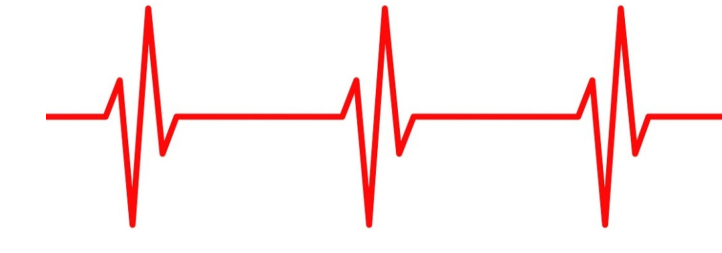




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THE PULSE



July 2021

Latest news, views and announcements affecting the ASEAN



Ngan, our senior vice president in North America, grew up in the coastal city of Phan Thiet of Binh Thuan province in South Vietnam, known for its fishing villages. Her childhood memories include seeing women gathered around to weave fishing nets (as pictured above). The province has evolved into a leisure destination and a dragon fruit exporter. Ngan now resides near New York City and bolsters the bond with her homeland by connecting business opportunities across continents. Image: Shutterstock

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ESG: If You Don't Know This, It's Time to Retire



“ESG investment is a set of operational standards that refers to three main criteria in measuring the sustainability and impact of an investment in a company, namely environment, social and governance criteria”. - B Triyono (Gajah Madah University, Indonesia, 2018)

This clear definition of a worthy goal smooths out numerous complications including regulation, transparency, standards, disclosure, data, etc. Let's understand these better, see their global context, and then explore the current reality of and opportunities for ESG in ASEAN.

Background

Financial analysts tend to break down ESG into its 3 elemental criteria, E-S-G, whereas global bodies like UNDP recognise a more holistic legacy and challenge. Environment, social and (corporate) governance overlap to some extent, and each pillar interacts with separate issues (eg. climate change, poverty/health/COVID and accounting standards).

Governments and global organisations try to guide and inform stakeholders to coalesce around common standards and frameworks. The [UN's 17 Sustainable Development Goals](#) (SDGs) for ESG outline a 5-part framework for investors to shape real-world solutions by (i) identifying goals, (ii) setting policies and targets (iii) for investors to shape client progress, (iv) financial system/s to shape collective outcomes and (v) global stakeholders to collaborate.

This interacts in turn with society's shifting opinions on ESG, influenced by political, and generational factors among others. In some ways, ESG is a moving target. The theory is that warmer embrace of ESG will improve actual investment outcomes of the “triple bottom line”: social, ecological and financial. Yet in practice some corporations are just trying to keep up – to preserve their reputations and be on the right side of evolving regulation.

Practical impact

What do these worthy, ethical ESG codes mean in practice? Companies, their staff and directors increasingly need to reflect on these evolving principles in their daily responsibilities and objectives. Each company's activities, products and services need to be assessed on 3 critical dimensions for sustainable development: the economy, society and the environment. These 3 "dimensions" are in focus for the International Financial Reporting Standards (IFRS) Foundation whose mandate is now expanded to include sustainability issues. Indeed, a new International Sustainability Standards Board (ISSB) will soon exist to give ESG standards the same reliability and consistency as conventional accounting standards. Clearly for companies in some sectors (eg, technology, sustainables, health) this will prove easier than for companies in others (eg, mining, energy). Last year, 31 publicly traded US companies named their first-ever Chief Sustainability Officer, a number rising steadily each year since the first CSO was appointed in 2004.

Recent AGMs have shown an amber light to ExxonMobil, Chevron, Amazon and Facebook. At Exxon's AGM, activist ESG shareholders supported by Vanguard and BlackRock won their vote to add at least two of their nominees to the Exxon Board – pushing Exxon to update its view of climate change and its "insular culture". The same week, across the Atlantic in The Hague, a district court found in favour of environmentalists against Royal Dutch Shell, ordering the company to accelerate its decarbonisation plans. Minority shareholders in Facebook have proposed 5 formal resolutions demanding ESG improvements, including on child sexual exploitation and platform misuse. This all impacts how equity analysts value these companies.

Focus on ASEAN

More positively, ESG discipline can offer opportunities to companies and their investors alike. Investments in green infrastructure will generate >30 million jobs in Southeast Asia by 2030, according to the Asian Development Bank. These are likely to focus on 5 sectors: agriculture, oceans, urban & transport, waste management and clean energy. Data, digitisation and related technology are other new, developing sectors well-suited to Asia. By making better use of big data, developing ASEAN markets like Indonesia, with its young population of 270m, can capitalise on digital development to enhance education and healthcare. No surprise, then, that 60% of the region's investors plan to incorporate ESG into their investment analyses by end-2021.

