests in Thailand, the political instability in Malaysia as a fall out of 1MDB scandal and the unpredictability of Duterte regime in Philippines make ASEAN waters appear choppy and difficult to fathom for overseas investors and businesses. Singapore stands-out as a lighthouse in the middle of all this uncertainty. Marco Pierre White, the famous British Chef-restaurateur may not have exaggerated when he said, “I think Singapore is one of the great cities of the world.”

India's look east policy



Many of today's emerging markets are predicted to be the dominating economic forces of the future, and none are perhaps more exciting than India and the ASEAN countries. As the global economic glare continues to shift from the west to the east, what may be of particular interest is how India and ASEAN will strengthen their ties.

India's influence in ASEAN has steadily been increasing in recent years. Not only has India consistently been among ASEAN's top export destinations, but it has also been a vital source of imports for the ASEAN region. Historically, key products being imported into ASEAN from India have included mineral fuels and oils, iron and steel, nuclear reactors, and mechanical appliances. Though trade between the two behemoth economies did drop slightly in 2019, one might expect a resurgence in numbers, especially as global supply chains get restructured in a post pandemic world.

While trade in goods has always been a vital component of the India-ASEAN relationship, what is really starting to gain momentum is the interest by India's services sector in the ASEAN region. There seems to be a growing awareness – particularly among India's 'new-age' technology companies – that ASEAN has a lot of potential which still remains untapped. Several companies are even beginning to act on this awareness – For example, PeopleStrong (an HR-Tech company based out of India with over 1 million monthly users) has partnered with ASEAN Business Partners to make an aggressive push into the region and cement its success here. As the world moves further and further away from the pandemic, many more companies may decide to jump on the ASEAN opportunity as well.

However, given the wide range of economic development across the ASEAN markets, it may be more prudent to consider certain key economies in the ASEAN region, that are more closely involved with the Indian investment community.

Indonesia – As ASEAN's largest economy, constituting 35% of the ASEAN GDP, Indonesia certainly cannot be ignored. In fact, it has perhaps the most in common with India. Both countries are members of the US\$ 1 trillion club and both have large, young, populations that are getting increasingly internet savvy. Despite these similarities, India has, unfortunately, remained a meagre investor in the Indonesian economy. According to data from Indonesia's Investment Coordinating Board, in 2019 India invested US\$ 58 million in Indonesia, making it the 25th largest investor in the country. Significantly smaller economies like Mauritius and the UAE actually made

bigger investments than India in that same year. However, this does not diminish the great potential that the India-Indonesia investment corridor holds for the future. Indian investors going forward will show particular interest in Indonesia's infrastructure and health industries, seeking to make investments in roadwork, urban railways, oil and gas, and airports. As these two juggernauts move closer and closer together, their combined influence in the region will certainly be one to watch out for.

Malaysia - widely regarded as the second most developed economy in ASEAN. India's role in the Malaysian economy is not one to be underplayed. It serves as an important source of investment to both the manufacturing and services sectors in Malaysia, and several 'big-name' Indian corporations such as Reliance Group, Biocon, TCS, and Wipro have established their footprints on Malaysian soil over the years. In manufacturing, Indian companies have shown particular interest in textiles, chemicals, pharmaceuticals, and food manufacturing. While, in the services sector, IT services have received the lion's share of investment from Indian corporations. In a post-pandemic world, as both economies look to recover, it will be interesting to see how relations between India and Malaysia evolve, especially because Malaysia is one of handful of countries that has a bilateral investment treaty with India.

