CACCI Profile

Confederation of Asia-Pacific Chambers of Commerce and Industry

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PRESIDENT'S UPDATE

Launching the Asia-Pacific Green Alliance

Dear friends,

We are off and going in 2024!

I have recently returned from a very productive and enjoyable trip to Singapore.

During my time there, it was announced that the Singapore Manufacturing Federation (SMF), under the leadership of their President (and CACCI Vice-President) Mr. Lennon Tan, will host the **38th CACCI Conference** on **11-12 November 2024**.

Mark this important date in your diary. I look forward to seeing many of you there!

During the trip I had the honour and privilege of being the Keynote Speaker at the Manufacturing Day Summit 2024. The Summit hosted by SMF had the theme of "Navigating Global Shifts, Building Resilience and Driving Tomorrow's Innovation."

In my speech I was proud to announce the launch of the Asia-Pacific Green Alliance. CACCI together with SMF, the Singapore Business Federation (SBF), the Institute of Singapore Chartered Accountants or ISCA and the China Council for Promotion of International Trade (CCPIT) are founding members.

The APAC Green Alliance is an innovative response to the fragmented sustainability landscape we currently navigate. Across our region we encounter diverse standards, regulations, and approaches to sustainability.

This diversity, while reflective of local priorities and contexts, creates a significant challenge, especially for small and medium enterprises (SMEs). Unlike their larger businesses, SMEs often lack the resources or expertise to adapt and thrive amid these varying sustainability demands.

This initiative will support SMEs in identifying their sustainability gaps, prioritise improvements that yield significant financial and strategic impacts, and develop a clear roadmap towards decarbonisation.

As we start 2024 helping businesses get SET for the future, this initiative has my full support.

I am looking forward to working with many of you in leveraging the CACCI network to expand this important initiative across the region.

My special thanks to Mr Tan and his team, as well as Mr. George Abraham, for hosting myself and my wife Ruth during our time in Singapore.

Yours sincerely,

Peter McMullin AM
CACCI President

38th CACCI Conference to be held in Singapore in November

CACCI is pleased to announce that this year's 38th CACCI Conference will be held in Singapore on November 11-12, 2024, with the Singapore Manufacturing Federation (SMF) as the co-organizer.

This will be the first time that CACCI will be holding its annual gathering in Singapore. The proposed venue is One Farrer Hotel.

Relevant information such as the Tentative Program, hotel accommodation, registration procedure, etc. will be sent out as soon as these are available. In the meantime, we encourage everyone to mark their 2024 calendar of events in the meantime.

CACCI Planning Committee Meeting Scheduled for February 29

CACCI invites all CACCI members and officers to attend the CACCI Planning Committee to be held virtually on February 29, 2:00 PM, Taipei Time.

The meeting will primarily discuss preparations for the 38h CACCI Conference to be co-organized by the Singapore Manufacturing Federation (SMF) on November 11-12, 2024 in Singapore. Among the items to be discussed will be the Conference theme, topics, speakers, program, and format, among others.

Further information such as meeting link, annotated agenda, discussion papers, etc. will be sent to members upon confirmation of attendance.

Attendees are requested to confirm their participation in the virtual meeting by filling out Confirmation Form on or before January 31, 2024.

In preparation for the Planning Committee Meeting, CACCI is also seeking members' suggestions on economic, business or policy issues that are currently of great concern to the business sector and should be discussed during next year's Conference. Members are requested to submit their suggestions on this year's Conference theme and topics by accomplishing the Suggestion Form before January 31, 2024, to give us enough time to circulate all suggestions to the Planning Committee for consideration prior to its meeting.

CACCI is counting on your valuable participation for the successful outcome of this important meeting. We certainly need members' valuable input on how we can make the 38th CACCI Conference this year meaningful and productive.

CACCI Joins APAC Green Alliance Initiative

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) has recently signed a Memorandum of Understanding (MOU) with four other organizations to form an alliance of Asia-Pacific (APAC) Trade Associations and Chambers of Commerce.

The alliance will have the common objective "to help small and medium enterprises in the Asia-Pacific region to embark on their sustainability transformation, sharing of best practices, standards development, advisory support, recognition, and collectively striving towards a net-zero goal and be future ready for Industry 5.0".

Aside from CACCI, the other MOU signatories include the Singapore Manufacturing Federation, the Singapore Business Federation, and the Institute of Singapore Chartered Accountants.

The alliance intends to collaborate in the following areas:

- Green Excellence for Manufacturing (GEM) Mark for the manufacturing sector within the APAC region;
- Green Excellence for Business (GEB) Mark for non-manufacturing companies within the APAC region;
- Training of consultants to provide consultancy services for GEM and GEB Mark
- Training of assessors to provide assessment services for GEM and GEB Mark

The alliance also seeks to promote and seek recognition of the GEM Mark by national trade associations and chambers of commerce on the manufacturing sector within each Party's country and/or GEB Mark by national trade associations and chamber of Commerce of the non-manufacturing sector within each Party's country.

To help achieve these objectives, the MOU signatories' plan is to establish the APAC Green Alliance Association.

The MOU signing ceremony took place during the Manufacturing Day Summit 2024 organized by the Singapore Manufacturing Federation on January 18, 2024 in Singapore. Signing on behalf of CACCI was CACCI President Mr. Peter McMullin AM.

The Summit featured keynote speakers who shared their insights towards industry 5.0, AI, and more, and exchanged ideas on how to stay competitive and embrace emerging technologies. CACCI was represented by President Mr. Peter McMullin and Mr. George Abraham, Chairman of the SME Development Council of CACCI.

Mr. McMullin spoke on "Fostering a Sustainable & Resilient Manufacturing Ecosystem: Strategies for Industry Collaboration & Success".

In his remarks, Mr. McMullin cited the importance and timeliness of the APAC Green Alliance, which he cited as "an innovative response to the fragmented sustainability landscape we currently navigate. Across nations, we encounter diverse standards, regulations, and approaches to sustainability. This diversity, while reflective of local priorities and contexts, creates a significant challenge, especially for small and medium enterprises (SMEs). Unlike their larger counterparts like MNCs, local large enterprises or listed companies, SMEs often lack the resources or expertise to adapt and thrive amid these varying sustainability demands.

Mr. McMullin said that The APAC Green Alliance, therefore, is not just timely but of paramount importance and is designed to empower SMEs on their sustainability journey. He called on CACCI members to join “this new and exciting alliance. Our collective effort will be focused on nurturing sustainable growth among SMEs across the APAC region.” He looked forward eagerly to the support and collaboration in this transformative endeavor for our manufacturing sector. Mr. McMullin pointed out that together, “we can lead the way in sustainable practices, setting an example not just for our region but for the global community”.

CACCI Director-General Attends 85th Anniversary Celebration of Kowloon Chamber of Commerce

Mr. David Hsu, Director-General of CACCI (5th from right), joins officers of the Kowloon Chamber of Commerce (KCC) (5th from right) led by KCC Chairman and CACCI Vice President Mr. Ernest Yuen (5th from left) at the KCC headquarters in Kowloon. Mr. Hsu was in Hong Kong to attend the 85th Anniversary and the 42nd Inauguration Ceremony Celebration of the KCC held on December 18, 2023.at the Hong Kong Convention and Exhibition Centre. Since its establishment in 1938, the KCC has served to facilitate exchanges between business organizations in Mainland China, Taiwan, Hong Kong, and overseas in various fields such as economy, trade, culture, and education. It has now expanded to cover over 40 industries and have established a bridge for communication among more than 60 organizational members and over 2,000 business entities and individual members, working together for the development of Hong Kong's economy and social prosperity.

CACCI Secretariat Officers Call on India's Representative in Taipei

CACCI Director-General Mr. David Hsu (2nd from left) presents a token of appreciation to Mr. Manharsinh Laxmanbhai Yadav, Director-General of Indian Taipei Association (2nd from right) following their meeting on January 24 at the latter's office in Taipei. Accompanying Mr. Hsu was Mr. Amador Honrado, CACCI Deputy Director-General (leftmost) and Mr. Stephen Wang, Senior Vice President, Public Relations & Public Welfare Division, Corporate Relations Dept., CTBC Bank Co. Ltd. (rightmost).

During the meeting, Mr. Hsu introduced CACCI and the Asian Bankers Association (ABA) and their activities to Mr. Yadav, highlighting the important roles played by the Federation of Indian Chambers of Commerce and Industry (FICCI) and the State Bank of India (SBI) in the activities of the two organizations.

Acknowledging the importance of CACCI and ABA in promoting regional economic cooperation among Asian countries Mr. Yadav explored the possibility of the ABA organizing a webinar – in partnership with SBI – that will introduce to ABA members the Gujarat International Finance Tec-City (GIFT), a central business district under construction in the Gandhinagar district in Gujarat, India. It is India's first operational greenfield smart city and international financial services centre, which the Government of Gujarat promoted as a greenfield project.

According to Mr. Yadav, GIFT City is an emerging global financial and IT services hub designed to be at or above par with globally benchmarked business districts. It is supported by state-of-the-art infrastructure encompassing all basic urban infrastructure elements along with an excellent external connectivity. Companies from Financial Services, Technology and all other services sector will be targeted as potential occupants within the city.

Mr. Yadav also encouraged CACCI to organize its annual Conference in India in the near future – and offered the assistance of his office of make this possible - after learning that the last annual gathering of CACCI in the country was held in 2005 – nearly 20 years ago.

CACCI Attends 23rd JBC Meeting in Laos

Mr. George Abraham (2nd from right, standing), Chairman of CACCI's SME Development Council (SMEDC), joined other members of the Joint Business Councils (JBC) of the ASEAN Business Advisory (ASEAN-BAC) during the city tour and dinner on a cruise along the Mekong River organized by the ASEAN-BAC Lao PDR on January 28, 2024, one day before the 23rd JBC Meeting held on January 29, 2024 in Luang Prabang, Laos. CACCI is an Associate member of ASEAN-BAC and is represented by Mr. Abraham as SMEDC Chairman in its meetings and other activities.

ASEAN-BAC Joint Business Councils Meet in Laos

Members of the Joint Business Councils (JBC) under the ASEAN Business Advisory Council (ASEAN-BAC) met on January 29 in Luang Prabang, Laos in preparation for the upcoming ASEAN Summit to be held later in the 2024 in Vientiane, the capital city of Laos. As Associate Member of the ASEAN-BAC JBC, CACCI was represented in the meeting by Mr. George Abraham, Chairman of the CACCI SME Development Council Mr. Abraham briefed the meeting on the upcoming activities of CACCI in 2024,

including those of the various Product and Service Councils, highlighting those which are relevant to and are aligned with the priority areas of the Lao National Chamber of Commerce and Industry as ASEAN=BAC Chairman for 2024, namely, digital transformation, regional connectivity sustainable development, health resilience, food security, and trade and investment facilitation. Mr. Abraham also stressed the importance of water and called on the ASEAN-BAC members to likewise address the need and the urgency to prioritize water sustainability, and proposed to make 2024 and 2025 the Year of Water Awareness.

