



TOBB President Invites CACCI Members to the Istanbul Conference in November



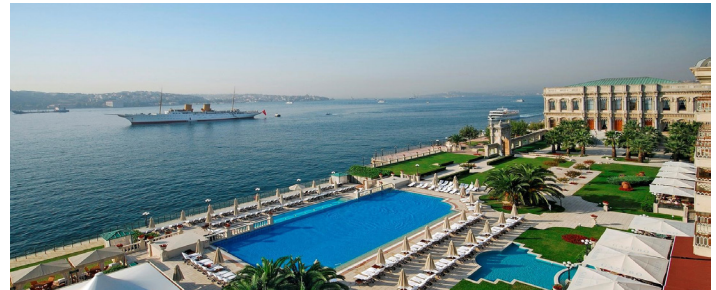
TOBB President Rifat Hisarciklioğlu

Mr. Rifat Hisarciklioğlu, President of the Union Chambers and Commodity Exchanges of Turkey (TOBB), the umbrella organization of the business community of Turkey representing 1.5 million member companies, takes pleasure in inviting CACCI members, associates, and friends to attend the upcoming 32nd CACCI Conference on November 23-24, 2018 in Istanbul, Turkey.

Jointly organized by CACCI and TOBB under the patronage of H.E. Recep Tayyip Erdoğan, President of Turkey, the Conference will focus on the theme “Asia: Expanding Boundaries”. “I firmly believe that your presence will contribute to the success of this event,” Mr. Hisarciklioğlu said in his message to members.

The TOBB President pointed out that the Asia-Pacific Region accommodates 40% of the world’s population and 23% of the global economy. “We take note of the growing importance of the Asia-Pacific Region for the global economy and we strive for harnessing a synergy that will be a win-win for all.”

He further added that “Economic developments indicate that the center of gravity of global economy is shifting towards Far East. In other words, we have now entered to the century of the Pacific. It is the largest global market with over 3 billion consumers. Annual volume of goods and services imported by CACCI countries is around 5 trillion USD. Besides, economic growth rates are also above global averages. Average growth rate of the Region has been hovering around 6 % in the last 5 years. The growth expectation for 2018 and 2019 is % 6.5. Therefore, the Asia-Pacific Region remains to have a decisive power over the course that the



Ciragan Palace Kempinski Hotel

global economy would follow.”

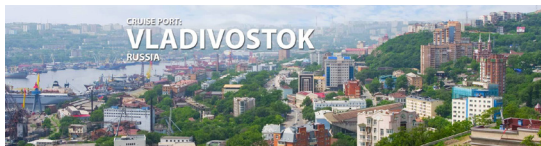
“Given the shifts in global balances, it is significantly important to organize the Asia-Pacific Economic Summit in Istanbul, the city bridges West and East,” Mr. Hisarciklioğlu said. “On behalf of the business community of Turkey, I would be pleased to welcome business representatives from all over the world and promise a full program with knowledge sharing, networking, and business to business meetings, social and cultural events.”

The Istanbul Conference will be held at Ciragan Palace Kempinski, a luxurious hotel located along the Bosphorus Sea. It is expected to bring together some 500 participants from international organizations, governments, businesses, academia and think-tanks.

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CACCI Delegation Warmly Received in Vladivostok



Following his successful Presidential visits to Cambodia, Vietnam, and Laos in April 2018, CACCI President **Mr. Jemal Inaishvili** led another delegation of CACCI officers and members for a visit to another CACCI member country, this time to Russia – specifically in the port city of Vladivostok.

Considered the administrative center of Primorsky Region, the city of Vladivostok (literally means “ruler of the east”) is located around the Golden Horn Bay, not far from Russia’s borders with China and North Korea. The population of the city as of 2017 was 606,589, up from 592,034 recorded in the 2010 Russian census. The city is the home port of the Russian Pacific Fleet and the largest Russian port on the Pacific. The city’s main industries are shipping, commercial fishing, and the naval base. Fishing accounts for almost four-fifths of Vladivostok’s commercial production. Other food production totals 11%. A very important employer and a major source of revenue for the city’s inhabitants is the import of Japanese cars.

The visit was another milestone as it was the first-ever CACCI Presidential visit to Vladivostok. Like the other previous Presidential visits, the Vladivostok trip was aimed at providing the CACCI visitors the opportunity to gain a better understanding of the economic conditions in the city and explore possible joint business ventures and investment cooperation with their local counterparts.



The Presidential visit to Vladivostok served as a valuable occasion for the CACCI delegation to meet with various government officials of the city to exchange views on trade and investment issues as well as identify areas where CACCI members may consider investing. The delegation also had the opportunity to network with officers of local institutions and business enterprises and listened to presentations on their activities and projects, especially those that welcome the participation of foreign investors. As a result of the delegation’s various meetings, the CACCI Presidential visits to the three countries succeeded in generating awareness about CACCI and its activities among key administrative officials and the local companies in the city.

Accompanied by Mr. Michael V. Veselov, Vice President of Primorsky Region CCI, and Mr. Igor A. Krestinin, International Relation at the Chamber, the delegation made the following visits during the two-day program:

A. VISIT TO FEBRAS

The delegation visited the Far Eastern Branch of the Russian Academy of Sciences (FEBRAS), where they were welcomed by its President Valentin Sergienko.

With the assistance of his staff members, Mr. Sergienko made an introduction on FEBRAS and its activities. He informed the delegation that FEBRAS was organized to develop fundamental research in the field of natural and social sciences and to work out the applied problems of the Far Eastern productive forces development and training of scientific manpower. He said that its main goal is to coordinate the efforts of all research teams, directing them to find solutions to the most urgent problems of interest to the region and to science in general.

The CACCI delegation learned from Mr. Sergienko that the priority directions of the scientific researches of FEBRAS include the following:

- * Photonics and laser physics and physics of nanomaterials
- * Development of software and hardware tools
- * Development of oceanographic instruments & underwater robotic systems
- * New functional materials, nanomaterials and chemical technology
- * Highly efficient technology of radioactive waste processing
- * Biodiversity and bioresources
- * Physico-chemical biology, biotechnology and genetic engineering
- * Genophysics, geochemistry and biology of world ocean
- * Tectonics, geodynamics and metallogeny
- * Long-term forecast of catastrophic natural phenomena
- * Evaluation of resources of hydrocarbon potential of the Pacific basin
- * Regional environmental management
- * Medical and physiological problems
- * Development of new varieties of agricultural products
- * Problems of regional development and international cooperation
- * Conservation of rare and endangered species



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* History, archaeology, sociological problems.

Mr. Sergienko invited CACCI members to cooperate with FEBRAS in the activities in any of the above mentioned areas of research and product development.

B. MEETING WITH THE VICE GOVERNOR OF PRIMORSKY REGION



Following its meeting with FEBRAS, the delegation proceeded to the office of the Vice Governor of Primorsky Region, where they were received by its key officials led by Vice Governor Ms. Tatiana Kazantseva.

During the dialogue between the two sides, the delegation learned of the major policies adopted by the Primorsky region to take advantage of its strategic location for trade and industry development with countries from the Asia-Pacific region. These policies include the creation of the free port of Vladivostok and the establishment of an advanced free economic zone.

The CACCI visitors were also informed of the growing importance of the tourism industry for the Primorsky Region, and noted the increasing number of cruise ships that call on the city per month bringing tourists from China, Japan, and Korea; the development of port facilities to receive these cruise ships; the development of eco-tourism; the establishment of gaming zones to cater to foreign tourists, and the construction of more hotels to accommodate the growing number of foreign visitors.

The delegation was also briefed of the importance of the fisheries sector, the mining industries, the agricultural sector, as well as the construction and the development of infrastructure projects.

Mr. Inaishvili and other members of the CACCI delegation noted the rapid development taking place in the country. They praised the economic progress that the Primorsky Region and Vladivostok have made in recent years and acknowledged the business opportunities they personally witnessed during the visit. They noted that there certainly are many areas that provide great opportunities for trade and investments between the Primorsky Region and other CACCI member-countries.

President Inaishvili suggested to the Chamber of Commerce and Industry of the Primorsky Region to consider the possibility of hosting a CACCI Conference in the near future, stating that such event will provide Vladivostok the opportunity to tell the world about its achievements on the economic front as the country's economic advantages are mostly unknown to most countries.

C. MEETING WITH DUMA OF VLADIVOSTOK CITY

On the afternoon of June 14, the CACCI delegation proceeded to its joint meeting with the Duma of Vladivostok City.

The joint meeting featured several speakers, which included Mr. Michael Veselov, Vice President of the Chamber of Commerce and Industry of the Primorsky Region; Ms. Elena Demidenko Adviser to the Vice Governor; Mr. Andrei Brik, Chairman of the Duma of Vladivostok City; Ms. Tatiana Legchilina from the International Cooperation Department of the CCIRF; and CACCI President Mr. Jemal Inaishvili.

All the four speakers highlighted the trade and investment opportunities offered by the city of Vladivostok, describing some of the incentives offered by the free port city, including the tax, customs and administrative preferences the city extends to investors, especially those that set up businesses in its special regional economic zone. They cited the industrial and scientific foundation of the city, and the opportunities in the construction and shipbuilding industries.

The delegates were informed that the free port facility would comprise a seaport, airport zone, an industrial zone, a scientific zone and a tourist-recreational zone, which includes gaming facilities. The free port and advanced special economic zones will help the Russian Far East region become a new showcase for foreign investors, the speakers stressed, noting that the free port regime, which will target global trade businesses, will last for 70 years with strictly defined boundaries and facilitated customs. According to Far East Development Corp., which manages the free port and economic zones in the area, the program will cover a total of 28,400 square kms and a population of 1.4 million.



