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The Review

May 2021 #5

Latest news, views and announcements affecting the ASEAN

INSIDE

ASIA: In focus

[How the Belt and Road Initiative can make or break the climate change accord](#)

[Renew Vietnam: No more coal is the goal](#)

[Excesses of Palm oil](#)

News Snippets

About Us



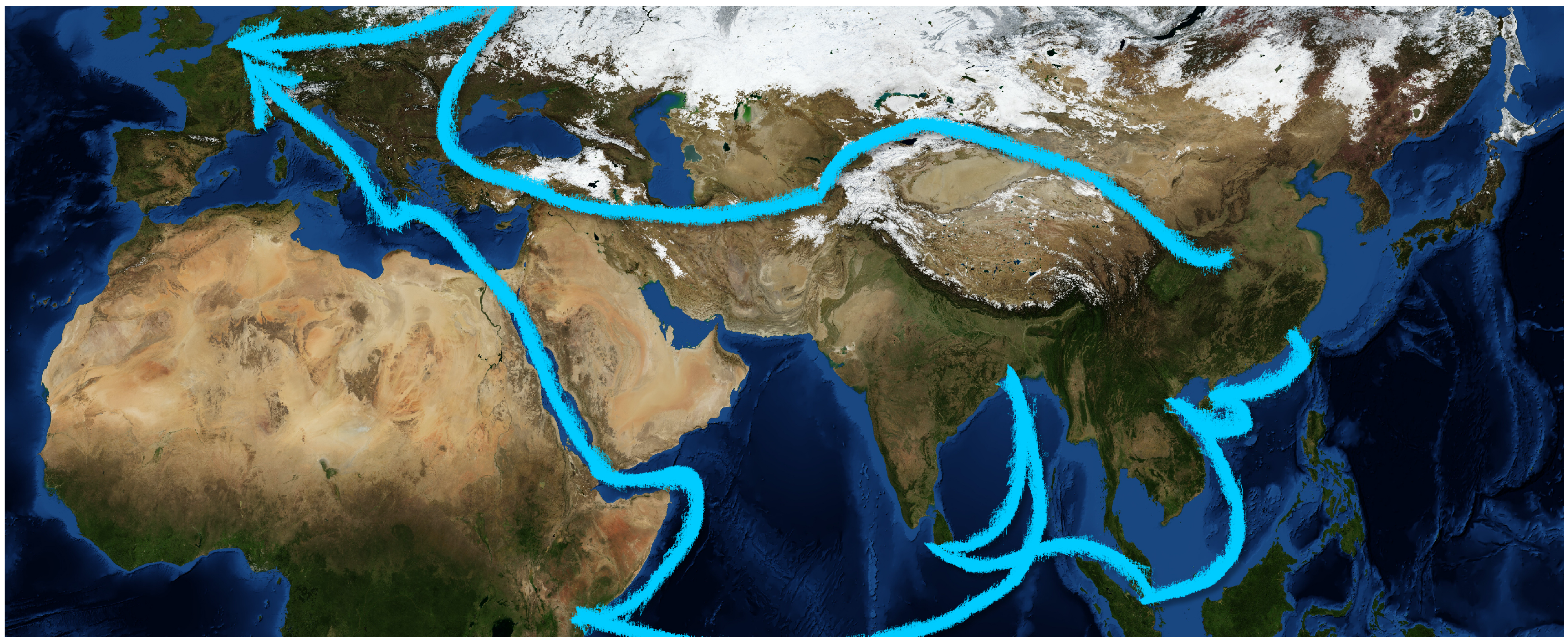
Dispatches from the team

The colour of this month's issue is **green**. As the world moves towards a post pandemic new normal, boardrooms are expected to refocus on climate change and sustainability. This issue of the newsletter looks at China's much touted Belt and Road Initiative and its impact on the planet and associated green economics. We also shine light on Vietnam which emerges as one of the brightest stars in the renewables market and we analyze the country's clean energy efforts. We also look at the contentious palm oil issue and where ASEAN is at.

Further, the newsletter includes a round-up of deal making news across ASEAN over the last month.

Please do share your views on the issue and help us make it better.

How China's Belt and Road Initiative can make or break the global accord on climate change



Chinese leader Xi Jinping launched One Belt, One Road (OBOR) in 2013, later re-translated as Belt and Road Initiative (BRI), as China's global infrastructure development strategy for historical Silk Road trading routes. Confusingly, the "belt" refers to land connections, Marco Polo's northern routes dating from the 13th century; and the "road" to southern Asian maritime expedition routes first established during the Ming dynasty in the early 1400s. The modern BRI is a peculiar blend of Chinese geopolitics, foreign policy, foreign development aid and investment. Some western cynics see it as neo-colonialist expansion, even extraction. But BRI is also a series of massive engineering commitments, improving transport and energy-related infrastructure in >65 countries at an estimated cost already approaching US\$1 trillion and likely to reach US\$1.3 trillion by 2027 (according to Morgan Stanley). This is financed by China, traditionally through its state-controlled banks and financial institutions, usually in the form of loans to the host countries.

