



Several Tour Programs Lined up for Istanbul Conference Delegates



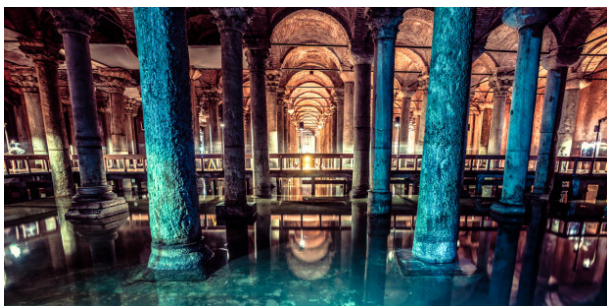
Delegates to this year's 32nd CACCI Conference on November 23-24, 2018 can look forward to having the opportunity not only to learn from the discussions on timely and relevant topics during the various Conference sessions, but also to experience the exciting and exotic sights and sounds of the host city of Istanbul.

The Union of Chambers of Chambers and Commodity exchanges (TOBB) has lined up four optional tour programs that delegates can join on November 25, just after the conclusion of the two-day Conference. These optional group tours include the following:

* **OTTOMAN & BYZANTINE RELICS** (Full Day including Lunch)

Istanbul is a unique city that offers a multicultural architecture and life experiences. You may discover and live the rich cultural background of the city via Ottoman & Byzantine Relics Tour in a day.

The Basilica Cistern is one of the unique underground museums of the world also known as the Underground Palace. The Cistern was built to provide the Byzantine Empire with the water supply it needed and has been opened to visitors as a museum since 1987.



Next, we will walk through the old wooden houses built next to the gate of Topkapı Palace and take a short break in Caferaga Madrassah that used to be a school during Ottoman era. You may sip your Turkish Coffee while watching local artists.

Topkapı Palace's gate will greet you just a few steps from Madrassah. The Palace is located at one of the most beautiful and

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renowned historical spots of glamorous Istanbul. Topkapi Palace is the first museum of Republic of Turkey and continues to be one of the largest palace museums in the world with its architectural structures, several collections and an archive of more than 300,000 documents.

In the afternoon, we will drive through Golden Horn and visit Chora Museum, well preserved 11th-c. Greek Orthodox Church, that you may witness the highest level of Byzantine mosaics depicting the life of Virgin Mary and Jesus Christ.

Next, the Fener Greek Patriarchate Church. This dignitary institution is the spiritual leader for the Orthodox world with 250 million believers. The Patriarchate moved to its present residency in 1602, which was restored in the 1800s.

ITINERARY

08:15 - Depart from Ciragan Palace Kempinski

12:00 - Lunch in Konyali Restaurant

17:00 - Arrival at Ciragan Palace Kempinski



* BOSPHORUS CRUISE & SPICE MARKET (Half Day Afternoon)

This afternoon tour fits you well to discover the beauties of Istanbul and Bosphorus from the boat and offers you to experience shopping in Spice Market.

Spice Market, the Egyptian Bazaar will offer you all tastes of Orient with its colourful shops.

Just after a short walk, we will embark on the boat for Bosphorus Cruise that will last about 1.5 hours. The Istanbul Strait, or the Bosphorus, has arguably the most magnificent views in the world. There is nowhere on earth where two continents and civilizations meet. The Bosphorus tour by boat is a must-see. The trip is like being on a fascinating, magical journey as you witness centuries of history in a beautiful setting along the wide and captivating Bosphorus.

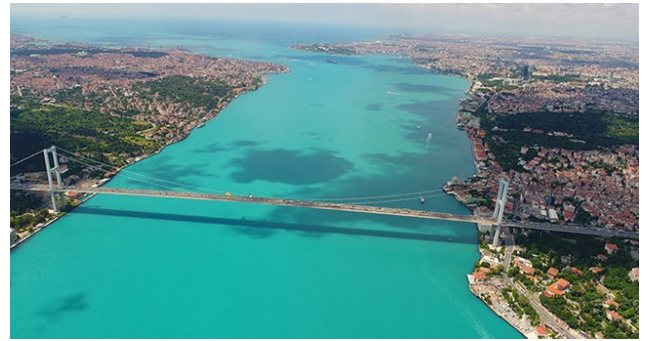
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13:15 - Departure from Ciragan Palace Kempinski

17:15 - Arrival at Ciragan Palace Kempinski

* DINNER CRUISE ON BOSPHORUS WITH A PRIVATE BOAT (Night Tour)

You may discover the beauties of Bosphorus on a Private boat while enjoying your dinner and sipping wine whilst gliding through the river with live music.



* HISTORICAL PENINSULA (Half Day Morning Tour)

Istanbul has been the capital of the Eastern Roman Empire and our tour starts at the Roman Hippodrome where once wild animals fought and gladiators waged numerous battles. The Roman Hippodrome is built in 203 by the mighty Emperor Septimius Severus.

The tour continues with the famous Sultanahmet Mosque also known as Blue Mosque which is a masterpiece of architecture from 17th century. Located in the very heart of the historical peninsula of Istanbul, Sultanahmet Mosque is built in 1616 by Architect Mehmet Aga for Ottoman Sultan Ahmet I.

Another world famous highlight is the Museum of Hagia Sophia (which means Holy Wisdom) was built in 537 as a Greek Orthodox Cathedral and. It has continued to serve its millions of visitors as a mosque since 1453 and now is a museum since 1935. Hagia Sophia Museum offers the best examples of Oriental and Western art to its visitors.

The last stop will be the oldest shopping mall of the world, Grand Bazaar, offering 4400 shops, 61 streets and 2 Bedesten (inner covered bazaars). The Grand Bazaar has been elected as the best Tourist Attraction Sight most visited in the world in 2015 by Travel & Leisure magazine followed by Times Square in New York City as the second most visited site.

ITINERARY

08:15 - Departure from Ciragan Palace Kempinski

13:00 - Arrival at Ciragan Palace Kempinski



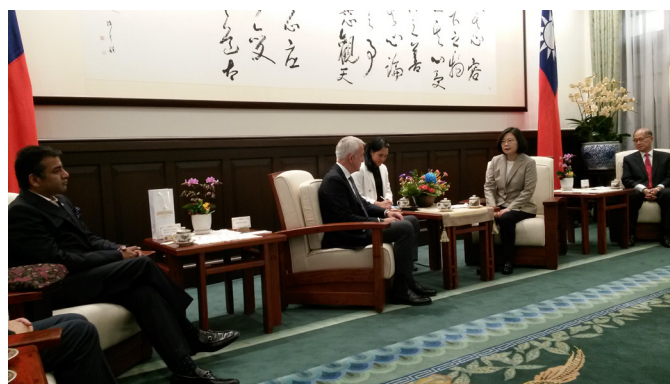
Key CACCI Officers Call on ROC President

CACCI President Mr. Jemal Inaishvili and CACCI Senior Vice President Mr. Samir Modi made courtesy calls on Her Excellency President Tsai Ing-Wen of the Republic of China (ROC) on September 4, 2018.

During their meeting, Mr. Inaishvili and Mr. Modi, re-introduced CACCI and its activities to President Tsai, highlighting the important role played by Taiwan in the establishment and activities of the Confederation, including the hosting of its Permanent Secretariat in Taipei since 1981, the holding of several of its annual Conferences and Summit Meetings in the island, and the strong support it has received from the Taiwanese government and leading Taiwanese businessmen over the years. They also reiterated their appreciation to President Tsai for gracing the Opening Ceremony of the 30th CACCIC Conference and 50th Anniversary celebration held in Taipei in 2016.

The two CACCI officers also informed President Tsai of their scheduled visit to Mongolia on September 6-8 where they were to meet with the President and Prime Minister of the country, as well as to attend Ulaanbaatar Partnership, the largest trade exhibition of Mongolia.

They likewise informed the ROC leader about the upcoming 32nd CACCI Conference on November 23-24, 2018 in



Istanbul, Turkey in which several businessmen and experts from Taiwan have been invited as speakers in the various Conference sessions.

For her part, President Tsai underscored the important role played by CACCI in promoting economic cooperation among countries in the region and between Taiwan and other CACCI member countries. She also recognized the critical role of CACCI, given the geographical scope of its membership, in the implementation of her administration's Southbound Policy.

CACCI President Inaishvili to Attend the B20 Summit in Argentina



Mr. Jemal Inaishvili, President of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), has registered to attend the B20 Summit to be held on October 4-5, 2018 in Buenos Aires, Argentina.

The Summit is expected to gather some 1,200 business leaders from around the world. The high-level representatives from business will present B20 recommendations and debate on the issues that are shaping our economies today and will have substantial impact on our future.

The Summit is the concluding event of a year's work.

The themes to be addressed reflect the issues that have been part of 2018 debates in the drafting of its Policy Documents. These recommendations will be handed over to G20 President, Mauricio Macri, at the closing ceremony on October 5, 2018 in Buenos Aires.

The B20 – currently chaired by Argentina – is a platform that serves as an intermediary group between G20 governments and the international business community. Its primary mission is to deal with the urgent and significant global issues by developing actionable recommendations from global business leaders to the G20 Leaders. These issues are addressed by the various Task Forces set up for this purpose, including the Task Force on Trade and Investment, of which Mr. Inaishvili as CACCI President is a member.



CACCI Secretariat Executives Meet with Northern Territory Chamber Officer in Taipei

Mr. Brian O’Gallagher, Deputy Chief Executive Officer of the Chamber of Commerce Northern Territory, met with CACCI Director-General Mr. Ernest Lin and Deputy Director-General Mr. Amador Honrado on August 30, 2018 at the CACCI Secretariat office in Taipei.