The CACCI visitors further learned that residents of the free port, who can invest at least 5 million rubles (US\$75,900) in three years can enjoy zero profit tax, land tax and property tax within the first five years and 12 percent profit tax for the next five years. Residents of 12 advanced special economic zones, which target domestic markets with no strictly defined boundaries, can enjoy similar tax benefits with minimum investment of just 500,000 rubles.

The city's port facilities are also noted to be important, and that tourism is a growing industry, particularly sea tourism with the increasing number of cruise liners visiting the city. Also these underscore the great economic potential of Vladivostok,

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and should encourage members of CCIRF and CACCI to come to Vladivostok.

For his part, Mr. Inaishvili urged the Chamber of Commerce and Industry of Primorsky Region to take a more active involvement in CACCI activities to reap the benefits of Asian growth and development, pointing out that it would be a win-win situation for businessmen in Vladivostok and the Primorsky region, as well as in CACCI member countries, given the fact that CACCI is a very big organization.

D. VISIT TO THE EUROPEAN DIAMOND CENTRE CO. LTD.



On the morning of June 15, the delegation visited the European Diamond Centre Co. Ltd. , where they were received by Mr. Alexey Ivanov, Director of Alrosa, which is the company that manages the Centre.

During the visit, the delegation learned that: (a) Alrosa is a Russian Group of diamond mining companies that occupies a leading position in the industry and has the largest rough diamond reserves in the world; (b) The Group accounts for one third of the reserves and more than a quarter of the production of the global rough diamond market; (c) Their key areas of activity, comprising the focus of the major strategic efforts of the Group, are deposits exploration, mining, processing and sales of rough diamonds; (d) The majority of Alrosa Group revenue comes from selling rough diamonds; (e) Rough diamonds are sold under long-term agreements to Russian and foreign diamond cutting companies; and (f) The rough diamond segment accounts for about 90% of the total Group revenue.

The CACCI visitors were also informed that the Eurasian Diamond Centre itself opens up great prospects not only for companies in the industry of rough and polished diamonds, but also for retailers and jewelry manufacturers, including the Luxury segment, cultural values and antiques markets participants. The Centre serves as a unique platform that allows developing and implementation of new manufacturing technologies, holding of exhibitions and regular auctions of precious gems and opening of new market channels.

E. VISIT TO AVIAPOLIS YANKOVSKY CO. LTD.

The delegates then proceeded to the Aviapolis Yankovsky LLC, which is a Russian private industrial park operator which plans to build a mega warehouse and logistics park in Primorsky Krai province. Considered the largest in the Far East region, the facility will cover gross floor area of 680,000 square meters, and is expected to be completed by 2025.

The CACCI visitors were informed that the industrial park has been a resident of the Free Port of Vladivostok since 2016. Aviapolis is located in a dynamic zone, both in terms of infrastructure and in close proximity to key transport hubs. The distance to the city of Vladivostok is only 40 km, to the city of Artem and Vladivostok Airport - 4.7 km, to the city of Nakhodka - 139 km. The delegation learned that some 95 percent of the park's warehouse space is already booked, pointing to the high demand for warehouse and office space from the residents of Vladivostok Free Port.



F. VISIT TO “PRIMRING”, AND MEETING AT TECHNO HOLDING SUMOTORI CO. LTD.

Following the visit to the Aviapolis Yankovsky LLC, the CACCI delegation moved to PrimRing, located in the Far Eastern Primorsky region in Artyom city, close to Vladivostok. They were received by Ms. Pshenichnikova Ekaterina, CEO of Sumotori Company Group, and Mr. Sergy Verkeenko, General Director of the Group.

The delegates were informed that the aim of the “Prim-ring” is to create a modern, multi-use, leisure and retail destination with motorsport at the core. The site is located on a 78 Ha plot in the vicinity of Vladivostok, located close to a major highway for easy access. The initiator of the project is Sumotori

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Machinery Group, the biggest technological holding company in far Eastern Russia.

The CACCI visitors learned that the PrimRing will play a strategic role in the development of motor sport in Russia. The project has been granted 'Strategic Project' status by the Primorsky regional government and has received grant funding support from the FIA Motorsport Development Fund, bringing significant commercial and planning benefits. The Russian Automobile Federation (RAF), the motor sport regulator for the country, is also fully supportive of the initiative.

PrimRing provides a home for motor sport for all categories in the Primorsky region and a venue for national events in Russia and for visitors from the neighbouring countries of China, South Korea and Japan. Around this mix of motor sport infrastructure, the project proponents have developed leisure, retail and business districts, all combined to provide a natural parkland setting for families and friends to meet, relax, enjoy, watch or participate.



The delegates were further informed that Sumotori is a techno holding company, which has been on the Russian market since 1998. Its former name is Hino-Vladivostok. The main office is situated in Vladivostok, and it is a dealer of different companies: Hino truck, New Holland (a global brand), Doosan Infracore (S. Korea), TCM, Everdigm (Hanwoo), Bishamon KO-BELCO.

G. VISIT TO A MARINE RESEARCH CENTER

Following their visit to PrimRing, the delegation pro-



ceeded to visit a Marine Research Center which conducts various experiments and research work on growing and cultivating marine life for commercial production (both for domestic consumption and export) and for other purposes.

DINNER HOSTED BY CACCI PRESIDENT

CACCI President hosted a dinner for the CACCI delegates as well as for key representatives of the Primorsky Region Chamber of Commerce and Industry and some of the organizations visited earlier. The dinner provided another opportunity for the participants to further network with each other and explore possible areas of cooperation in related activities.



CACCI President Meets with Key Officers of Primorsky Region CCI

Mr. Jemal Inaishvili, President of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), met with Mr. Boris V. Stupnitsky, President of the Union Primorsky Chamber of Commerce and Industry, and Mr. Michael Veselov, Vice President of the Chamber, following the successful CACCI Presidential visit to Vladivostok.

Mr. Inaishvili thanked Mr. Stupnitsky and Mr. Veselov for the excellent arrangements and generous hospitality extended to the CACCI delegation during the visit. He expressed his appreciation for the opportunity to meet with key officers of important organizations - such as the Russian Academy of Sciences, the Primorsky Krai Administration, and the Duma of Vladivostok City - and to share information with them on the current conditions as well as the trade and investment opportunities in Vladivostok and the Primorsky Region, as well as to exchange views with them on other matters of common interest.

He also thanked the Chamber officers for the opportunity to visit local companies – including the European Diamond Centre Co. Ltd., the Aviapolis Yankovsky Co. Ltd., the Techno Holding Sumotiru Co. Ltd, and the Marine Experimental Center – and to learn first-hand about their activities and the areas in which they are open for investments.

President Inaishvili also invited the Chamber to participate in the special session on “Discover Business Opportunities Through CACCI” during the upcoming 32nd CACCI Conference on November 23-24, 2018 in Istanbul. He stressed that this spe-



cial session will feature special country presentations by chambers of commerce from selected CACCI member-countries. The country presenters will be requested to make presentations on current economic conditions in their respective countries and opportunities for trade and investments, and/or on special programs, projects, products or services that have benefited their members or the community they serve and may be adapted by chambers from other countries.

CACCI President Greets Russian Students Visiting Vladivostok



During his recent Presidential visit to Vladivostok, CACCI President Mr. Jemal Inaishvili took some time to greet

young Russian students from around the country who were making a study tour of one of the major tourist spots in Vladivo-

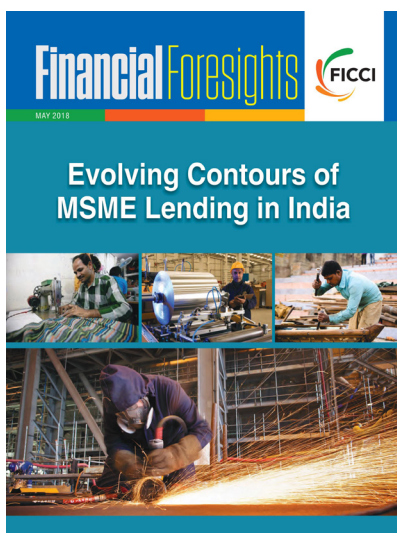
stok. Mr. Inaishvili greeted the students and talked to them briefly about their activities.

Latest FICCI Financial Insights Focuses on MSME Lending

The Financial Sector team of the Federation of Indian Chambers of Commerce and Industry (FICCI) has issued the latest edition of its quarterly publication - Financial Insights. The issue focuses on “The Evolving Contours of MSME Lending in India”, which presents insightful write-ups contributed by industry leaders and experts in this domain.

Micro, Small and Medium Enterprises (MSMEs) are a major engine of growth and employment generation in the country. However, with over 50 million MSMEs in the country we have only 4.5 million unique borrowers from the formal industry. Traditionally public sector banks have been the lenders for formal credit to MSMEs. Private sector banks and NBFCs have been steadily increasing the share in MSMEs financing.

However, lately non-traditional (or alternate) lenders have also entered the MSME lending space. These non-traditional lenders are using data and digital processes to transform the lending space. They work with new-economy partners, use non-tradition-



al data sources and have developed new credit rating algorithms enabling smoother straight-through digital processes for loan approvals.

The policy interventions such as demonetization and introduction of GST have led to massive formalization of the businesses of MSMEs. This is generating enormous financial information database of MSMEs' businesses and finances. It is expected that this big data base will be useful for improving financing of MSMEs' capital requirement, including working capital. Further, the proposed on boarding of public sector banks and corporates on Trade Electronic Receivable Discounting System (TReDS) platform and linkage with GSTN would also be beneficial for MSME financing.