NEWS UPDATES

Lao PDR's ASEAN-BAC Chairmanship Bares Policy Priority and Agenda

As the lead of ASEAN Business Advisory Council (ASEAN-BAC) 2024, the Lao National Chamber of Commerce and Industry (LNCCI), has identified its goal: To enhance connectivity and resilience of the ASEAN region.

The LNCCI, which is under the leadership of Mr. Oudet Souvannavong, has expressed its strong support of the Lao government's ASEAN agenda of:

- Integrating and connecting economies by focusing on economic integration. This means building more stronger and meaningful connections with ASEAN and ASEAN partners;
- Forging an inclusive and sustainable future by supporting outcomes on sustainable agriculture, new ecotourism standards, a strategy for crop burning reduction and a new approach to energy infrastructure and power trade across ASEAN borders;
- Transforming for digital future by making ASEAN a leading digital economy, building deeper connections across ASEAN and using modern tools

The LNCCI will focus on the two core values of connectivity and resilience through six key priorities, namely:

- Digital Transformation – Digital transformation can boost ASEAN growth, empowers MSMEs, and encourages responsible ethical tech use
- Sustainable Development – Equitable access to energy, financial incentives, and renewables are key for Net Zero in Southeast Asia
- Health Resilience – Prioritize on One ASEAN Healthcare Market, VTD R&D Manufacturing and de-risking private sector investment in healthcare
- Foo Security – Strengthen food security, promote sustainable production, enhance information systems, and identify nutrition-enhancing agricultural mechanisms for sustainable ASEAN food systems;
- Trade and Investment Facilitation – Address intra-regional trade disparity by reducing non-tariff barriers, balancing trade with partners, and exploring Free Trade Agreement upgrade
- Connectivity and Supply Chain – Crucial role of connectivity in supporting an integrated ASEAN community building process and transforming from a land-locked to a land-linked country and connectivity hub.

As the ASEAN-BAC 2024 Chairman, Lao PDR plans to implement as its Legacy Project the ASEAN Plus Supply Chain Connectivity, which aims to address the connectivity agenda by:

- Promoting development along ASEAN logistic corridors
- Reaching new markets by mapping and enhancing new connectivity and supply chain integration
- Integrating and consolidating the objectives and work-activities of other ASEAN-BAC Legacy Projects

Global investors plow into Asia data centers on AI boom

Asia is becoming the latest hunting ground for global investors in data centers, as companies from KKR & Co. to Bain Capital bet on the region's growing computing and data storage needs following an artificial intelligence boom.

Like in the U.S., Asia is seeing a surge in demand for data centers as giants like Amazon and Alphabet's Google boost cloud services, the recent generative AI wave fuels data and capacity requirements, and the region's growing population spurs storage needs.

Demand in Southeast Asia and North Asia is expected to expand about 25% a year through 2028, according to Cushman & Wakefield data. That compares with 14% a year in the U.S.

"It's the U.S. first and then the trend tends to follow soon after into Europe and with a little time lag into Asia Pacific," said Udhay Mathialagan, global head of Brookfield Asset Management's data center business. While it's a diverse region, the one thing in common in Asia is that everyone is online, he said. "You need phenomenal amounts of connectivity and really good data centers."

Investors have already made moves. Bain Capital announced a deal in August to take Beijing-based data center business Chindata Group Holdings private with an implied equity value of $3.2 billion. In September, KKR & Co. agreed to acquire a 20% stake in Singapore Telecommunications' regional data center business for about $800 million. Blackstone announced the launch of its first wholly owned data center platform in Asia in November 2022.

Including the Singtel platform, KKR sees the potential to invest $1 billion in equity on data center projects in the Asia-Pacific region in coming years, said Projesh Banerjea, the firm's director of infrastructure. Returns for such investments are in line with targets for KKR's infrastructure strategy, which are in the mid-to-high teens, he said in an interview.

The bet is that Asia will eventually provide a bigger slice of the pie. About 29% of so-called hyperscale cloud revenue — used in the industry as a proxy for market growth — is generated from Asia Pacific versus 49% from the U.S., according to Cushman & Wakefield. By 2028, Asia's share is expected to increase to as much as 33%, or $173 billion.

"This is a super-easy investment story," said Morgan Laughlin, global head of data center investments at PGIM. "You have demand, which is growing with no end in sight, and you've got supply becoming increasingly constrained with no solution in sight."

Asia is seeing a surge in demand for data centers as giants like Amazon and Alphabet's Google boost cloud services, the recent generative AI wave fuels data and capacity requirements, and the region's growing population spurs storage needs.

PGIM plans to invest as much as $3 billion in the global data center sector over the next three years, including in major Asia-Pacific markets, said Laughlin. The company has been negotiating for sites in Tokyo and Seoul, according to a person familiar with the matter. PGIM declined to reveal the location.

Bain Capital will continue to invest in China and Southeast Asian markets, as well as look for opportunities in developed regions elsewhere in Asia, Jonathan Zhu, partner and co-head of the firm's Asia private equity business, said by email.

"Driven by cloud and AI, the entire Asia market will continue to grow," Zhu said. That will "ramp up the competition for assets and resources."

There are challenges. Data center development is time-consuming and complex — requiring a mix of expertise around real estate, technology, local regulations and environmental requirements. Asia's highly fragmented market makes navigating these factors even more onerous.

"There is no such thing as one Asia, and each country has its own regulations, so we see more single-country operators than pan-regional ones," said Ellen Ng, co-head of Asia real estate at Warburg Pincus. "Being able to offer products and services across multiple markets in Asia is important to users, so investors and operators try to crack this."

China has proposed easing cross-border data controls after tightening its grip in recent years, although rules there remain vague. Singapore authorities lifted a moratorium on data center construction in 2022 but remain selective about awarding projects, investors interviewed said, and the country has published standards for operators to ensure energy efficiency.

Warburg Pincus, through its portfolio Princeton Digital Group, has a presence in six markets and is looking for opportunities in existing and new locations, Ng said. As part of its ESG strategy, it has also expanded to Malaysia's Johor and Batam in Indonesia to serve Singapore as the city-state imports most of its energy and has fewer renewable power options. Warburg's investment in the sector in Asia has totaled almost $1 billion, she said.

Data centers are also racing to improve their cooling systems, which have come under pressure from increased use of graphics processing units to handle a surge in complex computation demands from areas such as AI. GPUs consume more power and emit more heat than central processing units, the primary component of computing engines.

In October, a fault in the cooling system of data center operator Equinix affected 2.5 million payment and ATM transactions of DBS Group Holdings and Citigroup. DBS, Singapore's largest bank, was later banned from acquiring new business ventures for six months. Singapore's government also said it will study how to further strengthen the security and resilience of data centers.

"Risk-wise, government regulations around data privacy, national data sovereignty and sustainability are building out across most markets," said Glen Duncan, Asia-Pacific director of data center research at Jones Lang LaSalle. "If investors and operators don't keep abreast of the changes, they can become wrong-footed."

Bloomberg

FPCCI-SCC to collaborate

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Atif Ikram Sheikh announced an intensified collaboration with the Scottish Chambers of Commerce (SCC) to actively promote trade, investments, joint ventures, and broader economic relations. Sheikh highlighted the robust Pakistani diaspora in Scotland, emphasising the substantial opportunity for expanding commercial and business interests.

Dr. Jeanette Forbes, the Ambassador of Scottish Chambers for Pakistan,highlighted the MoU formalised on Sept 26, 2022 which aims to fortify trade cooperation but acknowledges the need for additional efforts in export promotion, foreign direct investment,JVs, and B2B linkages.

Highlighting the significance of tourism, hospitality, and cultural avenues in Scotland, Forbes stressed their pivotal role in establishing robust people-to-people and B2B connections.

FBCCI invites Sri Lankan investors to invest in Bangladesh's SEZs

The President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mahbubul Alam invited Sri Lankan businessmen and investors to invest in the Special Economic Zones (SEZs.)

The FBCCI President made this call during a courtesy meeting with the high commissioner of Sri Lanka in Bangladesh Dharmapala Weerakkody at FBCCI's Gulshan office.

Mahbubul said the government has been establishing 100 special economic zones in Bangladesh with All kinds of facilities including oil, gas, and electricity for the investors.

Besides, one-stop service, e-platform, and many other attractive incentives are on offer to facilitate business and investment in Bangladesh. Sri Lankan businessmen can be benefitted by setting up industry here on their own or in joint ventures, he said.

He said garments, pharmaceuticals, eco-tourism, hospitality, etc. are some of the potential sectors in Bangladesh. If Sri Lankan investors want to invest in Bangladesh, FBCCI will provide all-out support.

Speaking at the meeting, the Sri Lankan High Commissioner Dharmapala Weerakkody said that Sri Lanka has many business entrepreneurs who are interested in doing business in Bangladesh.

Besides many potential sectors, Sri Lanka receives a large number of tourists from Bangladesh every year. He said it is time to increase bilateral trade between the two countries.

FBCCI president praised the Sri Lankan Central Bank's role in overcoming the economic challenges.

Commercial Counselor of the Sri Lankan High Commission Srimali Jayarathna, FBCCI Vice-President Shomi Kaiser, Rashadul Hossain Chowdhury (Ronni), Secretary General Md. Alamgir, among others, were present at the meeting.

Dhaka Tribune

PCCI: Economy to grow at faster pace this year

The Philippines' biggest business group has expressed optimism about the performance of the Philippine economy, projecting it to grow faster, or by at least six percent this year.

In an interview with ANC, newly elected Philippine Chamber of Commerce and Industry (PCCI) president Enunina Mangio said "the growth will be driven by resilience and domestic consumption, increase in government spending on infrastructure projects, and a gradual recovery in some sectors."

Mangio said she is upbeat on the business environment this year, acknowledging both the efforts of the government and the private sector to address the issue of the ease of doing business.

"We are looking forward to a better year," she said.

To make the country more attractive to investors, Mangio stressed the need for the country to strengthen its foreign relations as well as continue upskilling its workers.

She said reskilling and upskilling the

laborers is important so that the country's foreign partners will be able to appreciate the potential of Philippine workers.

Mangio officially started her term as PCCI president this month. She is the third woman president of the PCCI since its inception in 1978.

She owns several businesses including the SamgyeopMasarap chain of restaurants.

Prior to her post, she served as the vice president for regional affairs of the PCCI.

"I am honored by the trust and confidence that my colleagues in PCCI have entrusted in me. I will do my best to serve the chamber movement and represent the organization in the local and global arena," said Mangio, who is also an honorary consul of the Republic of Liberia in West Africa.

Mangio earlier vowed to continue the work that her predecessor started, and committed to proactively work with the national government in attracting investors to the Philippines.

She also aims to push for programs that will create more businesses and generate jobs across the country.

Mangio has been engaged in several businesses including Servcare International Corp., an international holding company with subsidiaries in the US, Asia and Dubai, where she sits as president.

Meanwhile, global banking giant Citi also sees the Philippine economy bouncing back with a six percent gross domestic product (GDP) growth this year after expanding by only 5.5 percent in 2023.

In a report, Citi economist for the Philippines Nalin Chutchotitham said domestic demand expansion would stay robust and remain a key driver of Philippine economic growth.

"We expect GDP growth to improve to six percent in 2024 from 5.5 percent in 2023," Chutchotitham said.