Vietnam – Among the most talked about emerging markets in the world, Vietnam has been garnering a lot of attention from investors in recent years, especially as companies have been considering their 'China plus 1' strategies. This trend does not seem to have escaped India. According to a 2020 report by Vietnam Briefing, India has more than 270 projects in Vietnam with total investments amounting to nearly US\$ 2 billion. Furthermore, one of India's most renowned corporate giants – The Tata Group – has been increasingly cementing its place in the southeast Asian country. Tata Power, the Group's energy arm, has taken on the task of building a US\$ 2.2 billion thermal power project in the southern region of Vietnam by 2030, along with a US\$ 54 million solar park in the Binh Phuoc province of the nation. Additionally, the Tata group has also made significant commitments in Vietnam's Agriculture sector, establishing a US\$50 million freeze-dried coffee plant in Binh Duong province. Interestingly, the Tatas aren't the only Indian titans investing in Vietnam. Notably, the Shapoorji Pallonji Group too has established a presence in the country. In July 2018, Shapoorji Pallonji Infrastructure Capital Company Ltd. Signed Vietnam's first solar power purchase agreement with the country's Electric Power Trading Company. These examples indicate a growing Indian footprint in the Vietnamese economy, and thus signal increasing future collaboration between the two nations.

India's increasing interest in the ASEAN region will certainly offer tremendous opportunities for growth. What remains to be seen, however, is which ASEAN nation will jump at this opportunity first.

News Snippets – ASEAN News that matter

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

ASIA

Indonesia declares joint bid with Malaysia to shield palm oil

March 2021

Indonesia and Malaysia are teaming up to fight what they call a smear campaign targeted at the commodity. The move sets the stage for what activists say will be a costly PR war that takes the focus away from efforts to clean up the industry. Indonesia and Malaysia plan to mount a joint offensive to shore up the palm oil industry against criticism of the deforestation and conflicts associated with the production of the commodity. The leaders of the two countries allege that the EU, which plans to phase out palm-based biodiesel as a renewable energy, is discriminating to protect its own vegetable oil producers. Top government and industry leaders in Indonesia have declared a “black campaign” against their European competitors and against Indonesian NGOs calling for a more sustainable palm oil industry. Activists have expressed dismay at the prospect of a PR war, saying the money and effort would be better spent on bringing actual reforms aimed at sustainability. [Read more](#)

Foreign investment in China in Jan-Feb up 31.5% year on year

March 2021

China, which achieved a V-shaped economic recovery last year, attracted 176.76 billion yuan (US\$ 27.18 billion) in foreign investments in January-February, up 31.5% year-on-year, the commerce ministry in Beijing reported. By origin of investments, European Union increased 31.5%, the Association of Southeast Asian Nations (ASEAN) 28.1% and countries along the Belt and Road Initiative 26.2%.

The growth is said to show confidence by global investors in China’s economy, as the country takes the lead in recovering from the coronavirus bite worldwide. [Read more](#)

Taiwan’s AppWorks raises \$114m to expand investment in ASEAN

March 2021

AppWorks, a Taipei-based early-stage VC firm and an investor in companies like Carousell and ShopBack, has raised US\$114 million for its third fund, DealStreetAsia (DSA) has reported. The new fund, with a target corpus of US\$150 million, will seek to invest in startups in the AI, Internet of Things, blockchain and decentralised finance sectors, said the report, quoting its chairman and partner Jamie Lin. The initial plan was to close the third fund at US\$100 million, but it later decided to increase the target size to US\$150 million after it observed a funding gap for Series A and B startups in Southeast Asia and Taiwan. [Read more.](#)

ASEAN to hold workshop on regional maritime cooperation

March 2021

Delegates from Vietnam, Australia and the EU will co-chair a virtual ASEAN Regional Forum (ARF) workshop on maritime cooperation in March. The ARF, a security forum focused on the Indo-Pacific, has conducted two previous workshops on maritime cooperation since 2018. Reports on the workshop’s discussions reveal emphasis on strengthening interoperability in counter-narcotics and anti-piracy operations. Reports also prioritise developing diplomatic solutions to disagreements among forum participants. [Read more](#)

ASEAN Capital Markets Forum Rolls Out Its New 5Year Action Plan

March 2021

The ASEAN Capital Markets Forum (ACMF) endorsed the ACMF Action Plan 2021-2025 (“Action Plan”). In

realising the ACMF Vision 2025, the Action Plan sets out three strategic objectives namely (i) fostering growth and recovery with sustainability, (ii) promoting and sustaining inclusiveness; and (iii) strengthening and maintaining orderliness and resilience. The five key priorities that support the strategic objectives are: (i) driving higher levels of transparency and disclosure, (ii) continuing with regulatory harmonisation, (iii) intensifying capacity building, (iv) amplifying communication and awareness building; and (v) strengthening co-operation and co-ordination. [Read more.](#)

MYANMAR

ASEAN ministers urge Myanmar to find domestic solution to crisis

February 2021

Members of the Association of Southeast Asian Nations (ASEAN) pushed for the release of Myanmar's de facto leader Aung San Suu Kyi and a return to democracy after meeting Tuesday on the state of the country.

