



asean  
business  
partners

Helping you succeed in Asia

# THE PULSE



August 2021

Feed your ASEAN business aspirations with news, views and updates



Indonesia Independence Day celebrations and games / Virani Masayu

*A country's Independence Day may be interpreted differently by every person. The beauty in it is that it perhaps reflects the changing vision of every new generation to come. We asked ABP's Indonesia team about what they feel about the Indonesian Independence Day. For Pak Uchok, the eldest and our Government Relations Advisor it was about remembering his parents' suffering during and after the WW II and their vision for literacy in Indonesia. For our Director of Business Development Virani Masayu, it was the day that brought people together and inculcation of "teamwork" through parades and games, especially the wait for the crispy crackers from "lomba makan kerupuk". ABP's newest Project Manager, Marlon Ives is reminded of watching the flag ceremony far from an over-developed Jakarta, in a Sulawesi town's fields.*

## INSIDE

### ASIA: In focus

**Indonesia's new capital: Aiming for a post-COVID fresh start?**

**7-minute read**

**ASEAN goes green: Renewable energy strategies in Southeast Asia**

**5-minute read**

**COVID-19: Global pandemic to endemic disease – at best**

**12-minute read**

**News snippets – July 2021**

**About us**

# Indonesia's new capital: Aiming for a post-COVID fresh start



East Kalimantan "Istana President", Joko Widodo/Twitter

A year after the pandemic, President Jokowi in April 2021 announced on [Twitter](#), the design vision for the Presidential Palace – "Istana President" in the new capital through an animated video. The video shows that touchstone infrastructure for a modern and green Indonesia. "One of the pre-design proposals for an iconic building in the new national capital is the State Palace by Nyoman Nuarta. I look forward to your input on all of the pre-designs. I hope that the State Palace will become the pride of the nation, as well as reflect the progress of the nation." he said.

After setting out on the plan towards the new capital in 2019, the progress was been semi-halted by the pandemic. It is said to be "semi-halted" because the government is keeping the momentum going through discussions. Moving fast on decisions after an economic shock can be the crucial for developing markets such as Indonesia as it reflects the country's prowess to emerge out of such shocks. Thus, supporting activities are to be continued in order for the country to be ready post-pandemic.

## Why Kalimantan?

In the past, the capital city of Indonesia has been moved several times, starting from Jakarta, Yogyakarta, Bukittinggi, back to Yogyakarta and finally back to Jakarta again. The movement of the capital city was then due to the post-colonial urgencies after gaining independence from Netherlands on August 17th, 1945. Despite so many years the island still remains the favourite place to move. The East Kalimantan islands is significantly safer than

others in term of earthquakes and volcanoes and there is availability of vast land area too. With [a sinking Jakarta](#) – not only because of rising sea-level but also over-consumption of groundwater, this shift may be the need of the hour.

### **Saving Jakarta**

The overpopulation in Jakarta which leads to environmental deterioration related to flooding, subsidence, river pollution, clean water scarcity and overcrowded traffic drove the urgency of capital relocation. The relocation is hoped to ease Jakarta’s congestion problem which is caused by almost 21 million motor vehicles on the road. Jakarta’s congestion is also caused by the lack of public transportation, where 75% of daily trips in Jakarta happen through private transport. Indonesia has constantly ranked in the top ten most congested cities in the world by TomTom Traffic index until 2019, and only dropped from top ten of that list ever since the pandemic started. The country faces economic losses of more than IDR 65 trillion per year just from Jakarta’s traffic condition.



Flooding in Jakarta, Flickr/Bungasirait

### **Smart Metropolis**

The capital relocation plan is incorporated into the strategic plan to accelerate Eastern Indonesia’s development, meaning multiple long-term investments will flow in. The developments will shift to Kalimantan, Sulawesi, Nusa Tenggara, Maluku and Papua. Indonesia’s maritime transport will also take place, especially in terms of freight transport, domestically and internationally. The new capital will allow Indonesia to make way for futuristic urban planning for a smart city, a [“smart metropolis”](#) as President Jokowi refers it as. The East Kalimantan city will house about 7 million people. The capital is envisioned to be clean and green, and perhaps even borrow from traditional knowledge of the indigenous Dayak tribe to preserve the abundant natural resources available in the region.

New capital city planning committee is also inclusive of Former British Prime Minister Tony Blair, founder and CEO of Japanese holding company SoftBank, Masayoshi Son, and the crown prince of Abu Dhabi, Sheikh Mohammed bin

Zayed Al Nahyan. In March 2020, international engineering company AECOM, international consulting firm McKinsey & Company, and Japanese architecture and engineering firm Nikken Sekkei were chosen for a development of a 988-square-mile property.

### **Locational advantage**

The new capital is not planned to be a commercial capital like Jakarta, instead it has been thought of a destination to move governance and administration into. With this, the attention may shift from the Javanese islands to the less developed eastern Indonesia. With a growing middle class and higher education levels, the demand for a more equitable development will be shriller.

The new capital will be under UTC+8 time zone and this may attract the companies that deals with nearby economies such as Singapore, Malaysia, the Philippines, China; and possibly extending to those dealing with South Korea and Japan. This can bring the country closer to more trade, better business and sound geo-political strategies with Asian economies. The planned new capital is close to Balikpapan, the financial center and port city of Kalimantan which is famous for its oil industry; and Samarinda, the capital city of East Kalimantan Province.



Balikpapan post/ Shutterstock

## **Bottlenecks**

This plan is faced by challenges that came in form of funding and the ongoing pandemic. COVID-19 currently halts the physical development of the new capital; however, the Government has mentioned that the supporting development will still continue, together with the masterplans of the two supporting cities, the economic center Balikpapan and East Kalimantan capital Samarinda.

While the new capital is targeted to be useable in another two years - by 2024, it may take longer given the current pace of progress. The physical construction is expected to resume in March 2022 if the COVID-19 vaccination campaign will be finished by then. The important take away is to keep the conversation going and keep the working on the best possible plan to move the capital without causing much damage.