She said the Philippines' low unemployment and minimum wage hikes would support labor income, adding that the continued expansion of income remittances and easing inflation would also support household consumption.

Chutchotitham said public and private investments, including foreign direct investments would pick up more strongly this year.

"The year 2023 was mired with rate hikes, volatile commodity prices and foreign exchange movements. With a more favorable domestic economic environment this year, we expect stronger investment expansion, supported by significant legislative reforms over the past few years," she said.

Citi said the Philippines' fiscal deficit is expected to remain wide, but on a steady decline to three percent by 2028 as steady growth in revenues, supported by growing economy, would help partly offset substantial expansion of planned expenditures.

It added several tax reforms pending, some of which have been passed by the House of Representatives, would increase revenue collection significantly in the coming years.

Chutchotitham said upside inflation risks remain, but expectations are better anchored.

"While base effects will help to bring inflation down to 3.4 percent in 2024, we continue to monitor risks from electricity and transport service costs and El Niño," she said.

Chutchotitham said the Philippine central bank may start cutting interest rates in the third quarter of the year, ending its tightening cycle that started in May 2022.

"We expect the BSP to maintain its policy rate through the first half of 2024, to help anchor inflation at around the mid-point of the policy target. We expect gradual rate cuts from the third quarter onwards as inflation shows a steady declining trend," she said.

She explained that the BSP is expected to maintain at least 50 basis points from the current 100-basis-point interest rate spread with the US Federal Reserve to help ensure the stability of the peso.

Philippine Star

VCCI says limitation on loan costs harmful to businesses

The regulation on capping enterprises' loan costs that are considered lawful expenses when defining taxable income has hindered the development of businesses, according to the Vietnam Chamber of Commerce and Industry (VCCI).

After consulting with businesses and experts, VCCI has proposed an amendment and supplementation of articles in Decree 132/2020 on tax management of enterprises with related-party transactions.

According to VCCI, the limit on loan costs stipulated by Article 16 of Decree 132 is intended to fight against enterprises' 'thin capitalization' problem, aiming to help ensure the financial security of enterprises, and prevent them from borrowing too much.

'Thin capitalization' is understood as a highly leveraged capital structure where a company's debt-to-equity ratio is too high.

However, VCCI believes that the regulation is unreasonable and has had an adverse impact on Vietnam's businesses, especially large corporations.

VCCI pointed out that the situation is 'understandable' and the thirst of capital is common in developing countries under industrialization.

It said that the limits on capital costs have affected the formation of large economic groups. The impact is contrary to the Party's Resolution 10 released in 2017 on private economic development.

"The limitation has been hindering the development of enterprises into large corporations and discouraging private economic groups to invest in risky business fields," the VCCI document said.

In general, when a company wants to invest in a risky project, such as large-scale production project, its holding company will come forward to borrow money from banks and re-lend to the subsidiary. This is a 'third party related transaction' and is covered by the regulation on loan cost ceiling.

For these reasons, VCCI believes it is necessary to amend the regulation, exempting enterprises from the obligation of satisfying requirements on loan cost limits applied to third-party related transactions among businesses bearing the same tax rates.

Under Decree 132, the loan costs of related parties must not be higher than 30 percent of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization).

The article imposes a fixed rate of 30 percent, while not allowing enterprises to prove their actual expenses in accordance with ALP (the arm's length principle), i.e. the parties of a transaction are independent and on an equal footing.

In other words, if enterprises' actual loan costs are higher than 30 percent of EBITDA, the costs won't be recognized as lawfully deductible expenses when calculating taxable income.

In late 2022 and early 2023, the lending interest rates soared in the credit market because of macroeconomic changes, which then caused the enterprises' loan costs to exceed 30 percent. As a result, enterprises still had to pay high interest rates for their loans, and expenses were not recognized as lawful expense items.

So, though businesses have to pay a lot for bank loans, they still have to pay high corporate income tax.

In the latest move, the Ministry of Finance (MOF) planned to amend Article 5 by excluding the determination of related parties when credit institutions don't regulate, control and contribute capital to borrowing businesses, or are not controlled by another party.

VCCI, while commenting that the amendment is necessary, still said the amendment is not enough to cover all possible cases.

If banks and borrowing businesses have relations but they lend and borrow capital at reasonable interest rates (market interest rates), they will still have a limit of 30 percent. This is not in line with the principle of fighting against transfer pricing, the major purpose of Decree 132.

VCCI emphasized that it is unreasonable to not allow businesses to pay more than 30 percent of EBITDA on bank loan interest in a transaction that satisfies requirements to be recognized as 'arm's length transaction'.

VCCI believes that it would be better to allow businesses to prove that they make transactions in accordance with the 'arm's length transaction' principle by comparing the transaction with other lending transactions and comparing the interest rates applied in the transaction with the average market interest rates.

If they can prove this, all of their expenses must be recognized and deductible when calculating taxable income.

If MOF accepts the proposal, VCCI wants the principle to be applied from the 2022 taxable year period.

Vietnamnet

Chambers call for more incentives, eased regulations in health care, renewables

Korea would be more attractive for global renewable energy and health care companies if they were given higher financial incentives and eased regulations, chiefs of foreign business lobby groups said.

The Korea Chamber of Commerce and Industry held the 2024 Foreign Chamber Day with representatives of foreign business networking organizations to share opinions on difficulties faced by global firms operating here in the fields of economic cooperation, labor, trade and regulatory approval, as well as improvement measures.

"I believe that foreign investments have become a new force driving global industrial competition, especially in high-tech industries. ... the management activities and policy suggestions of foreign companies can serve as barometers for upgrading our economy to global standards," KCCI Chairman Chey Tae-won, who also doubles as SK Group's chairman, said at the meeting.

Presided over by Chey, the gathering was attended by some 10 business leaders including European Chamber of Commerce in Korea President Stefan Ernst, Seoul Japan Club Chairman Kazuhiro Iguchi and David-Pierre Jalicon, chairman of the French-Korean Chamber of Commerce and Industry.

"As Korea has many excellent conditions to become Asia's No. 1 regional headquarters, we hope that it will make efforts to attract global regional headquarters by providing more diverse incentives," American Chamber of Commerce in Korea Chair James Kim said during the meeting.

"Despite various obstacles such as global supply chain disruption and geopolitical risks, Korea is an attractive investment destination that maintains a strong alliance with the US via free trade agreements and ally-shoring," Kim said. Ally-shoring refers to manufacturing and sourcing from countries that are geopolitical allies.

According to the KCCI, foreign investment has increasingly become one of the two major pillars that provide great vitality to Asia's fourth-largest economy, along with exports. Foreign direct investment in Korea reached an all-time high of $32.72 billion last year, hitting the $30 billion milestone for two consecutive years.

The Korea-German Chamber of Commerce and Industry Chair Holger Gerrmann suggested advancing the renewable energy system by enacting laws related to wind energy and increasing opportunities for cooperation in new industries such as the biopharmaceutical sector.

ECCK President Stefan Ernst picked climate change and digital economic cooperation as areas in which Korea and EU member countries should beef up partnerships, while upgrading the Korea-EU FTA.

The chiefs also suggested improving approval-related regulations, such as easing the standards for restricted substances related to metal accessories and shortening the approval process period for pharmaceutical products. They also requested improvements in the service sector, such as easing the shareholding ratio of foreign law firms.

"Foreign investment not only increases production capacity and capital power for economic growth but also has the effect of having an ally in Korea to deal with global issues together without having to go abroad directly," KCCI Executive Vice Chairman Woo Tae-hee said.

Korea Herald

Singapore Manufacturing Federation launches upskilling guide, sustainability service for SMEs

Smaller firms here can now borrow an expert to help them decarbonise their business activities and meet reporting rules on sustainability issues.

The initiative will allow local manufacturers – mainly small and medium-sized enterprises (SMEs) – to comply with the disclosure rules their multinational partners need to follow regarding the carbon emissions of their supply chains.

The Singapore Manufacturing Federation (SMF) unveiled the programme – known as the Chief Sustainability Officer (CSO) as a Service – on Jan 19 in a bid to boost the competitiveness and credibility of Singapore's export-driven manufacturing sector, which contributes about 22 per cent of the nation's gross domestic product.

"Companies need to start reporting emissions numbers or risk losing out to competitors, as many of them are suppliers for international partners who will soon need to submit reports about the carbon footprint of their supply chain," said SMF president Lennon Tan.

He added that the federation understands that many SMEs cannot afford dedicated staff to plan and oversee sustainability initiatives due to limited resources, and so are unsure about where to begin.

A firm can ask for an SMF in-house expert to work with their own CSO and help plan a decarbonisation pathway, and to gather data on environmental, social and corporate governance issues and report it in accordance with local and international standards.

The SMF expert will not be at the SME full time, but will spend enough time there to show the staff what to do, and return to help when the firm has reached the next stage of its plan.

As the largest national organisation representing the interests of manufacturers, SMF is working closely with members to address challenges they face on their sustainability journey, said Mr Tan, who was speaking at the SMF Manufacturing Day Summit 2024 held at the Sands Expo and Convention Centre in Singapore.

The SMF also unveiled a playbook to help manufacturers, especially SMEs, upskill their employees, particularly in the precision engineering sector, which employs over 90,000 people.

It noted that the playbook is the first such guide for a manufacturing sub-sector and will be one of many to cover other sub-sectors, with at least two being produced every year.

The playbook – compiled by the Advanced Manufacturing Training Academy (AMTA) and SkillsFuture Singapore – aims to help firms cope with a tide of transformative challenges, including disruptive technologies, rising costs, intense competition, a shortage of skilled operators and the looming threat of supply chain disruptions amid geopolitical uncertainties.

Mr. Alvin Tan, Minister of State for Trade and Industry and Culture, Community and Youth, told the summit that Singapore, as the world's eighth-largest exporter of high-tech goods, is a regional powerhouse for manufacturing.

But global shifts like the pace of technological advancements, reconfigurations in global supply chains and consumers' scrutiny of sustainable practices amid growing environmental concerns point to a more uncertain future for manufacturing.

"In today's age of intense competition, Singapore must continue to invest significantly in research, innovation and enterprise efforts," Mr. Alvin Tan added.

"There are new opportunities amidst these global shifts too, that will allow Singapore to maintain and even enhance our attractiveness as a manufacturing hub."

However, to capture these opportunities, Singapore must double down on its key and core value propositions that include connectivity, stability and a well-developed innovation ecosystem.

"As the world grapples with the environmental and social consequences of traditional manufacturing, compounded by shifts in consumer preferences towards more sustainable products and offerings, the need for sustainable manufacturing practices has become increasingly urgent," Mr. Alvin Tan said.

He also stressed the importance of investing in the local workforce and urged companies to upskill and reskill their workers by tapping various schemes, such as the SkillsFuture Enterprise Credit.

AMTA director Zeng Xianting said the new playbook encompasses six key roles, ranging from operators to specialists and engineers, providing a detailed breakdown of essential role changes and the new skill proficiencies necessitated by disruptive technologies.

"(The playbook) aims to empower the industry to maintain its competitive edge by providing a clear strategy for engineers, specialists and operators to adopt new competencies," Dr Zeng added.