Whether leading or responding to this ESG investment drive, ASEAN countries are embracing it. Singapore, Malaysia, Indonesia, Philippines and Thailand have all issued Sustainable and Responsible Investment (SRI) Roadmaps of various kinds. Throughout the region, the importance of ESG's "social" pillar has been evident and enhanced by the pandemic, with governments and companies supporting citizens and employees on non-profit, favourable terms. It's not confined to Asia: pharma giant AstraZeneca has risked huge company resources to produce massive quantities of their life-saving COVID vaccine at cost, without profit. 33 years on, Gordon Gekko's "greed is good" quote in Wall Street sounds very out of place – but he wasn't facing a global pandemic or ESG activists.

Today, as a minimum, corporates in Asia and globally are well-advised to consider how their products and processes may appear under the harsh light of ESG scrutiny – whether by their consumer, government, regulator or (social) media. Pronounce and reinforce positives; admit challenges and how you propose to meet them; don't try and "greenwash".

ESG cannot be an afterthought

The ESG mindset is here to stay. Major global bodies, led by the U.N. and supported by governments globally, are driving the changes. It is what their voters and citizens demand of them. Objective scientific data – whether on climate change, environmental sustainability or corporate governance – evidences a practical need to re-set our moral compass. This mindset will only become stronger and more influential as millennials and Gen Z, who feel it most strongly, progress to more senior roles while the boomers retire, then die. Younger generations don't see "the environment", say, as an externality to our economic model. ESG is a vital, integral part of the corporate model; or even (for some) it is the model – as with AstraZeneca's vaccine. If we can't all go that far, that fast (and we can't) at least let's listen, learn and adapt better than Exxon or Shell.

Buzz: Southeast Asia is the Hot Digital Investment Destination



It is mid 2021 and the world is still grappling with the COVID-19 pandemic. Though with vaccine availability, not all hope is lost, but countries are still reeling under different waves, supply chain issues and economic paralysis. ASEAN has not been immune. The pandemic has been marked by negative economic growth in 2020 for most Southeast Asia countries, except Vietnam which was able to grow positively by 2.9% in 2020. But what the pandemic brought with itself, was an urgent digital thrust, the world didn't know it needed. Much more than a push, the pandemic has catapulted the global digital industry providing it with unseen opportunities. And no place does this hold truer than in ASEAN.

Adapt Adopt Achieve

The adaptation of people's behaviour towards the New Normal as an effort to break the chain of COVID-19 pandemic, encouraged the use of the more engaging digital technology. As per the 9th Katadata 2020-21 report, the total digital investment in Southeast Asia reached US\$ 8.2 billion in 2020-21 a sharp annual increase from the previous year at US\$ 7.7 billion. Indonesia contributed the most with 70% of all the investment value originating in the country, followed by Singapore 14%, Thailand 5%, Malaysia 5%, Vietnam 4% and Philippines 2%. Clearly, 2/3 of total investment in ASEAN was dominated by Indonesia.

While just like the rest of the world, macro-economic contractions were seen across ASEAN, however, it did not discourage the interest of venture capitalists to inject investments into the region's start-up ecosystem. The optimism has primarily ridden on strong fundamentals such as market size, digital literacy and government support. Recent regulations in Vietnam and Indonesia have been largely interpreted as business friendly and has helped retain the region's investment buoyancy.

Unicorns and their magic

This is reinforced by the emergence of two new unicorn companies from Southeast Asia, such as VNPAY from

Vietnam which at the end of year 2020 reached a valuation of US\$ 1 billion and J&T Express from Indonesia (Q1 of year 2021 with a valuation reaching US\$ 7.8 billion).

In November 2020, Tokopedia, an Indonesian e-commerce firm, received additional funding (approx. US\$ 350 million) from the world technology giant, Google and Singapore investment firm - Temasek. Gojek, another Indonesian multi-service digital platform, has received investment from Facebook and PayPal in the middle of 2020 following other investors such as Google and Tencent with an investment of US\$ 1.8 billion. Other unicorns from Indonesia such as BukaLapak has also received the capital flow from tech giant company, Microsoft, along with GIC Pte and Emtek with investment reaching US\$ 100 million and Traveloka that has received additional investment from Venture Capital Indonesia, East Venture amounting to US\$ 250 million.

Singapore continues to be a favourite destination for investors. While Singapore is home to less than 1% of ASEAN's population, it contributes to more than 11% of the ASEAN GDP. Its geographic location makes Singapore as a trading hub-spot. Additionally, political stability creates the sense of security for the investors. Singapore ranks 2nd globally in the 2020 Doing Business study conducted by World Bank followed by Malaysia and Thailand at 12th and 21st, respectively. As we know, Singapore based Grab, the popular ride hailing and financial services platform, received a total funding amount of US\$ 12.1 billion over the last year. In April 2021, Grab, announced plans to go public via a record-setting SPAC merger with Altimeter Growth Corp., valued at nearly USD\$40 billion. Another unicorn from Singapore, Lazada is a platform for an online shopping received funding amounting to US\$ 4.2 billion. PropertyGuru, one of the unicorn firms from Singapore, focused on online property that operates as a rental and sale listings site, has also received funding amounting to more than US\$ 550 million in 2020.