“Restoring democracy back on track must be pursued,” Retno Marsudi, Indonesia's foreign minister, said. The comments follow Myanmar's February 1 military coup in which de facto leader Aung San Suu Kyi and other members of Myanmar's civilian government were removed from office and detained. [Read more.](#)

ASEAN foreign ministers to meet for talks on Myanmar as crisis worsens

March 2021

Calling Myanmar's crisis as ASEAN's crisis, ASEAN foreign ministers of Southeast Asian countries prepared for a special meeting with Myanmar's ruling military on Tuesday in an effort to quell deadly violence and open a channel to tackle its escalating political crisis. The talks will come two days after the bloodiest day of unrest since the military removed Aung San Suu Kyi's elected government a month ago, unleashing anger and mass street protests across Myanmar. [Read more](#)

VIETNAM

Vietnam's VNG invests \$6m in gifting platform Got It

March 2021

Vietnamese unicorn VNG Corporation has invested USD 6 million in Got It, a local business-to-business digital gifting platform, according to a statement on Thursday. The investment will help Got It to boost its artificial intelligence and peer-to-peer gifting in Vietnam, as per the statement issued by the company. [Read more.](#)

Vietnam will need \$320.6 billion investment capital for the development of its power network

March 2021

Vietnam will need \$320.6 billion investment capital for the development of its power network between now and 2045, according to a draft power development plan released by the Ministry of Industry and Trade (MoIT). It is reported \$128.3bn investment will be needed in 2021-2030, including \$95.4bn for generation and \$32.9bn for the grid. In 2031-2045, Vietnam will need \$192.3bn, including \$140.2bn for generation and \$52.1bn for the grid. [Read more.](#)

Vietnam attracts US\$5.46 billion in foreign investment

March 2021

US\$5.46 billion worth of foreign direct investment (FDI) was injected into Vietnam as of February 20, 2021 equivalent to 84.4 per cent of the figure recorded in the same time last year, according to the Vietnam Ministry of Planning and Investment. As many as 126 foreign projects were granted investment licences with total registered capital of US\$3.31 billion, a year-on-year fall of 33.9 per cent, Vietnam news agency (VNA) reported. [Read more](#)

ThinkZone, Vietnam based accelerator ties up with BK Fund to raise USD 10 million investment vehicle

March 2021

ThinkZone has tied up with BK Fund, an investment fund of Hanoi University of Science and Technology to manage and raise USD 10 million for its first investment vehicle – BK Fund 1. The fund will incubate and support startups in Vietnam with deal size of up to USD 1 million. [Read more](#)

SINGAPORE

Indonesia-Singapore bilateral investment treaty comes into effect

March 2021

Indonesia and Singapore's bilateral investment treaty (BIT) has entered into force after ministers of the two countries signed the treaty's instrument of ratification on Tuesday. Indonesian Foreign Minister Retno LP Marsudi said the treaty, which was first signed on Oct. 11, 2018, in Bali, was expected to boost two-way investment flows by between 18 percent and 22 percent over the next five years. The treaty provides greater legal certainty to Indonesian and Singaporean investors who invest in either country by granting greater protection from discriminatory treatment and illegal expropriation, among other things. [Read more](#)

Singapore's 2021 budget aims to further boost PE/VC market and enhance ties with ASEAN neighbors