Straits Times

MEMBER PERSONALITIES

Newly-elected FPCCI president, colleagues assume office

Atif Ikram Sheikh, the newly-elected president of Pakistan Federation of Chambers of Commerce and Industry, and his colleagues took charge of their new positions on December 31.

Former president Sheikh Irfan vacated his seat for FPCCI President Atif Ikram Sheikh, who was elected by the business community for two years.

The business community across the country had elected Atif Ikram Sheikh with 240 votes in a transparent election, while Muhammad Ali of the All Pakistan Stainless Steel Importers Merchants Association got 154 votes.

A total of 440 votes were cast. President of United Business Group SM Tanveer, UBG President Zubair Tufail, Secretary General Zafar Bakhtavari and their team members were present.

Zafar Bakhtavari said that just as the chambers of commerce and industry of Pakistan, trade organisations and industrialists and businessmen of the four provinces have transferred power in a peaceful manner, the business community wishes that our politicians should go peacefully into the next election.

The News

CEO of Shareena Garments from Pakistan Assumes Chairmanship of ATGC

Ms. Shareena Safdar Janjua, Chief Executive Officer of Shareena Garments from Pakistan, as been appointed Chairperson of the Asian Textiles and Garments Council (ATGC), one of the Product and Service Councils established under the CACCI umbrella.

Ms. Janjua and her Lahore-company have a proven track record in the manufacturing, retail and export of garments and textile industry in Pakistan, specializing mainly in uniforms for employees in healthcare, hospitality and other industries. She has been conferred the Daughter of Punjab Award by the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) in recognition of her contribution to the textile industry of the country.

Ms. Janjua is a member of the Lahore Chamber of Commerce and Industry, the Women Chamber of Commerce and Industry Lahore, the Punjab Bar Council, and the Lahore Bar Council.

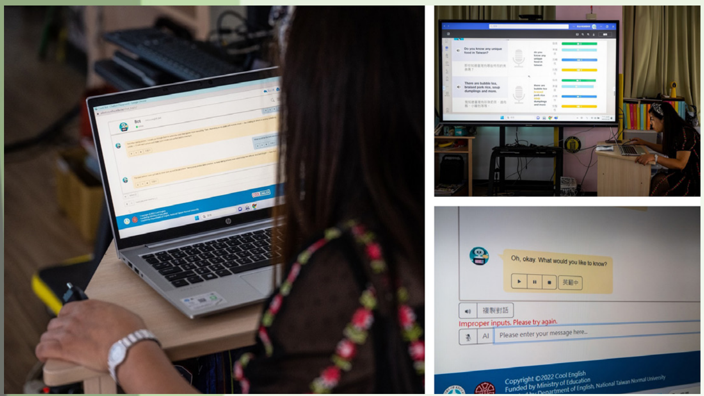
The Product and Service Councils of CACCI have been established with the primary aim of promoting greater business interaction among CACCI members who are in the same product or service line. Membership in the PSCs will provide businessmen regular platform for networking, identifying and addressing issues affecting their respective sectors, finding solutions to common problems, working out specific programs to accelerate regional cooperation, particularly in the area of trade, investment, technology transfer, capital flow, and the exchange of information; and, exploring opportunities for business cooperation and joint venture, and initiating and completing business deals.

PRODUCT & SERVICE COUNCILS

Asian ICT Council

Taiwan brings in generative AI to help students learn English

Teachers often report that students learning English tend to read and write better than they speak, as shyness and a lack of practice can hinder the ability to converse. Now, a chatbot funded by Taiwan's Ministry of Education and running on next-generation large language models offers a way



for K-12 students to get that practice, and in a more engaging way than was previously possible.

The kids in Claire Mei Ling Wu's English class at Er Chong Junior High School in Sanchong District, New Taipei City, began using the CoolE Bot soon after it was launched in late December.

Wu has been teaching English for over 25 years. Her classroom is decorated with a world map and national flags. There are boxes of knickknacks – gifts from pen pals in Japan, India and as far away as the U.S. state of Alaska.

"Sometimes when they are shy, they don't dare to speak up," Wu said. However, if they can remain at their desks and speak "person-to-AI," Wu said, they are more comfortable than coming to the front of the class or standing in front of the teacher.

With the chatbot, which uses Azure OpenAI Service and other Microsoft AI technologies, students can pick one of many preset conversation topics – asking a doctor or photographer about their work, for example, or role-playing as a detective to solve a mystery – and off they go. While older chatbots could only provide answers that were preloaded into the system, next-gen AI can generate responses on its own.

The chatbot can also assess pronunciation, accuracy and fluency, and students can practice as many times as they like to raise their score.

If they are stumped, they can click on the "AI" button and the chatbot will suggest a question to keep the conversation flowing. A content filter keeps things from veering into inappropriate territory. If a student types or says a swear word, or something sexual, the chatbot answers in red type: "Improper input. Please try again."

A set of three images in clockwise direction showing a large screen with a woman seated to its right in a classroom, an open window on a computer screen and an over-the-shoulder view of a woman looking at her laptop.

"It is interesting, and I can learn English from it," said student Eva Zi Yu Huang, 13, eyes peeking out between long black bangs and a blue surgical mask.

Taiwan has set a goal of becoming bilingual in Chinese and English by 2030 as its economy shifts from traditional manufacturing to more data or cloud driven businesses, where the global language tends to be English. There are regional competitive pressures. For example, Taiwan competes economically with places like Hong Kong and Singapore, former British colonies where English is widely spoken.

"We want to help our students quickly enhance their English skills to compete with other countries," said Howard Hao Jan Chen, an English professor at National Taiwan Normal University (NTNU).

In Taiwan, English classes are compulsory in public schools for one or two hours a week starting in third grade – with some schools starting as early as first grade, and that expands to up to four hours a week in high school.

That's not a lot of time to master a language with a whole different script, grammar and pronunciation. Common mistakes in English include dropping articles, which don't exist in Chinese – omitting "a" or "the" – and mixing up of tenses. Practice helps, but it can be hard to find someone to do that with when you're surrounded by Chinese speakers.

In 2015, Chen and his team launched a website called Cool English to help Taiwan's schoolkids learn English using technology. The government-sponsored website now has about 1.5 million registered users from Taiwan and beyond.

"The way that teachers teach is by reading books and listening to various materials through the Internet. But the focus is not on speaking," said Scott Suen, a software engineer on the Cool English team. "Most Taiwanese students can pass exams and get a very high score, but if we are put in a native English environment, we have a hard time communicating with foreigners."

To help facilitate more conversation practice, the team built its first chatbot using an older AI-based programming language.

"We quickly found it very problematic," said Chen. "You have to type in all the possible answers for a question raised by students – thousands of sentences to reply to students intelligently. It's not AI. It's really labor."

Worse, he added: "We don't know what kinds of questions students want to ask! Students won't want to play with this kind of silly tool."

The project went dormant for a while. In 2022, the team heard about next-generation large language models. "We saw, wow, this is really something!" Chen said. "It was very robust. The answers are much more meaningful."

The CoolE Bot, introduced in December, sits on the Cool English website. It uses advanced language models as part of Microsoft's Azure OpenAI Service to engage students in conversation about a set of scenarios. The language is adjustable for different ages and proficiency levels.

The CoolE Bot uses Microsoft Azure Cognitive Service Speech capabilities including text-to-speech and speech-to-text. Students can pick multiple voices with American or British accents. And Azure provides the data security that's particularly important when technology is used in this setting.

"It's a closed loop Azure subscription," said Sean Pien, general manager of Microsoft Taiwan. "All conversation, finetuning and materials are within this secure domain."

So far, about 30,000 students a month are currently using the chatbot, racking up a total of one million conversations a month.

The team is now working on improvements, including adding avatars and new scenarios for conversations. In the future, as more advanced models are available, the tool will also be able to correct errors, Chen said.

Recently, Wu's class used the chatbot to prepare for a video call with counterparts in Bahrain, where the goal was to practice English and learn about each other.

During the call, the Taiwanese kids tackled some big words with ease.

"The National Palace Museum has about 700,000 pieces of Chinese imperial artworks, making it one of the largest collections in the world," said Eva, the seventh grader, in front of her class as well as the Bahrain students onscreen.

"The Longshan Temple in Taipei is a religious, political and military center in Taipei City and has become an attraction for foreign tourists in the post-war period," a boy with spectacles named Frank Pan said.

When one student stumbled over the word "reservoir," a chorus of voices helped her out.

After the kids played an online quiz together, the Taiwanese students were excited to ask questions they had written down for the Bahrain students.

"Are there any deserts in your country?"

"Is your school a boys' school?"

"What kind of transportation do you have in your country?"

"Have you drunk bubble tea?"

And more.

Microsoft

CACCI Women Entrepreneurs Council

UNESCAP, WCIC open up new vistas of e-commerce for women entrepreneurs in Sri Lanka

UNESCAP South and Southwest Asia Office – the Sustainable Development Council of Sri Lanka and the Women's Chamber of Industry and Commerce Sri Lanka jointly organized two-day training in December to incentivize and capacitate women entrepreneurs to become part of the global supply

chain through targeted e-commerce trainings.

The training aimed at enhancing the knowledge and capacity of women entrepreneurs in the application of e-commerce platforms to expand their businesses, and markets and participate in local, regional and global supply chains. The training is aligned with Sustainable Development Goal (SDG) 5.b on enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.

The Director General of the Sustainable Development Council, Chamindry Saparamadu highlighted that in the face of the current economic challenges, enabling the entry of SMEs into the export market is a crucial factor for their resilience and growth and that such trainings are important to incentivize, capacitate and equip with the necessary skills the women entrepreneurs in Sri Lanka.

Vice Chairperson of Women's Chamber of Industry & Commerce (WCIC), Gayani de Alwis stated that, as the world's first women's chamber, WCIC is working towards bridging the digital gap among women entrepreneurs in Sri Lanka and that the Sri Lankan economy will grow exponentially by increasing women's participation in the labor force and the economy.

Dr. Rajan Sudesh Ratna, Deputy Head, ESCAP South and South-West Asia Office highlighted the impacts of the training (that has been rolled out in the South Asian region including in Sri Lanka) in empowering over 3000 women entrepreneurs by enhancing their skills in using digital tools and e-commerce in their business operations.

World Bank's Country Manager, Maldives and Sri Lanka, Chiyo Kanda stated that the World Bank considers gender, entrepreneurship and digitalization as three things having high transformational potential and as such in the Sri Lanka Country Partnership Framework (2024– 2027) significant emphasis is placed on laying the foundation towards a more inclusive recovery addressing the gender gap in economic participation.

The Island Online

Asian Council on Tourism

Indonesia aims for 14.3M tourists in 2024 with sustainable tourism goal

Indonesia aims for sustainable tourism, targeting 14.3M global travelers in 2024 under Minister Sandiaga Uno, focusing on eco-friendly practices.

Indonesia, under the leadership of Tourism and Creative Economy Minister Sandiaga Uno, is making a significant push for sustainable tourism, aiming to draw 14.3 million international travelers in 2024. This ambitious goal is part of a wider plan to tap into the rising trend of sustainable tourism worldwide.