While questions on the financing and Chinese motive behind BRI remain unanswered, another issue which makes BRI a sensitive global topic is its impact on the Paris accord, particularly on China's own green pledges and what it means for the planet.

At the United Nations' Conference of the Parties (COP21) agreement in Paris in 2015, signatories including China agreed to limit global warming to well below 2°C, preferably below 1.5°C, compared to pre-industrial levels. Countries pledged to reach global peaks of greenhouse gas emissions and then achieve subsequent reductions to achieve ultimate carbon-neutrality – by 2060 in China's case. It is currently the world's largest producer of carbon dioxide, c.28% of global emissions. But China has also pledged to reach peak CO₂ emissions by 2030; to source 20% of its energy from low-carbon sources and to cut emissions per unit of GDP by over 65% of 2005 levels.

BRI vs Green

Here lies China's challenge, and its opportunity. The conflict between the country's growing green pledges and credentials on the one hand, and heavy engineering and legacy energy projects on the other, is clear. BRI "sustainability" initially just relied on projects satisfying emission and environmental standards in developing host countries; global green responsibilities were delegated. This ignores the separate, but vital, issue of non-BRI deforestation and other climate change hazards. From January 2016 to April 2020, Chinese institutions provided US\$15 billion in loans and underwriting services to companies trading in commodities relying on de-forestation in south-east Asia, Brazil and Africa.

Energy projects have been an important component of BRI from the outset. Perhaps one-third of China's total BRI spending to date, c.US\$ 250 billion, has been on energy projects; and >75% of this has involved fossil fuels: mainly coal, then oil and natural gas. There is some hydropower, itself environmentally problematic, but renewables have comprised just a tiny proportion of BRI to date. Has China just been exporting its dirty energy? In one notorious example, China literally disassembled an old coal plant and re-built it in Cambodia. This may help China meet its own national climate pledges, but it's hardly supporting the spirit of the Paris accord.

Huge engineering projects, even clean ones, conflict with global green ambitions. Cement production is very energy-intensive, even before it's poured over a felled ancient forest.

BRI = Green

Chronologically, BRI (2013) pre-dated COP21 in Paris (2015). Even then, China was not alone in needing time to realise the significance of its climate pledges, whether to "the letter" of its own national pledges or more broadly in "the spirit" of global accord. Lately, the country has re-focused BRI priorities much better to reconcile them with wider green commitments – perhaps hoping to regain some of the moral high ground which BRI, if it had ever held it, had since lost.

A study by China's Ministry of Ecology and Environment published last December called for a negative list of polluting projects to restrict environmentally harmful projects. It also suggested a separate exclusion list for coal and other fossil fuel energy projects with "severe and irreversible negative impacts". In March 2021, China's Embassy to Bangladesh informed the local Ministry of Finance that

"the Chinese side shall no longer consider projects with high pollution and high energy consumption, such as coal mining [and] coal-fired power stations".

The share of wind, solar and hydropower made up 57%, c.US\$11billion, of China's total investment in infrastructure in 2020, up from 38% in 2019. The pandemic seems to have galvanised several developing countries central to BRI to draw up new plans to ensure their economic recoveries are environmentally friendly – including Egypt, Pakistan, Bangladesh and Vietnam.

Green can triumph – and it must

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 and mountain glaciers are melting, causing sea levels to rise. Much of Asia is especially vulnerable to the consequences.

China, albeit belatedly, is coming to terms with the reality, complexity and challenge of global climate change; and

is accepting responsibility for addressing them. Like western countries and their financial institutions, the various state organs of China are realising all this at different moments and at varying levels of intensity. It's still piecemeal and awkward. Fortunately for our fragile planet, major Chinese policy makers and key figures including President Xi himself, are among the (newly-)enlightened. Finally, China's colossal momentum is starting genuinely to support instead of hinder global efforts to slow climate change. With BRI being re-invented accordingly our world might just turn a little greener.

Renew Vietnam: No more coal is the goal



Vietnam is considered one of the most efficient power markets in Southeast Asia. The country has achieved around 99 percent electrification with relatively low cost in comparison to neighboring countries.

With development and industrialization, as energy demand skyrockets, Vietnam is predictably experiencing a shortfall in supply. The demand is predicted to increase by over 8% per annum during the 2021-2030 period from 265-278 TWh in 2020 to 572-632 TWh in 2030. As per multiple online reports, to meet the growing demand, Vietnam needs 60,000MW of electricity by 2020, 96,500MW by 2025, and 129,500MW by 2030. To do so, the country needs to increase its installed capacity by 6,000MW – 7,000MW annually and spend close to US\$148 billion by 2030.