**ABP Product Line Pick**

# Supply Chain Finance in partnership with Vayana Network

## Introduction

Micro Small and Medium enterprises (MSME) often need solutions to make up for their limited capital. A common ask is a collateral-less formal source of funding. A steady source of funds is of great importance for MSMEs to focus on operations rather than swim in logistical hiccups.

India-based Vayana Network offers a digital trade and supply chain financing platform offers well-oiled, tailor-made, affordable and closed-loop programs to meet the demands of businesses. A pure intention to democratize the access to trade finance with simplicity and speed. Over \$5 billion worth of supply chain finance transactions has been enabled over 300 separate programmes. A total of 10,000 MSMEs across 25 different industries have benefitted since 2009 making Vayana Network India's largest third-party trade financing program.

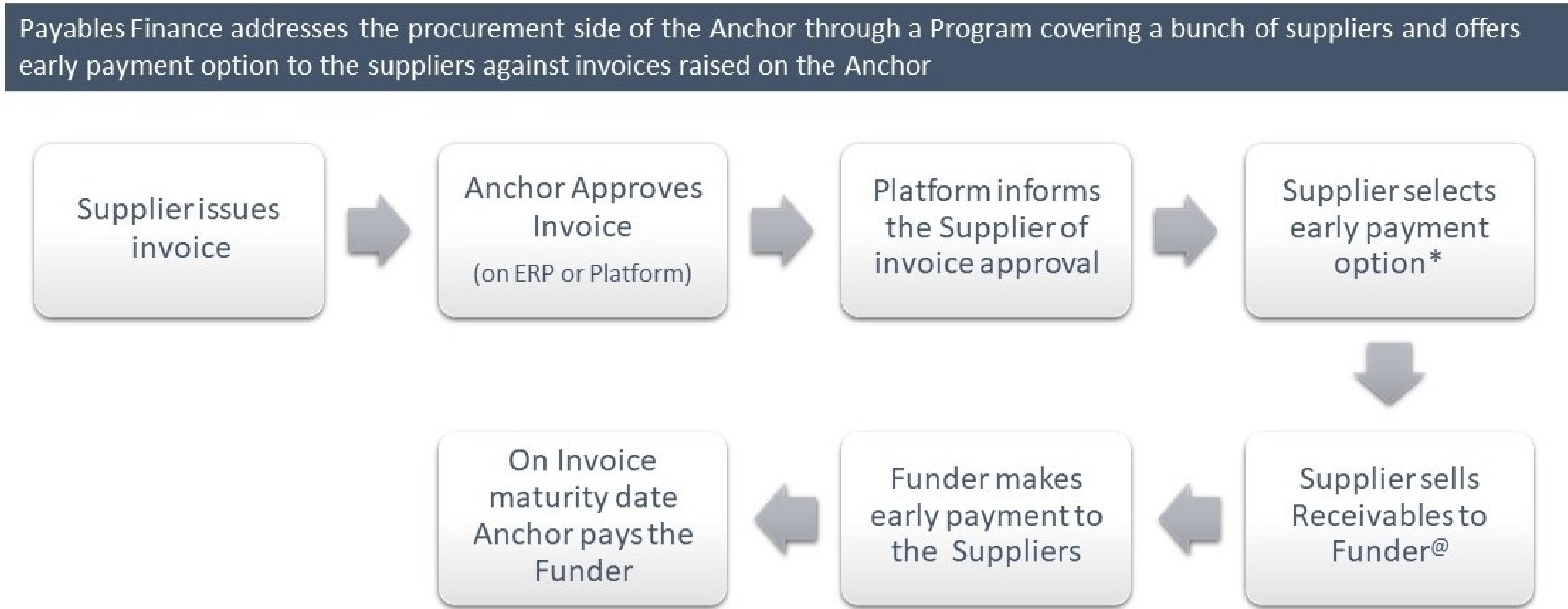
Vayana Network has now partnered with ASEAN Business Partners (ABP) to offer this comprehensive techno-service solution to customers in the ASEAN countries.

## Supply chain financing solutions

Vayana network digitally connects corporates and their supply chains with partner banks and financial institutions (FIs) to enable easy, digital and convenient access to fair-price short-term credit. The aim is to provide short-term working capital from formal sources to dealers/suppliers of both buyer and seller side having trade relationships with mid-large corporate. SCF also optimizes the working capital requirements of an anchor and will allow businesses to hold on to cash for a longer period and ensure that suppliers get paid on time. All transactions in SCF are linked to a base document (Invoice), Purchase Orders (PO), or Delivery Challans between the Anchor and the dealers/suppliers of both buyer and seller side.

The key goal is to reduce friction and make supply chain financing, easy, quick and automated. The Vayana Network and ASEAN Business Partners SCF solution aims to achieve this through its proven and scalable technology platform as well as services aimed at enabling adoption of supply chain for all the MSMEs in an anchor corporate's supply chain eco-system. The offerings are tailor-made to ease working capital management.

### How does Vayana Network + ASEAN Business Partners SCF Solutions Work?



### Why Choose Vayana Network and ASEAN Business Partners?

**Why Choose Vayana Network’s Supply Chain Solutions:  
We are Global Leaders in Supply Chain Finance**

 <p><b>Complete Digital Process</b> Right from onboarding till financing, the entire process is paperless</p>	 <p><b>Global Coverage</b> Our financing solution reach deep in the supply chains (downstream &amp; upstream) of corporates</p>
 <p><b>Easy &amp; Fast Financing Process</b> Our efficient technology enables easy &amp; automated workflows for reconciliation of payment to invoice</p>	 <p><b>Hassle Free Financing</b> No investment required in people, process or IT to implement our financing solutions</p>