Speaking at the Asia-Pacific Tourism Conference in Bali, Uno emphasized the need for cooperation among various parties to promote sustainable tourism in Indonesia. He identified three key tourism trends that are crucial for attracting a broad range of eco-aware tourists: ecotourism, cultural tourism, and adventure tourism.

A major focus is on ecotourism, with initiatives like encouraging the use of electric vehicles and providing accommodations that utilize green energy. These measures are expected to bolster the attractiveness of Indonesia's natural sites while protecting its environmental health.

The minister's vision for the tourism industry goes beyond sheer numbers; it's anchored in a commitment to sustainable growth. He highlighted the tourism industry potential to support around 46 million people employed in tourism-related jobs in Indonesia and to create new employment opportunities, aligning with the national objective of generating 4.4 million new jobs.

Indonesia's tourism industry has shown promising progress. Last year, the nation saw 11.5 million international tourist arrivals, exceeding the set goal of 8.5 million, with Bali contributing about half of these visits.

The target of attracting 14.3 million international tourists in 2024 represents a significant increase and underscores Indonesia's commitment to eco-friendly tourism. This objective positions Indonesia as a rising star in sustainable travel, poised to make a substantial contribution to the international tourism landscape.

Travel and Tour World

Asian Council on Water, Energy and Environment

New gas discovery deemed 'major development' for Southeast Asia

Abu Dhabi-headquartered energy company Mubadala Energy has made a significant gas discovery offshore North Sumatra, Indonesia, using one of Seadrill's drillships.

Layaran-1 well was drilled with Seadrill's West Capella drillship; Source: Mubadala Energy

While announcing a new gas discovery at the Layaran-1 exploration well, drilled in South Andaman, about 100 kilometers offshore North Sumatra with the potential for over 6 TCF of gas-in-place, Mubadala Energy explains that the discovery marks "a major development" for the Southeast Asia energy landscape. The well was drilled with Seadrill's West Capella drillship, based on the information from Mubadala Energy.

The Layaran-1 well encountered an extensive gas column with a thickness of over 230 meters in an Oligocene sandstone reservoir. The Abu Dhabi-based player is the operator of the South Andaman Gross Split PSC with an 80% stake while Harbour Energy holds the remaining 20%. This is the firm's first operated deepwater well, which has been drilled to a depth of 4,208 meters in 1,207 meters of water depth.

Furthermore, the positive outcome from the Layaran-1 discovery will de-risk the multi-TCF of prospective gas resources in the area, providing the foundation for future organic growth and additional exploration drilling activities in 2024. A complete data acquisition including wireline, coring, sampling, and production test (DST) was conducted. The well flowed over 30 mmscf/d of excellent gas quality.

Mansoor Mohamed Al Hamed, CEO of Mubadala Energy, commented: "With our strategy to expand our gas portfolio to support the energy transition, this development offers material commercial opportunities and adds momentum to our strategic growth story. This is not only a significant development for Mubadala Energy but a huge milestone for Indonesia's and Southeast Asia's energy security. We are proud to have achieved this by leveraging our world-class technical and operational capabilities."

This newly confirmed discovery is the second consecutive successful well for Mubadala Energy in the Andaman area, coming after the success of Timpan-1 (Harbour operator, 40%) in Andaman-II, which itself came after the success at Cengkih-1 in SK320 in Malaysia. These discoveries add material contingent volume and provide a platform for continued growth for Mubadala Energy in the region.

While confirming the discovery at the Layaran-1 well, Harbour Energy highlighted that the well was the first in a four-well exploration campaign targeting the same Oligocene play as the Timpan-1 well drilled on Andaman II in 2022. The Harbour-operated Halwa and Gayo wells on Andaman II are next on the rig's drilling agenda.

Offshore Energy

INVESTMENT & JOINT VENTURES

TikTok to invest $1.5bn in Tokopedia, take 75% stake

Chinese-owned TikTok will invest more than $1.5 billion and take a majority stake in Tokopedia, the Indonesian superapp GoTo's e-commerce unit, the companies announced.

The move provides a lifeline to the globally popular short video app that was hit by a local ban on online shopping sales on social media platforms.

Talks between TikTok, which is owned by China's ByteDance, and GoTo began after a new Indonesian government regulation in September prohibiting e-commerce on social media.

The government said the move was aimed at protecting offline merchants and marketplaces in Southeast Asia's largest economy, but it delivered a major blow to TikTok.

The ban allows social media to promote sales and advertise products, but it requires operators to provide a separate service for purchasing and selling products.

TikTok had been exploring partnerships with Indonesian online shopping companies to re-enter the local online shopping business in Indonesia.

Southeast Asia's largest economy is one of TikTok's most crucial markets. According to research company Statista, Indonesia had 106.5 million TikTok users as of October, the second biggest number after the U.S.

Tokopedia had been facing growing pressure from TikTok, which has increased market share in Indonesia.

Tokopedia and TikTok Shop, TikTok's Indonesian business, will be combined under the existing Tokopedia brand, according to a joint statement released by GoTo and TikTok.

The shopping features within the TikTok app in Indonesia will be operated and maintained by the enlarged entity. Under the deal, TikTok will own 75.01% of the combined businesses. The rest will be held by GoTo and the entity will remain part of the GoTo Group.

"TikTok has committed to invest over $1.5 billion in the enlarged entity over time," the statement said.

It also said that the deal "will commence with a pilot period carried out in close consultation with and supervision by the relevant regulators," and is expected to close in the first quarter of 2024. The statement said Goldman Sachs is serving as financial adviser to GoTo on the transaction.

GoTo Group -- formed through the merger of ride-hailing and food delivery company Gojek and Tokopedia in 2021 -- went public in April last year, but it has struggled to turn a profit.

The Indonesian superapp posted a net loss of 40.4 trillion rupiah ($2.6 billion) in 2022, 56% higher than the previous year. While losses are narrowing so far this year as the company works to slash incentives, marketing costs and payrolls, it still faces fierce competition from regional peers.

Nikkei Asia

Tikehau Capital and Nikko Asset Management form Strategic Partnership In Asia

Tikehau Capital, a global alternative asset management group, and Nikko Asset Management, one of Asia's largest asset managers, have entered into advanced discussion to form a business and capital alliance.

The contemplated strategic partnership would involve Tikehau Capital and Nikko Asset Management entering into distribution agreements in Japan and elsewhere in Asia, as well as establishing a joint venture dedicated to Asian private markets investment strategies, Tikehau Capital said in a statement.

Within this partnership, Nikko Asset Management would also acquire an equity stake in Tikehau Capital through acquisitions that could increase over time, but which will remain below the first applicable statutory disclosure threshold.

It is noted that Nikko Asset Management is one of Asia's largest asset managers, with $219.2 billion under management, providing high-conviction, active fund management across a range of equity, fixed income and multi-asset strategies.

With its Japan roots and stronghold across Asian markets, Nikko Asset Management would bring a wealth of experience and market intelligence to the contemplated strategic partnership.

It is expected that the contemplated collaboration would deepen Tikehau Capital's presence in the dynamic Asian market, capitalizing on Nikko Asset Management's extensive network and established reputation.

"This strategic partnership would be a game-changer for Tikehau Capital in Asia," said Antoine Flamarion and Mathieu Chabran, Co-founders of Tikehau Capital.

"It would not only expand our global footprint but would also align perfectly with our vision of delivering exceptional value and innovation to our clients,

"The combined strengths of Tikehau Capital and Nikko Asset Management would undoubtedly create synergies that bring added value to industry landscape in Asia," he added.

Stefanie Drews, President of Nikko Asset Management, said the firm has been looking for a strong partner in the private asset space that fits into its strategic global growth plan,

"Asia is a critically important market for this asset class, and we are delighted that we are now progressing to this stage with a firm of the calibre of Tikehau Capital, with its long history of excellence and innovation," she added.

Tikehau Capital is a global alternative asset management group with €42 billion ($46.04 billion) of assets under management as at September 30, 2023.

Tikehau Capital has developed a wide range of expertise across four asset classes (private debt, real assets, private equity and capital markets strategies) as well as multi-asset and special opportunities strategies.

The firm which is listed in France, has offices across Europe, Middle East, Asia and North America.

Headquartered in Asia since 1959, Nikko Asset Management is providing high-conviction, active fund management across a range of equity, fixed income, multi-asset and alternative strategies.

The firm has a presence through subsidiaries or affiliates in a total of 11 countries and regions.

Technode Global

Sumitomo Chemical to set up new agrochemical plant in India

Sumitomo Chemical will build a new agrochemical plant in India as it moves to increase market share in the world's most populous country, Nikkei has learned.

The Japanese company will obtain about 50 acres of land in the western state of Gujarat and aim to complete construction around 2027. The initial investment is expected to be over 5 billion yen ($35 million). The total amount will exceed several tens of billions of yen in the mid- to long-term as the plant gradually expands.

The new plant will be the company's third Indian facility for active ingredients in agrochemicals. If the entire site is utilized, the company's annual production capacity is expected to increase 80% in India.

Sumitomo Chemical is the world's seventh-largest agrochemical maker and ranks about second in the Indian market with around a 9% share. It hopes to surpass leader FMC of the U.S. -- which holds 11% of the market -- and become the top maker with the new plant.

The company's agrochemical business in India generated sales of about $430 million in the fiscal year ended March 2023. It aims to achieve a sales volume of $500 million by fiscal 2025.

The global agrochemical market is expected to grow to $82.5 billion by 2027, up from $74.8 billion in 2022, according to British research company AgbioInvestor. India is now home to the world's fifth-largest market. Brazil tops the ranking, followed by the U.S., China and Japan.

The United Nations expects India's population to grow to some 1.7 billion people by around 2060, with food demand increasing accordingly. Damage from pests is spreading across the globe due to unseasonable weather and high temperatures, and agrochemicals are likely to be in demand for supporting harvests. Some predictions say India will overtake Japan within a few years to become the world's fourth-largest market.

Rival companies are also active in the nation's growing agrochemicals market. Japan's Nihon Nohyaku has invested approximately 1 billion yen in a production facility set to begin operation by March 2024. Mitsui Chemicals' subsidiary built a new domestic plant in October to expand exports to India. Meanwhile, FMC and Germany's Bayer are also introducing new products.

Stabilizing food production in India may help improve the world's food supply. Growing populations will push demand for food up 30% from 2020 levels in 2050, according to the Mitsubishi Research Institute. But the number of people facing hunger grew to 730 million in 2022, an increase of 120 million people from 2019, the U.N. said.

Sumitomo Chemical is facing headwinds due to a slowdown in its core petrochemicals business. It expects to post a core operating loss of 70 billion yen for the fiscal year ending March 2024, down from a profit of 92.8 billion yen in the previous fiscal year. The company sees its agrochemicals business as a growth area and will continue to invest aggressively.

Nikkei Asia

Funding Societies raises new capital from Khazanah to expand Malaysian footprint

Singapore-headquartered MSME lending platform Funding Societies has raised an investment from Khazanah Nasional, Malaysia's sovereign wealth fund, and CGC Digital, a subsidiary of Credit Guarantee Corporation Malaysia. The amount is undisclosed.