East ahoy!

ASEAN region is buzzing with funding news and IPO announcements. The region is an obvious choice and in the long-term, it will only consolidate its position as the reigning start-up kingdom. Southeast Asia is likely to change the competition map of tech-companies shifting them away from US, China and India. Demographic dividend, appetizing market, favourable government regulation and internet penetration will continue to create attractive business and investment opportunities in the region, as the world comes to term with the New Normal digital era.

Assessing Myanmar Market Since the Coup



Myanmar's military seized power in the country on 1 February 2021, after detaining Aung San Suu Kyi and other democratically elected leaders. The fears of a military coup had been simmering in the Southeast Asian nation since the military disputed the results of the November 2020 election. Suu Kyi's NLD won in a landslide victory that month, capturing 396 out of 476 seats, allowing the party to form a government for five more years. The military-backed Union Solidarity and Development Party had won just 33 seats.

In February 2021, the military overthrew the elected government and declared a one-year state of emergency, defending their actions by alleging election fraud by NLD. However, International observers on May 17, 2021 rejected the claim, which the military has used as justification for its coup.

“There is no concrete or solid evidence that there was massive fraud that undermined the elections as claimed by the Myanmar military. It is ANFREL's informed opinion that the results of the 2020 general elections were, by and large, representative of the will of the people of Myanmar,” said observer Chung Lun during a presentation via videoconference of the final report on the Myanmar elections by members of the [Asian Network for Free Elections \(ANFREL\)](#).

Internal matters

Myanmar is on the path to a nationwide civil war unless there is a coordinated response from all parties concerned, according to experts. Since February's coup, Myanmar's population have opposed the coup, with street protests and strikes against the military. In response, the armed forces have detained thousands of protesters and bystanders, many of whom have been killed. As of 3rd June, 845 people are now confirmed killed by the military junta, a total of 4509 people are currently under detention; of them 96 are sentenced.

Deposed Myanmar leader Aung San Suu Kyi voiced defiance as she made her first court appearance late May, since the military detained her in the coup, vowing her political party would live on. She said her ousted party would “exist as long as the people exist”.

The National Unity Government (NUG) is a body claiming to be the legitimate government of Myanmar, existing along with the State Administration Council military junta. The NUG was formed following the coup. The structure of the NUG was formally announced by the Committee Representing Pyidaungsu Hluttaw (CRPH) on 16 April 2021. The cabinet includes lawmakers elected in the 2020 election, members of the ethnic groups and key figures in the anti-coup protest, almost all of whom are in hiding or in exile. The military junta has declared the NUG to be illegal.

The NUG has sought international recognition as the government of Myanmar, and when the NUG was announced its designated minister for home affairs and immigration Minister Lwin Ko Latt, stated that he expects recognition by several countries soon. The International Trade Union Confederation has called for recognition of the NUG by governments and the United Nations. On 5 May 2021, the NUG announced the formation of "People Defense Force" as its armed wing to launch an armed revolution against the military junta, which designated it a terrorist organization three days later 8 May 2021.

International community response

The UN special envoy for Myanmar, Christine Schraner Burgener, has warned ASEAN of its inertia over the coup matter and mentioned that time was running out in getting the country's junta to comply with the five-point consensus plan drawn up in April. She is calling for an "inclusive" dialogue involving all stakeholders to quickly end the violence in the country.

U.S., UK and EU authorities continue to expand sanctions targeting the Tatmadaw, Myanmar's armed forces. Over the past month, the US and its European allies have imposed blockades and other sanctions on (a) the two major Tatmadaw-controlled conglomerates, Myanmar Economic Holdings Public Company Limited (MEHL or MEHPCL) and Myanmar Economic Corporation Limited (MEC) that provide financing for the armed forces; (b) additionally on gem, pearl and timber industry companies that provide sources of funding to the regime; and (c) regime on Tatmadaw officials. Australia has imposed sanctions and travel bans on five members of the Myanmar military since the coup.

Foreign Investment

There has been no new foreign investment during the month of April 2021, according to the data issued by the Directorate of Investment and Company Administration (DICA).

According to the state-run media, Singapore, China and Thailand continue to be the three largest investors out of 51 countries. As per the Economist's reports, some 90% of the total stock of foreign investment in Myanmar comes from other Asian countries. EIU suggests that ASEAN may not be as invested and are likely to roll back investment.