Mr. O’Gallagher briefed Mr. Lin and Mr. Honrado on the upcoming Regional Australia Asia Chambers Forum scheduled to be held on May 2-3, 2019 in Darwin, Australia.

Mr. O’Gallagher was in Taipei to attend the 32nd Joint Conference of the ROC-Australia and Australia-Taiwan Business Councils held on August 31, 2018 at the Formosa Regent Hotel in Taipei and hosted by the Chinese International Economic Cooperation Association (CIECA), CACCI Primary Member from Taiwan.



Stressed Out, Koreans Try to Spend Less Time at The Office

By Su-Hyun Lee & Tiffany May

SEOUL, South Korea — Lee Han-bit helped produce a television series called “Drinking Solo,” in which young adults cramming for a high-stakes civil service exam often drink to relieve anxiety. But working weeks without a break and asking his own employees to work 20-hour days, Mr. Lee was consumed by pressures of his own.

He took his life within days of completing the project, leaving behind a note that decried a South Korean work culture that exploited him and required him to exploit his crew in turn.

“I too was nothing but a laborer,” Mr. Lee wrote. But to them, he added, “I was nothing more or less than a manager who squeezed the laborers.”

Mr. Lee’s message reverberated across South Korea, a country that has long worked too hard.

While Japan famously brought the world the concept of “death from overwork,” South Koreans work longer hours, according to labor data. In fact, they put in 240 more work hours per year than Americans do — or, put another way, an extra month of eight-hour workdays.

The South Korean police say

work pressure plays a role in more than 500 suicides a year, out of a national total of about 14,000.

South Korea’s leaders are trying to change that. A new law that went into effect in July caps workweeks for many employees at 52 hours. The government is pushing companies to let employees go home for the night and to free up their weekends. A call to the Ministry of Labor is greeted with a recorded voice message that says, “Our society is breaking away from overwork.”

The extra time off is especially liberating for young workers, who often



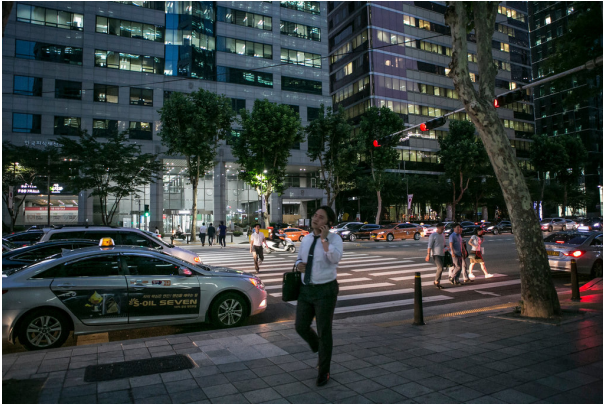
Workers leaving Seoul’s financial district in the evening. Working long hours was once seen as a badge of honor in South Korea, especially for the male breadwinner in a patriarchal society.

don’t share the work-at-all-cost ethos of their parents.

Woo Su-jin, a 26-year-old computer graphics designer, said the media outlet where she works now allows her to arrive later in the morning if she worked late the night before. Project discussions over food and drinks that used to last from 7 p.m. to 1 a.m. now end earlier, after one round of drinks rather than three.

“My colleagues and I say that we would rather go home earlier than work long hours, even if we were paid for working overtime,” Ms. Woo said.

South Korea’s feelings about



South Koreans put in 240 more work hours per year than Americans do — or, put another way, a full month of eight-hour workdays.

work are complex. Pride in hard work helped propel the once-rural country out of the ashes of war and transform it into an economic power, producing brands like Samsung and Hyundai that are known all over the world.

Working long hours also used to be seen as a badge of honor, especially for the male breadwinner in a patriarchal society. But even then, some workers called attention to difficult conditions. The self-immolation of a factory worker at the start of the 1970s labor movement is still evoked by activists today.

South Koreans often suffer from a work culture they call *gajil*. This word describes the imperious sense of entitlement that authority figures feel over their employees, whom they expect to wait on them and cater to their whims.

The most famous example is the “nut rage” incident, in which the daughter of the chairman of Korean Air threw a tantrum over how she was served nuts on a flight.

The incident and workplace deaths — including the suicide of Mr. Lee, the television producer — have given new urgency to South Korea’s efforts to change its workplace culture.

When a government employee, a new mother, died in 2017 after collapsing at her office on a Sunday morning, President Moon Jae-in, who was still a candidate at the time, wrote on Facebook: “We can no longer be a society where overwork and working until late is a given.”

Nor are long work hours good for the economy. Labor productivity has slowed considerably, while unemployment among young people has reached 10 percent despite a much lower national rate over all.

Mr. Moon, who was elected in 2017, and labor experts blame outdated workplace practices, including those in government, that allow managers to keep employees on call to complete tasks as they come up. Though that system gives managers more flexibility to assign work, it does not necessarily benefit the organization as a whole.

“It worked in the past when Koreans were hungry,” said Yu Gyu-chang, a professor of human resources management at Hanyang University. “But times have changed now.”

Mr. Moon wants companies to hire more people to get the work done. He cites research that showed a rise in labor productivity with every percentage point of weekly work hours reduced. During his campaign, he pledged to create 500,000 new

jobs by enforcing a 52-hour workweek.

“Habitual long-extended work has been the culprit behind Korea’s low labor productivity,” he said in July after the workweek cap took effect.

That message has found a sympathetic audience among the young in South Korea, who have learned to prize their leisure time as old attitudes have loosened. Until a five-day workweek was introduced in 2004, many South Koreans did not experience free Saturdays.

“Before, people sacrificed their present to guarantee their futures,” said Mr. Yu, the professor. “Now, people have to be and want to be happy now.”

Many companies are enacting new policies to comply. More than 700 of South Korea’s 3,672 large companies and public sector organizations have either hired new employees or have plans to do so, the Ministry of Labor said, although it did not track whether these new hires would be working full time. Other organizations have introduced policies to limit routine overtime work. Seoul’s city government began in May to enforce mandatory lights out and computer shutdowns on Fridays at 7 p.m.

At the insurance company where Park Jung-min, 46, works, computers are automatically shut off at 6 p.m. Employees are also encouraged to request advance permission to work overtime.

“If we don’t know in advance that we might have to work after 6 p.m., then we have to turn on the computer again after 6 and provide reasons for doing so,” said Mr. Park, who described it as an occasional nuisance. “But all in all, I think this new 52-hour workweek is good for our work-life balance that Koreans now want more of.”

Loopholes still abound, critics say. It isn’t clear whether business trips or entertaining clients would count toward the 52-hour cap. Some industries, like health care and transportation, have received exemptions. Companies could also find other ways to avoid hiring more people.

“Employees would take their work home, which would be an unspoken agreement between bosses and underlings,” said Kim Yu-kyong, a public labor attorney at the Organization for the Human Rights of Workers.

The Union for Broadcast Workers, which was formed by freelance employees in the television industry after the new law went into effect earlier this month, said it received more than 30 complaints within the first two days. One employee, it said, worked from 7 a.m. to 3 a.m. and was asked to report to work at 7 a.m. the following day.

“That only leaves time for a worker to go to a public bathhouse to have a shower and an hour or so of sleep,” said Kim Du-young, a union official.

Though it will be another two years before the maximum work hours are enforced for smaller companies, many see the mandate for reduced work hours as long overdue.

“It has to work,” Mr. Kim of the Union for Broadcast Workers said. “So far, the existing practice had been too inhumane.”

Su-Hyun Lee reported from Seoul, and Tiffany May from Hong Kong

New York Times

A Role in the Indo-Pacific Economy

By Abraham M. Denmark, Taipei Times



In a recent major address to the US Chamber of Commerce's Indo-Pacific Business Forum, Secretary of State Mike Pompeo detailed an economic initiative to contribute to the Trump administration's vision of a "free and open Indo-Pacific." He declared that the region is "one of the greatest engines of the future global economy," and that the region must be free and open to preserve its peace and prosperity. He detailed US\$113 million in new initiatives designed to advance US economic interests across the region, including an energy initiative in Indonesia, the construction of hundreds of kilometers of electricity transmission lines in Nepal, and an agreement to develop new, long-term sources of water supply in Mongolia. Yet throughout the secretary's description of this new initiative, the role of Taiwan was not addressed.

As a major economic player, Taiwan should have a major role to play in the economic aspect of any American strategy toward the Indo-Pacific, and especially one promoting the region's freedom and openness. Taiwan is one of the most free and open societies in the world, and should have a significant role to play in promoting those values across the region. Secretary Pompeo explained that "free, means good governance and the assurance that citizens can enjoy their fundamental rights and liberties," and "open" means open investment environments, transparency, connectivity, a commitment to the peaceful resolution of disputes, and the ability of nations to enjoy open access to seas and airways. I can hardly imagine a better description of the values and policies represented by Taiwan.

Moreover, Taiwan is a major trading partner of the United States – more significant than countries like Israel, Russia, Brazil, and Saudi Arabia – and

therefore should play a significant role in any economic strategy from Washington. To not include Taiwan – or other US allies and partners in the region – would be to ignore a key source of support for US interests and the principles we promote.