February 2021

The Singapore government laid down plans to invest in three platforms- a Corporate Venture Launchpad, an Open Innovation Platform and Global Innovation Alliance to bolster the PE/VC market. The Corporate Venture launchpad will be piloted this year to drive new venture. The OIP will be enhanced with new features such as cloud based digital bench for accelerated testing etc. The GIA will support cross border collaboration between Singapore and innovation hubs globally. Singapore will also look to build on initiatives such as ASEAN Smart Cities Network. [Read more](#)

Invest in Sharjah explores stronger economic ties with Singapore

March 2021

Sharjah's unique investment environment, as well as emerging potential in new sectors, were topics that dominated the recent Sharjah-Singapore Investment Webinar. Organised by the Sharjah FDI Office (Invest in Sharjah), and operating under the Sharjah Investment and Development Authority (Shurooq), in collaboration with the Singapore Business Council, the virtually held meeting convened investors, business leaders and officials from both sides to explore stronger economic ties and synergies that the two commercial powerhouses of the East can explore in light of the paradigm shifts in business and economy induced by the Covid-19 pandemic. [Read more](#)

Co-founders of Chinese private equity firm Boyu build Singapore base

March 2021

Two co-founders of China's Boyu Capital, a leading private equity firm set up by a grandson of former Chinese President Jiang Zemin, have relocated to Singapore with a share of the company's operations from its Hong Kong headquarters, according to people briefed on the move.

Boyu's tilt toward the Southeast Asian city-state of Singapore was mainly driven by concerns over the ebbing clout of the elder Jiang, 94 years old, whose patronage has buttressed the firm's success, the people said. The transition, which began in late 2019, has coincided with Chinese leader Xi Jinping's efforts to curb the influence of retired Communist Party elders and tighten Beijing's control over the Chinese territory of Hong Kong. [Read more](#)

MALAYSIA

Malaysia's EPF launches first Shariah PE SMA fund

March 2021

Malaysia's largest pension fund, Employee Provident Fund (EPF), on February 26, announced the launching of the largest Shariah-compliant fund and the first Shariah private equity (PE) direct/co-investment separately managed account (SMA) fund in the world with an allocation of US\$600 million.

Within the allocation, the EPF will have three SMAs of US\$200 million each to be managed by three private equity fund managers – BlackRock, HarbourVest Partners and Partners Group – with a global mandate that focuses on direct and co-investment strategies into growth and buyout transactions.

The investment period is from 2021 to 2025, while the fund term will run from 2021 to 2031, subject to further extension with EPF's consent. [Read more](#)

UAE leaders meet with visiting Malaysian PM, review bilateral ties

March 2021

Vice President and Prime Minister of the United Arab Emirates Sheikh Mohammed bin Rashid Al Maktoum, who is also the ruler of Dubai, held a meeting on Wednesday with Malaysian Prime Minister Muhyiddin Yassin. During the meeting, they reviewed the prospects of building up economic partnerships and accelerating trade exchange, the UAE's state news agency WAM reported.

The meeting also focused on the importance of establishing investment partnerships between the two nations across various sectors, primarily ports, clean energy, manufacturing, food security, among others, to the best interests of the two countries' people. Sheikh Mohammed underlined the necessity of spurring global economic growth and stemming the negative fallout of the COVID-19 pandemic on the global sustainable development drive. [Read more.](#)

UAE's Masdar hooks up with Malaysia's Petronas for Asia renewables

March 2021

Abu Dhabi-based Masdar and Malaysia's Petronas will work together to pursue renewable energy and green hydrogen projects across Asia and the Middle East. The pair said they will explore joint participation in large-scale solar and wind opportunities for utilities, commercial and industrial customers, focusing primarily on Asia.

Petronas said that the collaboration with Masdar, which is owned by state backed Mubadala Investment Company, will complement its expanding renewables portfolio. Petronas currently has over 1GW of solar capacity in operation and development in India and Southeast Asia. The pair also said they will explore opportunities for joint production of green hydrogen. Petronas said it is working towards commercialising low-carbon hydrogen produced from its existing facilities and is pursuing commercial production of green hydrogen in the near future.