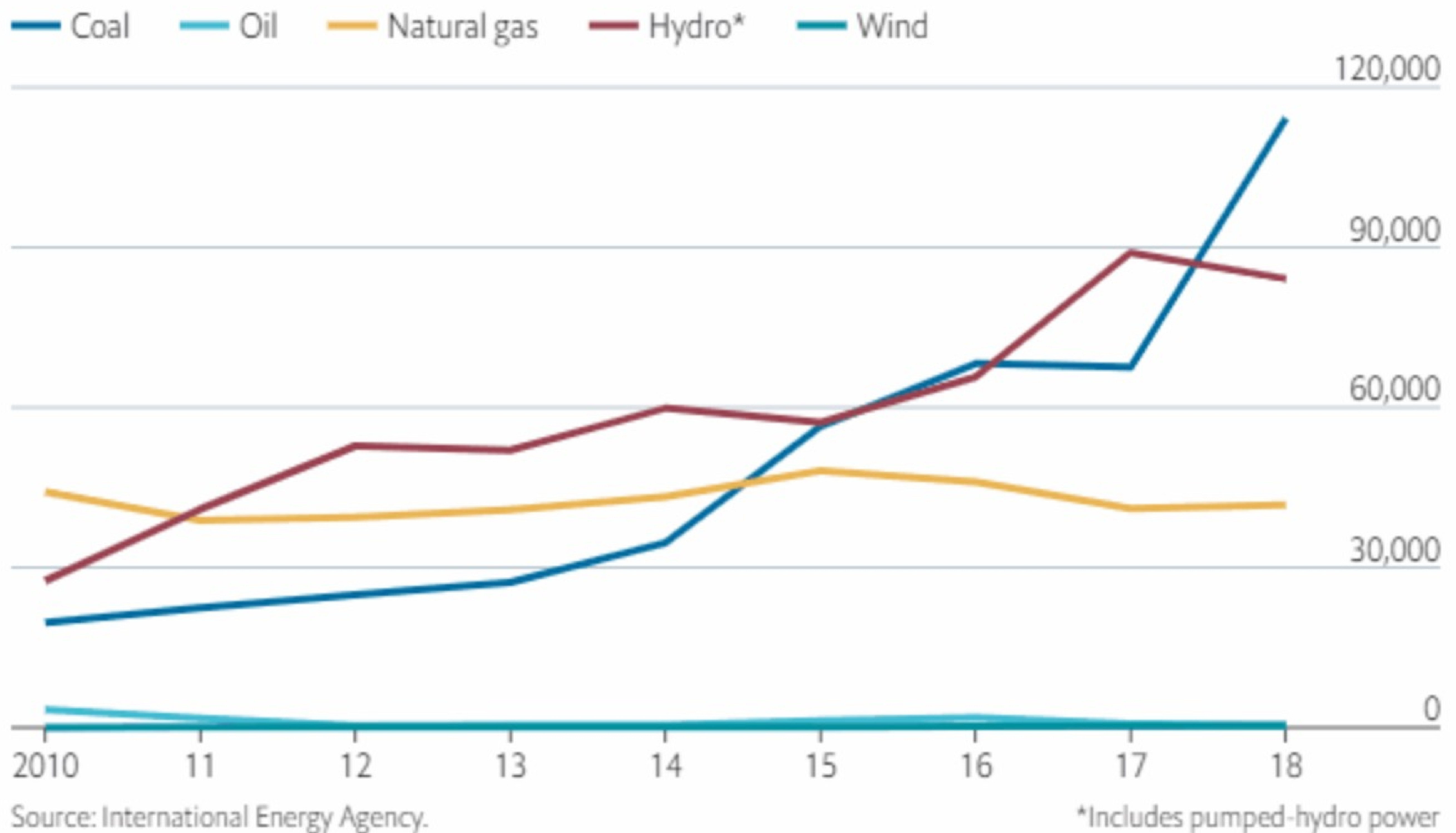
Source matters

While, energy sources are diverse in Vietnam including coal, oil, natural gas, hydropower, and renewable energy, as per latest 2019 [Vietnam Electricity Annual Report](#), hydropower and coal-fired power continue to lead among power generation sources. This is likely to remain the case in the medium term as demand grows strongly.

Power Development Plan (PDP) VII (updated in 2016), authorised the energy sector to meet incremental demand by continuing investing heavily in coal plants and importing thermal coal. However, though as a policy initiative, PDP VII could have done much more for wind and solar power, it did announce some initiatives to increase the electricity output produced from renewable sources from approximately 58 billion kWh in 2015 to 186 billion kWh by 2030 and reduce the use of imported coal-fired electricity amid energy security and environmental and sustainability concerns.

Vietnam has relied heavily on coal to meet growing demand

(domestic electricity generation, GWh)



Renewable energy – now and future

Environmental concerns have been gaining ground in Vietnam’s busiest cities and commercial centres. Policy initiatives such as a newly formed National Steering Committee for Power Development as well as the Central Economic Commission have shown intent on exploring alternative energy sources away from coal and nuclear options and have helped give the renewables sector a significant push in Vietnam. At present, hydropower holds the largest share amongst all renewable energy sources, followed by wind and biomass.

The good news is Vietnam is endowed with an ample supply of wind and sunshine.