Considering the areas that Secretary Pompeo announced would be the focus of US economic strategy toward the Indo-Pacific – digital economy, energy, and infrastructure – there is no doubt that Taiwan has a significant amount of resources and expertise to contribute. For decades, Taiwan has been a reliable source for technological innovation in these areas. More recently, the recently launched Digital Nation and Innovative Economic Development Plan (also known as "DIGI+") identified infrastructure, talent, cross-industry transformation, digital rights, and smart cities as critical to achieving the goal of growing Taiwan's digital economy to NT\$6.5 trillion (US\$211.7 billion) by 2025. The significant overlap between these initiatives suggests great opportunities for Washington and Taipei to pursue synergistic efforts to develop Taiwan's economy while also contributing to the broader health and success of the liberal regional order.

Yet more will need to be done. At only US\$113 million, the initial stage of this economic initiative disappoints – especially when compared with the hundreds of billions of dollars that China has devoted to its One Belt, One Road initiative. Here too suggests an opportunity for Taiwan – and other more developed US allies and partners across the Indo-Pacific – to contribute to US efforts to use technology, economic engagements, development assistance, and soft power to help the rest of the region develop and grow strong. Such an effort would not only buttress these relationships; they will also enhance the ability of US allies and partners to resist economic pressure from Beijing.

Washington, Taipei, and other key partners should develop mechanisms to coordinate efforts and cooperate on major development projects across the region. By ensuring that our efforts complement

one another and support liberal principles that are critical to a free and open Indo-Pacific, these initiatives have the potential to become a major source for the region's continued stability and prosperity.

Yet Taiwan also has a critical role to play. It cannot afford to sit passively by and wait for the world to come knocking. Instead, significant reforms and investments will be needed to better position Taiwan to contribute to the future of the Indo-Pacific's digital economy. While Taiwan already brings significant advantages to the table, more can be done. The plan to create an Asian Silicon Valley in Taoyuan is a prime example of the vision and ambition that will be needed. Yet – as with the just-announced US initiative – the key to success will not be in the vision, but in the implementation and the resources committed.

As competition between China and the United States has intensified, Washington has struggled with developing and implementing an economic component of its strategy. With the possibility of the US joining TPP a distant hope, a modest initiative from Washington to enhance US regional development assistance is welcome. But the United States cannot do it alone – allies and partners (including Taiwan) will have a critical role to play in both competing with China and in sustaining the liberal regional order that has been critical to decades of peace and prosperity.

Taipei Times

About the Author Abraham M. Denmark



Mr. Denmark is Director of the Asia Program at the Woodrow Wilson International Center for Scholars, and formerly served as deputy assistant secretary of defense for East Asia. The views expressed are his own.

Coping with Technology: Challenges and Opportunities for ASEAN+3 Economies

An interview with Hoe Ee Khor, Chief Economist at ASEAN+3 Macroeconomic Research Office



Tourists watch a flyboard show by the beach of Hon Tam Resort in Nha Trang, Vietnam. Many ASEAN economies need to invest in their technology infrastructure to draw more tourists.
Linh Pham/Getty Images

Technological change and the relentless pace of automation offer significant opportunities for productivity growth and improved efficiency, but they also bring related risks of increased worker displacement and the challenge of upskilling labor.

While the rise in trade protectionism (discussed in the first part of this interview) is an immediate reality the ASEAN+3 economies are confronted with, coping with technological advances and using them to drive productivity and growth is a medium- to long-term challenge for the region.

In this second part of the interview, AMRO's chief economist, Hoe Ee Khor, touches upon this topic, as well as other key risks facing the ASEAN+3 economies.

BRINK Asia: What will the impact of technological advances and increased automation be on employment and jobs in the region?

Hoe Ee Khor: One of the global trends scaring everyone is that of automation taking away jobs, particularly in the area of capital-intensive manufacturing. In the auto sector, for example, employment has been shrinking, even in China, which is the world's leading auto manufacturer. Fortunately, there are still some sectors that are quite labor-intensive, such as garment manufacturing—sectors such as these are still providing ample opportunities for employment. However, this is a limited window, because economies

cannot continue doing this forever. What this means is that countries need to plan ahead, and they need to upskill their labor force if they want to move up the value chain. Otherwise they have to move into new industries if they want to stay with manufacturing and move up the value chain.

Take the case of Cambodia, which is now moving beyond garments and textiles to other consumer goods and electronics. We are seeing this happening in a few other less-developed ASEAN economies as well, partly due to outsourcing of production from China, which has seen production costs rise in recent years. But yes, for sure, automation is an issue that regional economies have to come to terms with and prepare for.

At the same time, technology has also transformed the service sector in terms of converting it into an engine of growth. Take the example of the business process outsourcing (BPO) industry in the Philippines, which has become an engine of growth, creating jobs and income for the local economy. The BPO industry accounts for 40 percent of exports and has created more than 1 million jobs, the wages for which are three to five times higher than the national average. That is an example of how technology has actually helped. Another area that we are very positive about is that technology has led to a reduction in telecommunication and transport costs, and that has led to an explosion of tourism ... take the case of outbound tourism from China, for example.

BRINK Asia: Can you tell us more about how countries can benefit from the boom in tourism and its relation to technology?

Dr. Khor: In order to take advantage of the explosion in outbound tourism from countries such as China, the regional economies need to provide good connectivity and infrastructure. You find that a lot of Chinese tourists have been visiting the more-developed regional economies—Japan and Korea have been the primary beneficiaries. In Korea, for

example, after the global financial crisis, we found that Chinese tourist spending actually helped support economic growth significantly. The same thing happened in Thailand—tourist spending has been very strong, which helps to offset the slowdown in investment owing to the floods and the political uncertainty.

Many regional economies don't have the facilities, and they need to invest in their infrastructure to draw more tourists—both digital infrastructure and hard infrastructure. Technology plays a big part in the customization of services for tourists in a way that it could not be done in the past; and as we see increased digitization in the region, that will also result in creating more curated experiences for travelers, something that many tourists look for these days.

On the whole, we are quite optimistic that tourism can be a major area of growth that countries can take advantage of. In general, I think Asian economies have adapted to technology rather well—right from China, where everything is becoming digitized, to Indonesia, where online transactions have taken off.

BRINK Asia: Do you think the less-advanced ASEAN economies are equipped to cope with the changes being witnessed?

Dr. Khor: The less-advanced countries include Cambodia, Laos, Myanmar, and Vietnam (the CLMV countries). These economies have been the biggest beneficiaries of regional integration, without which they would not have been able to sustain the high growth they have been seeing. About 70-80 percent of the investment into these countries has been intra-regional, and about 60 percent of the trade is also intra-regional. Because of diversity in the region, these economies have benefitted from incoming investments from the ASEAN economies and also the "plus 3" (China, Japan, and Korea).

Take the case of Samsung in Vietnam—it has become the country's largest manufacturer and has transformed the country's manufacturing sector. For

the longest time, Korea was focused on the West, but now we see a lot of interest from the Koreans in ASEAN—they are doing what Japan did in the 1980s. Ironically, it is creating trouble in Korea because there are a lot of complaints that the “chaebols” are not investing there, but are creating jobs outside the country.

As for coping with the technological changes we are seeing, the poorer economies, ironically, are not facing constraints as acutely as the middle-income countries, which really have to move up the value chain and invest in technology, skills upgrading and training. Everywhere we go, one complaint is that of scarcity of skilled labor for a wide range of industries. We see it in the Philippines and in Thailand and in Malaysia.

Malaysia is at the high end of the middle-income band and is trying to move to the high-income level. To make the transition, it has to focus on upskilling the labor force, because the kind of manufacturing that it is now looking into is increasingly more skilled- and more capital-intensive. Malaysia has created a department within the Economic Planning Unit that is focused on retraining and upskilling the labor force. So far, it would be fair to say that Malaysia has benefited significantly from overseas labor, which is cheap and has helped keep wages down.

Now, it is about getting the balance right—it needs to provide incentives for the upskilling of local workers, and at the same time, it needs to be more targeted in terms of the type of foreign workers its economy requires.

What the low-income countries should not forget, however, is that they are also rapidly moving toward middle-income status, and they therefore need to think ahead and plan better because, sooner rather than later, they are going to face the same problems.

BRINK Asia: In your view, what are the three biggest risks regional economies are faced with?

Dr. Khor: In the short term, the two major risks facing the region are the ongoing trade conflicts between the U.S. and China and a sharper than expected rise in global interest rates. These two risks have the potential to derail the economic recovery in the region. However, our simulations show that the impact of a trade war is likely to be limited, unless it leads to a severe loss of confidence, causing investment to fall and destabilize financial markets. Similarly, the current tightening of financial conditions is manageable unless there is a sudden spike in interest rates.

From a longer-term perspective, the evolving geopolitics in East and Southeast Asia is always a concern. The

region has done well because it has been very peaceful over the past few decades, and that has allowed the region to grow and focus on economic development. However, developments on the Korean peninsula are always a potential risk, and tension over the South China Sea is another. We regard both of these as tail risks, although there is no denying that they can have big implications on trade and economic growth. To maintain prosperity, the region needs to continue integrating and deepening economic ties—and not resort to protectionist measures that can pit the economies against one another. So far, the regional economies have stuck together, but there is a risk this may not continue to be the case.

Another important concern is more of a challenge than a risk. The region needs to get out of the middle-income trap by investing more in infrastructure, technology and in upskilling its workforce. Fortunately, these are high savings economies, so there is capital available to plug this gap in investment; for instance, the Belt and Road Initiative is helping fill this investment gap in several economies.

While these are risks and challenges that countries in the region face, they are not insurmountable; and if the regional economies get down to it, I think they can successfully overcome all of them.