Myanmar's economy and banking system have been hardly scraping by since the destabilizing military coup. The World Bank has forecast the Myanmar economy to contract by 10 percent this year as a result of post-coup turmoil, and estimated that 600,000 people have lost their jobs since the takeover.

United Nations agencies have warned of impending food shortages and increased poverty if the crisis continues, in addition to the threat of COVID-19 pandemic, which is far from over. According to MCRB, the survey undertaken in April by ten Chambers of Commerce demonstrated very clearly the massive economic impact of the coup on the Myanmar economy and employment and showed this to be far more significant than COVID-19. Foreign investors, expectedly, are shying away from the once young and booming economy.

- Telenor, the Norwegian telecom company, this month wrote off the full USD 782 million value of its Myanmar business, but said it had no plans to quit the country. A report by the International Crisis Group says Myanmar's military rulers are seeking to limit access to the internet to only "whitelisted" sites to quash widespread opposition to their seizure of power. Telenor and other businesses have protested the move, which they say are crippling business activity and have undone years of progress toward integrating Myanmar into the world economy.
- [Total](#) has announced the suspension of dividend payments for the Moattama Gas Transportation Company (MGTC), effective from 1st April 2021 and all cash distributions by MGTC to its shareholders are suspended, which is a source of financing for Myanmar's military junta and accounts for a small fraction of total payments from the Yadana project. According to projections published by the Ministry of Planning and Finance, the Myanmar state earns around USD 1.5 billion annually from all offshore oil and gas projects. MGTC's suspension of dividends accounts for a small proportion of that. [Justice for Myanmar](#) reiterates calls for the immediate sanctioning of Myanmar Oil and Gas Enterprise, the national oil and gas company of the country.
- Aeon Mall, a developer of shopping malls under major Japanese retailer Aeon, has postponed construction of a mall being planned in Myanmar's largest city Yangon, according to a source familiar with the project
- Ayala-led firm, AC Energy Corporation indicated that it is temporarily slowing down on its' renewable energy ventures due to give the worsening civil strife tearing down Myanmar
- Kirin, parent company of Australian beer company Lion, cuts ties with Myanmar military after coup.
- The garment sector, a major contributor to the country's economy and a key source of export earnings, has been critically affected. Several foreign brands have halted their orders and most operations are at a standstill.

Looking ahead

The military junta has been looking to keep investment and economic activity rolling. 15 new projects including those in electricity generation, livestock, manufacturing and other services sectors and capital of two existing projects were approved by the Myanmar Investment Commission with investment capital of over USD 2.7 billion, recently.

But as international commentators note, this maybe too little too late. Currently, the confidence on Myanmar as an investment destination is too low and is unlikely to change unless situation normalizes.

News Snippets – ASEAN News that matter

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

Asia

Aviation Services Specialist AJW Group Announce Partnership with Arena Investors

June 2021

One of the world's leading specialists in the global supply, exchange, repair and lease of airframe and engine spare parts, AJW Group and Arena Investors have announced a joint venture for acquisitions of commercial aircrafts, engines and components. The venture will be funded with committed capital of up to US \$100 million. A new entity would be formed in Dublin where the partners plan to acquire a targeted portfolio of aircrafts and engines. [Read more](#)

U.S. Private Equity Firm Blackstone Close to Striking a Deal with Soho China

June 2021

U.S. private equity firm Blackstone Group Inc. has offered to acquire office developer Soho China Ltd for \$3.05 billion making its biggest bet on the real estate market in China. The New York-based private equity firm said Soho China's listing on the Hong Kong stock exchange would be maintained after the offer is closed. Majority stake-owner Pan Shiyi of Soho China said that they plan on selling most of the shares and retain about 9% stake.

[Read more](#)

Crude Prices Soar in Asia Owing to Tight Supply and Robust Demand

June 2021

Owing to costly imports from the West Asia, the Asian refiners have paid the highest premium for Middle East and Russian crude oil in the last one year. Industry sources are of the opinion that these high prices might push refiners to draw down inventories, tighten supply buffers even if the OPEC and the allies ease the supply cuts. Soaring crude prices in Asia are a leading indicator for global markets as several of the world's top importers are located in the region [Read more](#)

China Passes Law for Free-Trade Port in Hainan

June 2021

China's Southern Tropical Island Province Hainan is to become a free trade port as stipulated by an exclusive new law enacted by China. The law envisions Hainan to become the largest free trade area in the country and about twice as big as San Francisco Bay Area. This law would promote the building of the port and also facilitate trade and investment. According to this law, there would be an organized approach to policy and governance to ensure orderly flow of trade, investment, people, logistics and data, and transparency. [Read more](#)