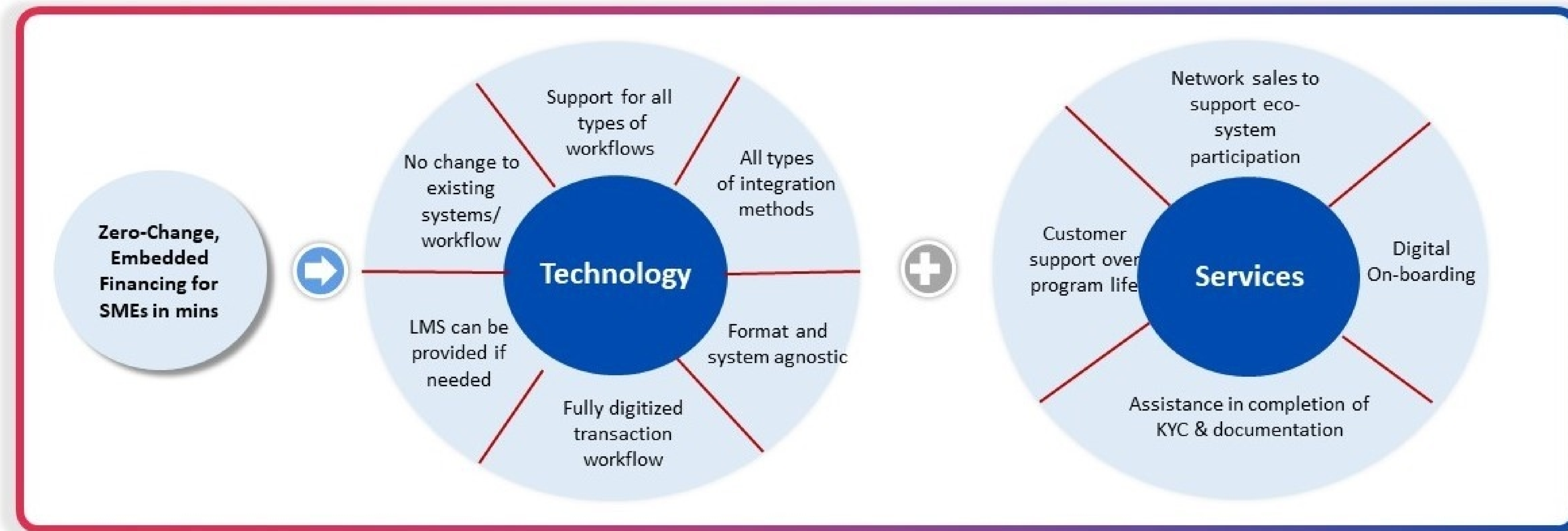
SCF offers a rare “win-win” scenario for suppliers, distributors and financial institutions. If implemented properly, the entire supply chain – large corporates, suppliers, distributors and financial intermediaries will stand to benefit from SCF’s custom-made and flexible financing programs.

**Anchor corporates** benefit on account of the fast rollout, quick sales realization, easy payments, electronic invoicing and data integration with existing work flows, no mail float, automated invoice to payment reconciliation, no interest costs and end-to-end program management by Vayana and ABP.

**The suppliers and distributors** get access to low cost working capital, limited due diligence, minimal collateral, instant funding post invoice acceptance, automated invoice to payment reconciliation, regular reports on trade and outstanding loans. Distributors in addition get to grow business volumes with the financing support.

**Banks** need not worry about investment in technology or process, grow MSME book on the back of established business relationship with large corporate.

The following features make the SCF solution offered by Vayana Network and ASEAN Business Partners much better compared to other solutions:



Thanks to the well-oiled system, banks can expect a quick roll out once programmes parameters agreed, higher utilization improves returns. Banks can also rely on the analytics from the platform for early warning signals which ensures that portfolio quality is constantly monitored. Further, the automated invoice to payment reconciliation, regular reports on trade and outstanding loans enable the bank to manage large programmes easily with small in-house teams.



# ASEAN goes green: Renewable energy strategies in Southeast Asia

Shifting to cleaner energy is an important decision of ASEAN countries as they are most vulnerable to climate change. With a [50% rise in energy demand](#) within a decade the region stands at crossroads in terms of their collective energy future. As of 2019,, the total renewables capacity is the highest in Vietnam and lowest in Singapore, the country that consumes more power per capita than any other ASEAN nation. Vietnam has achieved about 34% share among the leading ASEAN nations in the renewables sector. It is followed by Thailand at 17%, Indonesia at 13%, Malaysia at 10% and Philippines at 10%. It is important to note that increase in energy consumption can signal development activities through industrialization or growth of the information technology sector. A Boston Consulting Group report says that the [Asia-Pacific region's renewable capacity](#) would grow by 7% year-on-year and in 20 years the investment would be to the tune of US\$ 3.7 trillion, surpassing North American and European targets put together. This is important to note because the developed nations which are pushing for sustainable and green future would be contributing less towards a sustainable and green future than the developing countries.

Here is a list of clean energy strategy plans by individual ASEAN countries.

## PHILIPPINES

With ASEAN setting a target of 23% by 2025, Philippines as a fast-growing market has all the more reasons to achieve it. Some of the barriers to renewable energy infrastructure is the frequent storms that the region faces. Renewable energy currently accounts for [30.3% of the energy mix](#). Philippines has a 105 million population and a GDP of USD 305 billion. The country consumes 93.35 TWh of electricity annually. A decade ago, in 2011, Philippines set a target to raise installed renewable energy generation capacity by three times from 5.4 GW to [15.3 GW by 2030](#). The National Renewable Energy Program that is the blueprint of the Renewable Energy Act of 2008 wanted to put the country on course to meet half its energy demand with renewables and lessen the dependence on coal and fossil fuel.



Geothermal Energy Plant, Philippines/ Shutterstock

## SINGAPORE



Solar Panels in Singapore/ Shutterstock

Even as a small city-state, Singapore which is one of the least populated countries in the ASEAN region consumes the highest amount of power per capita at 8.3 MW per year among all ASEAN countries. The country consumes about 47.5 TW of power per year. With one of the top destinations for new business, Singapore's need for power may keep raising as long as competitors like Indonesia and Vietnam catch up with development. The Singapore Green Plan 2030 aims to scale up Singapore's net-zero ambitions to green the tech sector in order to reach its energy targets. As part of its commitment to finding more [sustainable solutions](#), the government has put a moratorium on the construction of new data centers, due to their high energy and water consumption.