Brink Asia

Risks Stemming from Changing Macroeconomic Undercurrents in Asia

An interview with Mahamoud Islam, Senior Asia Economist at Euler Hermes

Asian economies are faced with manifold challenges. Increasing automation and artificial intelligence have started disrupting numerous sectors, and a snowballing trade dispute between the world’s two largest economies could jeopardize the region’s growth prospects.

Emerging economies must strategize on how these changes can be dealt with, especially the economies that are already facing high unemployment levels. Potential reshoring of manufacturing activity to developed countries can also have an adverse impact on the ASEAN region, and in this regard, regional

economies must consider strengthening intra-regional trade.

BRINK Asia spoke with Mahamoud Islam, senior Asia economist at Euler Hermes, about the various forces at work and how Asian economies are dealing with the ongoing changes.

BRINK Asia: What could be the long-term implications of the ongoing trade war between the U.S. and China?

Mahamoud Islam: At the current stage, it is not a trade war. Both the U.S. and China can cope with tariffs on \$50 billion worth of exports. It would be different if President Donald Trump’s

announcement on tariffs on \$200 billion of Chinese imports were to be implemented. This could shave off 0.3 points of growth in China, and the U.S. could lose up to 0.5 percentage points. It would be even worse if the U.S. were to implement tariffs on \$500 billion of Chinese imports. In that scenario, we would be in a trade war. China’s GDP growth could lose up to 1 percentage point, while the U.S. could lose up to 1.7 percentage points.

That said, there is room for cautious optimism. First, protectionism is not new. Protectionist measures have increased over the past 10 years. And so



This aerial view shows workers loading cargo at a port in Nantong in China's eastern Jiangsu province. Even with rising protectionism, trade still has growth opportunity, and there remains room for expansion. AFP/Getty Images

far, the world has been able to cope with that: The volume of global trade growth has been resilient since the end of the global financial crisis. Second, it is also important to recognize that this rise of protectionism is mainly driven by the U.S. Outside of the U.S., there is a rise of new forms of multilateralism. The Belt and Road Initiative led by China, the TPP minus the U.S., the Japan-EU Economic Partnership Agreement and the Regional Comprehensive Economic Partnership (RCEP) are all mirror initiatives that aim to offset the negative impact of U.S. trade protectionism.

The bottom line here is that we should not take U.S. initiatives in terms of trade as the announcing of a new world trade war. Trade still has growth opportunity, and there is still room for expansion. We expect 4.1 percent growth for global trade this year, which is slightly above global economic growth—so we see global trade still supporting global economic growth. China is still expected to see strong economic growth of 6.6 percent this year, and we are seeing growth improvement in emerging markets such as Russia and Brazil; the eurozone will also see growth of above 2 percent.

BRINK Asia: Given that unemployment is already a challenge in many emerging Asian economies, how do you think countries can cope in the face of increasing automation?

Mr. Islam: First, technological advances and job creation are not mutually exclusive. History has proved it multiple times. Second, there is still room to grow in some labor-intensive industries. Countries such as India and Indonesia are still primarily dependent on highly labor-intensive sectors, and there is still

opportunity for growth in these sectors. Favorable demographics, rising incomes and cheap labor costs are conducive for sectors such as agriculture, mining and hospitality. Moreover, large infrastructure needs provide opportunity for the construction sector. If you take developing Asia as a whole, for example, the Asian Development Bank has estimated that Asia's infrastructure needs would amount to \$1.7 trillion per year until 2030. Last, technological advances could be a source of new opportunities. Automation could indirectly create new jobs. For example, a company that is sparing financial resources thanks to automation could choose to invest more in services-related jobs—such as marketing and branding or after sales—that would help to catch on to the growing Asian middle class.

The real challenge will be to get the right skill set so people can adapt to changes. Proactive policies that encourage trainings and digital awareness will be crucial. Singapore's SkillsFuture is a good example of such an initiative.

BRINK Asia: More broadly, do you see global value chains being significantly affected as a result of increased automation and potential reshoring to developed countries?

Mr. Islam: I think it is only one (small) part of the story, especially because automation is not a new phenomenon. In fact, there are a lot of other factors that come into play. One is demand growth. Global trade growth has undergone a regime change. Global trade in volume is now growing at around 4 percent. This contrasts with an average of 8 percent per annum growth between 2002 and 2007. Two is labor cost. Labor costs have increased rapidly over the past 20 years in emerging markets such as China, which has reduced their competitive advantage. The result is that companies are looking for other production hubs, and in some cases, they go back to the home markets (reshoring). Three—and this is more specific to Asia—relates to a country's export specialization. Most Asian markets are specialized in electronics. The consequence is a lot of price competition among countries.

BRINK Asia: How can Asian economies prepare for the changes?

Mr. Islam: It depends on the market. In markets such as India and Indonesia, infrastructure has to be

improved in order to unlock growth potential. In Singapore, Taiwan and Hong Kong, the objective will be to keep the local skill set competitiveness in check. To do so, investing in innovation and having a forward-looking industrial strategy will be key.

In China, improving financial foundations will be the main priority. Such improvement will come from a) better debt management (corporate debt is at 160 percent of GDP); b) measures to keep financial risks at bay (shadow banking, housing bubbles); and c) a continued and gradual financial opening.

The last priority will be to continue helping the economy climb the value-added ladder. Continued efforts to move up the value chain will help maintain China's exports edge. Business-friendly reforms such as lower administrative burden and fair treatment of foreign corporates will help attract foreign direct investment.

BRINK Asia: And what about Asian businesses?

Mr. Islam: First, acquire knowledge—having good market intelligence and business intelligence. Companies need to have good knowledge on countries, sectors and buyers, both domestically and globally.

Second, try to diversify external revenues. When a company operates overseas, it doesn't have to be just through exports—it could also be through investments. This is something that Japanese companies have done successfully in the past. Companies could invest in foreign markets in order to get closer to their end-clients. This allows you to invest in new manufacturing hubs from where you can export, but also where you can find new clients.

The export strategy should also be maintained, but taking full advantage of new digital services—e-commerce and expanding services offering will be pivotal.

Being selective is going to be important, as there are different opportunities in different parts of the world. If you take construction and infrastructure spending, there is a need for it across much of Asia. What we can learn from China with the Belt and Road Initiative is that you don't need just exports; you also need an investment strategy. You invest abroad, and then you export there through your companies.

BRINK Asia: Finally, what role can blocs like ASEAN play?

Mr. Islam: I think ASEAN can play a critical role in the global economy. It can be a competitive manufacturing hub for the global economy and a solid driver of global demand. The regional block is full of complementarities. You have markets such as Singapore, Malaysia and Thailand, where the economies are more diversified, and where the business environment, access to financing and logistics are superior to the rest of the region. Second, there are markets such as Indonesia, Philippines and

Vietnam that are promising demand outlets thanks to favorable demographics, rising incomes and solid economic growth. And last, Cambodia, Laos and Myanmar are resource-rich and very price-competitive, but not globalized yet.

I think ASEAN can be a clear driver of the regionalization of trade in Asia-Pacific. The market has good economic relations and strong trade ties with all major economies (China, Japan, India, South Korea and Australia) in the region. It is a driving force for regional

integration with the creation of the ASEAN Economic Community and the proposition of the RCEP.

It is well-positioned to benefit from the rise of the Chinese consumer. And markets such as Vietnam, Philippines and Indonesia have the potential to become alternative manufacturing hubs to China.

This unique mix of characteristics can stand the ASEAN region in good stead as it provides all the ingredients for stable and sustainable growth.

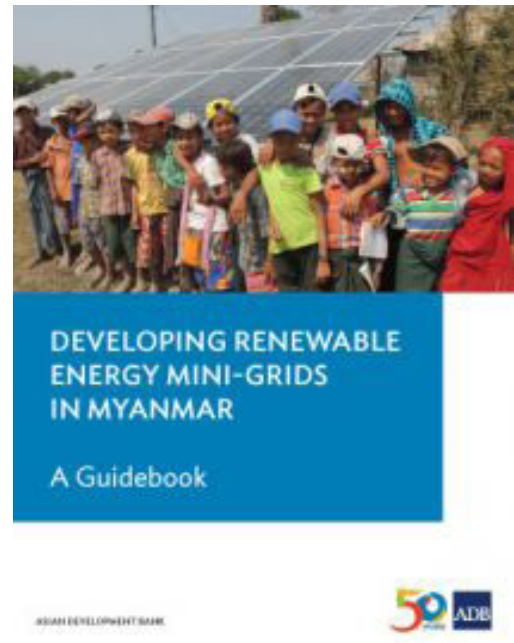
Brink Asia

Publications by ADB

Developing Renewable Energy Mini-Grids in Myanmar: A Guidebook

This guidebook shares training materials and knowledge on mini-grid development for rural electrification. It documents experiences and lessons learned from developing 12 pilot mini-grid systems for off-grid energy access in Myanmar.

This guidebook documents the experiences and lessons learned from developing 12 pilot mini-grid systems for off-grid energy access in Myanmar. Unelectrified rural communities typically located 10 kilometers from the national grid and without prospects of being connected to the grid in the next 5 to 10 years have been chosen for the project. This guidebook shares training materials and knowledge on the major aspects of mini-grid development for rural electrification. Further, it highlights the importance of community participation and discusses the main renewable energy technologies that are suitable for mini-grid development in Myanmar including solar, hydro, and biomass. This guidebook is intended to serve government officials, renewable energy developers, and potential investors in the development of mini-grid projects in Myanmar.



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Product & Service Councils

ICT

India Plans to Implement 5G by 2022



Bloomberg

India plans to roll out state-of-the-art 5G telecom services in the next four years, a senior official said, as the nation rushes to catch up with its Asian peers.