[Read more.](#)

Malaysia in talks with Saudi Arabia to raise palm oil trade to 500,000 tonnes

March 2021

Malaysia is in talks with Saudi Arabia to increase the kingdom's imports of the edible oil to 500,000 tonnes in the near future, state media Bernama reported on Wednesday.

Saudi Arabia, which constitutes 2% of Malaysia's palm oil exports, last year imported more than 300,000 tonnes of Malaysian palm oil valued at 900 million ringgit (\$218.08 million). Malaysia is the world's second-largest palm producer and exporter after Indonesia. [Read more.](#)

Malaysia Debt Ventures and Kenanga set up \$73m fintech fund

March 2021

Malaysia Debt Ventures (MDV), a state-owned financier of technology and green startups in the country, and

Kenanga Investment Bank on last Wednesday announced the creation of a fintech fund, with a target size of 300 million ringgit (\$73 million). [Read more](#)

Two foreign PE funds move to front of the line for purchase of Jaya Grocer

March 2021

US-based Carlyle Group and Luxembourg-based CVC Capital Partners are believed to be the front runners in the race to acquire Trendcell Sdn Bhd, the owner and operator of high-end supermarket chain Jaya Grocer, say sources, after outbidding at least two other offers.

It is learnt that the two private equity firms are negotiating to buy a part of, a majority, or the entire supermarket business of Trendcell, which rang up RM1.32 billion in sales in 2020, for as much as RM1.1 billion. [Read more](#)

BRUNEI

India, Brunei Hold Review Meeting, Discuss Trade, Defence And Agriculture

March 2021

India and Brunei resolved to boost cooperation in a range of areas, including agriculture, food processing, education, automotives, energy, healthcare and pharmaceuticals and construction, as the two countries took stock of their overall ties. A host of other issues, including ways to contain the coronavirus pandemic, figured during a virtual meeting between External Affairs Minister S Jaishankar and his counterpart from Brunei, Dato Seri Setia Haji Erywan bin Pehin Datu Pekerma Jaya Haji Mohd Yusof. Jaishankar congratulated Haji Erywan on Brunei's assumption of the chairmanship of ASEAN for 2021 and assured him of India's full support for its successful tenure, the Ministry of External Affairs (MEA) said. [Read more](#)

THAILAND

Xiaomi steps up Thai investment

February 2021

Chinese tech giant Xiaomi has announced efforts to double its investment in marketing and sharpen its focus on 5G-enabled smartphones to become a top three vendor in Thailand. "Thailand is a very important market in Southeast Asia. The country has energetic consumers, such as youngsters, the rise of 5G-enabled smartphone adoption and the growth of e-commerce," said K.M. Leong, general manager for Southeast Asia of Xiaomi International. The overall economic situation will get better and smartphone innovation with 5G and attractive prices could accelerate consumer replacement, he said. [Read more](#)

Thailand sees at least 300b baht investment in Eastern Economic Corridor this year

March 2021

Thailand expects investment to triple to at least US\$10 billion in the country's industrial east this year as investment projects previously held up by the coronavirus outbreak get pushed forward again as the pandemic eases. Actual investment in the Eastern Economic Corridor (EEC) could be at least 300 billion baht (\$13.2 billion) this year, up from 96 billion baht in 2020, or 46 per cent of total project applications, EEC head Kanit Sangsubhan told a briefing. [Read more.](#)

Thailand Regulator Withdraws Proposal of Harsh Crypto Investment Rules

March 2021

Thailand's Securities and Exchange Commission (SEC) has scrapped its new crypto regulations draft after it received massive backlash from the local community for setting a high bar for investors. According to a Bangkok Post report, the proposal wanted the crypto investor's minimum annual income to be 1 million baht (around \$33,000), which is too high compared to Thailand's per capita GDP of around \$7,800, as per World Bank data.