This issue of Financial Foresights has attempted to outline reforms for strengthening the MSME lending structure leading to growth of the MSME

credit.

Interested parties may download the publication from the following link: http://ficci.in/SPdocument/22981/Financial_Foresight_May1.pdf

CACCI Soliciting Project Proposals for Funding by the CACCI Foundation from Members



CACCI is inviting Primary Members and Affiliate Members to submit formal proposals on projects that their respective Chambers wish to be financed by the CACCI Foundation.

The CACCI Foundation was established in 2006 to help Primary and Affiliate Members implement projects aimed at promoting entrepreneurship and the development of small and medium enterprises (SMEs). The ultimate objective is to assist chambers in Asian developing countries region to become sustained contributors to the economic development of the private sector.

Since its establishment, the CACCI Foundation has helped finance the following three projects (pictured above),

with each one receiving US\$5,000:

- “Youth Business Sri Lanka Programme” in Sri Lanka – Managed by Ceylon Chamber of Commerce, the Programme provides assistance (in the form of a loan of US\$500 and mentoring support) to enterprising youths who have viable business plans but do not have financial resources; and
- “Life Forever Beautiful-Organic Mongolia” in Mongolia – An initiative of the Mongolian National Chamber of Commerce and Industry, the project is dedicated to procuring yak's milk from herders, with the view to creating a foundation for milk production.
- “Promoting Women Entrepreneurship Through Development of SMEs” in Bangladesh – Initiated by the Barisal Women Chamber of Commerce and Industry (BWCCI), the project is aimed at assisting the entrepreneurial development of women, especially the less fortunate ones, in Barisal, which is an old port located some 353 kilometers from Dhaka in southern Bangladesh.

Primary Members are encouraged to submit their formal proposals on projects – either ongoing or still to be implemented – that encourage entrepreneurship and promote the growth and development of SMEs, thereby helping achieve the objective of the CACCI Foundation.

CACCI Issues Latest Editions of Product and Service Council Newsletters



CACCI recently issued the latest editions of the newsletters of its various Product and Service Councils, including the Asian Council on Trade Facilitation, SME Development Council, Asian Council on Contracting and Construction, the CACCI Council on Women Entrepreneurship, the Asian Council on Tourism, the Asian Council on Food and Agriculture, and the Asian Council on Health and Education.

Members are encouraged to submit articles (with accompanying photos if possible) for inclusion in the next issues of the said newsletters. Please contact the CACCI Secretariat at cacci@cacci.biz.

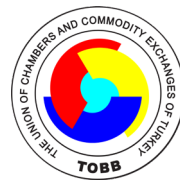
CACCI Lifetime Special Member Visits Singapore Business Federation

Mr. Salauddin Yousuf, Director of Lub-rref Bangladesh Limited and Lifetime Special Member of CACCI (right), visited the Singapore Business Federation (SBF) on June 13, 2018 and met with SBF officers Mr. Alan Tan, Director, South Asia and Americas, Europe, Middle East and Africa, Global Business Division, and Mr. Mark Yeo, Assistant Manager, Middle East, Africa & South Asia, Global Business Division (left).

During his visit, Mr. Yousuf informed Mr. Tan and Mr. Teo about the recent and upcoming activities of CACCI.



Join us for the
32nd CACCI Conference
in Istanbul, Turkey,
November 23-24



CACCI President Participates in the 2nd World Xi'an Entrepreneurs Convention

Mr. Jemal Inaishvili, President of the Confederation of Chambers of Commerce and Industry (CACCI) was invited as one of the speakers at the 2nd World Xi'an Entrepreneurs Convention held in Xi'an from June 29 to July 1, 2018.

On 29 June 2018, the Silk Road Chamber of International Commerce Forum of Transforming Xi'an into a Cosmopolitan City, co-organized by Xi'an Municipal People's Government and Silk Road Chamber of International Commerce (SRCIC), was held at Xi'an Paradise Resort. The forum was aimed at showcasing the business environment of Xi'an as well as inspiring new cooperation ideas and projects.

Over 200 attendees including ambassadors to China from the Belt and Road countries, representatives from international business associations and export-oriented enterprises attended the forum. Mr. Inaishvili serves as Honorary Chairman of SRCIC.

Xi'an is the starting point of ancient Silk Road and a pioneer in today's Belt and Road construction. The city is active in global communication and collaboration with an aim of transforming itself into a cosmopolitan city.



Global Economy to Expand by 3.1 percent in 2018, Slower Growth Seen Ahead: World Bank

WASHINGTON, June 5, 2018—Despite recent softening, global economic growth will remain robust at 3.1 percent in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off, the World Bank said on June 5.

“If it can be sustained, the robust economic growth that we have seen this year could help lift millions out of poverty, particularly in the fast-growing economies of South Asia,” World Bank Group President Jim Yong Kim said. “But growth alone won’t be enough to address pockets of extreme poverty in other parts of the world. Policymakers need to focus on ways to support growth over the longer run—by boosting productivity and labor force participation—in order to accelerate progress toward ending poverty and boosting shared prosperity.”

Activity in advanced economies is expected to grow 2.2 percent in 2018 before easing to a 2 percent rate of expansion next year, as central banks gradually remove monetary stimulus, the June 2018 Global Economic Prospects says. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year’s increase.

This outlook is subject to considerable downside risks.

The possibility of disorderly financial market volatility has increased, and the vulnerability of some emerging market and developing economies to such disruption has risen. Trade protectionist sentiment has also mounted, while policy uncertainty and geopolitical risks remain elevated.

A Special Focus cautions that, over the long run, the anticipated slowdown in global commodity demand could put a cap on commodity price prospects and thus on future growth in commodity-exporting countries. Major emerging markets have accounted for a substantial share of the increase in global consumption of metals and energy over the past two decades, but growth of their demand for most commodities is expected to decelerate, the Special Focus section says.

“The projected decline in commodities’ consumption growth over the long run could create challenges for the two-thirds of developing countries that depend on commodity exports for revenues,” said **World Bank Senior Director for Development Economics, Shantayanan Devarajan**. “This reinforces the need for economic diversification and for strengthening fiscal and monetary frameworks.”

Another Special Focus finds that elevated corporate debt can heighten financial stability concerns and weigh on investment. Corporate debt—and, in some countries, foreign currency debt—has risen rapidly since the global financial crisis, making

them more vulnerable to rising borrowing costs.

“Policymakers in emerging market and developing economies need to be prepared to cope with possible bouts of financial market volatility as advanced-economy monetary policy normalization gets into high gear,” said **World Bank Development Economics Prospects Director Ayhan Kose**. “Rising debt levels make countries more vulnerable to higher interest rates. This underlines the importance of rebuilding buffers against financial shocks.”

After many years of downgrades, consensus forecasts for long-term growth have stabilized, a possible signal the global economy is finally emerging from the shadow of the financial crisis a decade ago. However, long-term consensus forecasts are historically overly optimistic and may have overlooked weakening potential growth and structural drags on economic activity, the report cautions.

The report urges policymakers to implement reforms that lift long-term growth prospects. A rapidly changing technological landscape highlights the importance of supporting skill acquisition and boosting competitiveness and trade openness. Improving basic numeracy and literacy could yield substantial development dividends. Finally, promoting comprehensive trade agreements can bolster growth prospects.

Regional Summaries:

East Asia and Pacific: Growth in the region is forecast to ease from 6.3 percent in 2018 to 6.1 in 2019, reflecting a slowdown in China that is partly offset by a pickup in the rest of the region. Growth in China is anticipated to slow from 6.5 percent in 2018 to 6.3 percent in 2019 as policy support eases and as fiscal policies turn less accommodative. Excluding China, growth in the region is forecast to moderate from 5.4 percent in 2018 to 5.3 percent in 2019 as a cyclical economic recovery matures. Indonesia’s economy is expected to grow 5.2 percent rate this year and 5.3 percent the next. Growth in Thailand is expected accelerate to 4.1 percent in 2018, before moderating slightly to a 3.8 percent rate in 2019. For both commodity exporting and importing economies of the region, capacity constraints and price pressures are expected to intensify over the next two years, leading to tighter monetary policy in an increasing number of countries.

Europe and Central Asia: Growth in the region is projected to moderate to an upwardly revised 3.2 percent in 2018 and edge down to 3.1 percent in 2019 as a modest recovery among commodity exporting economies is only partially offset by a slowdown among commodity importers. In Turkey, growth is forecast to slow to 4.5 percent in 2018 and to 4.0 percent in 2019 as delays in fiscal consolidation and the extension of the credit support program temper an anticipated slowdown following the strong recovery last year. Growth in Russia is anticipated to hold steady at a 1.5 percent rate this year and accelerate to 1.8 percent next year as the effects of rising oil prices and monetary policy easing are offset by oil production cuts and uncertainty around economic sanctions.