Recently, both solar and wind generation sources have been attractively promoted. A feed-in tariff for solar was introduced in 2017 resulting in Vietnam’s installed solar capacity increase from non-existent at the start of 2018 to 8.5 GW by end 2019 (including the 3 GW awaiting grid connection), which has far exceeded the original goals of PDP VII. Additionally, a feed-in tariff scheme for wind power that will apply to any projects that commence commercial operations by the end of 2023 has also helped projects: in June 2020 the government approved new wind projects totalling 7 GW, which will be installed over the next few years.

Capital and policy considerations

To keep up with demand, as per a [McKinsey report](#), the country will need significant amount of new capacity, requiring US\$150 billion in capital investments for generation and grid upgrades, according to Electricity of Vietnam (EVN’s) estimates. As per some estimates, the funding for renewables required would be around US\$ 23.7 billion by 2030.

of a BOT contract among other reforms. PPP projects in the form of build-operate-transfer (BOT) contracts are preferred due to government guarantees and incentives. Renewable energy projects gain additional benefit in the form of import duty exemption for imported goods, tax incentives and other policy incentives including preferential credit loans, land use tax exemption, and land rental exemption.

To ensure consistent returns for investors, the government has also approved standardized power purchase contracts (20 years). It has also allowed solar power developers to bypass the state-owned power company, Electricity Vietnam (EVN), by selling power directly to manufacturers. Also, EVN, which is the sole buyer of electricity in the country, has also been told to prioritize renewable energy.

Investor challenges and way forward

However, though policy initiatives have been encouraged, the implementation and ground realities continue to put obstacles for investors in the form of

- Lack of capital/funding amid high investment costs
- Complicated power purchasing agreements (PPA) terms;
- Lack of qualified/trainable human resources;
- Underdeveloped ancillary industries;
- Complex regulatory framework leading to delays

The Economists' EIU reports that the new draft of PDP VIII (2021), which is currently awaiting approval by the prime minister, lays out national energy goals up to 2045. The provisional plan states that 18 GW of coal-fired power plants will be completed before 2026, but there will be no new coal projects in 2026-30. New technological solutions will be integrated resulting in less pollution per energy unit. Wind and solar power installations is expected to be rolled out to reach a planned 28% of total capacity by 2030. Further, the government could consider the following:

- Develop a more attractive Power Purchase Agreement (PPA) for renewable energy.
- Design a single window, transparent, and business friendly project-approval process.
- Engage with experienced developers. Do-and-train model will also create jobs along with domestic capabilities in the sector
- Provide greater and more flexible role to the private sector in domestic energy

The excesses of palm oil: West vs East



Two ASEAN behemoths- Indonesia and Malaysia have joined hands to tackle the wounded global image of palm oil. The two countries produce 85 per cent of the world's palm oil, globally used in shampoo, detergents, bread, vitamins, creamer, fuel, even animal feed (in just about everything!) According to news reports the wonder product is in 50 percent of the products that consumers use and its production is expected to grow to 107.6 million tonnes by 2024.

The production of the world's most popular vegetable oil has increasingly come under fire world over due to its adverse effect on sensitive ecosystems through clearing of rainforests, destruction of wildlife habitat and labor right issues. According to Global Forest Watch, Indonesia lost 25.6 million hectares of tree cover between 2001 and 2018, an area almost as large as New Zealand. International advocacy groups such as Rainforest Action Network (RAN), an international NGO and the International Labor Rights Forum (ILRF) have published reports on how workers are routinely exposed to hazardous pesticides, paid less than the minimum wage, illegally kept in a temporary work status to discourage labor unions, among other findings. In 2020, citing concerns over forced labor, the US stopped palm oil imports from FGV Holdings and Sime Darby, two of the largest Malaysian companies.

Despite its omnipresence, majority of the palm oil imported to the EU is used for fuel. The EU aimed for 10% of road transport energy to come from renewable sources by 2020. But in 2019, the EU announced that biofuels derived from palm oil would have to be eliminated because of the environmental concerns and stopped recognising palm-based biodiesel as a renewable fuel. This has led to trade and bilateral ramifications between the ASEAN and EU bloc, reaching the doors of the World Trade Organization. On 15 January 2021, it prompted retaliatory trade measures by Malaysia, which filed a lawsuit against the EU similar to the steps taken by Indonesia in December 2019.

Indonesia and Malaysia, have termed EU's move "discriminatory" and a bid to support producers of other types of vegetable oils, which are primarily made in Europe. Malaysian Primary Industries Minister Teresa Kok had said "...it is designed to hurt the livelihoods of millions of small farmers."

The Asian countries' stance is that EU is discriminating against palm oil simply because it is not produced in EU.

It is alleged that EU does not have similar positions against sunflower and other kinds of oil, which are also considered hurtful to the environment.