The draft rules proposed a mandatory income verification of all Thai citizens willing to invest in cryptocurrencies, which received public backlash within hours of being published. [Read more](#)

Thailand's PTT targets \$28bn investment for 2021-25

March 2021

Thailand's state-controlled oil firm PTT is planning investment of 850.6bn baht (\$28.3bn) across all its operations over the next five years, as it focuses on developing the country's LNG and natural gas industry while seeking future energy opportunities. Planned capital expenditure (capex) includes construction of its second 7.5mn t/yr Nong Fab LNG receiving terminal in Rayong, the third-phase expansion of its 11.5mn t/yr Mab Ta Phut terminal, its seventh gas separation unit at the Mab Ta Phut industrial estate in Rayong and a fifth natural gas transmission pipeline project. Group spending also covers the firm's retail, downstream and power operations. [Read more](#)

INDONESIA

Indonesia Finally Has a Sovereign Wealth Fund

March 2021

Indonesia has its own sovereign wealth fund, called the Indonesia Investment Authority (abbreviated as INA). On 16 February 2021, Indonesian President Joko Widodo announced the list of people that will manage this investment management institution. The Indonesian government set aside IDR 15 trillion (approx. USD \$1.1 billion) - taken from the 2020 State Budget - for INA's activities. [Read more](#)

UAE weighs up investment options in Indonesia

March 2021

The UAE has announced it is studying investment options for infrastructure development projects in Indonesia before injecting more financial support through the southeast Asian country's newly launched sovereign wealth fund. As part of the recent Indonesia-Emirati Amazing Week tour of four cities, UAE Energy and Infrastructure Minister Suhail Al-Mazrouei and his delegation signed several business deals, including a pledge to develop a \$500 million tourism resort on an island in Aceh province and a \$1.2 billion port and industrial zone development scheme in Gresik, East Java province. [Read more](#)

Indonesia's JV to invest US\$500m in C&I solar market

March 2021

PT Empat Mitra Indika Tenaga Surya (EMITS) - A joint venture between Indian solar firm Fourth Partner Energy & Indonesia's coal producer, Indika Energy - aspiring to become a one-stop-shop renewable platform for Indonesia's C&I sector, with plans to invest more than US\$500 million in the country by 2025. Indonesian Government unwaveringly promotes the ease of investment through regulations and policies that prioritize clean energy transition and welcomes EMITS with open arms. [Read more](#)

Indonesia's Largest Bank BRI secures Investment from FWD Group

March 2021

Asian Insurance giant FWD Group announced that it has completed its investment in the Life Insurance arm of state-owned lender, Bank Rakyat Indonesia - BRI in lieu of a noteworthy minority stake. This strategic partnership will mutually benefit both parties as the latter reaps the benefit by delivering its products to Indonesia's underpenetrated market while BRI will be able to leverage FWD's digital infrastructure to boost broader financial inclusion in Indonesia. [Read more](#)

Indonesia & Islamic Development Bank (IDB) Group signs an agreement

March 2021

The bilateral relationship between Saudi Arabia & Indonesia has transformed into an agreement for the establishment of the IDB Group Country Gateway Office in Indonesia as continuous strategic partnership between the bank and Indonesia. IDB's signing of agreement with PT Mandala Multi finance will increase SME access to finance and trigger growth of Indonesian economy. While its agreement with an independent power producer company in Indonesia, shall support country's infrastructure sector in the forthcoming years. [Read more](#)

LAOS

Beijing Investment in Laos Sparks Chinese-Language Learning Boom

February 2021

A Chinese language education boom is underway in Laos as Beijing's increasing investments in the Southeast Asian country point to a future where Chinese companies dominate local commerce, sources in Laos told RFA. Chinese investment in Laos was a mere 1.5% of its total foreign direct investment in 2003, but Beijing accounted for 79% of FDI in Laos in 2018. The sharp rise in investment has prompted job hunters in Laos to view proficiency in the language as an essential skill. [Read more](#)

New Laos report proposes action plan to boost FDI opportunities

February 2021

A report presented at an online meeting in February chaired by Deputy Prime Minister and Minister of Planning and Investment, Dr Sonexay Siphandone talked of developing a holistic investment strategy along with continued regulatory reforms will help Laos attract more diverse and higher-quality foreign direct investment (FDI). The approach will allow Laos to expand its economy, generate more jobs, and achieve shared prosperity, according to the report, which was published by the International Finance Corporation, a member of the World Bank Group. Conducted in partnership with the government of Japan, the report titled 'Investment Reform Map for Laos – A Foundation for a New Investment Policy and Promotion Strategy' lays out a proposed action plan for targeted reforms to realise the positive impact of FDI on the local economy. [Read more](#)