Latin America and the Caribbean: Growth in the region is projected to accelerate to a downwardly revised 1.7 percent in 2018 and to 2.3 percent in 2019, spurred by private consumption and investment. The cyclical recovery underway in Brazil is

Table 1.1 Real GDP¹
(Percent change from previous year)

	2015	2016	2017e	2018f	2019f	2020f	2018f	2019f	2020f
World	2.8	2.4	3.1	3.1	3.0	2.9	0.0	0.0	0.0
Advanced economies	2.3	1.7	2.3	2.2	2.0	1.7	0.0	0.1	0.0
United States	2.9	1.5	2.3	2.7	2.5	2.0	0.2	0.3	0.0
Euro Area	2.1	1.8	2.4	2.1	1.7	1.5	0.0	0.0	0.0
Japan	1.4	1.0	1.7	1.0	0.8	0.5	-0.3	0.0	0.0
Emerging market and developing economies (EMDEs)	3.7	3.7	4.3	4.6	4.7	4.7	0.0	0.0	0.0
Commodity-exporting EMDEs	0.5	0.8	1.8	2.5	3.0	3.0	-0.2	-0.1	-0.1
Other EMDEs	6.1	5.9	6.2	5.8	5.8	5.7	0.1	0.1	0.0
Other EMDEs excluding China	5.2	4.9	5.3	5.1	5.1	5.1	0.3	0.0	0.0
East Asia and Pacific	6.5	6.3	6.6	6.3	6.1	6.0	0.1	0.0	0.0
China	6.9	6.7	6.9	6.5	6.3	6.2	0.1	0.0	0.0
Indonesia	4.9	5.0	5.1	5.2	5.3	5.4	-0.1	0.0	0.1
Thailand	3.0	3.3	3.9	4.1	3.8	3.8	0.5	0.3	0.4
Europe and Central Asia	1.1	1.7	4.0	3.2	3.1	3.0	0.3	0.1	0.0
Russia	-2.5	-0.2	1.5	1.5	1.8	1.8	-0.2	0.0	0.0
Turkey	6.1	3.2	7.4	4.5	4.0	4.0	1.0	0.0	0.0
Poland	3.8	2.9	4.6	4.2	3.7	3.5	0.2	0.2	0.4
Latin America and the Caribbean	-0.4	-1.5	0.8	1.7	2.3	2.5	-0.3	-0.3	-0.2
Brazil	-3.5	-3.5	1.0	2.4	2.5	2.4	0.4	0.2	-0.1
Mexico	3.3	2.9	2.0	2.3	2.5	2.7	0.2	-0.1	0.1
Argentina	2.7	-1.8	2.9	1.7	1.8	2.8	-1.3	-1.2	-0.4
Middle East and North Africa	2.8	5.0	1.6	3.0	3.3	3.2	0.0	0.1	0.0
Saudi Arabia	4.1	1.7	-0.7	1.8	2.1	2.3	0.6	0.0	0.1
Iran	-1.3	13.4	4.3	4.1	4.1	4.2	0.1	-0.2	-0.1
Egypt ²	4.4	4.3	4.2	5.0	5.5	5.8	0.5	0.2	0.0
South Asia	7.1	7.5	6.6	6.9	7.1	7.2	0.2	-0.1	0.0
India ³	8.2	7.1	6.7	7.3	7.5	7.5	0.0	0.0	0.0
Pakistan ⁴	4.1	4.6	5.4	5.8	5.0	5.4	0.3	-0.8	-0.6
Bhutan ⁵	6.6	7.1	7.3	6.5	6.7	7.0	0.1	0.0	0.3
Sub-Saharan Africa	3.1	1.6	2.6	3.1	3.5	3.7	-0.1	0.0	0.1
South Africa	1.3	0.6	1.3	1.4	1.8	1.9	0.3	0.1	0.2
Nigeria	2.7	-1.6	0.8	2.1	2.2	2.4	-0.4	-0.6	-0.4
Angola	3.0	0.0	1.2	1.7	2.2	2.4	0.1	0.7	0.9
Memorandum items:									
Real GDP ¹									
High-income countries	2.3	1.7	2.2	2.2	2.0	1.8	0.0	0.1	0.0
Developing countries	3.7	3.8	4.6	4.7	4.8	4.8	0.0	0.0	-0.1
Low-income countries	4.9	4.8	5.5	5.7	5.9	6.3	0.3	0.4	0.6
BRICS	4.0	4.4	5.3	5.4	5.4	5.4	0.1	0.0	0.0
World (2010 PPP weights)	3.4	3.2	3.7	3.8	3.8	3.7	0.1	0.1	0.0
World trade volume ⁶	2.7	2.8	4.8	4.3	4.2	4.0	0.3	0.3	0.2
Commodity prices									
Oil price ⁷	-47.3	-15.6	23.3	32.6	-1.4	0.1	23.2	-3.1	-1.6
Non-energy commodity price index	-15.8	-2.6	5.5	5.1	0.2	0.5	4.5	-0.6	-0.7

Source: World Bank.
Notes: PPP = purchasing power parity; e = estimate; f = forecast. World Bank forecasts are frequently updated based on new information. Consequently, projections presented here may differ from those contained in other World Bank documents, even if basic assumptions of countries' prospects do not differ at any given moment in time. Country classifications and lists of emerging market and developing economies (EMDEs) are presented in Table 1.2. BRICS include Brazil, Russia, India, China, and South Africa.
1. Aggregate growth rates calculated using constant 2010 U.S. dollar GDP weights.
2. GDP growth values are on a fiscal year basis. Aggregate real income for a country is calculated using data compiled on a calendar year basis. Pakistan's growth rates are based on GDP at factor cost. The column labeled 2017 refers to FY2016/17.
3. The column labeled 2016 refers to FY2016/17.
4. World trade volume of goods and non-factor services.
5. Simple average of Dubai, Brent, and West Texas Intermediate.
6. For additional information, please see www.worldbank.org/geo.

projected to continue, with growth forecast to be 2.4 percent this year and 2.5 percent in 2019. In Mexico, growth is expected to strengthen moderately to 2.3 percent in 2018 and 2.5 percent in 2019 as investment picks up. Growth in Argentina is anticipated to slow to 1.7 percent this year as monetary and fiscal tightening and the effects of the drought dampen growth, and to remain subdued next year, at 1.8 percent. Growth in some Central American agricultural exporters is expected to pick up in 2018 and 2019, while growth among the commodity importers of that sub-region is expected to stabilize or slow. Economies of the Caribbean are forecast to see a lift to growth in 2018 from post-hurricane reconstruction, tourism, and supportive commodity prices.

Middle East and North Africa: Growth in the region is projected to strengthen to 3 percent in 2018 and to 3.3 percent in 2019, largely as oil exporters recover from the collapse of oil prices. Growth among members of the Gulf Cooperation Council (GCC) is anticipated to rise to 2.1 percent in 2018 and 2.7 percent in 2019, supported by higher fixed investment. Saudi Arabia is forecast to expand an upwardly revised 1.8 percent this year and 2.1 percent next year. Iran is anticipated to grow 4.1 percent in 2018 and by the same amount in 2019. Oil importing economies are forecast to see stronger growth as business and consumer confidence gets a lift from business climate reforms and improving external demand. Egypt is anticipated to grow 5 percent in Fiscal Year 2017/18 (July 1, 2017-June 30, 2018) and 5.5 percent the following fiscal year.

South Asia: Growth in the region is projected to strengthen to 6.9 percent in 2018 and to 7.1 percent in 2019, mainly as factors holding back growth in India fade. Growth in India is projected to advance 7.3 percent in Fiscal Year 2018/19 (April 1, 2018-March 31, 2019) and 7.5 percent in FY 2019/20, reflecting robust private consumption and strengthening investment. Pakistan is anticipated to expand by 5 percent in FY 2018/19 (July 1,

2018-June 30, 2019), reflecting tighter policies to improve macroeconomic stability. Bangladesh is expected to accelerate to 6.7 percent in FY 2018/19 (July 1, 2018-June 30, 2019).

Sub-Saharan Africa: Growth in the region is projected to strengthen to 3.1 percent in 2018 and to 3.5 percent in 2019, below its long-term average. Nigeria is anticipated to grow by 2.1 percent this year, as non-oil sector growth remains subdued due to low investment, and at a 2.2 percent pace next year. Angola is expected to grow by 1.7 percent in 2018 and 2.2 percent in 2019, reflecting an increased availability of foreign exchange

due to higher oil prices, rising natural gas production, and improved business sentiment. South Africa is forecast to expand 1.4 percent in 2018 and 1.8 percent in 2019 as a pickup in business and consumer confidence supports stronger growth in investment and consumption expenditures. Rising mining output and stable metals prices are anticipated to boost activity in metals exporters. Growth in non-resource-intensive countries is expected to remain robust, supported by improving agricultural conditions and infrastructure investment.

www.worldbank.org

Asian Businesses: Best Practices for Economic Success

An interview with

John West

Executive Director of Asian Century Institute



In the first part of this interview, John West, the executive director of Asian Century Institute and author of the recent book *Asian Century ... on a Knife-Edge*, spoke to BRINK Asia about how Asian countries can climb global value chains and eventually become GVC leaders.

In this second part, Mr. West speaks about financial crime and what companies in Asia must do to address these issues, which create economic problems and drive inequality in the region. He also speaks about the role of corporate governance for Asian businesses and what companies in the region need to do to expand their global footprint.

BRINK Asia: How serious a risk is economic and financial crime in Asia?

John West: Economic and financial crimes often run vast and deep in Asia and have only grown in tandem with the region's rapid development. One could say that as Asia has moved to the center of the global economy, economic crime has increased, too. This is, in large part, because as economies have opened up for business, they have not established the necessary institutions to combat economic and financial crime with the same urgency, and the regulatory frameworks are often weak. This results in many risks for the region.

As countries climb the development ladder, growth must increasingly come from innovation and creativity. However, counterfeiting, fake goods and piracy are a major problem in many Asian economies, and innovative individuals and companies are seeing their good work stolen. Counterfeiting and piracy can also impose additional costs for security and anti-counterfeiting technology, and affected companies can incur reputational damages. This robs them of their competitive advantage and discourages future efforts in innovation, thereby compromising

long-term prosperity.