## INDONESIA

Indonesia is the regions most populated and naturally the highest consumer of electricity in the ASEAN region. The country needs about 263.13 TW of power. In the power mix, renewable energy is mainly provided by hydropower plants at about 8% and geothermal plants at 5%. The Indonesian government [intends to generate 23 %](#) of its total primary energy supply from modern renewable sources by 2025 and 31% by 2050 as part of a national energy policy. According to experts, there needs to be approximately \$16 billion worth of investments made annually by the country by 2030 to achieve these forecasts. Even as it is one of the fastest growing markets in the region, the energy consumption per capita in a year is less than half of that of Thailand and Vietnam. The energy production needs to catch up with the growing population. Singapore-based company [Sunseap Group](#) has proposed a US \$2 billion worth floating solar farm and energy storage system in Batam, Indonesia, which would be the largest in the world.



Jatiluhur Dam, Indonesia/Shutterstock

## THAILAND



Windmills farm in Thailand/ Shutterstock

Over 15 GW of renewable energy capacity is installed in Thailand, accounting for roughly a third of the total. The country's renewable energy production could reach 63 Gigawatts and a 39% share by 2030, making it a regional leader in renewable energy in Southeast Asia. According to a [report](#) by International Renewable Energy Agency (IRENA) in 2017, by 2036, Thailand may draw a large amount of hydropower upto 1000 MW of pumped storage. Bioenergy is one of the dominant renewable sources in Thailand's end-use sectors as this can be used for heat and transport fuels. Thailand may replace traditional bioenergy with modern cookstoves and biogas digesters which can increase residential uptake.

## MYANMAR

It is estimated that the demand for electricity in Myanmar is increasing by 20% yearly and the country targets to generate about 3 GW of electricity by 2021. The country has a population of 53.4 million and a US \$67.4 billion GDP. [The Ministry of Electricity and Energy](#) announced ambitious goals for renewable energy, which call for an increase of 8% by 2021 and 12% by 2025. As of 2019 the total electricity consumption in Myanmar is about 18.02 TW. Myanmar's solar resource is estimated by the Asian Development Bank at 27 GW. The only utility-scale solar power plant currently operating in Myanmar is the 170 MW Minbu solar project in Minbu Township, Magwe Region.



Hydroelectric Dam in Myanmar/ Shutterstock

## VIETNAM



Solar Powerplant in Vietnam/ Shutterstock

The third most populated ASEAN nation Vietnam had a GDP of US \$203 billion as of 2019. The country's energy consumption close to Indonesia, the most populated country in the ASEAN. Vietnam has an appetite of 216.99 TW per year electricity. It is perhaps a sign of growth and development in the country through industrialization. In 2020, solar and wind energy capacity in Vietnam was 16.6 GW and 0.6 GW, respectively. By 2030, Vietnam plans to increase solar capacity to 18.6 GW and wind capacity to 18.0 GW. The country is home to a number of large rivers, despite this, hydro electricity's reliability can be affected by periodic droughts. Wind and solar contributed 5% to Vietnam's electricity generation in 2020. As of 2020, there are a total of 11 renewable energy projects recorded in Vietnam with an expenditure of US \$1.1 billion.

## LAOS

Laos is a land-locked country in the South Asia with a population of 7 million and a GDP of US \$16 billion total energy consumption in Laos stood at 6,596 GWh in 2019 of which the 47% was consumed by the transport and industry sector. Among the renewable energy sources, 56% come from hydropower, 22% from biogas, 11% from solar and the remaining 11% from biomass. The country is yet to state clearly their renewable energy strategy in its National Socioeconomic Development Plans. It is studied that Laos can contribute as much as [728 MW of renewable energy](#) by 2025.



Laos' Nam Gnouang Dam by Eric Baran, WorldFish/Flickr

## MALAYSIA



Solar panels in Malaysia / Shutterstock

Malaysia is one of the developed nations among the ASEAN countries. Rightly so, the per capita electricity consumption per year is the second highest at 4.6 MW, after Singapore. Malaysia has a total population of 31.6 million and its GDP is US \$296 billion. The total power consumption is 147.2 TWh per year, ranking fourth among ASEAN countries. The government hopes for a PPP model and private financing. Previously, the Malaysia's "Five-fuel Diversification Policy" ratified in 2000 and continued in its 9th plan from 2006-10 did not meet its target entirely. At the end of its 9th plan in 2010 the country had achieved only 41.5MW which was about 8.3% of the target and merely 1% of the total energy mix. The is focusing on 31% renewable energy installed capacity an upto 40% by 2040. This would increase the renewable energy capacity to 10.9 TW by 2040. The government identified that solar power has the highest potential in Peninsular Malaysia.

As the countries do their bit with existing clean energy strategies, there is opportunity to diversify, reinvent and discover newer forms of renewable energy mechanisms. The one advantage that Southeast Asian nations have is that they fall in the Tropic zone, that is between the Tropic of Cancer and Tropic of Capricorn, which is why they are rich in natural resources and fossil fuels. On the other hand, this would also mean that the region is most amenable for solar energy and there have been innovations such as floating solar panels.

There is a large portion of the ASEAN region that still needs electrification and it is very important for an area to be electrified for any development activity to progress. Each government can look in to off-grid solar energy options to achieve 100% electrification. Since these economies are largely agricultural and countries like Malaysia and Indonesia thrive on their palm oil exports, it is an opportunity for them to utilize the waste and generate biogas.