PHILIPPINES

Philippines invites Indian firms to explore investment opportunities in infra sector

February 2021

The Philippines has invited Indian companies to explore investment opportunities in infrastructure sector such as railways, airports, shipbuilding and ports with an aim to enhance economic cooperation, industry body CII said on Friday. The opportunities were showcased by the Philippines during a business conference on India-Philippines Infrastructure Cooperation, which was held on February 18. [Read more](#)

Philippines set to take rare, top spot for IPOs in Southeast Asia

February 2021

Some Philippine firms, including newly launched real estate investment trusts (REITs), could make the country Southeast Asia's biggest IPO market this year, driven by attractive valuations and a recovering economy. Investors and bankers say consumer retailers and REITs are lining up record fundraisings that could top \$4 billion in 2021, more than the combined tally of the last seven years, according to Refinitiv data. Across the rest of the region, only a \$2 billion Singapore IPO by a subsidiary of Thai Beverage, smaller floats in Indonesia and insurance IPOs in Thailand, are among those lining up for launches this year. [Read more.](#)

Philippine's Telecom Player DITO launches commercially

March 2021

DITO, one of the major telecom players in the Philippines announced the commercial launch a day after the

company passed the National Telecommunications Commission (NTC) first network audit. Whereby, the NTC confirmed that DITO has met its initial population coverage and minimum average internet speed commitments to the Philippine government. The company will now offer its services first in the country's southern Mindanao region and central Visayas region with the help of the local government units as a way of strengthening its commitment of nation building and partnership with the Filipino people. [Read more](#)

The Government of Philippines launches Central Business Portal

March 2021

CBF is a project lead by the Anti-Red Tape Authority (ARTA), in collaboration with the Department of Information Technology (DICT) of Philippines. The portal is a single platform for all business-related information and transactions, such as registering a corporation, registering a business, and securing business permits/certificates, licenses from various government agencies. [Read more](#)

CAMBODIA

European Parliament Turns up the Heat on Cambodia's Hun Sen

March 2021

The European Parliament has adopted a strongly worded resolution calling for “overdue” sanctions against Cambodian leaders responsible for an unrelenting political crackdown, claiming that after elections in 2018, the Cambodian People's Party (CPP) “should not be considered the legitimate ruling party.” The resolution which was adopted on March 11, accurately details the various human rights outrages committed by Prime Minister Hun Sen's government over the past five years: the abolition of the opposition Cambodia National Rescue Party (CNRP) in 2017; the conviction of its exiled leading figures on confected charges of treason and incitement; the ongoing “staged” mass trials against members and supporters of the banned CNRP; and its intensifying clampdown on independent media outlets and civil society groups. [Read more](#)

Cambodia officially launches multilateral financial cooperation and the establishment of first investment bank business service

March 2021

Cambodia Securities has just obtained a license from the Securities and Exchange Regulator of Cambodia as a comprehensive securities firm. It has also become Cambodia's first investment bank business service as the main axis to develop a security model of regional economic cooperation. It is expected to inject corresponding funds, experience, management and operations to overall development in Cambodia. [Read more.](#)

Cambodia, UK pledge to continue close cooperation in trade sectors

March 2021

Cambodia and the United Kingdom have vowed to continue cooperating closely to boost their bilateral trade ties and restore the economy affected by the impact of COVID-19 crisis. The commitment was made during a virtual meeting yesterday afternoon between Pan Sorasak, Cambodian Minister of Commerce and Ms Heather Wheeler, British Prime Minister's Trade Envoy to Cambodia, Laos and Vietnam. The minister expressed congratulations to Ms Wheeler on her new role, which will promote dialogue, good cooperation, and fruitful diplomatic relations between Cambodia and the UK. [Read more.](#)

About us

ASEAN Business Partners is an independent, specialist market entry firm 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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