Ed-tech Byju's Becomes Most Valuable Start-up in the World

June 2021

With a valuation of US \$16.5 billion the education technology company Byju's is now India's most valuable unicorn start-up. It outdoes PayTM which is valued at \$16 billion. Over the last one year, ed-tech companies have cornered most of the capital that came to the start-up ecosystem as the pandemic fueled demand for online education. According to a recent report by transaction advisory firm RBSA, the Indian ed-tech sector is projected to become a \$30 billion industry in 10 years. [Read more](#)

US and Japan Agree to Add \$4.5 Billion to Next-Gen 6G Wallet

June 2021

U.S. and Japanese have agreed to invest \$4.5 billion to co-develop the next-generation communication known as 6G, also referred to as 'beyond 5G'. The United States has committed \$2.5 billion, and Japan has committed remaining \$2 billion. The two countries will focus on research, development, testing, and deployment of secure networks and advanced information and communications technology. [Read more](#)

Hainan to Become China's New Shopping Haven

June 2021

Hainan, the island, envisaged as the "Hawaii of China", has been well accepted as a getaway for the mainlanders since the onset of the Covid-19 pandemic last year. With fashion houses and luxury brands like Louis Vuitton, Gucci and Cartier exhibiting resplendent stores across the island, thus introduced offshore duty-free shopping policies in 2011. It is no surprise that, it has become a powerful magnet for the mainland shoppers. [Read more](#)

Myanmar

Thailand's PTT Group Targets 16 GW Power Plant Project in Myanmar

June 2021

PTTEP is managing a gas-to-power plant development project in Myanmar, aligning itself to a global trend of 'clean energy'. The PTT Group plans to increase the generation capacity by about 1 GW each year to achieve the target of 16 GW by 2030. This project uses natural gas from PTTEP's fields in the Gulf of Martaban, including the Zawtika and M3 blocks, to generate electricity for Myanmar's state grid. Investment worth \$2 billion (62.3 billion baht) goes to upstream development projects, including a 600-megawatt combined-cycle power plant located in Kyaiklat in Ayeyarwady region. [Read more](#)

Norwegian Pension Fund – KLP Divest from Adani Ports for Alleged Ties with Myanmar Military

June 2021

Adani Ports and Special Economic Zone Ltd has been excluded from investment by Norway's largest pension fund- KLP. India's largest commercial port operator, entered into a business partnership with the military-owned conglomerate Myanmar Economic Corporation (MEC) for the construction of a new container port in the city of Yangon. Adani's business partnership with that country's armed forces constitutes an unacceptable risk of contributing to the violation of KLP's guidelines for responsible investment. [Read more](#)

Russia to Boost Military Ties with Myanmar's Junta Leader

June 2021

Russia is determined to strengthen its bilateral ties with Myanmar based on mutual understanding, respect and trust. Defence ties between the two countries have grown in recent years with Moscow providing army training and university scholarships to thousands of soldiers, as well as selling arms to a military blacklisted by several Western countries. [Read more](#)

Indonesia

Indonesia Envisions Gradual Elimination of Coal-Fired Power Plants for Carbon Neutrality

June 2021

Indonesia, which is one of the major exporters of thermal coal, plans to eliminate coal-fired power plants, with the aim of reducing carbon emissions. The country's government is aiming to get 23% of its energy from renewable sources by 2025, up from 11% last year. Indonesia has a total capacity of 400 gigawatts from power sources such as hydropower, solar and geothermal energy. While this might reduce the proportion of coal in the country's fuel mix, the actual consumption of coal is expected to still increase owing to the need for electrification and economic growth. [Read more](#)

Salim Group Plans to Set Up More Data Centers in Indonesia

June 2021

Salim Group, has increased its stake in data centers Indonesia by an additional 1.02 trillion rupees (\$ 71 million) as competition intensifies in the space cloud market. Indonesia's increasing demand for local data centers due to its expanding digital economy among the younger generation, welcomes wide avenues for online services such as e-commerce, video conferencing, streaming and games. Chinese internet giant Alibaba, through its cloud arm Alibaba Cloud, currently operates two data centers in Indonesia and said it plans to launch a third one this year. Amazon Web Services, Microsoft and China's Tencent Holdings have discussed plans to build data centers in Indonesia. [Read more](#)

Indonesia Govt. Targets 30 million MSMEs to House by 2024

June 2021

By 2024, the government expects 30 million micro, small, and medium-sized enterprises (MSMEs) to be part of the digital ecosystem, and intends to be more proactive in encouraging them. In view of the 3-year clock left, Teten Masduki, the MoS for Cooperatives and SMEs, believes that the ministry should be more proactive, pick up the ball, and provide the necessary assistance, product curtain and human resources to boost the e-commerce market. [Read more](#)