The innovations in the renewable energy space are constantly looking at mixed land use and alternatives to land. Thus, the Southeast Asian nations need not look at conventional set ups or designs and can explore the sea to build their renewable farms. It is also possible that ASEAN can harness newer forms of energy such as tidal wave energy, and if the right technology is put in place, this can be a continuous source of energy. Perhaps, more touchstone infrastructure ideas and innovations for renewables will come from this region with many diverse forms of resources.

## COVID-19: Global pandemic to endemic



COVID- 19 Asia Pacific Vaccine Access Facility (APVAX), Asian Development Bank/ Flickr

### Let's re-cap

The COVID-19 pandemic rolls on 20 months since it started. Our world hasn't ended, but nor is it remotely approaching normal. Let's re-cap, re-assess and consider the future for Asia and ASEAN. We'll look at the global pandemic's waves to date; some (terrible) statistics, particularly vaccinations; then re-focus on the commercial outlook for ASEAN and a changing future for all of us.

### Riding the waves of a global pandemic

The pandemic began in Asia early in 2020 yet its first wave mostly impacted Europe and the developed world. Asian societies seemed better-suited to control the pandemic initially with effective testing, lockdowns and disease control. By contrast, many in Europe and (more so) USA initially failed to recognise the disease's severity, so policies and outcomes varied. The 1st wave peaked in the West in April 2020. A global 2nd wave followed during the northern hemisphere winter, peaking in January 2021. This was felt more evenly globally, with vaccination rates impacting positively selective countries and regions. By the peak of a 3rd wave in May 2021, it was mainly less developed, less wealthy and less vaccinated regions and countries which were worst affected. These wave patterns and underlying vaccination trends don't augur well for ASEAN.

Country	Cases	Cases Last 24hr	Deaths	Total Fully Vaccinated	Percent Fully Vaccinated	Cases per Million
<b>World</b>	196,922,145	826,451	4,203,461	1,121,034,077	14.4%	25,246
<b>China</b>	104,922	68	4,848	No Data	No Data	73
<b>USA</b>	34,771,355	93,943	612,238	163,868,916	49.5%	105,048
<b>Indonesia</b>	3,372,374	41,168	92,311	19,669,222	7.3%	12,583
<b>Philippines</b>	1,580,824	14,157	27,722	7,835,715	7.5%	15,070
<b>Vietnam</b>	133,405	9,765	1,022	546,402	0.6%	1,396
<b>Thailand</b>	578,375	17,345	4,679	6,317,710	9.1%	8,334
<b>Myanmar</b>	294,460	10,361	8,942	1,527,284	2.9%	5,517
<b>Malaysia</b>	1,095,486	16,840	8,725	6,104,836	19.6%	35,112
<b>Cambodia</b>	76,585	668	1,375	4,670,954	29.2%	4,784
<b>Laos</b>	5,919	244	6	832,673	11.3%	804
<b>Singapore</b>	64,861	272	37	3,158,737	56.3%	11,558
<b>Timor Leste</b>	10,695	160	26	86,759	6.5%	7,982
<b>Brunei</b>	333	0	3	24,052	5.6%	777

Table: COVID cases and status at 30 July, 2021 / [Johns Hopkins University](#) and Southeast Asian Health Ministries:

Currently <15% of the world is fully vaccinated against this disease. Broadly, Europe and the USA have vaccinated about half their populations (or two-thirds of adults) whereas most ASEAN nations remain <10% fully vaccinated. Smaller, richer Asian countries (eg, Singapore at 49%) have managed much better; but vaccination in larger, poorer nations (India, Indonesia) at <10% is below even the global average. Curiously, vaccination rates don't map perfectly to wealth or population size: Australia and New Zealand remain at <15%.

Vaccination dramatically weakens the link between COVID infection and death, although with less efficacy against the coronavirus Delta variant which is spreading rapidly. 99% of sequenced cases in Indonesia, for example, are Delta.

Published statistics tend to dampen the true impact of disease. COVID's impact on India is "catastrophically worse" than recognised according to the country's own former chief economic adviser, Arvind Subramanian. India has acknowledged just 414,000 COVID-19 deaths but, according to Subramanian, "what is tragically clear is that people in the millions have died". So-called "excess deaths", above historical mortality, are running at 7–10 times higher than reported COVID deaths in India since the start of the pandemic, according to his study<sup>1</sup>, offering a yardstick for populous ASEAN.

## **New wave patterns**

Future coronavirus variants may “escape” current vaccination efficacy, and COVID-19 remains a global disease. But if vaccination rates affect future waves of cases and mortality, then surely the commercial impact will differ too in different regions. Low vaccination rates in ASEAN, rising only slowly, cast a shadow over economic forecasts which have generally been pulled back. If governments are lowering national economic forecasts like GDP growth, then corporates may need likewise to react. This is sector-dependent but many observers believe that equity markets generally remain too stretched, especially in those markets adversely impacted by on-going, or deteriorating, pandemic issues and restrictions.

Even in the more vaccinated West, recent talk about expansionist macro policy and ongoing monetary easing leading to inflation has been reined in: 10-year U.S. Treasury yields have lately retreated to under 1.3% from above 1.7% in March. Instead of inflation fears, talk in the western financial press has returned to secular stagnation... if this is cautious sentiment in vaccinated western markets, then what chance for unvaccinated ASEAN? Gita Gopinath, the IMF’s chief economist, recently highlighted a [“dangerous divergence”](#) between advanced and developing economies with limited access to vaccines.<sup>2</sup>

Vayana Network has now partnered with ASEAN Business Partners (ABP) to offer this comprehensive techno-service solution to customers in the ASEAN countries.

## **Consequences for commerce**

Travel and tourism are among sectors worst impacted in ASEAN, drastically curtailing activity for airlines, hotels and transport; and knocking on to spending on retail, entertainment, F&B. Other sectors partly compensate (healthcare, tech, digital). Yet behind cold statistics lie literally millions of people whose families have been impacted by underemployment, redundancy, social restrictions, illness and tragically death. Worse, in much of ASEAN, without the safety net of welfare or furlough payments to support them through the hardship. This is hardly the springboard for some great Asian economic revival.