The issue may come down to not just whether palm oil is harmful, but are the alternatives worse? The yield per hectare for palm oil is much higher than for other crops including soyabean, canola and allegedly produces 10 times more oil per hectare than sunflower! It is considered a more efficient utilizer of not just land but requires far less pesticides and chemical fertilizers than coconut, corn or any other vegetable oil source. EU does not comprehensively attempt to explain why this is so, leading many to believe EU's stance is driven more by economic considerations than environmental ones.

Reaching out to other countries instead of the EU is the road the Asian countries are falling back on. They are now looking elsewhere to fill the gap. India and China with their burgeoning demand for palm oil are likely destinations, away from the EU and the Western world, where the cry for palm oil ban is growing louder. As per EIU data, Malaysia's overall palm oil export stood at 18.5m tonnes in 2019 with India (4.4m tonnes) and China (2.5m tonnes) leading ahead of Europe (2m tonnes) and US (0.54m tonnes). India is the world's largest consumer and importer of edible oils (importing 9m tonnes of palm oil annually), mainly from Indonesia and Malaysia. Its demand for palm oil is expected to double by 2030. Malaysia is also looking at Africa as a potential customer for palm oil.

Shifting the trade away from the west maybe the quick fix solution the Asian countries are likely to fall back on. All in all, this might come as a respite for the ASEAN nations but the debate on the merits and demerits of palm oil will continue to simmer and is unlikely to die out anytime soon.

News Snippets – ASEAN News that matter

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

ASIA

Australia Cancels China Infrastructure Deal, Citing National Interest

April 2021

Australia's government has canceled an infrastructure deal between China and one of Australia's most populous states - Victoria, following concerns that the arrangement could pose a national-security risk.

Leaders in Victoria previously said the deal would increase investment and create jobs. But officials in Canberra, the capital, have been worried China is using the initiative to build influence, according to academics and former diplomats. [Read more](#)

EU Suspends China Trade Deal as Tensions Grow Over Xinjiang, Hong Kong

May 2021

EU efforts to ratify China investment deal 'suspended' after sanctions. The European Commission has said that efforts to ratify a massive investment deal with China have been in effect suspended after tit-for-tat sanctions were imposed over China's treatment of its Uyghur population in March.

"We now in a sense have suspended ... political outreach activities from the European Commission side," said the commission's executive vice-president, Valdis Dombrovskis, on Tuesday. He said that the current state of relations between Brussels and Beijing was "not conducive" for the ratification of the deal, which is known as EU-China comprehensive agreement on investment. [Read more](#)

EU and US join up against China on Taiwan

May 2021

The EU and its leading powers voiced strident criticism of China at a G7 meeting in London on 5 May, 2021. "We remain seriously concerned about the situation in and around the East and South China Seas," the G7 communiqué said, alluding to China's expansionist territorial claims to retake Taiwan by force in the coming years. The communiqué came out in the name of Britain, Canada, France, Germany, Italy, Japan, the US, and the EU, after a two-day meeting of foreign ministers in the UK capital.

It marked the first time the EU had taken a firm stance alongside the US on the South China Sea and Taiwan situations. The joint statement also took China to task on two other sensitive issues - its human-rights abuses against the Uighur Muslim minority and its anti-democratic crackdown in Hong Kong. [Read more](#)

Iran-China sign a twenty-five-year \$400 billion strategic and economic partnership

April 2021

China and Iran recently signed a major 25-year agreement to enhance comprehensive cooperation in a range of fields including trade. The specifics of the agreement are largely in line with China's ongoing Belt and Road Initiative (BRI), spending billions in infrastructure investment with an eye on long term influence and economic and security hegemony. Major sectors include oil, gas, petrochemical, renewables, nuclear power, and energy infrastructure. The draft agreement also covered the high-tech and military cooperation, as well as port construction to facilitate Iran's integration in China's Belt and Road trade routes. [Read more](#)

Myanmar

U.S. and China could find common ground for cooperation in Myanmar's escalating crisis

May 2021

The two countries could find common ground to work together to end the violence in Myanmar. Scot Marciel, former U.S. ambassador to Myanmar, said both the U.S. and China wouldn't want to see escalating crisis in the Southeast Asian country. A coup in February 1, 2021 triggered mass protests across Myanmar and security forces have tried to suppress the demonstrations through violent tactics. The crackdown has killed 780 people so far, while over 3,800 people are still detained, according to the Assistance Association for Political Prisoners advocacy group. [Read more](#)

ASEAN seeks to bring US and China on board to end Myanmar crisis

April 2021

The Association of Southeast Asian Nations has begun negotiations to hold a foreign ministers' meeting with the U.S. as well as with China, as the bloc seeks support for its efforts to resolve the crisis in Myanmar triggered by its Feb. 1 coup. ASEAN and the U.S. are still ironing out the details, including the format of the meeting should Myanmar send a member of its junta as its representative.