“We are not there yet,” Telecom Secretary Aruna Sundararajan said in an interview in New Delhi, adding that the complete rollout of 5G will be done by

2022. “5G won’t be driven by supply, it’ll be driven by demand and the rest of industry needs to wake up to this.”

The South Asian nation, traditionally a laggard in embracing the latest technology in telecommunications, will follow South Korea, Japan and China, countries where 5G service will be offered within the next two years.

The new technology has advantages of massive connectivity, low power consumption and boasts download speeds and capacity that can enable autonomous vehicles, drones, remotely assisted surgeries and traffic control.

A slight delay, however, might actually be beneficial for India, according to Sanford C. Bernstein’s Hong Kong-based analyst Christopher Lane, who expects South Korea to launch these services by next March, Japan late 2019 and China, along with most Western major cities, in 2020.

“India needs China to launch to

drive economies of scale and lower the cost of 5G handsets. I think 2022 or later is appropriate for India,” Lane said in an email.

South Korea, which recently tested its 5G technology during the Winter Olympics in February with self-driving cars, virtual reality games and a motion-detection system to ward off menacing wild boars, is planning an airwaves auction to commercially deploy 5G wireless services.

Japanese firms are also gearing up, as are U.S. carriers. Italy is targeting a September auction of the spectrum that could be used for 5G, while the U.K. sold bandwidth in April that included some earmarked for these services. The Hong Kong government is even considering giving airwaves away for free.

India’s telecom regulator proposed floor prices for auctioning spectrum dedicated for 5G rollout, although the auction dates have not been announced.

Japan Times

Investment & Joint Ventures in the Region

JD Invests in Delivery Branch



Dada-JD Daojia has raised US\$500 million from existing backers JD.com Inc and Walmart Inc to quicken the growth of its delivery network across China. The logistics company said it intends to use the funds to invest in supply chain technology and serve merchants on its platform, which connects scooter-riding drives in about 400 cities with about 1.2 million online merchants and delivers everything from packages to groceries. Walmart’s Chinese-based supermarkets are one of Dada-JD Daojia’s key clients.

Taipei Times

IKEA Opens First India Store

Bands music and loud cheers on August 9, 2018 greeted hundreds of customers as Swedish furniture giant IKEA opened its first store in India, five years after it received approval to invest in the country’s single-brand retail sector. The store in the southern city of Hyderabad, India’s information technology hub, is spread over 5 hectares. IKEA Group chief executive Jesper Brodin said that the company’s involvement with India began more than three decades ago with the sourcing of products. The company’s vast array of goods available at one place gives it an advantage in India. The Indian furniture market is mostly unorganized and composed of small and medium-sized businesses. IKEA plans to open 25 stores in India by 2025. It said that its Indian operation employs 950 people and plans to hire another 15,000 as it expands operations.

Taipei Times

Walmart Offers E-Books

Walmart Inc. on August 22 launched a digital book shop in collaboration with Japanese e-commerce powerhouse Rakuten Inc’s electronic book service Kobo. The Walmart eBooks Web site boasting more than 6 million titles along with audiobooks is to compete head-on with a core offering of rival Amazon.com Inc. Subscriptions to the Walmart audiobook service are US\$9.99 per month, compared with US\$14.95 for a comparable service at Amazon.

Taipei Times

San Miguel Plans Huge Deal

San Miguel Corp is seeking as much as 142.8 billion pesos (US\$2.67 billion) for shares of its food and beer unit, in a deal that would be the biggest Philippine stock offering on record. The country’s largest company plans to offer as

Investment & Joint Ventures in the Region

many as 1.02 billion shares of San Miguel Food and Beverage Inc in the fourth quarter at an indicative price of 140 pesos each, it said in stock exchange filing.

Taipei Times

HTC Partners with Japanese Artist to Enliven Content

By Ted Chen



Japanese artist Miwa Komatsu displays her virtual-reality artwork at a news conference at HTC's VR Content Center in Taipei, as part of the company's promotion of the development and application of interactive art.

HTC Corp announced a collaboration with Japanese painter Miwa Komatsu as the smartphone maker continues to invest in content and intellectual property (IP) to shore up its transition into the virtual-reality (VR) industry.

The company, which has invested in the film industry, is developing a series of VR titles for its Vive ecosystem in a year-long partnership with Komatsu to broaden the scope of VR applications beyond gaming, HTC said.

Liu Szu-ming, vice president of HTC's VR Content Center, said that the company is aiming to bring the IP business model to the arts and create an array of products from Komatsu's works.

Komatsu is to visit HTC's Taipei headquarters to create artworks, during which she and her work would be recorded to create content for Vive users, Liu said. The company has not ruled out bringing Komatsu's VR works to HTC's smartphones, he said.

The company on August 21 also announced the launch of a wireless module for Vive and Vive Pro, which allows users to untether their VR headsets from the PC.

Taipei Times

Innolux Ventures into Smart Store with FamilyMart



Innolux Chairman Jim Hung (L) & FamilyMart President Hsueh Tung-Tu (R)

By Lisa Wang

Innolux Corp, a flat-panel manufacturing arm of Hon Hai Precision Industry Co, said it is expanding its business scope by supplying higher-margin displays to retailers and convenience store chains to build up its brick-and-mortar smart store system.

Innolux made the remarks after announcing its partnership with Taiwan FamilyMart Co, the nation's second-largest convenience store chain, supplying displays and advanced technologies to build smart stores similar to Amazon's first brick-and mortar store "Amazon Go," allowing shoppers easier access to promotion information and to do self-check-outs for online purchases.

In its first smart store venture with FamilyMart at its plant in Tainan, Innolux helped install more than 100 displays – mostly in the form of digital signage ranging from 23-inch to 58-inch displays.

The panelmaker also helped build an Internet of Things (IoT) network by integrating facial recognition technology, cameras and sensors to collect data for analysis of consumer behavior.

FamilyMart also benefits in the form of a smaller headcount and automatic security.

"This is another step forward for Innolux," chairman Jim Hung told reporters on the sidelines of a news conference in Tainan.

"The company mainly sells panels to makers of TVs, mobile phones, or tablets. It is a B2B [business-to-business] model. Now, we are expanding our reach to

B2C [business-to-consumer]," he said.

It is also entering final negotiations with two or three wine retailers, cosmetic stores, pharmacies and hypermarkets to build smart stores in Taiwan and China, he said.

Digital signage currently contributes minimal revenue to Innolux, but Hung said he expects strong growth in 2019 with more projects in the pipeline.

Taipei Times

Japan has Created Flying Car Consortium Including Uber and Airbus, Sources Say



Bloomberg

Japan is making a push to develop flying cars, enlisting companies including Uber Technologies Inc and Airbus SE in a government-led group to bring airborne vehicles to the country in the next decade, people familiar with the matter said.

The group is to initially comprise about 20 companies, including Boeing Co, NEC Corp, a Toyota Motor Corp-backed startup called Cartivator, ANA Holdings Inc, Japan Airlines Co and Yamato Holdings Co, the people said.

The Japanese Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism plan to draft a road map this year, they said.

Flying cars that can zoom over congested roads are closer to reality than many people think. Start-ups around the world are pursuing small aircraft, which were until recently only in the realm of science fiction.

With Japanese companies already trailing their global peers in electric vehicles and self-driving cars, the government is showing urgency on the aircraft technology, stepping in to facilitate legislation and infrastructure to help gain leadership.

Investment & Joint Ventures in the Region

Many have already had a head start in the race. Uber, which is to invest 20 million euros (US\$23.14 million) over the next five years to develop flying car services at a new facility in Paris, has set a goal of starting commercial operations of its air-taxi business by 2023.

Kitty Hawk, a Mountain View, California-based start-up founded and backed by Google cofounder Larry Page, in June offered a glimpse of an aircraft prototype: a single-person recreational vehicle.

Japanese Minister of Economy, Trade and Industry Hiroshige Seko this month told reporters that flying cars could ease urban traffic snarls, help transportation in remote islands or mountainous areas at times of disasters, and could be used in the tourism industry.

Taipei Times

Hitachi Selects Bechtel to Guide U.K. Nuclear Project



Jiji

Hitachi Ltd. has appointed major U.S. engineering giant Bechtel Corp. as the project management contractor for a nuclear power plant it plans to build in Britain.

The contract was concluded between Horizon Nuclear Power Ltd., a wholly owned Hitachi subsidiary, and Bechtel, Hitachi said August 22.

Horizon and Bechtel will jointly oversee management of the project.

The deal “will get Bechtel involved in the project more proactively and result in a cost cut,” a Hitachi official said.

Horizon is to build two reactors at the planned Wylfa Newydd power station in Wales. Construction is set to start in 2020.

Under the deal, Bechtel will send about 200 employees to Horizon to jointly select subcontractors and equipment suppliers.

Earlier, Horizon planned to

outsource the selection work mainly to Bechtel. Cooperating with Bechtel on the operations will help curb costs, Hitachi said.

Japan Times

Vodafone, CK Hutchison Mull Australia Merger



Bloomberg

Vodafone Group PLC and CK Hutchison Holdings Ltd are considering combining their unprofitable mobile-phone business in Australia with local broad-band provider TPG Telecom Ltd as intensifying competition forces rivals to consolidate.

Vodafone Hutchison Australia Pty and TPG Telecom Ltd are in “exploratory” discussions about a deal, they said.

TPG described it as a “merger of equals.”