## **A future timeline?**

From COVID-19, “no-one is safe until everyone is safe”. Even if no disease variants develop (which they will) and vaccination affords complete protection (which it won’t) then only 14% of our planet’s population is currently safe. That leaves 86% of the global population of 7.8bn, or 6.7bn people, currently unsafe. Historical global pandemics rolled on for years, not months. Let’s be realistic about what all this means for citizens, their countries and regions – and the dynamics of trade and commerce within and between them. Like life, commerce for the survivors continues. But some people and businesses simply die; many others slow down; and all survivors will continue to be impacted directly or indirectly. The best we can hope for is a benign COVID endemic for our future. Bear this in mind when the time comes around to prepare your annual business performance forecast for 2022 – and beyond.



# News Snippets – ASEAN News that matter

July 2021

## Asia

### **China ASEAN sign cooperation agreements in Wuhan totaling US\$ 4.1 billion**

Increasing cooperation between China and the Association of Southeast Asian Nations (ASEAN) will benefit Wuhan. China and ASEAN signed cooperation agreements in Wuhan on Friday totaling \$26.6 billion yuan (\$4.11 billion) at the 20th China-ASEAN Digital Economy Development and Cooperation Forum 2021. The projects relate to digital economics, investments, technical cooperation, financial services, and other fields. Chinese First Metallurgical Construction Group and Wuhan Financial Holdings were among the firms involved. In Myanmar, Singapore, Thailand, Vietnam and Malaysia, the company established subsidiaries with an investment exceeding \$100 million, according to media reports. [Read More](#)

### **Japan publishes revised renewable energy target**

Japan releases a draft of its latest energy policy where it increased its renewable energy targets to facilitate it advances to combat emissions for climate change mitigation. It doubled the renewables target and said that 36-38% of the power supplies must come from renewables by 2030. The draft entails that the utilization of coal, will be reduced to 19% from 26%. Gas, which comes to Japan in the form of imported liquefied natural gas, will make up most of the rest of the fossil fuel portion of the target energy mix, which was set at 41%, down from 56%. New fuels like hydrogen and ammonia will account for about 1% of the electricity mix in 2030. [Read More](#)

### **Asian countries account for 80% of new coal power investment**

The five Asian countries namely China, India, Indonesia, Japan and Vietnam plan to build more than 600 new coal-fired power projects, with a combined capacity of more than 300 gigawatts now operate almost three quarters of the world's coal-fired power plants. However, more than half of all plants are in China. Carbon Tracker said 27% of existing capacity was unprofitable and another 30% was operating at break even. [Read More](#)

### **China's Tech firm's shift from US to Hong Kong may not be as unruffled as envisaged.**

US listings have long been an important way for Chinese companies to raise foreign capital. Notwithstanding the tension between the two giants, Chinese Organizations still raised about \$13.6 billion from US listings last year. There are still ways for Chinese companies to tap overseas investment even if the United States is no longer an option. They can go to Hong Kong which also possesses a diverse pool of international investors and a regulatory regime that meets international standards and allows free flow of capital and information. [Read More](#)

### **Data centers set up in China's greater bay area**

China's Guangdong provincial government has tasked its tech hub Shenzhen with building a big data center for the Greater Bay Area, which includes Hong Kong and Macau, to help the orderly circulation of data in the region. Guangdong will also explore the establishment of a data "customs hub" to review and evaluate its cross-border data flow. Data development plans involving the Greater Bay Area are slated for completion by the end of 2022. [Read More](#)

### **Bank of Japan boost Green Bonds Plan**

The Bank of Japan joined the battle against global warming by offering a series of incentives for lenders to help businesses advance toward a greener economy. The bank further confirmed it would offer banks interest-free funds for climate-linked loans or investments and exempt more of their reserves from its negative interest rate. In a separate release detailing its climate strategy, the BOJ said it would buy green bonds denominated in foreign currencies using its foreign reserves, though it still held off committing to targeting Japanese green securities.

[Read More](#)

### **Tesla pleads Indian Government to revise import duties on Electric vehicles**

Tesla Inc in order seek reduction on import duties on electric vehicles as well as boost demand and generate revenue for the government drafts a request to Indian ministries. The said draft is likely to face resistance from Prime Minister Narendra Modi's administration which is premised on high import taxes for many industries in a bid to boost local manufacturing. [Read More](#)

### **ESR India signs MoU with Tamil Nadu of an investment of 7.3 Million USD**

Industrial and logistics real estate platform ESR India signed an agreement with the Tamil Nadu, India to develop two industrial parks with an estimated investment of Rs 550 crore. The said MoU will facilitate ESR India's proposed investment at Kanchipuram and Krishnagiri industrial parks by helping in streamlining land acquisition, approvals, clearances, and administrative processes as per existing policies, rules, and regulations of the TN Government. [Read More](#)

### **Toyota adds 'Kei' makes for a strategic partnership**

Japan's prime automaker Toyota is joining hands with two corporations specializing in tiny "kei" vehicles, Daihatsu and Suzuki, to a partnership in business automobiles it arranged with Hino and Isuzu. Suzuki and Daihatsu will each acquire a 10% stake in the Commercial Japan Partnership Technologies Corp. joint venture. Fuel-efficient kei cars, known for their petite size and maximum 0.66 l engine size are considered ideal for maneuvering through Japan's narrow roads and apt for small parking spaces. [Read More](#)

### **Japan's third largest automaker – Nissan is not very hopeful with the global shortage**

The Japanese car manufacturing giant – Nissan was definite in May 2021 that it anticipates to make half a million fewer vehicles in 2021 owing to chip shortage. The chip shortage manifested after the rise in demand coincided with the coronavirus pandemic, accompanied with the scarcity of manufacturers making the less advanced chips that are used in cars. Owing to inevitable and unforeseen market conditions, the organization seems to be struggling with the ongoing shortage. [Read More](#)