Many will argue that some of Asia's most successful economies are currently corrupt, and that, before them, others have also suffered from great corruption during their high-growth periods. It may indeed be true that corruption, such as facilitation payments, can help get things done and promote economic development.

But as economies become more sophisticated, corruption acts as a deterrent to investment and development. Corruption drives the yawning inequality in Asia, which is fracturing societies; it undermines the integrity of public institutions, which is essential for good governance; it can ultimately lead to social and political instability. Recent developments in Malaysia are illustrative of the great costs of corruption and the social upheaval that accompanies it.

BRINK Asia: How can Asia address these issues?

Mr. West: There is a lot that Asia can do. This starts with having appropriate legislation, which many countries already have and increasingly many are putting in place. More problematic has been the enforcement of these legislations.

And economic and financial crime often has an international dimension. This means that regional and global inter-governmental cooperation is necessary. Most regrettably, such cooperation is weak in Asia, and most regional governments are reluctant to allow other governments or international organizations to seemingly interfere in their internal affairs.

Business can play an important role in convincing governments of the nefarious and debilitating nature of economic and financial crime and helping them combat such crime. A multi-stakeholder approach involving the participation of government, business, civil society and the media is best. However, this is more than challenging in many countries in Asia, where the government has arguably been the problem, rather than the solution.

BRINK Asia: In your view, how can Asian companies excel as they look to grow their regional and global footprints?

Mr. West: Asian companies can do much more to grow their re-

gional and global footprints. Many of Asia's biggest companies are vast, unwieldy conglomerates. The region's penchant for corporate empire-building is perhaps best illustrated by Samsung's 70-plus subsidiaries, covering a vast range of unrelated industries like electronics, insurance, shipbuilding and petrochemicals.

In many cases, these conglomerates include underperforming sectors, which can drain economic performance. Asian companies need to focus on their core businesses and excel in those areas. Disposing underperforming subsidiaries and non-core businesses is particularly important for many of the region's conglomerates and family-owned businesses if they truly want to establish a footprint outside their home markets.

Another priority for Asian companies should be to improve their innovation capacities. To do this, they must increase research spending and strengthen international collaboration. Additionally, they should collaborate with universities. Governments, for their part, should reform their education systems, such that they focus on original thinking, creativity and analytical skills rather than just rote learning.

BRINK Asia: How important a component is corporate governance?

Mr. West: There is a desperate need to improve corporate governance, including opening up boards to independent and foreign board members and improving transparency.

In particular, South Korea and Japan have much scope to improve corporate governance. While corporate governance in South Korea has improved since the Asian financial crisis, it still remains among the weakest in Asia, owing to its complex webs of cross-shareholdings and pyramidal "chaebol" shareholdings. While such structures allow the owner families to exert control, they inhibit economic efficiency and innovation. The Asian Corporate Governance Association ranks Korea only eighth on its list of 11 Asian countries, behind Singapore, Hong Kong, Japan, Taiwan, Thailand, Malaysia and India, and ahead of only China, the Philippines and Indonesia, clearly demonstrating how much room there is for improvement.

Japan's corporate governance was once described by Hugh Patrick, director of the Center on Japanese Economy and Business at Columbia University, as "a system of cozy back scratching, some might say collusion, among the management of Japan's large industrial companies, financial institutions and the government bureaucracies." This means that management has been weakly supervised and companies substantially protected from mergers and acquisitions, especially from overseas. Reform to corporate governance has been on the Japanese agenda for a long time, including through the recent "Abenomics" program. However, little substantive reform has been achieved to date.

More fundamentally, Asian companies need to become globally integrated enterprises, with a truly global approach like the very best Western companies, and with staff from all over the world. Today, most Asian companies are a long way from this ideal, whereas the openness of American companies is evident in the presence of Indian-Americans such as Satya Nadella heading Microsoft, or Sundar Pichai leading Google and Indra

Nooyi at the helm of Pepsi. These are but just a few examples.

BRINK Asia: How important is ESG criteria for Asian businesses?

Mr. West: Very important. This can mean kudos and an enhanced overall reputation—a powerful statement of what they stand for in an often-cynical business world. This requires integrating social, environmental, ethical, human rights or consumer concerns into business operations and core strategy.

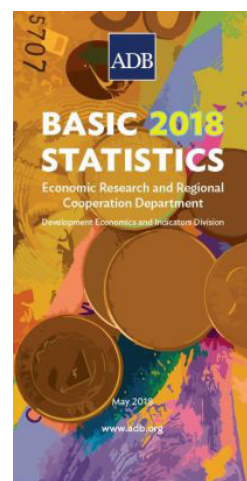
There are strong business cases supporting the importance of investing and fulfilling the ESG criteria. Apart from business balance sheets, it is critical to attract and retain employees. I'm not sure whether any Asian country is doing very well. Ideally, if a company is operating in a socially responsible way with ESG dimensions being important, and not just being interested in profit, then it will contribute to society as a whole. Regrettably, most Asian companies are still a long way from this ideal.

It is thus not surprising that only a handful of Asian companies make it to the top 50 of Forbes' list of The World's Most Valuable Brands. However, Asian businesses have tremendous potential, and there is no time better than now to learn, change and improve their business for the benefit of all, in what many believe is going to be Asia's time.

www.brinknews.com

Publications by ADB

Basic Statistics 2018



This publication contains the latest development indicators for 45 economies in the Asia and Pacific region. It covers selected core indicators such as international and national poverty rates, inflation, and current account balance. It also presents information on indicators related to land, population, sustainable development goals, national accounts, money, balance of payments, reserves, external debt, and central government finance.

Publications by ADB

Migration and Remittances for Development in Asia

Asia and the Pacific has a significant rise in migration: about one in three migrants comes from Asia according to the United Nations. Remittances from migrants have provided foreign exchange earnings for many countries in the region.

Currently, over 80 million people from Asia and the Pacific live and work outside of their countries of origin. Migration and remittances have both positive and negative effects. For the countries, remittances became an important source of foreign exchange. At the household level, remittances enable families to spend more on education and health. However, migration also has a negative social impact, including the exploitation and abuse of workers.

This report explores ways to enhance the welfare of migrant workers as well as ways to improve the productive investments of remittances to support the countries' growth and development.



Tapping Technology to Maximize the Longevity Dividend in Asia

This report explores the role of technology in providing solutions to some of the key labor market challenges that Asian countries with progressive aging must face in order to boost productivity and sustain growth and development.

Asia is graying rapidly: its share of senior population aged 65 and over will double from 9.2% in 2020, to 18% in 2050. Some countries will experience a drastic reduction of its working-age population (ages 15-64), as well as aging of the current workforce.

This report explores the role and potential of technology in addressing economic and labor market opportunities and challenges posed by aging. It shows how technology can harness gains from the longevity dividend and draws together national and regional policy recommendations for countries in Asia and the Pacific.



Fairs & Exhibits in Asia-Pacific

DATES 2018	NAME OF FAIR (Further Information)	COUNTRY	DATES 2018	NAME OF FAIR (Further Information)	COUNTRY
1-4 August 	WOFEX 2018 (PEPTARSUS CORP., Tel: 63-91-7844-1217, Email: joel.pascual@peptarsus.com, URL: www.wofex.com)	Manila Philippines	20-22 August 	China International Tire Expo 2018 (Reliable International Exhibition Services Co., Ltd., Tel: 86-10-8589-81881, Email: citexpo@reliable.org.cn, URL)	Shanghai China
2-4 August 	IFTECH Pakistan (Pegasus Consultancy, Tel: 92-042-3577-3374-5, Email: info@foodtech.com.pk, URL: http://foodtechpakistan.com/)	Lahore Pakistan	22-24 August 	The 20th Japan International Seafood & Technology Expo (Seafood Show Management Office / Exhibition Technologies, Inc., Tel: 81-3-5775-2855, URL)	Tokyo Japan
3-6 August 	Malaysia International Jewellery Fair 2018 (Elite Expo Sdn Bhd., Tel: 603-5891-1157, Email: info@elite.com.my, URL: http://elite.com.my/mijf/)	Kuala Lumpur / Malaysia	22-24 August 	Integrate 2018 (Diversified Communications Australia, Tel: 61-2-9275-9234, Email: integrate@divcom.net.au, URL: https://integrate-expo.com/)	Sydney Australia
7-10 August 	10th International exhibition of, Metallurgy, Steel, Foundry, Machinery and related Industries (Rastak Pad Vision Co., Tel: 98-93-9932-3912, Email: expo.rastak@gmail.com / int@rastak-expo.com, URL)	Isfahan Iran	22-24 August 	FI KOREA 2018 (FI Korea, Tel: 82-2-2008-1210, Email: exhibit@fikorea.org, URL: https://www.fikorea.org:52345/eng/)	Seoul Korea
8-10 August 	ROBOTX@VME (Reed Trades Co., Ltd., Tel: 66-2-686-7299, Email: robotx@reedtradex.co.th, URL: https://www.robotx-expo.com/)	Hanoi Vietnam	22-24 August 	AGRITECHNICA ASIA (DLG International GmbH and VNU Exhibitions Asia Pacific Co., Ltd., Tel: 66-2670-0900, Email: agritechnica-asia@vnuexhibitionsap.com, URL: http://www.agritechnica-asia.com/)	Bangkok Thailand
8-11 August 	VIETFOOD & BEVERAGE 2018 (VINEXAD, Tel: 84-24-3825-5546, Email: vietfood@vinexad.com.vn, URL: http://hcm.foodexvietnam.com/en)	Ho Chi Minh City / Vietnam	22-25 August 	International Metalworking Philippines 2018 (Vision Exhibition Services So., Ltd., Tel: 886-2-8369-2211, Email: expo@vesceexpo.com, URL)	Manila Philippines
10-12 August 	ENMACH (SMART EXPOS & FAIRS (INDIA) PVT. LTD., Tel: 91-44-2250-1986, Email: office@smartexpos.in, URL)	Colombo Sri Lanka	23-25 August 	15th EverythingAboutWater Expo 2018 (EA Water Pvt Ltd., Tel: 91-11-4310-0666, Email: enquiry@eawater.com, URL: http://www.eawater.com/expo/)	New Delhi India
15-17 August 	22nd China International Organic & Green Food Industry Expo (Beijing Shibowei International Exhibition Group, Tel: 86-10-8578-5007-8018, Email: wendy@sbwexpo.cn, URL)	Shanghai China	28-30 August 	Japan Jewellery Fair 2018 (UBM Japan Co. Ltd. / Japan Jewellery Association, Tel: 81-3-5296-1020, Email: info@japanjewelleryfair.com, URL: www.japanjewelleryfair.com/en/)	Tokyo Japan
15-19 August 	TAIPEI PLAS 2018 (Taiwan External Trade Development Council, TAITRA, Tel: 886-2-2725-5200, Email: plas@taitra.org.tw, URL: https://www.taipeiplas.com.tw/)	Taipei Taiwan	28-31 August 	InterAuto 2018 (Crocus Expo, Tel: 7-495-727-2631, Email: shkambarniy@crocus-off.ru, URL: eng.interauto-expo.ru/interauto/exhibitio n/)	Moscow Russia
16-17 August 	Palmex Thailand 2018 (Fireworks Media (Thailand) Co., Ltd., Tel: 66-2513-1418, Email: thai@asiafireworks.com, URL: http://www.thaipalmoil.com/)	Krabi Thailand	29-31 August 	MEDICAL FAIR ASIA 2018 (Messe Duesseldorf Asia Pte. Ltd., Tel: 65-6332-9620, Email: medicalfair-asia@mda.com.sg, URL: https://www.medicalfair-asia.com/)	Singapore Singapore
16-17 August 	ICMCM 2018 (Hong Kong Trade Development Council, Tel: 852-1830-668, Email: exhibitions@hktdc.org, URL)	Hong Kong China	29-31 August 	Smart Manufacturing & Display International 2018 (Taiwan Display Union Association (TDUA), Tel: 886-2-2729-3933, Email: miyabi@teeia.org.tw, URL)	Taipei Taiwan
17-19 August 	Myanmar FoodBev (ICVeX Company Limited, Tel: 66-2-713-3033, Email: info@icvex.com, URL: http://www.myanmarfoodbev.com/)	Yangon Myanmar			