As competition intensified and handset costs rose, Vodafone Hutchison’s loss widened to A\$92.3 million (US\$67.7 million) in the six months ended June from A\$81.5 million a year earlier, according to Hutchison Telecommunications (Australia) Ltd filings.

Average revenue per user at the joint venture fell 1.3 percent.

The venture has a troubled history in Australia. It has struggled to lose its nickname “Vodafail” – after its network gained a reputation for patchy coverage and dropped calls.

The tie-up would unite TPG, best known in Australia for its fixed-line broadband services, with Vodafone Hutchison’s almost 6 million mobile customers in the nation.

Should the combined entity be listed in Australia, a transaction would shed more clarity on the valuation of Vodafone Hutchison.

That might help either party exit the venture after years of speculation that

UK-based mobile giant Vodafone was looking for a buyer for its stake.

It is not clear how any so-called merger of equals would be structured financially, but one ownership structure being considered would see TPG with 50 percent of the combined entity and Vodafone and Hutchison with a 25 percent stake each, a person familiar with the talks said.

Taipei Times

Qualcomm to Launch New Operations Hub in Taiwan

By Staff writer, with CNA



US-based chip designer Qualcomm Inc is to open a new operations center in Taiwan early 2019 as part of its commitment to invest in the country over the next five years.

Qualcomm senior vice president and president of its Asia-Pacific and India operations Jim Cathey on August 24 said that the company is to set up a Center for Operations, Manufacturing Engineering and Testing in Taiwan as a hub for the firm to extend its reach overseas.

Qualcomm has built close business ties with Taiwan and setting up a local operations hub demonstrates the company’s strong support for the nation in wireless communications development, which it expects to deepen the relationship, Cathey said.

Taiwan has a well-developed semiconductor industry, which has served as a center for providing upstream microchips for the supply chain in the Asian region, Qualcomm said.

The planned hub shows the company’s determination to grow with Taiwan’s semiconductor industry and build a 5G ecosystem in the country, it said.

Qualcomm said it would soon launch a recruitment campaign for the operations hub.

Taipei Times

Economic Cooperation News

Japanese Companies Bullish on Thailand

NNA/KYODO

Japanese companies operating in Thailand are upbeat about the business climate thanks to recovery in the automobile sector and its spillover effects to other sectors, with a diffusion index for the second half 2018 reaching the highest level in six years.

The index for the direction of the business climate in the July-December period rose to 40, up four points from the first half of 2018, for the sixth straight half-year improvement, according to a survey by the Japanese Chamber of Commerce, Bangkok. It was the highest positive figure since the latter half of 2012 when the index stood at 41.

According to the survey, the indexes for manufacturers and nonmanufacturers in the latter half of this year came to 36 and 45, up from 32 and 41 from the first half, respectively.

Business sentiment in sectors such as textiles, general machinery, transportation machinery, trading and retailers improved, while that in sectors like chemicals and construction fell.

Hiroki Mitsumata, director of the economic research group at the chamber and head of the Japan External Trade Organization's Bangkok office, said, "Automobile sales in the domestic and overseas markets are recovering, bringing positive effects to other sectors."

Taipei Times

Taiwan to Build Haiti Power Grid

By Stacy Hsu

Format: The project is to be financed via an official development assistance loan, using a Taiwanese bank, with a Taiwanese firm serving as contractor

Taiwan and Haiti are expected to sign an agreement by the end of 2018 for the construction of a power grid in Port-au-Prince, to alleviate the Caribbean nation's energy supply problems, a high-level government official said.

It would be Taiwan's first official

development assistance loan to a diplomatically, the official said on condition of anonymity.

The project, which would reportedly cost NT\$4.5 billion (US\$146.98 million), is one of the initiatives being discussed by a bilateral high-level task force that was established to draft new terms of cooperation in accordance with a consensus reached between President Tsai Ing-Wen and Haitian President Jovenel Moise during his visit to Taiwan in May.

The project includes the construction and renovation of substations and transmission towers, as well as the provision of maintenance training to local personnel, the official said.

Both sides are keen to finalize negotiations on the project as soon as possible, as improving Haiti's power supply was one of Moise's key campaign promises, the official said.

It is considering facilitating trade through a public-private partnership model to better consolidate its relations with diplomatic allies, rather than simply encouraging local businesses to invest in the nation's allies, the official said.

Taipei Times

Japan Agrees on Plan for Indo-Pacific Infrastructure

Bloomberg, Kyoto, Staff Report

The United States, Japan and Australia agreed to invest in infrastructure projects in the Indo-Pacific, the Australian government said, a move that will be seen as a counter to China's rising influence in a region that stretches from the east coast of Africa to Hawaii.

"This trilateral partnership is in recognition that mores support is needed to enhance peace and prosperity in the Indo-Pacific region," Australian Foreign Minister Julie Bishop said in an emailed statement. The pact will mobilize investment in energy, transportation, tourism and technology infrastructure, according to the statement, which didn't give any funding details.

The pact will be organized by the U.S. Overseas Private Investment Corp., the Japanese Bank for International



Australian Foreign Minister Julie Bishop (foreground, left) and Defense Minister Marise Payne greet U.S. Secretary of State Mike Pompeo (center) and Secretary of Defense Jim Mattis after an Australia-U.S. ministerial consultation news conference in Stanford, California, on July 24, 2018.

Cooperation and Australia's Department of Foreign Affairs and Trade.

"The partnership represents our commitment to an Indo-Pacific region that is free, open and prosperous," the three nations said in a joint statement issued on July 30, according to Bishop. The trilateral partnership will be formalized "in due course," Bishop said.

Overnight, U.S. Secretary of State Mike Pompeo announced \$113 million in new U.S. investments in technology, energy and infrastructure for the Indo-Pacific region in a speech to the U.S. Chamber of Commerce.

Pompeo said the United States "will never seek domination in the Indo-Pacific," and that "we will oppose any country that does."

In Tokyo, Chief Cabinet Secretary Yoshihide Suga said the partnership is in response to growing demand over "enormous infrastructure" inherent to the Indo-Pacific region.

"Based on our free and open Indo-Pacific strategy, we will cooperate with relevant countries such as the U.S. and Australia and work toward developing infrastructure there," Suga said, echoing Bishop's views that strengthened trilateral cooperation would "vastly" help improve peace and prosperity in the region.

Suga, however, flatly rejected speculation that the framework is meant to be a counter to China's "One Belt, One Road" initiative.

Japan Times

Fairs & Exhibits in Asia-Pacific

| DATES 2018 | NAME OF FAIR (Further Information) | COUNTRY | DATES 2018 | NAME OF FAIR (Further Information) | COUNTRY |
|--|--|------------------------|--|---|-------------------------------|
| 2-4 Oct.  | Heat Treatment 2018 (Mir-Expo, Ltd., Tel: 7-495-988-1620, Email: info@htexporus.com, URL: http://www.htexporus.com/archive/heattr eatment-2010.html) | Moscow Russia | 13-16 Oct.  | electronicAsia2018 (HKTDC, Tel: 65-6236-0988 Email: mmi_sg@mmiasia.com.sg, URL: http://m.hktdc.com/fair/electronicasia-en /electronicAsia.html) | Hong Kong China |
| 2-4 Oct.  | Cityscape Global 2018 (Informa Exhibitions, Tel: 971-4407-2626, Email: kara.patterson@informa.com, URL: https://www.cityscapeglobal.com/en/ho me.html) | Dubai U.A.E | 15-17 Oct.  | IFAT India 2018 (Messe Munchen GmbH / MM India Pvt. Ltd., Tel: 49-89949-20296, Email: ifat-india.exhibitor@messe-muenchen.d e, URL: http://www.ifat-india.com/) | Mumbai India |
| 2-4 Oct.  | Public Health 2018 (Premier Expo, Tel: 380-44-496-8645, Email: ph@pe.com.ua, URL: http://www.publichealth.com.ua/en-GB/) | Kiev Ukraine | 16-18 Oct.  | MTA Hanoi 2018 (Singapore Exhibition Services Pte Ltd, Tel: 84-28-3622-2588, Email: mtahanoi@vietallworld.com, URL: http://mtahanoi.com/) | Hanoi Vietnam |
| 3-4 Oct.  | All-Energy 2018 (Reed Exhibitions Energy and Marine, Tel: 44-208-271-2179, Email: ae.helpline@reedexpo.co.uk, URL: http://www.all-energy.com.au/en/) | Melbourne Australia | 17-20 Oct.  | IGEM 2018 (Malaysian Green Technology Corporation, Tel: 60-3-8921-0800, Email: igem@greentechmalaysia.my, URL) | Kuala Lumpur / Malaysia |
| 3-5 Oct.  | Hi Japan (Health Ingredients) 2018 (UBM Japan Co., Ltd., Tel: 81-3-5296-1018, Email: f-expo-jp@ubm.com, URL) | Tokyo Japan | 17-19 Oct.  | Japan Robot Week 2018 (JARA, the Nikkan Kogyo Shimbun, Ltd., Tel: 81-3-5644-7221, Email: n-event@media.nikka.co.jp, URL) | Tokyo Japan |
| 5-7 Oct.  | SEMEDIC 2018 (Kimdaejung Convention Center, Tel: 82-62-611-2217, Email: semedic@kdjcenter.or.kr, URL) | Gwangju Korea | 23-25 Oct.  | WETEX 2018 (Dubai Electricity & Water Authority (DEWA), Tel: 971-4-515-1460, U. A. E Email: sales_general@wetex.ae, URL: https://www.wetex.ae/) | Dubai U. A. E |
| 9-11 Oct.  | MINEX 2018 (Arka Hamayesh Pars Exhibition Co. (Expo Pars), Tel: 98-21-8854-8845-9, Email: int@expopars.com, URL: http://www.minex.ir/en/) | Tehran Iran | 23-25 Oct.  | GasSUF (ITE Moscow, Tel: 7-499-750-0828, Email: gassuf@ite-expo.ru, URL: https://www.gassuf.ru/en-GB/) | Moscow Russia |
| 9-12 Oct.  | TAITRONICS 2018 – 44th Taipei International Electronics Show (TAITRA, Email: taitronics@taitra.org.tw, URL: https://www.taitronics.tw/) | Taipei Taiwan | 24-26 Oct.  | 4th IoT/M2M Expo Autumn (Reed Exhibitions Japan Ltd., Tel: 81-3-3349-8504, Email: m2m@reedexpo.co.jp, URL) | Chiba Japan |
| 9-12 Oct.  | Bursa Agriculture Fair 2018 (Tuyap Bursa Fairs Organization Inc., Tel: 90-224-211-5081-89, Email: tuyapbursa@tuyap.com.tr, URL: https://www.cloudexpoasia.com/) | Bursa Turkey | 24-26 Oct.  | Food Fest 2018 (Key2Green Pvt. Ltd., Tel: 91-11-6551-5433, Email: info@key2green.com, URL: http://www.indiafoodfest.in/) | Lucknow India |
| 10-11 Oct.  | Cloud Expo Asia (CloserStill Media, Tel: 44-24-7671-7151, Email: conference@gii.co.jp, URL: https://www.cloudexpoasia.com/) | Singapore Singapore | 25-27 Oct.  | 8th Agro Bangladesh Expo 2018 (Extreme Exhibition & Event Solution Ltd., Tel: 88-02-9849646, Email: agro@agrobangladesh.com, URL) | Dhaka Bangladesh |
| 10-12 Oct.  | HAWTEC2018 (The Environmental News, Tel: 81-3-3359-5349, Email: hawtec@kankyo-news.co.jp, URL: http://www.hawtec.jp/e/index.html) | Tokyo Japan | 25-28 Oct.  | 2018 Kaohsiung International Food Show (TAITRA, Tel: 886-2-2725-5200, Email: foodkh@taitra.org.tw, URL: https://www.foodkh.com.tw/en_US/inde x.html) | Kaohsiung Taiwan |
| 10-12 Oct.  | MEDICAL MYANMAR 2018 (Fireworks Myanmar, Tel: 95-1-377381, Email: myanmar@asiafireworks.com, URL: http://www.medical-myanmar.com/) | Yangon Myanmar | 25-28 Oct.  | Eco Expo Asia (Hong Kong Trade Development Council / Messe Frankfurt (HK) Ltd., Tel: 852-2238-9903, Email: ecoexpo@hongkong.messefrankfurt.co m, URL) | Hong Kong China |