### **Iran inaugurates new oil Terminal**

Iran opened its first oil terminal in the Gulf of Oman on 27th July 2021, a strategic move aimed at reducing the dependence and evade regional tension. The country is aiming to export one million barrels per day of oil from the new terminal. The export terminal allows ships to head directly into the Arabian Sea. The Strait of Hormuz is a narrow channel located at the mouth of the gulf. It facilitates almost a fifth of the oil passes from the Middle East region to other continents. [Read More](#)

## Indonesia

### Indonesian government publishes investment list

A long-awaited investment list has been published in Indonesia under Presidential Regulation No. 10, 2021 (recently amended by Presidential Regulation No. 49 of 2021), the first mandate from last year's Omnibus Law. Indonesia was among the top countries in Southeast Asian nations blocking or limiting overseas investment - long a source of frustration and concern for potential investors. [Read More](#)

### Emtek group and Grab Indonesia together to accelerate digital adoption

Elang Mahkota Teknologi Tbk (Emtek Group) and Grab, some of Indonesia's leading technology, telecommunications and media groups, announced the establishment of a strategic alliance on July 26. The former invested US \$ 375 million (RM1.59 billion) in PT Grab Teknologi Indonesia This transaction will unite the two largest digital ecosystems in Indonesia. Earlier this year, in April, Grab invested in Emtek Group for US\$270.5 million (RM1.15 billion), according to Singapore's The Straits Times. [Read More](#)

### LG Energy Solution to supply battery cells for Hyundai EVs

A joint venture between Hyundai Motor Group and LG Energy Solution is partnering to build an electric vehicle battery factory in Indonesia for Hyundai's EVs. With the Indonesian government, the two companies signed an agreement to form a joint venture to manufacture battery cells. A battery cell factory will be built in Karawang, just east of Jakarta, with Hyundai and LG Energy investing \$1.1 billion in total. Both companies will own 50% of the facility. Incentives and rewards will be offered by the Indonesian government to encourage the plant. [Read More](#)

## Singapore

### QIA brings in new advisory subsidiary in Singapore to source investment in Asia

The Qatar Investment Authority (QIA), announced the establishment of an advisory subsidiary in Singapore aimed at sourcing investment opportunities in Asia. According to Abdulla al-Kuwari's LinkedIn profile, the Qatar Investment Authority Advisory (Singapore) Pte Ltd is helmed by an executive from QIA, who previously worked in the region as a director before taking this new role. Investing in Iberdrola (IBE.MC) and London Stock Exchange (LSEG.L) has diversified the fund's exposure from European and U.S. core markets towards Asian assets. QIA participated with other investors in Flipkart's \$3.6 billion funding round. [Read More](#)

### Boston Properties partners with Canada Pension Plan and Singapore GIC

The real estate investment trust Boston Properties announced that it has created a co-investment program with the Canada Pension Plan Investment Board and Singapore's sovereign wealth fund GIC to acquire office buildings in the United States. Businesses will buy and operate office properties in Boston's main markets, including Boston, Los Angeles, New York, and San Francisco. [Read More](#)

### GlobalFoundries to ease the semiconductor chip crisis

As the semiconductor chip crisis continues, several industries have been negatively impacted by it for months. Despite this catastrophe, new ideas, technologies, and efforts are being developed to help speed up the recovery.

One of the most impressive efforts between semiconductor manufacturer GlobalFoundries and Singapore is a US \$4 billion investment in a new production facility in the city state where the company currently produces 40% of its chips. [Read More](#)

## Laos

### Thai's BCPG signs up with Laos wind power sale with Vietnam

Thailand's BCPG Pcl (BCPG.BK) announced that its consortium has signed a 25-year agreement to deliver wind energy from a 600 MW project in Laos to Vietnam. The 500-kilovolt transmission line will run from Laos to Quang Nam province in Vietnam. It was developed by the Vietnamese electricity company EVN and Impact Energy Asia Development (IEAD), a BCPG company. Japanese company Mitsubishi Corporation (7280.T) owns a 55% stake in Impact Wind Investment. [Read More](#)

### Laos plans measures to overcome COVID-19

The Government of Laos held a special virtual conference, where it discussed how to better respond to the COVID-19 pandemic and overcome Laos' economic and financial problems. The open government meeting will be held in Vietnam, presided over by Prime Minister Phankham Viphavanh in early July. By facilitating this meeting, investors interested in the Laos region will have easier access to and benefits. [Read More](#)

## Cambodia

### Cambodia govt. prepares new investment law draft

During council of ministers meeting, the new draft investment law was approved in order to increase the flow of investment into the Kingdom and expand economies here and abroad. Among the sectors that will receive incentives are science and technology, job creation, skills training, research, innovation and small and medium enterprises. For company registrations by means of the single portal, the Single Window Service will shorten the period of issuance of certificates from 31 to 20 working days. [Read More](#)

## Malaysia

### GIC invests in Malaysian healthcare Sunway Group

Singapore's sovereign wealth fund, is now a minority stakeholder in a Malaysian conglomerate's healthcare business, Sunway Healthcare for approximately US\$ 180 million. In this matter, Latham & Watkins advised GIC on the investment into Sunway Healthcare, a Bursa Malaysia-listed company that operates hospitals and healthcare services throughout Malaysia. According to Sunway Group founder Tan Sri Jeffrey Cheah, the USD 1 billion transaction is a "significant milestone for Sunway". [Read More](#)

### Turkish Technic signs deals with Malaysia, hopes for more in APAC

Turkish Airlines' aircraft maintenance firm Turkish Technic said it was interested in investing in the APAC region and had signed agreements with several companies in Malaysia. Turkish Technic said it had signed a contract on Monday with Sapura Technics, a Malaysian repair and maintenance company and a subsidiary of Sapura Resources Berhad. Turkish Airlines Chief Executive Ilker Ayci said the airline hoped to expand customer offering

and better meet customer needs, as part of its investment and growth efforts, the company said it was "continually" analyzing investment opportunities. [Read More](#)