The investment was made under Khazanah's Dana Impak mandate, which invests in Malaysian companies that can deliver sustainable economic and societal values.

With the fresh funds, Funding Societies aims to expand its Malaysian operations beyond Kuala Lumpur, Selangor, Penang, and Johor, as well as to serve more than 25,000 MSMEs across Malaysia by the end of 2025.

It will also widen the reach of Funding Societies' Islamic financing solutions. Launched in May 2023, it has disbursed over 100 million ringgit (over US$21.5 million) in Shariah-compliant financing in Malaysia.

Aside from Malaysia and its Singapore headquarters, Funding Societies is also present in Indonesia (under the Modalku name), Thailand, and Vietnam.

In November last year, it secured US$7.5 million in debt funding from Norfund, a Norwegian state-owned investor. The funds came a few months after it laid off 18% of its Indonesia workforce in pursuit of a "leaner organizational structure."

Tech in Asia

RVNL Forms JV with Jakson Green for Solar Power Projects

Rail Vikas Nigam Limited (RVNL) has embarked on two significant ventures to expand its presence in the renewable energy sector.

Firstly, the company has entered into a joint venture with Jakson Green Private Limited to explore solar power project opportunities both in India and internationally.

In this collaboration, Jakson Green Private Limited will hold a majority stake of 51 percent, with RVNL having a 49 percent stake. The focus of this joint venture is on the development of green and clean energy projects.

In addition to the joint venture, RVNL has unveiled the creation of a subsidiary company named RVNL Infra South Africa. This move signifies RVNL's commitment to expanding its operations beyond the borders of India.

As the executing arm of Indian Railways, RVNL operates on behalf of the Ministry of Railways for assigned projects. The company follows a turnkey approach, overseeing the entire project development cycle. This includes activities from conceptualization to commissioning, encompassing design, estimate preparation, contract awarding, and project and contract management.

These strategic initiatives underscore RVNL's dedication to diversifying its portfolio and contributing to the growing emphasis on sustainable and clean energy solutions in India and globally.

Energetica India

ECONOMIC COOPERATION

Japan and ASEAN vow to widen cooperation after 50 years of ties

Japan and the Association of Southeast Asian Nations (ASEAN) agreed to deepen relations regarding security and economic issues at a summit to commemorate 50 years of friendship and cooperation. The agreement comes as China's growing clout alters the region's geopolitical environment.

In a "joint vision statement" issued after the gathering in Tokyo, the leaders pledged to step up cooperation on maritime security, strengthen supply chains, promote sustainable energy practices and expand people-to-people exchanges in various sectors.

The leaders also announced the launch of a new initiative for the next-generation auto industry aimed at mapping out strategies to enable ASEAN members to remain a major hub of auto production and exports.

Among other new efforts to further boost the economy in the fast-growing region is supporting digital startups as well as accelerating public and private investment to achieve decarbonization, according to the statement.

"Based on strong mutual trust, Japan and ASEAN will tackle new challenges," Kishida said at a news conference after the end of the summit, adding that he is glad that they will take a "new step toward the next 50 years."

Indonesian President Joko Widodo, who served as a co-chair, also attended the press event, saying Japan and the bloc will maintain peace and stability in the region while adhering to international law.

The meeting came as Tokyo has been bolstering its ties with developing and emerging countries collectively known as the Global South, which includes ASEAN members, to capitalize on their growth while countering Beijing's increasing influence.

Japan regards its relations with ASEAN as strategically important, with the bloc facing the South China Sea, home to one of the world's busiest maritime sea lanes. Some of the 10 ASEAN members also have overlapping territorial claims with China there.

Beijing claims almost the entire South China Sea, a vital trade corridor, and its increased deployment of vessels and other methods to assert its claims in disputed areas have riled nations across the region as well as Washington.

Japan and ASEAN agreed to "strengthen dialogue and cooperation for the maintenance of maritime security and safety, maritime order based on the rule of law, including freedom and safety of navigation and overflight and unimpeded commerce," the joint statement said.

Without identifying China outright, the statement said that the participating nations will "enhance maritime domain awareness as well as cooperation among coastguards and relevant law enforcement agencies, strengthen cooperation on maritime capacity building, and ensure the resolution of disputes by peaceful means, without resorting to threat or use of force in accordance with universally recognized principles of international law."

Japan announced it would deepen ties with Malaysia and provide ¥400 million ($2.8 million) for "warning and surveillance" equipment.

Japan agreed last month to help the Philippines buy coastguard vessels and to supply it with a radar system, and the two countries are discussing allowing troop deployments on each other's soil.

Japan expressed “serious concern” last week about “dangerous actions” after the latest tense confrontation between Philippine and Chinese vessels at in the South China Sea, which included a collision and Chinese ships shooting a water cannon.

Tokyo’s substantial cooperation with ASEAN goes back to 1973 when they set up a forum on synthetic rubber to solve a trade dispute over Japanese rubber exports. Kishida said Japan will promote the exchange of young business leaders with the region.

ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Myanmar, which has been under military rule since a February 2021 coup, was not invited to the summit.

East Timor’s Prime Minister Xanana Gusmao took part in the gathering as an observer, as ASEAN has agreed in principle to admit the nation as its 11th member.

The nine participating ASEAN leaders are scheduled to join a separate summit of the 11-member Asia Zero Emission Community framework, also involving Japan and Australia, with the focus on reducing carbon emissions.

Japan Times

PM visit to Japan attracts RM6.56 billion in potential investments

Prime Minister Anwar Ibrahim’s working visit to Japan in conjunction with the ASEAN-Japan Commemorative Summit has managed to attract potential investments worth RM6.56 billion.

Based on the meetings with parties there, including Japanese Prime Minister Fumio Kishida, Anwar said it is clear that Malaysia-Japan relations are now seeing a new shift in terms of investment, trade, education and technology cooperation.

“The visit to Japan is a success to be proud of, we have managed to attract potential investments valued at RM6.56 billion,” he told a press conference at the end of his visit to Japan on December 18.

Along with potential investments worth

RM23 billion secured during the previous Malaysian delegation’s visit to the East Asian country in June, it brings the cumulative potential investments to RM29.56 billion.

Three Japanese corporations with investments in Malaysia, namely Rohm Wako, NEC Co Ltd and Mitsui & Co, have also conveyed their willingness to increase investments during one-on-one meetings.

Anwar said the potential investments could be in the form of new investments or expansion of existing investments.

Asked about the sectors involved in the potential investments worth RM6.56 billion, Investment, Trade and Industry Minister Tengku Zafrul Abdul Aziz, who was with Anwar at the press conference, replied that it involved the renewable energy, electrical and electronics, chemicals and digital economy sectors.

Japanese investors are now more confident in Malaysia, Anwar said, adding that he was told there were a lot of positive reviews about the country.

Japanese companies, including small and medium enterprises, have shown very encouraging response, including Rohm Wako, which has investments in Kota Baru, Kelantan.

Anwar said he has assured the electronics company that the government will provide the necessary infrastructure to enable it to add a large second-stage investment.

“Since they have been investing there for a long time and are now waiting for the federal government’s green light for expanding their investment, I have strongly encouraged them and their request will be looked at by Miti so it can be expedited.

“They are also satisfied with the discipline and work ethics of the local workers, which represent another attraction for investors,” he said.

The Malaysian Insight

GCC-South Korea sign free trade deal in boost to Gulf-Asia economic ties

The Gulf Cooperation Council (GCC) signed a free trade agreement with South Korea, its second trade deal this year, as the six-member bloc intensifies efforts to boost investment ties with major economic partners in Asia.

South Korea will remove tariffs on almost 90% of all items, including liquefied natural gas (LNG), and other petroleum products, according to South Korea's Yonhap news agency, while the Gulf states will scrap tariffs on 76.4% of traded products and 4% of traded goods.

The FTA will also cover trade in goods, services, government procurement, as well as cooperation among small and medium-sized enterprises (SMEs), customs procedures, intellectual property, among others, a GCC statement said.

The GCC has signed few FTAs due to the complications of navigating competing priorities within the bloc, and talks such as those with China, which began in 2004, can take years.

Trade talks have, however, gathered momentum as Gulf states - largely dependent on oil and gas for revenue - seek to diversify their economies and develop new sources of income.

Trade between the Gulf and South Korea jumped to $78 billion from $50 billion between 2021 and 2022, according to data from London-based think tank Asia House, while the bloc's trade with emerging Asia, which includes China, surged to $516 billion last year from $383 billion in 2021.

The GCC-South Korea talks, which began in 2007, were put on hold for almost 13 years before being revived last year.

GCC Secretary General Jasem al-Budaiwi, in the statement, called the agreement "a historic step towards achieving Gulf economic integration and towards strengthening economic and trade relations between the two sides".

South Korea's Trade Minister Ahn Duk-geun also welcomed the deal, saying it would "maximise synergy effects between trade, industry and energy".

Earlier this year, the GCC - comprising Saudi Arabia, United Arab Emirates, Qatar, Kuwait, Oman and Bahrain - signed a free trade agreement with Pakistan, advanced negotiations with China, and restarted talks with Japan. FTA talks with Britain are also underway.

The UAE has also initiated a raft of bilateral trade deals since 2021, part of a strategy to advance its economic and political priorities amid growing regional competition, particularly with Saudi Arabia. In October, the UAE and South Korea concluded negotiations for a bilateral trade agreement.

Reuters

South Korea, Japan resume high-level economic talks amid improved ties

South Korea and Japan held high-level economic talks for the first time in eight years, in a further sign of improving ties as the countries are drawn closer by shared geopolitical concerns.

The talks, which first began in 1999, had been stalled since 2016 as relations between the two North Asian U.S. allies took a hit over historical disputes stemming from Japan's 1910-1945 occupation of Korea.

But South Korean President Yoon Suk Yeol has made it a priority to mend ties with Tokyo since taking office in 2022.

Kang Jae-kwon, South Korea's deputy foreign minister for economic affairs, was due to assess bilateral economic cooperation and discuss economic security policy with his Japanese counterpart Keiichi Ono, senior deputy foreign minister, Seoul's foreign ministry said.

"I hope that today's meeting will be a constructive time to contribute to restoring and deepening economic relations between the two countries," Kang said during his opening remarks at the meeting with Ono.

Earlier this year, South Korea announced plans for its companies to compensate people forced to work under Japan's 1910-1945 occupation as it pushed to end a spat that has undercut U.S.-led efforts to present a unified front against China and North Korea.

In a further example of increasing trilateral cooperation, Japan, South Korea and Washington announced the launch of a real-time missile data-sharing system to help monitor Pyongyang's nuclear and missile programs.

In July, Japan also reinstated South Korea to its "white list" for exports with fast-track trade status after lifting export curbs on high-tech materials to South Korea in March.

Nonetheless, there continues to be friction in the ties between Japan and South Korea.

This includes Seoul's decade-long ban on seafood originating from the area around the wrecked Fukushima nuclear power plant and a recent South Korean court ruling in favour of a group of South Korean women, known as "comfort women", who were forced to work in Japanese wartime brothels.