Economic Cooperation News

Malaysia seeks sharp cuts in China-backed rail link

AP, Kuala Lumpur

The Malaysian government said that a major China-backed rail link project can only be viable with a “drastic” price reduction by the Chinese contractor as the actual cost of the venture is 81 billion ringgit (US\$20 billion).

The 688km East Coast Rail Link (ECRL) is a key part of China’s Belt and Road Initiative. It would connect Malaysia’s west coast to rural eastern states.

It is largely financed by China and the main contract was awarded in 2016 to the China Communication Construction Co (CCCC) by former Malaysian prime minister Najib Razak, who was defeated in May 9 elections.

Malaysian Minister of Finance Lim Guan Eng said that the project’s final cost, which is nearly 50 percent higher than that estimated by the previous government, includes land acquisition, interest, fees and other operational costs.

The 81 billion ringgit does not include operating costs, he said.

The government has given CCCC 10 million ringgit in advance payment and 9.67 billion ringgit as a progress payment.

Malaysia’s new government has axed a high-speed rail line to Singapore because it is too costly and is reviewing other large infrastructure projects financed by China.

Taipei Times

Australia vows to compete with China in giving Pacific nations better funding

AFP, Sydney

Australia pledged to provide Pacific nations with better funding to counter Chinese development money, which it fears will leave some countries with massive debt burdens and undermine their sovereignty.

Projects are increasingly being constructed in the region through China’s signature infrastructure-building Belt and Road Initiative (BRI) and Canberra is worried some small nations may get trapped

with unsustainable debts, handing Beijing influence.

Australian Minister for Foreign Affairs Julie Bishop said she wanted to ensure neighboring countries had an alternative option to the often opaque financing from China, which Canberra says can have unfavorable terms.

“They are sovereign nations,” she told the Sydney Morning Herald. “We want to ensure that they retain their sovereignty, that they have sustainable economies and that they are not trapped into unsustainable debt outcomes.”

Taipei Times

Taiwan, S. Korea launch e-gate clearance program

By Staff Writer, with CNA

Taiwan and South Korea on June 27 launched a reciprocal program for automated immigration clearance as travel between the two nations increases.

The program is an indication that Taiwan’s border management and e-Gate system are in line with international standards, Minister of the Interior Yeh Ji-un told a launch ceremony at Taiwan Taoyuan International Airport.

South Korea is the second nation with which Taiwan has established a reciprocal automated immigration program, following a similar arrangement with the US in November last year.

Taiwan became the third nation in East Asia to be admitted into the US’ Global Entry program and it reciprocated by allowing US passport holders to use e-Gate.

The agency said it has set up a temporary desk at Incheon International Airport in Seoul for South Koreans who wish to register for the service.

The desk is to be open until July 4, the agency said, adding that South Korean in Taiwan can register at any of its 27 service counters at airports throughout the nation.

Meanwhile, Taiwanese aged at least 17 are eligible to enroll in South Korea’s automated immigration clearance system at its service centers, South Korea’s immigration website said.

South Korea is the nation’s

fourth-largest source of visitors after China, Japan and Hong Kong, it added.

Taipei Times

Asia nations seek to advance alternative free-trade group

Kyodo, AP

Ministers from 16 Asia-Pacific countries gathered on July 1 (Sunday) in Tokyo for one-day talks on advancing negotiations for the creation of the Regional Comprehensive Economic Partnership, a pact aimed at becoming an alternative to the Trans-Pacific Partnership free-trade grouping U.S. President Donald Trump abandoned last year. Japan is co-chairing the RCEP negotiations along with Singapore.

Negotiators at the meeting sought to narrow down contentious points and bridge differences in categories such as tariff reductions, intellectual property rights and e-commerce.

During a news conference after Sunday’s session, trade minister Hiroshige Seko said RCEP member countries now aim to reach a basic agreement on free trade rules by the end of this year. “Now, a road map for negotiations has become clearer,” Seko said.

In opening remarks, Prime Minister Shinzo Abe on Sunday called for an early conclusion to the RCEP pact that ensures free and rules-based commerce in the face of an increasingly protectionist United States under Trump.

“As we are faced with concerns of the rise of protectionism in the world, all of us in Asia must unite, and our future depends on whether we can keep hoisting our flagship principle of free and fair trade,” Abe told the meeting. He said RCEP is increasingly getting more attention from the rest of the world amid concerns of protectionism, so “let us be as one and achieve a free, fair and rules-based market in this region.”

Japan Times

Economic Cooperation News

Disaster training for SE Asian countries offers opportunities

By Lee Hsin-Fang & Jonathan Chin

Emergency response training for Southeast Asian nations and exporting specialized firefighting equipment to them are part of the government's New Southbound Policy, sources said.

The Executive Yuan's Office of Trade Negotiations has invited several nations to send officials to Taiwan for joint exercises, making use of disaster relief workers' experience in conducting operations in earthquake and fire emergencies, they said.

There have been positive responses to the idea from several of them, they said.

The drills are to be hosted at the National Fire Agency Training Center in Nantou County's Jhushan Township, a high-ranking source at the Executive Yuan said, adding that the government also plans to export specialist firefighting equipment to these nations.

The center is the largest training facility of its kind in Asia and Taiwanese firefighters are superbly trained, so they could help improve the disaster response capabilities of Southeast Asian nations, the source said.

The center in trains firefighting

departments, police and firefighter academies, as well as members of the armed forces and volunteer groups. It also hosts nationwide disaster response exercises.

Nations targeted by the south-bound policy will be able to send disaster response personnel to the center for training, while cooperation in disaster response training could benefit Taiwan and the other nations, the official said.

It would give Taiwan an opportunity to market specialized equipment such as fire-resistant clothing, fire extinguishers, hydrants and automatic fire suppressant systems, the official said.

Taipei Times

Product & Service Councils

Young Entrepreneurs Group of Asia Pacific

Site launched to link space startups, investors

By Shusuke Murai

In a bid to boost investment in domestic space startups, the government launched on May 31 an online platform to help connect investors with entrepreneurs seeking funds to put unique ideas into action.

The platform, named S-Matching, invites entrepreneurs in the space sector to post their ideas on its website (<https://s-matching.jp/>). If investors are interested, they can contact the entrepreneurs directly and start negotiations.

Entrepreneurs can also use the platform to find and contact investors who are likely to be interested in their ideas. The website started accepting user registrations, and the function to exchange messages will be available by June 15.

Despite the enormous potential in the field, many early-stage space startups have experienced difficulties raising funds as investors often view investments in space businesses as riskier than putting money into IT ventures, said Masanori

Tsuruda, director of the Ministry of Economy, Trade and Industry's Space Industry Office.

"I believe the space industry has enormous possibilities that are far beyond our imagination," he said.

The platform had already attracted 52 investors, including well-known firms such as SoftBank Corp., trading house Itochu Corp., Japan Airlines and Mizuho Bank, as well as individual investors.