Climate Change: Singapore Central Bank. Places \$1.8 Billion for Green Projects

June 2021

With the aim of protecting its portfolio from climate change risks as well as promoting environmentally sustainable projects, Singapore's central bank allocated \$1.8 billion to five asset managers. Climate change and other environmental issues are among the top priorities for many governments, and financial regulators are changing rules to encourage companies to disclose more about their environmental impact. At a news conference on

Wednesday, Monetary Authority of Singapore (MAS) managing director Ravi Menon said the funds came from the central bank's green investment program. [Read more](#)

Thailand

Thai Energy Giant PTT Diversifies into Plant-Based Protein

June 2021

PTT currently makes over 95% of its revenue from energy processing, trading, and retailing. Recently, it has also invested in a plant-based protein venture, including a so-called animal-free version of meat, to reduce its reliance on fossil fuels for its business growth. With commercial operations scheduled for the end of 2022, the oil and gas conglomerate formed a \$9.6 million partnership with NR Instant Produce, which specializes in producing protein from jackfruit. [Read more](#)

Great Wall and Foxconn Enter Thai's Nascent EV Market

June 2021

A few decades ago, Thailand aimed to become a hub for the automaking industry of ASEAN, bringing in Japanese carmakers and then automakers from Europe and the U.S. As a result, Thailand's auto industry has gained employment and developed technology. In the near future, the Great Wall Motors factory in Thailand's Economic Corridor, and Foxconn's EV production platform with Thai oil and gas conglomerate PTT could help propel the Thai auto market, where Japanese brands hold a 90% market share. [Read more](#)

Japan's Sharp to Install 5-MW Rooftop Solar Array in Thailand

June 2021

Japan's Sharp Energy Solutions Corporation (SESJ) is to install a 4.99-MW direct current rooftop solar power array in Thailand. The Deestone Group is pushing forward with a plan to install solar power systems at its other manufacturing bases in Thailand. SESJ will support the Deestone Group in achieving its goals for reducing CO2 emissions through the engineering, procurement, and construction of optimal solar power systems.

[Read more](#)

Philippines

Singapore and Philippines Bilateral Relations on its Way to Become Strong

June 2021

The economies of Singapore & Philippines are complementary in many ways, creating vast opportunities for more investments and technical cooperation in areas like e-commerce, digital technology, food safety and security, water and wastewater management. The embassy of Philippines aims to invite Singapore companies to consider the Philippines as a prime location for manufacturing hub. The Philippines has a lot to offer particularly for those engaged in fintech and e-commerce, medical and healthcare services and even education. [Read more](#)

Manila Harbor Center Port Services Incorporated for P2.45 billion

June 2021

Enrique Razon Jr.'s International Container Terminal Services Incorporated (ICTSI) purchases 100% of Manila Harbor Center Port Services Incorporated (MHCPPI) (located on the north side of Manila Harbor) for P2.45 billion.

By operating the Manila International Container Terminal and its joint venture Manila North Harbor Port, ICTSI claims to be able to generate efficiencies and take advantage of synergies across the entire Manila Bay waterfront. [Read more](#)

Philippines Pitches for Hong Kong Businesses

June 2021

Department of Trade and Industry (DTI) in their webinar “Reconnect and Reinforce: Hong Kong” the Trade Secretary Ramon Lopez urged Hong Kong businesses to consider Philippines. Besides being an economy healing from the pandemic, Lopez said that country offers highly skilled, educated, dedicated and cost-efficient workforce. Some of the tax regimes such as Corporate Income Tax had been trimmed only to attract investments. [Read more](#)

Vietnam

Technology Retailers Plan to Diversify from its Core Businesses

June 2021

FPT Digital Retail Joint Stock Company engaged in the retail distribution of Information Technology (IT) and mobile products have approved its plan to diversify from core businesses and enter some new product categories. FRT expects to generate sales of \$713 million in 2021 representing year-on-year increase of 12 per cent. The company will also focus on developing new product lines to tap a promising market of \$60 billion, much higher than the phone and electronic devices market which is worth \$10 billion. [Read more](#)

Vietnam’s Agri-Product Sector Undergoes a Digital Transformation.

June 2021

The Ministry of Planning and Investments (MPI) in its initiative to support firms in digital transformation for the 2021-2025 period has launched a new program to promote digital sales of Vietnamese agri-products. As a result of which, many local organizations have signed MoUs to launch the program boosting digital transformation of small and medium sized enterprises, cooperatives, and business households in Vietnam's agri-product sector. [Read more](#)

Vietnam to Tax E-Commerce, Will Bring New Regulations

June 2021

As a part of going even between traditional and online retail merchants, Vietnam plans to tax e-commerce revenues of at least \$4,297. According to authorities, they are considering giving e-commerce platforms more time to prepare for the taxation regime after the new regulations go into effect on August 1. Monthly reports will be requested from e-commerce platforms about their merchants, revenues, bank accounts, and items sold. Taxing e-commerce sellers would also help prevent the sale of contraband and fake goods, officials said. [Read more](#)