South Korea's Supreme Court on Thursday upheld rulings ordering two Japanese companies to compensate South Koreans who were forced to work under Japan's colonial rule, a decision that immediately sparked a protest by Tokyo.

Reuters

Singapore and Johor strengthen transport, economic links

Businesses in Singapore and Johor are hoping to tap on new opportunities as economic and transport connectivity between the two sides strengthen in the coming years.

Some Malaysian businesses are looking to move closer to the light rail station at Bukit Chagar in Johor Bahru, to cash in on the expected increase in Singaporeans crossing over to shop and eat, when the 4km Rapid Transit System (RTS) Link is ready by end-2026.

Meanwhile, Singapore firms have started drawing up plans to deepen investments in Johor, as both sides explore a new Special Economic Zone (SEZ).

Facilitating more exchanges of goods and talent could help to solve manpower and cost pressures, some firms told CNA.

Some businesses are holding back on plans to move for now, as the project is still a work in progress.

There is ongoing construction work and some properties and amenities are still being built, they told CNA.

Mr. Teh Kee Sin, advisor of the SME Association of South Johor, told CNA that firms have limited resources and will have to weigh the pros and cons of such a potential move.

However, such small- and medium-size enterprises (SMEs) are able to move quickly when the time is ripe, he noted.

"SMEs are very nimble, so when opportunities strike, we can just pack and go," said Mr. Teh.

He said that sectors such as retail and services do not need much preparation for moving, as there is not much machinery or heavy equipment involved.

Dr Lee Nai Jia, head of real estate intelligence at PropertyGuru, told CNA that rental rates for retail spaces in Johor Bahru have remained flat in the past few years due to the COVID-19 pandemic.

Rental prices are expected to rise by up to 10 per cent when the RTS Link is ready in about two years' time, driving some retailers to secure lease agreements now in order to lock in the current rates, he said.

Meanwhile, some Singaporean firms are already planning to tap on the proposed SEZ.

Singaporean agricultural trading firm Agrocorp International wants to export its brand of vegan cheese to the rest of the world, and plans to open a food processing facility in Johor Bahru.

Its director of strategic investments Vishal Vijay told CNA: "Johor has plenty of access to utilities such as water and natural gas, which is very important for the kind of food processing that we are planning to do."

Johor also has "great port facilities", said Mr. Vijay, with two major ports within proximity of the area his firm is eyeing.

"At the same time, there's also the Tuas mega port that's coming up in Singapore that we should be able to tap onto as well," he noted.

Tuas Port is expected to be the world's largest fully automated port when completed in the 2040s.

However, Mr. Vijay noted that challenges remain, such as the notorious traffic congestion at both the Tuas and Woodlands checkpoints.

"So we are hoping that the SEZ, especially the news about potentially passport-less travel, might ease some of that congestion, because we want some of our staff to go to the facility and vice versa," he said.

The smooth movement of goods will be another consideration by the company, he added.

Malaysia and Singapore are exploring initiatives leading up to the establishment of the SEZ.

For example, people travelling between Singapore and Johor may soon be able to enjoy passport-free clearance on both sides of the border, and cargo clearance processes at land checkpoints may also be digitalised.

Mr. Jeremy Mun, chief operating officer of electronics manufacturer Aztech Global, told CNA a smoother flow of people and goods could help his firm ease manpower shortages.

"The support given for talent grooming is crucial for us because talent crunch is a thing in Malaysia, especially in the skilled technicians as well as the engineering talents," he said.

Possible financial incentives, such as lower tariffs in the SEZ, could also help firms like his become more profitable, added Mr. Mun.

"If we could get some tax incentives or some grants, that will be really helpful to us to bring down the costs," he said.

For now, firms are waiting for more details like the economic sectors of cooperation and geographical coverage of the SEZ.

Further updates are expected at the 11th Malaysia-Singapore Leaders' Retreat later this year.

Channel News Asia

‘I used to make plastic. My new invention stops it from polluting the sea’

He spent 30 years producing plastic parts for luxury car manufacturers including Aston Martin, Bentley, Lamborghini, Ferrari and Porsche. But as Vanni Covolo approached his 50th birthday, he felt he should be doing more to help the environment.

Covolo, 54, is now the driving force behind an innovative start-up, River Cleaning, producing barriers for cleaning plastic bottles, crisp packets and milk cartons out of rivers before they can float out to sea.

He has built a prototype in Rosà, near Vicenza, Italy, and installed fully working systems in the Po Delta, a waterway near Venice and the Lanë, the litter-filled river that crosses the Albanian capital of Tirana.

Next, he aims to roll out the technology around the world, starting with the plastic-infested waterways of South East Asia.

“If we clean up the waterways of India, we are not just helping the people who live there,” Covolo tells i. “We are helping everybody, because oceans belong to everyone and we are all responsible.”

The world’s oceans are filling up with plastic, with between 19 and 23 million tonnes of the discarded material entering aquatic environments every year, according to the United Nations Environment Project.

An estimated six million tonnes of plastic – much of it from landfill sites – is believed to end up in urban rivers annually before being transported into oceans, where it kills mammals, seabirds, turtles and fish that ingest it and finds its way into the food chain.

The problem is worst in South East Asia: the world’s 10 most polluting rivers are found in the Philippines, Malaysia and India, according to a 2001 study published in the academic journal Science Advance.

“What convinced me was when in 2019 I saw pictures of beaches in Indonesia completely covered with plastic bottles,” Covolo says. “I had seen those beaches 25 years ago and they were perfect then – now they’re disastrous.”

River Cleaning’s barriers allow water and wildlife to pass while plastic is intercepted by a series of solar powered rotating disks anchored to the riverbed and ushered along to waste disposal containers positioned on the bank.

The system, which is active around the clock, self-cleans twice a day, removing fungi, small twigs and vegetation from the wheels.

An original version of the technology, was piloted and refined in Rosà in 2021.

Small boats could pass through by pushing the discs to the side like buoys. Sensors mounted on the river bank alerted a central computer when larger vessels were approaching, prompting the barrier to open on tracks to let them through. Following violent storms, however, large tree trunks were getting snagged in the disks.

“There were 250 tree trunks in the water and we didn’t know how to let them pass,” says Covolo.

So he went back to the drawing board and developed a new version last year that rises on vertical columns or swings open on hinges whenever larger objects approach. “The best thing is the barrier knows when to move. No human input is required.”

The systems are usually paid for with

public funds and their cost varies depending on the barrier's length (the one near Venice cost €100,000). The systems in Albania and the Po Delta will be partly paid for through the EU's Horizon Europe project.

Covolo's four patents for the river cleaning technology include one for blocking oil spills. The system works by sucking up liquid petroleum through pipes attached to the rotating wheels and channelling it into a small treatment plant. The idea came to him during the Covid 19 lockdowns as he gazed at a world map.

"I thought: 'Christ, this is the motorway of merchant trade," Covolo recalls. "If a big ship has an oil spill, there's no solution – the entire waterway becomes contaminated."

Next, he intends to create a new system that filters plastic while allowing vegetation to pass through, ensuring river ecosystems are unharmed.

Born to a family of farmers in the Veneto region – which is home to lakes, waterfalls and a network of rivers, Covolo was employed by an injection-moulding firm at 16, gradually working his way to the top. He set up his own manufacturing company in 2002, soon catching the eye of some of the world's most famous car manufacturers. "We were very successful because we thought outside the box and found novel solutions," he says. "We made a lot of money."Yet he began to yearn for a change of career.

"I was approaching 50 and realised we were making beautiful pieces of plastic, but they were mere objects," he says. "One day I looked at myself in the mirror and thought why don't we invest our knowledge and money to do something different?" he said.

Covolo met the two young brothers Andrea and Alex Citton, who had dreamt up the River Cleaning model, joining the company before buying them out. His experience in injection moulding meant he was perfectly placed to take the idea forwards.

"When you enter a new industry from the outside you see things differently and find solutions that nobody else thinks of," he says.

Now that the barriers have been trailed and tweaked, Covolo is determined to take the technology further afield. "We are ready to take it all over the world," he says.

The barriers' parts can be constructed on home territory rather than transported from Europe. "I designed them so that they can be realised by small factories anywhere in the world," Covolo explains.

He has looked into installing a system in the canals of Venice, but predicts the company will build its next system in India.

"We need to spread this technology around the world immediately," he says. "The world needs us."

iNews

POLICY UPDATES

Australia

Australia plans to halve migrant intake, tighten student visa rules

Australia said it would tighten visa rules for international students and low-skilled workers that could halve its migrant intake over the next two years as the government looks to overhaul what it said was a "broken" migration system.

Under the new policies, international students would need to secure higher ratings on English tests and there would be more scrutiny on a student's second visa application that would prolong their stay.

"Our strategy will bring migration numbers back to normal," Home Affairs Minister Clare O'Neil said during a media briefing.

Prime Minister Anthony Albanese said Australia's migration numbers needed to be wound back to a "sustainable level," adding that "the system is broken."

O'Neil said the government's targeted reforms were already putting downward pressure on net overseas migration and will further contribute to an expected decline in migrant numbers.

The decision comes after net immigration was expected to have peaked at a record 510,000 in 2022-23. Official data showed it was forecast to fall to about a quarter of a million in 2024-25 and 2025-26, roughly in line with pre-COVID levels.

O'Neil said the increase in net overseas migration in 2022-23 was mostly driven by international students.

Australia boosted its annual migration numbers last year to help businesses recruit staff to fill shortages after the COVID-19 pandemic brought strict border controls, and kept foreign students and workers out for nearly two years.

But the sudden influx of foreign workers and students has exacerbated pressure on an already tight rental market, with homelessness on the rise in the country.

Long reliant on immigration to supply what is now one of the tightest labour markets in the world, Australia's Labor government has pushed to speed up the entry of highly skilled workers and smooth their path to permanent residency.

A new specialist visa for highly skilled workers will be set up with the processing time set at one week, helping businesses recruit top migrants amid tough competition with other developed economies.

Reuters

Bangladesh

Bangladesh eyes halal exports boost to Gulf countries with new policy

Bangladesh is working on tapping into the global halal market and increasing exports to Gulf countries, the Bangladesh Islamic Foundation said following the government's inaugural policy on halal certification.

Bangladesh's Ministry of Religious Affairs approved last month a halal certification policy, which serves as a formal guideline and incentive for companies to align with international halal standards, paving the way for the South Asian nation to harness the potential of the global halal market, which is worth over $2 trillion.

"This halal certification is very important for us since we are a Muslim country and 92 percent of our consumers are Muslim … Now, we will be able to explore the export potential of our halal goods," Abu Saleh Patwary, deputy director of the halal certification department at the Bangladesh Islamic Foundation, told Arab News.

The BIF is a body under the Ministry of Religious Affairs, which has worked on halal certification matters since 2007 and is now in charge of issuing halal certificates in Bangladesh.

"Saudi Arabia and the UAE can be the major destination for our halal goods … We will be aiming to increase exports to Muslim countries, especially in the Gulf region," he said.

"If we can grab 2 to 3 percent of global halal markets, it will boost our economy a lot … Now, a new horizon of halal goods has opened up for our local entrepreneurs."