Japan Times

South Korea Joins AMEN; ASEAN Mentorship for Entrepreneurs Network

AMEN Founding Chair and ASEAN Business Advisory Council Co-Chair Joey Concepcion led the official launch of the ASEAN Mentorship for Entrepreneurs Network (AMEN) last June 5, 2018 in South Korea.

Joining Concepcion with the signing of a memorandum of understanding were George Barcelon (ASEAN BAC), Ambassador Lee Hyuk (ASEAN-Korea Centre), and Chairman Park Sung-taek (Korea Federation of Small and Medium Business).

With the signing, the Philip-



AMEN Founding Chair and ASEAN Business Advisory Council Co-chair Joey Concepcion seals partnership with Korean Federation of Small and Medium Business led by Chairman Park Sung-taek and ASEAN-Korea Centre led by Ambassador Lee Hyuk. (In photo: Concepcion, President Rodrigo Duterte, Chairman Park Sung-taek, and George Barcelon of ASEAN Business Advisory Council)

pine-Korea partnership was strengthened in providing mentorship to micro, small, and medium enterprises as well as creating programs in priority sectors like the digital economy, trade and industry, and entrepreneurship.

The ASEAN-Korea Centre partners with ASEAN member states' initiatives programs in the agriculture, food, and technology sector. One of their programs is the 2018 ASEAN-Korea Youth Network Workshop which will raise the awareness of the ASEAN and Korea

Product & Service Councils



ASEAN BAC partners with ASEAN-Korea Centre and Korea Federation of Small and Medium Business

relations among the attendees and deepen their understanding about digital technology and innovation. Two workshops will be held this July in Korea and in the Philippines.

The Korea Federation of Small and Medium Business (K-Biz), on the other hand, supports SME development in Korea with the aim to improve the economic status and provide equal opportunities for SMEs. The federation links with the government sector in proposing, investigating, and analyzing data regarding small businesses in Korea.

K-Biz Chairman Park Sung-Taek highlighted how the Philippines is an attractive market for Korean companies as the country provides a business-friendly environment. According to him, the signing was participated by both parties to “actively help build a close network for the two countries so the Asian SMEs can grow together through AMEN.”

AMEN was a legacy project of



President Rodrigo Duterte led the official trip to South Korea to seal business investment deals and partnerships between Philippines and South Korea.

the ASEAN BAC during the Philippines’ ASEAN chairmanship in 2017. This year, it has been successfully launched in Sydney, Australia. South Korea is the second dialogue partner in which the project was introduced.

Go Negosyo



Water, Energy & Environment

Turkey One Step Closer to Becoming a Regional Energy Hub



The Trans-Anatolian Natural Gas Pipeline (TANAP), which constitutes the backbone of the Southern Gas Corridor and which follows the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum oil and natural gas pipelines, in addition to the Baku-Tbilisi-Kars railway, was officially launched on June 12, 2018, in the central Turkish city of Eskişehir. Attending the ceremony were President Recep Tayyip Erdoğan, President Ilham Aliyev of Azerbaijan, President Mustafa Akıncı of the Turkish Republic of Northern Cyprus, President Aleksandar Vucic of Serbia, and President Petro Poroshenko of Ukraine.

During the inauguration, President Erdoğan said, “We are opening the Trans Anatolian Natural Gas Pipeline, the backbone of the southern gas corridor, which we call the Silk Road of energy. With TANAP, Turkey is no longer a transit country. We have a critical role in the value chain extending from producer to final

consumer. Turkey is now one step closer to its vision of becoming an energy hub in the region.”

TANAP is a natural gas pipeline stretching from the Turkish-Georgian border to the Turkish-Greek border. It will supply natural gas both to Turkey and to European countries. The 1,850-km pipeline is the largest section of the 3,500-km Southern Gas Corridor, which was inaugurated on May 29, 2018, in Baku, Azerbaijan.

With an estimated USD 8 billion in investment, TANAP will deliver 6 billion cubic meters of Azeri gas to Turkey and 10 billion cubic meters in throughput to Europe per year. The European part of the project is expected to be operational in 2020.

TANAP will be followed by an 878-km cross-border natural gas pipeline, the Trans Adriatic Pipeline (TAP). Starting from the Greek-Turkish border, TAP will cross Greece, Albania, and the Adriatic Sea before terminating in Italy. At its entry point, TAP will connect to the Trans Anatolian Pipeline (TANAP) in Turkey.

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Investment & Joint Ventures in the Region

Google to invest in JD.com

Google said on June 18, it would invest US\$550 million in Alibaba's main rival JD.com as the US tech giant seeks to expand in Asia's e-commerce markets. Under the partnership, JD.com products would appear on Google's shopping service, while Google could apply the Chinese e-commerce company's supply chain and logistics expertise to its technology. Google said that through the partnership, the company would explore new solutions to improve shopping experiences of consumers around the world.

Taipei Times

HTC, China Mobile ink deal

HTC Corp said it has signed an agreement on June 28, with China Mobile Ltd to work together on a 5G program in China. "The program aims to launch the first batch of pre-commercial 5G devices for a large-scale trial application showcase, encompassing applicable scenarios for 5G devices, product configuration, technical solutions, testing and verification and product research and development," HTC said in a statement. By collaborating with China Mobile, HTC said it aims to advance the development of 5G technologies, as well as accelerate mass adoption of virtual-reality and augmented-reality devices.

Taipei Times

CAL to launch Jakarta route

China Airlines (CAL) yesterday said it is to launch a new route from Kaohsiung to Jakarta via Hong Kong on July 1 to continue exploring the Southeast Asia travel market. Boeing B737-800 aircraft are to be used on the route, departing from Kaohsiung International Airport at 2:10pm and arriving in Hong Kong at 3:35pm, CAL said. On the next leg, the flight departs Hong Kong at 4:35pm and lands in Jakarta at 8:20pm, the airline said.

On the return flight, the times are a 6:25am departure from Jakarta, 12:25pm arrival and a one-hour stop in Hong Kong, and a 2:55pm arrival in Kaohsiung, CAL said. Currently, the airline has 28 weekly

services to Indonesian destinations, including Jakarta, Surabaya and Bali, the most flights by a single airline between Taiwan and Indonesia. CAL said it has an optimistic outlook on the Indonesian market and is targeting Indonesian travelers who wish to transit through Taiwan on their way to Europe or North America.

Taipei Times

Thailand picked for Toto plant



Toto Ltd.'s Washlet plant in Thailand is to contribute to a target of 2 million unit shipments globally in 2022. Bloomberg.

Bangkok

Leading Japanese toilet maker Toto Ltd. has picked Thailand to build a plant for its Washlet electronic toilet seats in a bid to cash in on the product's growing demand in Asia.

Toto (Thailand) Co., its wholly owned subsidiary, had said it planned to begin plant construction in May and commercial production in April 2020 as part of the group's efforts to achieve a target of shipping 2 million Washlet units globally in 2022.

The result of a 10.7 billion baht (\$33.6 million) investment, Toto's third factory in the Southeast Asian country will have an annual Washlet output capacity of 450,000 units, with the initial aim of exporting the product to Japan and later also selling it in Thailand and the rest of Asia, the local unit said.

The Washlet-focused plant in Thailand is the fifth of its kind after two in Japan, one in China and one in Malaysia. Toto has selected Thailand for Washlet production due to, among other reasons, the presence of "a manufacturing cluster, including a number of high-tech electronics parts suppliers," said Hiroyuki Suzuki, president of the local arm.

Toto's overall sales in Thailand

have been growing at an annual rate of 20 percent in recent years, according to Suzuki.

The new factory will be built on the site of an existing ceramic sanitary ware factory in Saraburi province.

Japan Times

Thailand's CP All mulling expansion in India and China



Bloomberg

Thai billionaire Dhanin Chearavanont's retail subsidiary CP All PCL is considering an expansion of wholesale operations in China and India to tap the might of consumers in the world's most-populous nations.

CP All chief financial officer Kriengchai Boonpoapichart said the firm's cash-and-carry unit, Siam Makro PCL, is studying opportunities in the two countries, as well as the possibility of setting up a store in Myanmar, having already opened an outlet in Cambodia.

"Siam Makro is on a new journey of expanding in overseas markets," Kriengchai said in an interview at his Bangkok office on July 4. "It will be a tough and challenging road, but it's a good opportunity with large populations to tap, compared with Thailand's mature market."

Earlier this year, Siam Makro said it had set up LOTS Wholesale Solutions in India and planned to invest more than 10 billion rupees (US\$145 million) over five years.

Siam Makro intends to open its first store in India soon and a second outlet in Cambodia, Kriengchai said.

CP All acquired Siam Makro for about US\$6.1 billion in the nation's biggest-ever takeover.

Taipei Times

Policy Updates

Japan

Demand for labor may ease immigration curbs

By Malcolm Foster & Kiyoshi Takenaka

Reuters

Undeniable shortage expected to force reluctant Japan to open door wider to foreign workers

Shinichiro Tsukada says his small plastering company in Tokyo wouldn't survive without the 22 Chinese and Vietnamese workers who make up half his payroll.

"They're treasures, real treasures," he said. "Workers are disappearing as our population ages. Buildings cannot be built because there aren't enough workers. ... We have no choice but to allow them into the country."

Across Japan, hotels, farms and construction sites are feeling an intensifying labor crunch as the worker pool shrinks and demand rises ahead of the 2020 Tokyo Olympics.

That is prying open the country's restrictive immigration policies, which until now have only allowed a trickle of so-called unskilled foreign workers into the country.

But authorities are treading carefully because immigration is a delicate subject. Although public attitudes are slowly shifting, there is widespread concern that an influx of foreigners will upset the social order, increase job competition and weaken traditions.