Policy Updates

Australia

Regional Push as Population Hits 25m in Australia

THE GUARDIAN

Uneven Distribution: Eighty-even percent of the 111,000 new skilled migrants who arrived in 2017 settle in Sydney and Melbourne, figures show

With the Australian population having ticked past 25 million people at about 11pm on August 7, the government is seeking to encourage new migrants to live outside Sydney and Melbourne.

Of the 111,000 new skilled migrants who arrived in Australia in 2017 – the largest cohort of permanent arrivals – 87 percent settled in the two biggest cities.

“If the population was distributed more evenly, there would not be the congestion pressures that we have today in Melbourne and Sydney,” the text of his speech to the Business Council said. “However, at the moment, nearly all the migration is to our two largest cities.”

“Meanwhile, we have other parts of Australia wanting more people. South Australian Premier Steven Marshall, for example, has said that they would like an additional...15,000 migrants a year. I have regional mayors telling me they want hundreds more in their area. The Warrnambool Standard in western Victoria recently had as their front-page headline: ‘Wanted – 1,000 workers.’” the text read.

Tudge’s speech reiterated the government’s position that Australia depends on a significant skilled migrant intake, citing Australian Department of Treasury figures that show a 1 percent increase in population correlates with a 1 percent increase in GDP. Migrants add to the tax base, fill employment gaps and bring down the median working age.

However, Tudge said that the government was looking at formal programs to push migration to regional areas where there was demand for particular skills.

Customized labor agreements – negotiated directly between a business bringing in workers and the Australian Department of Home Affairs – would be extended to cover specific regional areas as

“designated area migration agreements,” he said.

Accounting for births, deaths, arrivals and departures, a new person is added to the population every 83 seconds.

Taipei Times

Japan

Expanded Coverage Muled for Part-Timers

Jiji

The government plans to allow more part-time workers to join the corporate pension and health insurance program, hoping it will reinforce the financial base for Japan’s overall pension and health insurance systems, sources said on August 8.

Currently, part-timers who put in at least 30 hours a week, or who work less while still meeting certain wage conditions at companies with at least 501 workers, are covered by the employees’ pension and insurance programs.

In addition, part-timers working at smaller firms can join the programs if their employers conclude relevant accords with labor unions.

The Health, Labor and Welfare Ministry is considering lowering the 501 personnel threshold to instantly expand the number of policyholders, and hopes to change the rule in fiscal 2020, a source said. To this end, the ministry plans to set up a panel of experts and employers in September, the source added.

Employers, however, may oppose the proposal on the grounds that the move will increase their financial burdens, as they have to shoulder half of pension and insurance premiums, people familiar with the issue said.

Japan Times

METI Eyes 9.9% Budget Increase in Fiscal 2019

Jiji

The Ministry of Economy, Trade and Industry will request a total budget of ¥1.4 trillion for fiscal 2019, up 9.9 percent from the previous year, sources with knowledge of the matter said August 23.

With the increased budget for the year starting in April 2019, the ministry aims to promote cashless transactions for small companies and the development of advanced technologies such as artificial intelligence.

Specifically, the ministry plans to spend ¥3 billion to help small businesses and other entities introduce cashless payment terminals and to standardize quick response, or QR, codes that currently vary among companies, according to the sources.

For research and development of AI, next-generation computers and other technologies, the ministry hopes to allocate ¥27.9 billion.

It plans to spend ¥1.8 billion for the cultivation of human resources, promoting the provision of refresher programs, for example, the sources said.

To invigorate business in the field of social security, the ministry intends to boost spending to ¥2 billion from ¥600 million in fiscal 2018. It plans to fund experimental projects to offer products and services to support the lives of dementia patients.

Japan Times

Japan’s First International Arbitration Center Debuts in Osaka

Jiji

The Japan International Dispute Resolution Center, the nation’s first facility specializing in international arbitration to settle disputes involving businesses, has opened in Osaka.

The center began services May 1 under the management of an association that was formed in February by Osaka-based lawyers and arbitration experts to deal with disputes such as those between foreign companies from different nations.

International arbitration efforts are arranged under a treaty signed by some 160 countries. Decisions accepted by the disputing parties have the same force as court rulings.

The center, dubbed JIDRC-Osaka, indirectly supports Japanese companies’ overseas business expansion through cuts in their arbitration-related times and costs,

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as their representatives no longer need to travel abroad to seek alternative dispute resolutions.

“The closer you have (such a center), the better you can prepare and fight,” and Osaka-based lawyer familiar with arbitration said. “You will no longer find yourself helpless in a faraway foreign country.”

International arbitration is increasing across the world, winning widespread support. Favorable elements include its neutrality, flexibility, confidentiality and the fact that disagreeing parties’ home countries can be avoided for the resolution process.

In 2015, there were only two cases of international arbitration in Japan, according to the Paris-based International Chamber of Commerce. Other Asian cases numbered 35 in Singapore, 11 in Hong Kong and three each in India, South Korea and the Philippines.

JIDRC-Osaka is expected to handle not only business disputes but also arbitration involving doping and other sports-related cases, as well as arbitration of disputes between investors and states.

The association of Osaka-based lawyers and arbitration experts plans to set up a center in Tokyo in time for the 2020 Summer Olympics.

Japan Times

Malaysia



Malaysian Prime Minister Mahathir Mohamad listens during an interview with The Associated Press in Putrajaya on August 6.

Mahathir Wants to Scrap Chinese Deals

AP, Putrajaya, Malaysia

Two projects: The Malaysian leader said a Chinese-built rail line and energy pipelines were not needed. He also

criticized Myanmar’s treatment of the Rohingya

Malaysian Prime Minister Mahathir Mohamad said he will seek to cancel multibillion-dollar Chinese-backed infrastructure projects that were signed by his predecessor as his government works to dig itself out of debt, and he blasted Myanmar’s treatment of Rohingya Muslims as “grossly unjust.”

Mahathir made the comments during a wide-ranging interview days before the 93-year-old heads to Beijing for his first visit there since returning to power in an electoral upset in May 2018. Mahathir said he wants to maintain good relations with China and welcomes its investment, so long as the projects benefit Malaysia.

Mahathir said he wants to maintain good relations with China and welcomes its investment, so long as the projects benefit Malaysia.

However, took his toughest stance yet on Chinese-backed energy pipelines and a rail project along peninsular Malaysia’s eastern coast that were struck by his predecessor, Najib Razak, who faces trial on multiple charges related to the alleged multibillion-dollar looting of the 1MDB state investment fund.

“We don’t think we need those two projects. We don’t think they are viable. So if we can, we would like to just drop the projects,” he said from his office in the administrative center of Putrajaya.

During his time in office, Najib drew Malaysia closer to China, which sees the nation as a key part of its ambitious One Belt, One Road global trade initiative.