The policy comes at a time when Bangladeshi businesses are also exploring new opportunities with Gulf nations, such as Saudi Arabia, which a delegation comprising the country's top business leaders visited earlier in October.

Jahangir Alam, director at the Dhaka School of Economics, said halal certification was imperative to enter the Middle Eastern market.

"Most Muslim countries want halal certification to import consumer goods. It's particularly hard to sell goods in Middle Eastern countries without halal certification. For this reason, we need the halal certification very much," Alam told Arab News, adding that it will help boost the presence of Bangladeshi products internationally.

The process to obtain those certifications should be "easy and hassle-free," Alam added, to ensure that Bangladeshis can reap the benefits of such a policy.

"The introduction of halal certification will boost sales of goods both locally and globally. Eventually, it will increase the earnings of our foreign currency. It's a great initiative."

Arab News

Indonesia

Indonesian Crypto Exchanges Must Register with New Bourse or Face Shutdown

Indonesia launched the world's first national bourse for crypto assets this year. Now, the country wants all crypto exchanges to register with the platform to continue operating.

The bourse – called the Commodity Future Exchange (CFX) – is designed to operate similarly to traditional stock exchanges like NASDAQ but with a specific focus on digital assets.

The CFX is the Indonesian government's response to the high local demand for crypto. In Indonesia, there are more than 18 million registered crypto traders compared to around 12 million stock traders, according to official data from 2023.

While the stated goal of the bourse is to make the crypto ecosystem safer for investors, government plans show the exchange is also expected to help track digital asset transactions for tax purposes.

Regulations introduced in 2019 by the Indonesian Commodity Futures Trading Supervisory Agency (Bappebti) require all crypto exchanges operating in the country to seek authorization.

All 'legal' crypto exchanges operating in Indonesia since 2014 are lumped into one category called "prospective crypto exchanges" because the authorization regime came later. Firms have to go through stringent checks to win recognition as legitimate enterprises linked to the CFX.

The authorization process involves registration with self-regulatory organizations (SRO) like the CFX and later a test by Bappebti to determine a company's fitness to operate.

A crypto exchange license (PFAK) is only issued if all requirements are met, Robby Bun, chairman of the country's crypto asset trade association, Aspakrindo, told CoinDesk Indonesia. Aspakrindo acts as a mediator between prospective crypto exchanges in the industry and regulators.

Without completing the new procedures and registrations, prospective crypto exchanges cannot operate in Indonesia.

"There is a deadline for prospective crypto exchanges. If they do not register by the specified time, they will automatically be unable to operate in Indonesia," Robby said, adding that the deadline is Aug. 17, 2024. If they want to continue operating, crypto exchanges must also obtain licenses, Robby said.

In Indonesia, there are 29 prospective crypto exchanges that will require authorization, Subani, chairman of CFX, said in an interview with CoinDesk Indonesia.

"All transactions within these prospective crypto exchanges are diligently reported and monitored. Our primary objective is to ensure a smooth transition from being a prospective crypto exchange to becoming a fully recognized crypto exchange," Subani said.

Registration with the CFX essentially serves as a gateway for the government to monitor cryptocurrency transactions for tax purposes.

It could be followed by some form of custodian for asset storage and liquidity monitoring, as well as a clearing house for recording transactions for tax compliance, according to the 2019 Bappebti regulations. But those could be a while away.

Coin Desk

Iran

Iran lifts visa rules for 33 countries including Gulf states

Iran said it was lifting visa requirements for 33 countries, including Gulf states like Saudi Arabia

with which Tehran had frosty relations for years until a recent rapprochement, the Iranian Students News Agency (ISNA) said.

"The ministry of tourism believes that an open-door policy will showcase Iran's determination to engage with different countries of the world," the semi-official ISNA reported.

The decision will increase to 45 the number of countries or territories whose citizens can visit Iran without needing to obtain a visa, it said.

The move is another step towards thawing relations between Iran and Saudi Arabia in particular after years of tension between the two oil-producing Gulf rivals.

Nationals of Saudi Arabia, the United Arab Emirates and Qatar are included in the decision to waive visa requirements, in addition to Bahrain, with whom Tehran has not yet re-established full ties.

ISNA gave a full list of the countries, which included Lebanon, Tunisia, India, several Central Asian, African and "Muslim" nations. Only one Western-allied European nation was on the list, Croatia, a small member of the European Union and NATO.

"Russians will only profit from this visa exemption if they are visiting the country in groups," ISNA added.

Omani nationals had been able to travel to Iran visa-free prior to this announcement.

Reuters

Korea

South Korea to scrap foreign registration rule for share trading

South Korea will no longer require foreigners to register with authorities in order to trade shares in locally listed companies, its financial regulator said, ending a rule that has been in place for three decades.

The Financial Services Commission said on Wednesday that foreigners would instead be allowed to open accounts with an internationally used identification, such as passport for individuals or legal entity identifier (LEI) for organisations.

In a statement released after the completion of legislative changes, the commission said it was also easing a requirement to report transaction details of firms trading shares through an omnibus account to once a month from within two days of settlement.

The changes are part of South Korea's efforts to improve foreign access to its stock market, which includes a plan to require listed companies to provide corporate filings in English from next year.

However, foreign investors last month criticised South Korea for taking a step backward with a sudden ban on short-selling of shares, which they said makes the market less transparent and hinders foreign access.

Reuters

Mongolia

Mongolia Ushers in Infrastructure Development Era with New Public-Private Partnership Law

On January 1, 2024, a pivotal shift in Mongolia's infrastructure development approach was marked by the implementation of the Law on Public-Private Partnership.

This legislation, replacing the previous Law on Concession, is designed to provide long-term support to infrastructure projects without the government competing with the private sector.

The main objective is to enhance Mongolia's economic competitiveness by aligning its legislative framework with international standards.

The Deputy Minister of Economy and Development, Tuvdendorj Gantumur, emphasized the benefits of the new law.

It promotes competition within public services, introduces a variety of financial instruments to meet escalating demands, and aims to alleviate the fiscal burden on the budget in the long run. Private sector involvement in public services is not just encouraged but is seen as an essential part of this initiative.

BNN

Philippines

Philippines enacts new law that makes paying taxes easier

Philippine President Ferdinand Marcos Jr has signed into law a bill making it easier for taxpayers to pay their taxes, his office said, in a bid to increase the revenues his government needs to boost infrastructure spending.

"The law will modernize and increase the efficiency and effectiveness of tax administration and strengthen taxpayer rights and allow the government to capture as many taxpayers as possible into the tax net," his office said in a statement.

Called the "Ease of Paying Taxes Act", the new law simplifies procedures by allowing taxpayers to electronically or manually file tax returns with the Bureau of Internal Revenue (BIR), any authorised agent bank or authorised tax software provider.

The new law also allows non-residents to register for these facilities, in a bid attract foreign investors and make it easier for them to do business in the Philippines.

Under the law, the tax authority is mandated to act on claims to refund taxes erroneously or illegally collected within 180-days. The threshold for mandatory issuance of receipts was raised to 500 pesos ($8.99) from 100 pesos, the law added.

The number of income tax return pages was also cut to two from four previously.

To speed up the process, the BIR must also craft a digitalisation roadmap to ease tax compliance especially for micro and small taxpayers, the law stated.

Marcos, who was elected president in June 2022, has outlined an ambitious plan for his six-year term in office that focuses on fiscal management and infrastructure upgrades.

His government wants to raise its tax effort, which is the share of tax collections to gross domestic product, to above 17% by 2028 from more than 14% currently, and sustain infrastructure spending at 5% to 6% of gross domestic product.

The Star

Taiwan

Taiwan immigration law amendments to take effect in 2024

Amendments to Taiwan's Immigration Act and related regulations will take effect in stages starting Jan. 1, 2024, as the government continues efforts to promote human rights and ensure safety for all members of society, according to the Ministry of the Interior.

Involving 63 clauses of the act, the revisions include relaxed rules regarding stays and residency, better protection of married immigrants' rights to family reunification and more severe penalties for immigration violations, the ministry said, as well as 15 sub-laws related to the Regulations Governing Visiting, Residency and Permanent Residency of Aliens.

Under the amendments, immigrants who divorce a Taiwan spouse due to domestic violence will be allowed to continue residing in the country whether or not they have underage children, while those whose Taiwan spouses have died can apply for residence if they have underage children who possess ROC (Taiwan) nationality.

The amendments also ease regulations on the period of stay and residency for Taiwan nationals without household registration and foreigners in the country. Foreign professionals with special achievements or contributions to society will soon also be able to apply for permanent residency for their spouses, as well as their dependent children.

Other revisions include an extension of stay for one year for foreign students after graduation with provisions for one additional extension; furthermore, lawyers will be permitted to accompany applicants during immigration interviews.

Those who violate immigration laws will face more severe punishments, the MOI said. These include an entry ban of up to seven years plus a fine on overstay of between NT$10,000 (US$321) and NT$50,000, up from the current amount of between NT$2,000 and NT$10,000. Those who arrange for foreigners in Taiwan to engage in activities different from the stated purpose of their visit will receive fines between NT$200,000 and NT$1 million.

Taiwan Today

Vietnam

Vietnam to raise regional minimum salary by 6% next year

Vietnam will lift regional minimum salary for labourers by 6 per cent next year, local media reported on Dec 20.

The National Wage Council gave the green light to the increase and will submit it to the government for approval. If approved, the regional minimum wage increase will take effect on July 1, 2024.

According to the latest decision of Vietnam's National Wage Council, minimum salary for workers in Region I, urban areas of Hanoi and Ho Chi Minh City, is set to rise to 4.96 million Vietnamese dong (US$204) a month, while that in Region II, rural areas of the two cities along with major urban areas in the country like Can Tho, Danang and Hai Phong, is set to increase to 4.41 million dong ($181).

Minimum salary for workers in Region III, cities and districts of northern Bac Ninh, Bac Giang and Hai Duong provinces, is poised to climb up to 3.86 million dong ($158), and that in Region IV, the rest of Vietnam, is poised to rise to 3.45 million dong ($141).

Le Van Thanh, deputy minister of labour, invalids and social affairs, said the increase showed difficulty sharing between enterprises and labourers.

The wage increase plan has been evaluated based on economic difficulties, world fluctuations and complex trade barriers. The council has also taken into consideration the difficult circumstances of workers in recent times due to fluctuations in prices and businesses lacking orders, he said.

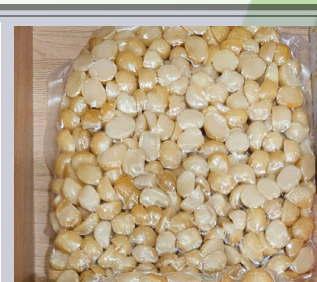
Vietnam increased regional minimum salary by 7.3 per cent, 6.5 per cent, 5.3 per cent and 6 per cent in 2017, 2018, 2019 and 2022, respectively.

The Star

TRADE REQUESTS

Taiwan trading company [Supex Products Corporation] is seeking suppliers of investment casting SS marine hardware. Interested suppliers, please contact:

Amelia Wang
amelia@supexpro.com
+886226989363



Taiwan manufacturing company [Long Life Tien Trading Co.] is seeking macadamia suppliers. Those interested can contact:

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