ADB, JICA & Export Finance Australia Fund Vietnam’s Wind Energy Initiative

June 2021

Vietnam’s wind energy market is at an inflection point making up to roughly 1% of Vietnam’s electricity production and an onshore wind project will increase Vietnam’s wind capacity. Vietnam receives investments in its wind project from Asian Development Bank (ADB), Japan International Cooperation Agency (JICA) and Export Finance Australia. Each one of them comprise of a sub-project amounting to 144-megawatt wind project in Quang Tri Province. [Read more](#)

Cambodia

KrisEnergy Advances Towards Wind up

June 2021

KrisEnergy's vision of oil and gas exploration in the Khmer Basin is fogged up. The beleaguered independent oil and gas exploration company revealed it was heading into liquidation following very low yield from the oil well, Apsara Mini Phase 1A. This development has reportedly resulted in drying up funding by its Singapore-based DBS banker. Keppel Corp happens to be the controlling stakeholder in Kris Energy with \$188.7 million in investment.

[Read more](#)

Cambodia Plans to Export Processed Cashews to Europe, USA, Canada, China And Australia Markets

June 2021

Cambodia's cashew sector is now setting its eyes on fresh new markets where the demand for cashew's high. This is after a recent successful export to Japan. These new focus market areas comprise of Europe, USA, Canada, China and Australia. TPJ plans to build a processing plant with a production capacity of up to 2,000 to 3,000 tons a year, by 2023. For now, the company is set to increase the production and processing of cashew nuts to 1000 tons. [Read More](#)

Hattha Bank Receives \$25million to Lend to SME Sector

June 2021

Hattha Bank has received additional capital of \$25 million from its shareholders which is expected to bolster its efforts to expand its lending portfolio with renewed focus on the SME Sector, battered as they are from the COVID-19 Pandemic. Hatha Bank also has unveiled its plans to build a new head office in the Capital, commensurate with its expanding business needs. The bank has also received the permission from National Bank of Cambodia for the increase in capital. [Read more](#)

Macau SAR Signs Double Taxation Avoidance Agreement with Cambodia

June 2021

In a major fillip to development of trade, investments and cross border trade, Macau SAR and Cambodia have concluded a Double Taxation Avoidance Agreement, which is expected to boost tax compliance, tax avoidance in both the countries. That is, the scope of the agreement is aimed at eliminating double taxation for the same income based earned by the same taxpayer. This is part of Macau's strategy to have such arrangements with countries with which it has deep economic and trade relations. [Read more](#)

Cambodia Plans to Export Processed Cashews to Europe, USA, Canada, China And Australia Markets

June 2021

Both Cambodia and Thailand have reiterated and work to achieve the target of cross border trade of \$15 billion by 2023. Two Joint Commission for Bilateral Cooperation is due in Cambodia. The goal of achieving \$15 billion was a target set for 2020, but could not be achieved because of COVID-19 restrictions. Both the countries have faced decrease in trade in the first quarter of 2021 because of border closures. [Read More](#)

Chinese Tyre Maker Invests in Greenfield Production Facility in Cambodia

June 2021

The Chinese tyre maker, Sailun is doubling-up its planned investment in a greenfield tyre production facility in Cambodia. They are planning to raise the amount to the tune of \$355 million, to increase the designed annual capacity from 5 million semi-steel radial passenger car tyres to 9 million per year. The plant will be located in Cambodia's Qilu Special Economic Zone, tyres made at the plant will be mainly exported to the US and European markets. Sailun has already built a plant in Vietnam and a new plant in Cambodia will only ease the use of the two locations. Sailun's fully-owned subsidiary Cart Tyre and will create over 1,000 new jobs. [Read more](#)

Malaysia

Public Bank's Relief Program Amounts to about RM40b

June 2021

Public Bank Bhd's COVID-19-driven targeted loan repayment assistance programme had so far assisted over 160,000 customers, who benefited from the bank's pandemic relief amounting to about RM40 billion. On 14th April 2021 Bank in a statement reaffirmed its full commitment to offering ongoing targeted loan repayment, assistance to support customers facing challenges with loan repayment due to Malaysia's movement control order (MCO) for curbing the spread of the COVID-19 pandemic. Public Bank's relief amounting to about RM40 billion so far involves an approval rate of close to 100% of all customers' submissions. [Read more](#)

Contracts of S\$321.7 million Awarded for Johor Baru-Singapore Rapid Transit System (RTS) Link