The former prime minister reached deals for the 688km East Coast Rail Link and the two gas pipelines in 2016.

Malaysia’s new government has already suspended work on the projects, being built by Chinese state-backed companies, and called for drastic cuts in their ballooning cost, which it estimates at more than US\$22 billion. Some of that money has already been paid and could be difficult to recoup.

Mahathir also urged China to respect the free movement of ships throughout the South China Sea, where China and multiple Southeast Asian nations, including Malaysia, have competing claims

on islands and reefs – along with the rich fishing grounds and potential fossil fuel deposits around them.

Mahathir cautioned against further militarizing the disputed body of water by reiterating his call for warships to not be permanently stationed there.

“We are all for ships, even warships, passing through, but not stationed here,” he said. “It is a warning to everyone. Don’t create tension unnecessarily.”

Mahathir was scathing in his criticism of Myanmar, a country whose inclusion into ASEAN he had pushed for in 1997 despite concerns over human rights abuses and protests by the US.

“It is grossly unjust to do what they have done, killing people, mass murder, that’s not the way civilized nations behave,” he said.

The previous government strongly supported the Rohingya, a persecuted minority in Myanmar who have fled by the hundreds of thousands to Bangladesh after a crackdown in 2017 that some have called ethnic cleansing.

Malaysia’s government has said the displacement of Rohingya is no longer a domestic issue for Myanmar, in a rare departure from ASEAN’s non-interference policy in each other’s affairs.

He stopped short of committing Malaysia to taking in more Rohingya refugees, saying it already has “far too many” legal and undocumented foreigners in the country.

Taipei Times

Philippines

Philippine Envoy Upbeat on Southbound Policy Pipeline, Discloses Talks on Visas

By Staff Writer, with CNA

The Cabinet’s New Southbound Policy is bearing fruit in the Philippines, as Taipei and Manila are cooperating more closely on agriculture, trade and investment, and education and healthcare, Manila Economic and Cultural Office (MECO) Chairman and Resident Representative Angelito Banayo said.

Banayo praised the government’s

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Manila Economic and Cultural Office Chairman and Resident Representative Angelito Banayo gestures during an interview at his office in Taipei

policy of enhancing exchanges with ASEAN members, saying that it is especially welcome as it comes at a time when regional partners need closer collaboration.

It is important for nations in the Asia-Pacific region to bond together to cooperate and coordinate their efforts so that they will not be negatively affected by the looming trade war between the two world powers, Banayo said.

He also said it is time for Taiwan to look south, as for a long time, it focused on the US, the EU and East Asia.

“With this, it brings a lot of opportunities for smaller countries like the Philippines to partner with Taiwan,” he told reporters.

Taiwan and the Philippines signed a bilateral investment agreement in December in 2017, making it the first updated investment agreement that Taiwan has signed with a country targeted by the New Southbound Policy.

In September, the Philippines is to launch Taiwanese agricultural machinery exports to Davao City on Mindanao Island, Banayo said.

Many Taiwanese businesspeople regularly visit the Philippines to scout potential locations for Taiwanese businesses, he said.

Manila is especially interested in learning from Taiwan’s experience in fostering small and medium-sized enterprises, due to its leadership in the field, he added.

In terms of promoting closer agricultural cooperation, Taiwan and the Philippines are to launch a demonstration farm where Taiwanese technology is to be used under a partnership or joint venture a

partnership or joint venture agreement with a Philippine cooperative to produce high-value crops, Banayo said.

In the field of cultural and educational exchanges, Banayo said that Philippine scientific high schools would soon start offering Mandarin classes taught by Taiwanese teachers.

A MECO board of directors discussed the possibility of extending the validity of visas given to Taiwanese passport holders or giving officials and diplomats from Taiwan visa-free privileges, Banayo said.

The board also discussed studying how much MECO could reduce visa fees for Taiwanese applicants, he said.

MECO officials from Manila visited Taiwan for talks with National Immigration Agency and Ministry of Foreign Affairs officials, Banayo said, adding that they would make a public announcement once a decision is reached.

Taipei Times

Taiwan

Ministers Defend Minimum Wage Hike Plan

By Staff writer, with CNA

The government’s decision to increase the minimum wage in 2019 would have little effect on companies’ bottom line, the National Development Council (NDC) said on August 17.

The minimum wage hike is expected to raise companies’ operating costs by about NT\$39 billion (US\$1.27 billion) a year, which is an insignificant amount, council Deputy Minister Cheng Cheng-mount said.

The Ministry of Labor’s announcement on Thursday that the minimum wage would be raised by 5 percent, from NT\$22,000 to NT\$23,100, and the hourly minimum wage would be increased by 7.14 percent, from NT\$140 to NT\$150, on Jan. 1 next year, pending the Cabinet’s approval, triggered complaints by the Chinese National Federation of Industries.

The federation said it was particularly worried about the effect on the labor market and on small and

medium-sized enterprises, which it said are vulnerable to rising labor costs.

However, Cheng said the increase was a conservative one, based on evaluations of workers’ needs and the ability of employers to pay higher wages.

The wage hike would improve workers’ welfare, which in turn would boost consumption and benefit of the business sector, he said.

Directorate-General of Budget, Accounting and Statistics (DGBAS) Minister Chu Tzer-ming said the wage hike would lift GDP growth by about 0.06 percentage points next year on higher consumption and boost consumer price index (CPI) growth by 0.04 percentage points.

The agency on Friday forecast the economy would grow 2.69 percent this year and 2.55 percent next year, with CPI likely to increase 0.93 percent next year.

Deputy Minister of Economic Affairs Kung Ming-hsin said the ministry would provide assistance to SMEs to improve their competitiveness as they seek to deal with higher operating costs.

The wage hike is expected reduce the rate of return among local food and beverage business by no more than 0.24 percentage points from the current average of 11 percent, he said.

Taipei Times

Laws Being Changed to Aid Trade Partnership Bid

By Lee Hsin-Fang and William Hetherington

The government is working to amend laws it says will facilitate membership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) amid obstruction from China in its bid to join the trade pact.

China has asked member countries to reject Taiwan’s bid, despite it not being a member itself, but the Executive Yuan has said the nation’s own efforts will determine the outcome of its application.

The Executive Yuan has prioritized the amendment of five laws it says are points of concern for the 11 CPTPP members and has been meeting privately with officials from those nations, including

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Japan, to garner support, Minister Without Portfolio John Deng said.

Premier William Lai has identified regulations that should be amended in the Trademark Act, the Patent Act, the Copyright Act and the Postal Act, and the government is reviewing a draft act on digital communications and broadcasts, Deng said, adding that the government hopes that the amendments will be passed by the end of the year.

The Executive Yuan is optimistic that the proposed changes can be passed before the second round of membership negotiations, giving the nation a chance to join the pact in 2019.

Taiwan had initially hoped to join the Trans-Pacific Partnership (TPP) – which evolved into the CPTPP following the withdrawal of the US – and at the time identified 12 legal amendments that would be necessary, Deng said, adding that seven of those amendments have already been passed.

The US withdrew from the TPP in January 2017 and the remaining 11 members revived the deal as the CPTPP in January. So far three of the member countries – Mexico, Japan and Singapore – have ratified the agreement.

US President Donald Trump has said the US would rejoin if the agreement

offered a “substantially better deal” for the US.

Joining the agreement is important to expand Taiwan’s market access and put the nation on track with international economies, Deng said, adding that membership would also attract foreign investment.

Taipei Times

NDC Unveils Draft Legislation to Boost Recruitment, Retention of Foreign Talent

By Staff writer, with CNA

The primary goal of the proposed legislation is to boost the recruitment and retention of mid-level skilled foreign talent in fields such as engineering, manufacturing and information and communications technology, the council said.

The bill defines mid-level skilled workers as foreign graduates of high schools or vocational schools in Taiwan, workers who have been employed in the nation for a certain number of years and technical staff recruited from abroad.

International students enrolled in certain educational programs – such as the Overseas Youth Skills Training Program or industry-university cooperation courses designed for students from South and

Southeast Asia – would also be considered mid-level skilled workers, the bill says.

Foreign employees covered by the draft act and their family members would be able to apply for permanent residency and naturalization after living in Taiwan for seven years, it says.

The legislation aims to establish minimum salaries of NT\$41,393 (US\$1,352) for foreign talent working in the industrial sector and NT\$32,000 for those working in the social welfare sector.

It would also allow businesses in designated industries – such as green technology, biopharmaceuticals, intelligent machinery, artificial intelligence, cloud computing and digital technology – to employ foreign professionals regardless of the company’s size or capital.

Investment-linked immigration was excluded from the draft act, because Taiwan has already accommodative regulations on for such immigration compared with other nations, NDC Deputy Minister Kao Shien-Quey said.

Foreigners who invest at least NT\$15 million in a local company that employs at least five people or invest at least NT\$30 million in government bonds or other financial products could apply for permanent residency after three years.

Taipei Times

About CACCI

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is a regional grouping of apex national chambers of commerce and industry, business associations and business enterprises in Asia and the Western Pacific.

It is a non-governmental organization (NGO) serving as a forum for promoting the vital role of businessmen in the region, increasing regional business interaction, and enhancing regional

economic growth. Since its establishment in 1966, CACCI has grown into a network of national chambers of commerce with a total now of 29 Primary Members from 27 countries in the region. It cuts across national boundaries to link businessmen and promote economic growth throughout the Asia-Pacific region.

As an NGO, CACCI is granted consultative status, Roster category, under the United Nations. It is a member of the Conference on NGOs (CoNGO), an association of NGOs with UN consultative status.

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