### **Malaysia most favoured expansion destination for ASEAN companies**

According to Standard Chartered's (StanChart) latest survey, Malaysia is a preferred growth destination for ASEAN companies. Investing in intra-ASEAN growth is explored in Borderless Business: Intra-ASEAN Corridor, a strategic report. According to StanChart, 49 percent of survey respondents cited Malaysia as the country offering the best expansion prospects in the 10-nation bloc over the next 12 months. The report also identified Malaysia's automotive, healthcare, and digital services sectors as key growth sectors. [Read More](#)

## **Philippines**

### **Wuhan-based firm to invest in Philippines**

An investor from Wuhan, China, said a company is coming to the Philippines to set up a facility. Rodolfo, who is also managing head of the Board of Investments (BOI), said there is a continued interest of Chinese investors in the Philippines. In addition to offering telecommunications services and infrastructure in the Philippines, the Wuhan firm has set up a factory in Bulacan for exporting to the EU (European Union) market and for domestic markets.

[Read More](#)

### **Philippines Gentree Fund to invest in SEA growth-stage startups**

The Gentree Fund, which is based in the Philippines, plans to invest an initial US\$40 million in early-stage companies in Southeast Asia that are targeting the Philippines market. SM Group, the retail, banking, and property development giant behind local retail, has created a sector-agnostic fund under the radar throughout the past year. As a general guideline, Gentree said the US\$40 million amount is purely for every-green purposes. [Read More](#)

## **Brunei**

### **Brunei signs agreement with Philippines to check double taxation**

An agreement was signed between the Philippines and Brunei Darussalam to eliminate double taxation on income arising from cross-border transactions between these two countries in Southeast Asia. On behalf of Philippine Finance Secretary Carlos Dominguez III and Dato Seri Setia Dr. Awang Haji Mohd Amin Liew bin Abdullah, Minister of Finance and Economy II of Brunei, the agreement was signed by representatives of their respective governments. [Read More](#)

### **Brunei joins trans-Pacific trade deal with UK**

Having launched formal negotiations to join a key Trans-Pacific trade deal, the UK hopes to increase trade and investment to Brunei and the region. With the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), 95 percent of tariffs will be removed between its 11 members, including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. John Virgoe, the British high commissioner to Brunei, said the UK's accession to the agreement would open up new opportunities for UK and Brunei businesses. [Read More](#)

## Thailand

### Thai fund house bets big on technology

As a member of a state-backed bank, KTAM is perceived as a traditional asset manager, despite the fact that it is using cutting-edge technology for its business and investment operations. Krung Thai Bank's investment arm is the second largest bank in Thailand by assets. Artificial intelligence (AI) is one of the only ways KTAM enhances the investment process among two bank-affiliated asset managers in Thailand. The company strives to be one of the best fund manufacturing firms in the country. [Read More](#)

### Novo Nordisk to fund clinical trial investment in Thailand

With a revenue of THB 2.2 billion and a growth rate of more than 20 percent last year, Novo Nordisk remains strong in Thailand despite the pandemic. The four aspects of Novo Nordisk's success are, in his words: "Partnership" with government and authorities, "Products" that are good, "People" and "Passion" to improve Thai patients' lives. In the next ten years, Novo Nordisk expects to have a strong partnership with the Thai FDA as well as a high level of expertise from Thai doctors. Novo Nordisk invested THB 189 million in clinical trials in Thailand from 2016-2020, and the company plans to reach THB 300.000 million between 2021 and 2025. [Read More](#)

### Thai's GPF pushes for diversification into global market

Thai pension funds, the country's second-largest retirement fund, are pushing for reforms that could eventually lead to a 60% increase in foreign assets. Srikanya Yathip, secretary general of the Government Pension Fund (GPF), states opportunities abroad remain more attractive than those at home. Her firm manages assets worth Bt444.6billion (\$14 billion). [Read More](#)

## Vietnam

### Vietnam attracts foreign investors for its finance sector

Investors from Singapore seeking opportunities in Vietnam may focus on finance and infrastructure, among other sectors, Do Nhat Hoang, director general of Vietnam's Foreign Investment Agency, said during a webinar on Vietnam's growth prospects on Friday. As a country with a mere mid-level logistics base for the finance sector, Mr. Hoang said Vietnam had enthusiasm for growing its financial sector, particularly in fintech, and welcomed investors. Singapore Business Federation organized the webinar in which more than 180 participants exchanged ideas about how both Singapore and Vietnam could benefit from investment opportunities. [Read More](#)

### Vietnam to support South Korea's business investment

The Vietnamese government is committed to fostering a business climate that would encourage South Korean firms to invest in Vietnam, the Party General Secretary said during a telephone conversation with Moon Jae In. As a strategic ally, South Korea is of great importance to Vietnam, Trong noted. [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.

Newsletter Editor: Sarayu Srinivasan, Vibhusha Sharma

Contributed by: Marlon Ives, Sara Nicholson and Tony Turner

## Contact us



**Sumit Dutta**  
Founder and Chief Executive Officer



**Raj Ghosh**  
Head of Client Relations for USA and Canada



**Tony Turner**  
Head of Client Relations for UK and EU



**Kavita Panda**  
Head of Partnerships and Country Manager India



[contact@bizasean.com](mailto:contact@bizasean.com)



[www.bizasean.com](http://www.bizasean.com)



[@Aseanbusinesspartners](https://www.linkedin.com/company/aseanbusinesspartners)



[\(+65\) 9176-4136](tel:+6591764136)

### Disclaimer

The report is prepared using information of a general nature and is not intended to address the circumstances of any particular individual or entity. The report has been prepared from various public sources and the information received from these sources is believed to be reliable. The information available in the report is selective and subject to updation, revision and amendment. While the information provided therein is believed to be accurate and reliable, ASEAN Business Partners does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information and data available in the public domain. While due care has been taken while preparing the newsletter, ASEAN Business Partners does not accept any liability whatsoever, for any direct or consequential loss.