ASEAN leaders met on April 24 to discuss Myanmar's military coup, which ousted its democratically elected government, and the subsequent crackdown on protests that have left more than 750 people dead, according to human rights groups. Following the summit, the ASEAN chair issued a statement calling for the "immediate cessation of violence in Myanmar." [Read more](#)

Telenor writes off \$782m Myanmar business following coup

May 2021

Norway's Telenor has written off its entire \$782m investment in Myanmar but insisted it would remain in the country for now despite internet shutdowns, pressure on staff, and deteriorating operating conditions since a military coup in February. The telecoms group said on Tuesday it had fully impaired its Nkr6.5bn investment in the south-east Asian nation, where it is seen as a cornerstone foreign investor, as it reported a first-quarter loss. [Read more](#)

Myanmar's junta approves \$2.8 bln investment, including gas power plant

May 2021

In May 2021, Myanmar's military rulers have approved new investment in projects worth nearly \$2.8 billion, including a liquefied natural gas (LNG) power plant that will cost \$2.5 billion, the country's investment body said. Approvals for 15 projects were given by the Myanmar Investment Commission, according to a statement on the website of the Directorate of Investment and Company Administration. [Read more](#)

Singapore

A \$953m Singapore fund ensnared by alleged fraud

May 2021

Technology startup investor Vickers Venture Partners has been caught up in the allegedly fraudulent nickel trading scheme of a Singaporean businessman and his Envy Global Trading, prompting a review by the city-state's monetary authority. Vickers would be the highest-profile investor yet to have fallen victim to the suspected \$740 million swindle, which Singaporean authorities have said could be the biggest investment fraud the financial hub has ever seen. [Read more](#)

Temasek and BlackRock commit \$600 million to invest in firms working to reduce carbon emissions

April 2021

Singapore state investor Temasek Holdings and asset manager BlackRock will team up to invest in private companies that use technology to reduce carbon emissions, the companies said Tuesday.

The partnership, referred to as Decarbonization Partners, will launch a series of late-stage venture capital and early growth private equity investment funds, the two companies said in a statement. Temasek and BlackRock plan to commit a combined \$600 million in initial capital to invest across the funds, which would also raise money from third-party investors. [Read more](#)

Abu Dhabi, Singapore expand ties to advance smart city move

May 2021

The Abu Dhabi Investment Office (ADIO), Enterprise Singapore (ESG) and IPI Singapore, a subsidiary of ESG, have jointly launched an innovation call to advance the smart city agenda. Eligible companies from Singapore are invited to submit solutions to address individual challenge statements outlined by Abu Dhabi entities. [Read more](#)

Philippines

Philippines is targeting foreign investment with Singapore style tax law

April 2021

A new Singapore-inspired tax law will reduce corporate income tax and boost foreign investment in the Philippines, finance secretary Carlos Dominguez told CNBC, as the country moves to speed up its economic recovery. The Philippines' so-called corporate recovery and tax incentives for enterprises (CREATE) act, which was signed into law last month, aims to provide financial relief to companies in need while increasing the country's competitiveness within the region, he told CNBC Tuesday. [Read more](#)

Monde Nissin attracts GIC, Fidelity to \$1 billion IPO

April 2021

Philippine food maker Monde Nissin Corp. is in talks with Singapore state investment fund GIC Pte and Hong Kong insurer AIA Group Ltd. to become cornerstone investors in what could be the country's biggest-ever initial public offering, according to people familiar with the matter. Fidelity International and Capital Group Cos. are also in discussions to buy stock in the offering for the Makati-based company, said the people, who asked not to be named as the information is private. Monde Nissin set a final price of P13.50 per share for its IPO, according to a stock exchange filing. That would put the Philippine food maker on track to raise P48.6 billion (\$1 billion), according to data compiled by Bloomberg. [Read more](#)

Philippine GDP Shrinks More Than Expected Amid Virus Fight

May 2021

The Philippines' economy is struggling to gain momentum as elevated numbers of Covid cases hamper reopening efforts and destroy jobs. Gross domestic product fell 4.2% in the first quarter from a year ago, the statistics authority said Tuesday, below all estimates in a Bloomberg survey of economists. The Philippines is expected to manage Southeast Asia's slowest recovery this year from the pandemic-driven recession. A return to stricter curbs in Manila and other key economic areas threatens the government's goal — currently up for review — of at least 6.5% growth this year. [Read more](#)

Indonesia

Indonesia forms new Investment Ministry in Cabinet reshuffle

May 2021

Indonesian President Joko Widodo on Wednesday (April 28) announced a new Investment Ministry and the merger of two other ministries, in an effort to enhance the ease of doing business in the country as it struggles to recover from the Covid-19 pandemic. The Cabinet reshuffle, the second in four months, will see an upgrade of the bureaucratic status of the state agency, the Investment Coordinating Board, or the BKPM, to a ministry. The

current BKPM chief Bahlil Lahadalia has been appointed Investment Minister. The move will also see current Education and Culture Minister Nadiem Makarim taking on a larger portfolio, following the merger of his ministry and the Ministry of Research and Technology. The new ministry will be known as Ministry of Education, Culture, Research and Technology. [Read more](#)

Gojek bags fresh \$300m from Indonesian mobile operator Telkomsel

May 2021

Mobility and payments platform Gojek has secured a further \$300 million in funding from Telkomsel. Indonesia's Telkomsel, which is a network service provider and a subsidiary of telecoms company Telkom, previously invested \$150 million in the super app. In a statement, Telkomsel says the investment boosts its existing collaboration with GoJek and will "further accelerate the progress of an inclusive and sustainable digital ecosystem in the country."