June 2021

RTS Operations (RTSO), the flagship joint venture between Singapore rail operator SMRT and Malaysia's public transport firm Prasarana is progressing at a good speed and that nine contracts worth S\$321.7 million was awarded for system works for the Johor Baru-Singapore Rapid Transit System (RTS) Link. Another Malaysian firm, Sapura Rail Systems, bagged the contract to set up the communications system and the integrated supervisory control system. The Rail Link, expected to be completed by end 2026 and when completed, will help congestion on the causeway linking the two countries which is used by nearly 300000 people on a daily basis. [Read more](#)

Malaysia's Palm Oil Giant Offers to Acquire IJM Plantations for \$492.05 Million in Cash

June 2021

KLK, Malaysia's palm oil giant, has proposed to acquire the Malaysian Construction Group, IJM Corporation's stake in IJM Plantations, for RM1.53 billion in cash. The construction group said it has agreed in principle to finalize terms of the proposed acquisition of its stake in IJM Plantations. For the construction major, this all-cash deal helps to focus on its core strengths in construction, real estate and infra development. [Read more](#)

Singapore

Grab's Nasdaq Listing a Milestone for Southeast Asia's Start-up Sector

June 2021

Grab grew from being a simple taxi app in Kuala Lumpur into the region's most valuable start-up, with its cloud-based Super App providing ride-hailing and sharing, food and grocery deliveries, courier services, digital payments, messaging, insurance, and lending services to over 670 million residents in 428 cities in eight countries.

The move is a distinct indication that the region is a serious player in Asia's big tech field, which until now had been dominated by China and India. [Read more](#)

AirAsia Super App Expands E-Commerce Offerings in Singapore

June 2021

Malaysian carrier AirAsia's super app - Teleport, the logistics venture of AirAsia, is ramping up its delivery and digital cargo capabilities to meet significant e-commerce growth that has been accelerated by the COVID-19 pandemic. The pandemic has encouraged consumers to trust and rely on the convenience of e-commerce, boosting growth of the industry. Last year, digital e-commerce sales grew by 28 percent globally. AirAsia is looking forward to aboard fresh produce and groceries merchants in Singapore to join its delivery platform. [Read more](#)

Singapore-based Princeton Digital Invests US\$1b for Data Center in Japan

June 2021

Data center provider Princeton Digital Group (PDG), based in Singapore, announced that it will invest US\$1 billion to build a 97-megawatt (MW) data center campus in Japan. This campus, located in Saitama City, will have two critical IT facilities with a combined critical capability of 48.5 MW. In a press statement, PDG said the campus will cover 33,047 square meters and is designed to serve leading hyperscalers in Japan. Building has already begun as it has secured land and power. [Read more](#)

Laos

Mitsubishi to Invest in Laos Wind Power

June 2021

Japan's Mitsubishi Corp will invest in a 600-MW onshore wind farm project in Laos that will supply electricity to Vietnam. The project will be located in Sekong and Attapeu provinces in southern Laos, the wind farm will be the first in Laos and the largest in Southeast Asia. It is planned to sell electricity to Vietnam's state-owned Vietnam Electricity over 25 years by means of a dedicated power transmission line. [Read more](#)

Laos Govt. Offers Promotion Incentives for Investors

June 2021

Obtaining investment promotion incentives has become easier in Laos thanks to new regulations. The Lao Official Gazette published new instructions on the Promotion of Investment Incentives. The Investment Promotion Law is important because it clarifies the country's process for investments and business activities. It provides incentives like profit tax holidays and exemption from land rental if they fulfill the law's primary requirements. The incentives last for up to 4 to 15 years based on the zone they are located in. [Read More](#)

Brunei

Energy Ministry Works on 1 MW Floating Solar Project

June 2021

Nine potential sites have been identified for the deployment of floating solar farms in the medium to long term by the Ministry of Energy. Ulu Tutong Dam, Benutan Reservoir, Kago Dam, Mengkubau Dam, Tasek Lama, Imang Reservoir, Sengkurong Lake, Ikas Lake and Tasek Pelangi Biru are among the sites. A feasibility study on floating

solar panels has been completed, according to Muhammad Hasbur Rahman Yahaya from the ministry's Renewable Energy Unit. "We now want to venture on a 1 MW floating solar demonstration project at Tasek Pelangi Biru, Mentiri, which will be executed soon, pending confirmation from our partners," he said on Tuesday. [Read more](#)

Decommissioning of Oil and Gas Structure Part of Normal Life Cycle': BSP

June 2021

When oil and gas structure reach the end of its life cycle, decommissioning is a normal process. Over the next decade, decommissioning is expected to increase due to the ageing of oil and gas platforms and facilities, as well as a reduction in economically recoverable offshore reserves. The D&R Programme Delivery Manager at Brunei Shell Petroleum Company Sp. Bhd. (BSP) is Haji Idris bin Haji Mohd Jaafar said, "As every decommissioning project is different and needs to be tailored to the facility design, local context and local legislation requirements".

[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.

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