[Read more](#)

BlackRock accused of ESG inconsistency over Indonesia palm oil

May 2021

BlackRock has been accused of inconsistency for supporting a shareholder protest against Procter & Gamble's sourcing of palm oil from an Indonesian company in which BlackRock itself holds a significant stake. The world's biggest investment group, which has made ambitious commitments to environmental, social and governance standards, joined an investor rebellion at P&G in October over the consumer goods group's wood pulp and palm oil supply chain, which extends into Indonesia. P&G has since asked its Singapore-based supplier Wilmar International to investigate Astra Agro Lestari, a palm oil subsidiary of Indonesian conglomerate Astra International that activists have accused of seizing land from local farmers, among other poor environmental standards. [Read more](#)

Foreign direct investment into Indonesia rises 14% in Jan-March on yr

April 2021

Foreign direct investment (FDI) into Indonesia rose 14% in rupiah terms in the first three months of 2021 on the year, data from investment board BKPM showed on Monday. FDI stood at 111.7 trillion rupiah (\$7.72 billion) for the period from January to March, it added. Including domestic investment, total direct investment in the first quarter amounted to 219.7 trillion rupiah, up 4.3% from the year-earlier period. "This shows things have begun to stabilise," the board's chief, Bahlil Lahadalia, told an online news conference. [Read more](#)

Malaysia

Malaysia's Axiata AI unit gets \$60 million SoftBank Corp investment

May 2021

Malaysian telecommunications firm Axiata Group Bhd on Tuesday said Japanese peer SoftBank Corp will invest \$60 million in its digital analytics and artificial intelligence (AI) arm ADA. SoftBank will own 23% of ADA via new shares, with its investment valuing the unit at \$260 million, Axiata said in a statement. ADA will use the proceeds to expand in South and Southeast Asia, while SoftBank will establish the unit as its core digital and data marketing partner in Asia, Axiata said. "SoftBank aims to leverage its network of portfolio companies in proposing and providing digital marketing solutions that incorporate ADA's proprietary technologies and consumer AI models," Axiata said. [Read more](#)

Malaysia sues Deutsche Bank, JP Morgan, Coutts over 1MDB

May 2021

Malaysia's now-defunct 1MDB state fund is suing units of Deutsche Bank, J.P. Morgan and Coutts & Co to recover billions in alleged losses from a corruption scandal at the fund, court documents seen by Reuters showed. 1MDB

is claiming \$1.11 billion from Deutsche Bank (Malaysia) Bhd, \$800 million from J.P. Morgan (Switzerland) Ltd and \$1.03 billion from a Swiss-based Coutts unit, and interest payments from all of them, according to the lawsuit. The claims are premised on “negligence, breach of contract, conspiracy to defraud/injure, and/or dishonest assistance”, 1MDB said in the documents, filed at a Kuala Lumpur court on Friday. [Read more](#)

Microsoft to invest \$1 billion in Malaysia to set up data centres

April 2021

Microsoft Corp. will invest \$1 billion over the next five years in Malaysia as part of a new partnership programme with government agencies and local companies, the prime minister of the Southeast Asian nation said on Monday. The announcement on what would be the US tech giant’s biggest investment in Malaysia comes after the country in February gave conditional approvals for Microsoft, Google, Amazon.com Inc. and state telecoms firm Telekom Malaysia Bhd to build and manage hyperscale data centres. [Read more](#)

Vietnam

Touchstone Partners announces first close of \$ 50m fund focusing on Vietnam startups

April 2021

Backed by notable investors including Pavilion Capital, Vulcan Capital and several other institutional investors and family offices, Touchstone Partners secured the first close of its inaugural US\$50m venture capital fund. [Read more](#)

Vietnam eyes \$128bn investment in gas and renewables

April 2021

Vietnam will need more than \$128 billion of investment to achieve bullish targets in its latest power development plan that seeks to expand gas and renewable generation capacity over the next decade. Vietnam’s Ministry of Industry and Trade (MOIT) published its draft Power Development Plan VIII (PDP VIII) for 2021-30 in February, outlining ambitious expansion targets. Gas-fired power generation is expected to rise from 14.9% of the mix in 2020 to 21% in 2030 and further to 24% in 2045. [Read more](#)

Vietnamese firms’ overseas investment surges in first four months

May 2021

Vietnamese firms invested US\$545.9 million in overseas projects in the first four months of 2021, a year-on-year rise of 7.9-fold, according to the Ministry of Planning and Investment. There were 18 new projects receiving investment certificates with total registered capital worth US\$142.8 million, up 2.7-fold against the same period last year. In addition, US\$403.2 million was pumped into nine existing projects, surging 25.5-fold. A major part of the capital outflow – US\$270.8 million – was poured into science-technology projects, accounting for 19.6% of the total figure. Wholesale and retails followed with US\$147.8 million. The US was the top destination for Vietnamese capital in the period with US\$302.3 million, holding a lion’s share of 55.4%. [Read more](#)

Thailand

Thailand inks pre-Brexit export quota deal with EU

May 2021

Thailand and the European Union (EU) have signed a new tariff rate quota deal, under which a predetermined number of the kingdom’s goods can be exported to the bloc at pre-Brexit tax rates. The agreement, which replaces a similar agreement that had to be renegotiated following the United Kingdom’s departure from the economic bloc on Jan 1, will come into force next month. [Read more](#)

US keeps Thailand on its trade ‘watch list’

May 2021

Thailand remains on the US Trade Representative’s (USTR) watch list (WL) as it attempts to suppress intellectual property (IP) violations and online piracy. Vuttikrai Leewiraphan, director-general of the Intellectual Property Department, said the USTR made the announcement in its annual Special 301 Report released on April 30. [Read more](#)

Gulf Energy offers \$5.4 bln for telco in second-largest Thai deal

April 2021

Gulf Energy Development Thailand’s biggest power producer run by billionaire Sarath Ratanavadi, offered a \$5.4 billion bid on Monday for Intouch Holdings which controls the country’s top mobile phone operator AIS. The acquisition, if successful, will be Thailand’s second-biggest ever intra-country deal after Tesco’s \$10.6 billion sale of its local operations last year, Dealogic data showed. [Read more](#)

Laos

Laos Opens More Land to Chinese Investment, Raising Local Concerns

April 2021

A Chinese company has signed an agreement with Lao authorities to study the prospects for development of 5,000 hectares of land in southern Laos’ Attapeu province, raising concerns among residents that investors will take more land over time, destroying local livelihoods, Lao sources say. The Memorandum of Understanding (MoU) signed on April 7 allows China’s Jia Run Company to carry out feasibility studies over the next six months on the land in Attapeu’s Sanamxay district, a provincial official told RFA’s Lao Service. [Read more](#)

Cambodia

Vietnamese firms’ invest close to \$90 million in Cambodia in first four months

May 2021

Vietnamese firms invested \$545.9 million in overseas projects in the first four months of 2021, a year-on-year rise of 7.9-fold, according to Vietnam’s Ministry of Planning and Investment. Cambodia secured \$89.1 million in these investments from Vietnam, ranking second in terms of the total investments announced for the first four months. There were 18 new projects receiving investment certificates with total registered capital worth \$142.8 million, up 2.7-fold against the same period last year. [Read more](#)

Over 400 Thai firms mulling Cambodia entry: Ambassador

May 2021

More than 400 Thai companies are considering investing and doing business in Cambodia when the situation of the Covid-19 crisis eases, according to Cambodian ambassador to Thailand Ouk Sorphorn. Sorphorn on May 7 virtually met with the Thai Subcontracting Promotion Association (Thai Subcon), a group of more than 400 firms he described as “innovative and industrial”. During the meeting, Thai Subcon president Kiattisak Jirakajonvong said the association’s members were very interested in the potential of Cambodia. [Read more](#)

Council for the Development of Cambodia (CDC) approved six new projects, gains \$ 106 million in investment

May 2021

The diverse investments constitute about \$106 million of much-needed investment and employment for more than 1,500 people. The Investment Committee of Cambodia of the CDC decided to issue final registration certificates to the following companies working in a variety of areas including biological technology, electronics

and construction. The Council awarded licences to 94 new investment projects with a registered value of \$2.2 billion, during the first quarter of 2021, a 114 percent increase compared to projects approved during the same period last year. [Read more](#)

Brunei

Standard Chartered launches an Islamic investment window in Brunei

April 2021

Standard Chartered Securities becomes the first capital market service license holder in the country to be granted approval to conduct Islamic investment business through an Islamic window. In April 2021, a programme was launched that included the introduction of the Islamic window as well as the subsidiary's newly-launched Syariah Compliant Unit Trusts, in the presence of Brunei's Minister of Home Affairs, Deputy Chairman of Autoriti Monetari Brunei Darussalam (AMBD). [Read more](#)

Brunei Investment Agency denies involvement in Ponzi scheme

April 2021

The Brunei Investment Agency (BIA) has denied any involvement in an investment scam following Malaysian reports of people falling prey to fraudsters who claimed to represent BIA.

In a press statement issued on Wednesday, BIA said it was made aware of news reports of a syndicate that used the agency's name to conduct illegal business activities. "BIA is not involved in the investment schemes that were perpetrated by individuals unknown and unrelated to the agency," it added.

As a statutory body that manages Brunei's reserve fund, BIA does not issue any investment products or investment schemes, nor does it solicit funds or investments from the public. [Read more](#)

About us

ASEAN Business Partners is an independent, market entry specialist that helps internationally oriented companies manage and grow their operations in ASEAN sustainably and profitably. 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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