"I believe we'll continue to need foreign workers," said Hiroki Kojima, a



Thai workers toil away at the Green Leaf farm in Showa, Gunma Prefecture, on June 6. REUTERS

28-year-old in the information technology industry. "But the word 'immigration' makes me anxious because good things about Japan, like public safety, could deteriorate."

Driven by economic and demographic forces, the government announced plans on Friday that will create new five-year work permit categories for foreigner people.

Officials have said they are focusing on five areas: farming, construction, hotels, elderly care and shipbuilding.

Authorities are also considering allowing foreign workers who pass certain tests to stay indefinitely and bring family members. If the measures are approved by the Cabinet, the government aims to have the Diet turn them into law this fall.

Japan Times

Diet OKs lowering age of adulthood to 18

By Tomohiro Osaki

The Diet on June 13 passed a package of amendments that – for the first time in 140 years – includes a measure lowering the definition of adulthood to 18 years old from the current age of 20 but keeps the legal age for drinking, smoking and gambling unchanged at 20.

In addition, the package includes a revision to the Nationality Act, which currently obliges those with multiple citizenship to choose one by the age of 22. The revision moves the deadline to 20.

It also changes the age when a foreign adult qualifies to be naturalized in Japan to 18 from 20.

The two-year drop will also apply to cases where a child born into an international marriage seeks to obtain Japanese citizenship, with the revised law stating that the child's application must be completed by the age of 18, according to a Justice Ministry official.

The new definition of adulthood – the first such change since it went into force in a 1876 Meiji Era edict – will take effect on April 1, 2022. The change follows a similar move by the Diet in 2015 that saw the lowering of the voting age to 18 from 20.



Women in kimono take selfies at Tokyo Disneyland in Urayasu, Chiba Prefecture, on Jan. 8 after attending the Coming-of-Age ceremony held in the amusement park.

The package of amendments, however, will keep unchanged the minimum legal age of 20 for activities such as drinking, smoking and various forms of state-run gambling, including horse, bicycle and motorboat racing.

The measures will also put women on par with men in terms of when they can get married, moving their legal age for wedlock to 18 from 16.

It will also enable 18- and 19-year-olds to apply for loans and credit cards without the consent of their parents.

Japan Times

New Zealand

IMF urges NZ to reconsider foreign home buyer ban to draw investment

Reuters, Wellington



The IMF called on New Zealand to reconsider a controversial plan to ban foreigners from buying residential property, saying that the move could discourage foreign direct investment necessary to build homes.

The IMF offered an upbeat view on New Zealand's economic outlook, despite a recent slew of soft data, and said the

Policy Updates

housing market was on course for a soft landing as price gains moderated.

Foreign ownership has attracted criticism as New Zealand grapples with a housing crisis that has seen average prices in Auckland almost double in the past decade and rise more than 60 percent nationwide.

In its annual assessment of member nations' economies, the IMF said that New Zealand's ban was unlikely to help much in making housing more affordable.

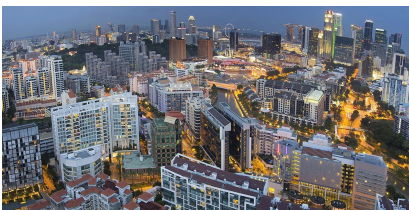
"This ban on foreign home ownership could discourage potential foreign direct investment that could help build more houses," the IMF said in a staff report.

Other policies, such as tax incentives and the government's "Kiwibuild" program to build affordable homes, would be enough to address a shortage of housing, it said.

Taipei Times

Singapore

Singapore tightens regulations as home prices rise



Bloomberg

Singapore tightened curbs on the property market after home prices posted a second straight quarter of strong gains, extending their recovery from a four-year slump.

The government raised stamp duty rates and toughened loan-to-value limits for buyers to keep price increases in line with economic fundamentals, the Monetary Authority of Singapore, the Ministry of National Development and the Ministry of Finance said in a joint statement.

The sharp increase in prices could "raise the risk of a destabilizing correction later, especially with rising interest rates and the strong pipeline of housing supply," they said.

An index tracking private residen-

tial prices jumped 3.4 percent in the three months ended June 30, according to a flash estimate from the Urban Redevelopment Authority this week.

That builds on a 3.9 percent gain in the first quarter – the biggest since the second quarter of 2010.

For foreign purchases of residential property, the additional buyers stamp duty increases to 20 percent from 15 percent, while for Singaporean citizens the rate increases apply only from their second purchase onward.

The rebound in home prices has prompted aggressive land bids from developers. The government in February raised taxes on home purchases exceeding S\$1 million (US\$730,000) as collective apartment sales reached levels the central bank described as exuberant.

Taipei Times

Taiwan

Institute increases GDP growth forecast for Taiwan

By Staff writer, with CNA

The Taiwan Research Institute (TRI), a leading economic think tank, on June 29 raised its forecast for the country's GDP growth for this year, citing robust export performance amid a strengthening global economic recovery.

The forecast for Taiwan's GDP growth this year has been revised to 2.62 percent, up 0.31 percentage points from the previous forecast of 2.31 percent in December last year, the Taipei-based think



Taipei 101 is pictured on June 7. The Taiwan Research Institute on Friday, June 29, raised its prediction for Taiwan's GDP growth to 2.62 percent

tank said.

The institute's forecast is more optimistic than the government's projection, which was also raised in May from 2.42 percent to 2.6 percent.

The revised forecast was made as a result of a better-than-expected global economic recovery, which boosted the country's export performance in the first half of this year, the institute said.

However, despite the upward adjustment, institute founder Liu Tai-ying said that it would still be hard for Taiwan's GDP growth rate to break the 3 percent barrier anytime soon, due to the lackluster investment climate at home.

Taipei Times

Taiwan extends visa-free program

By Staff writer, with CNA



Taiwan is to extend its trial period of visa-free privileges to three Southeast Asian nations by one year until July 31, 2019, Minister Without Portfolio Chang Ching-sen said.

The decision to extend the trial period for the Philippines, Thailand and Brunei was reached at an interministerial meeting earlier this month, Chang said.

However, to better manage the program, visitors from the three nations are to be granted visa-free stays of no more than 14 days, he said.

Thais and Bruneians are currently allowed to stay for a maximum of 30 days on visa-free entry, while Filipinos are given up to 14 days.

The government will not add any other countries to the visa-waiver trial program at this time, Chang said, citing concerns over border security, social order and illegal immigration.

The Ministry of Foreign Affairs and the National Immigration Agency will

Policy Updates

explore other ways to make visits to Taiwan more convenient, he said.

For example, they will consider expanding the electronic visa system and granting visa-free or visa-on-arrival privileges to passengers on charter flights, he said.

Taipei Times

Taiwan has 19th-highest GDP by purchasing power

By Staff writer, with CNA

Taiwan's GDP per capita based on purchasing power parity (PPP) ranks 19th in the world, higher than Japan's and South Korea's, the latest IMF data showed.

Taiwan's PPP-based GDP per capita is US\$52,304, compared with US\$44,430 in Japan and US\$41,390 in South Korea, which rank 31st and 32nd in the world, respectively, the data showed.

The IMF releases global income statistics twice a year. PPP-based GDP per capita compares average living standards in different nations by combining nominal incomes with the relative cost of living and inflation rates.

The Directorate-General of Budget, Accounting and Statistics has said that the nation's relatively low cost of living, stable prices and low inflation rate are why it is so high on the PPP index.

The data, which were published in April, put Qatar in the No.1 spot in terms of PPP-based GDP per capita with US\$128,702 per year, followed by Macau with US\$122,489, and Luxembourg with US\$110,870.

Singapore ranked fourth, with US\$98,014, and Hong Kong 10th, with US\$64,533.

The Business Insider Website said that small countries dominate the list because they have small populations compared with the US, China and Germany, which lead the world purely in terms of GDP.

Most of small nations depend heavily on migrant workers, who often do not reside in the country where they work or are not granted resident status, so that they are not included in GDP per capita calculations, the Website said.

Taipei Times

Solartech revenue hit by India's proposed tax levy

By Lisa Wang



Solar module manufacturer Solartech Energy Corp reported a 50 percent year-on-year decline in revenue for May, as demand from India slumped after the country proposed a 70 percent tax on solar manufacturing equipment imports.

Revenue plunged to NT\$299 million (US\$10.01 million) from NT\$598.75 million in May 2017, the company said in a filing with the Taiwan Stock Exchange on June 1st.

Last month's revenue hit the lowest level in about five years, as the solar industry is experiencing a prolonged oversupply, which prompted solar prices to drop to below most companies' manufacturing costs.

"A delay in solar module shipments dragged the company's revenue down last month," Solartech said. "On top of that, orders from India have reduced significantly as the country is mulling whether to levy a high tax on solar imports."

The decline is also due to output reduction, as a fire that broke out in October last year damaged one of its production lines, the company said.

Aside from the damaged production line, other manufacturing equipment is being fully utilized, it added.

The company said it expects demand to rebound in July as India is widely anticipated to halt the heavy tariffs on solar imports.

Taipei Times

MOF's tax move expected to encourage foreign firms in free-trade port zones

By Shelly Shan

The government is hoping to attract more foreign investment in logistics and other value-added services in free-



中華民國交通部

MINISTRY OF TRANSPORTATION AND COMMUNICATIONS R.O.C

trade port zones by reducing the taxes on firms that transport and store cargo in Taiwan, the Ministry of Transportation and Communications (MOTC) said.

Based on a tax proposal approved by the Ministry of Finance (MOF) on April 17, foreign investors who solely import, store and transport cargo would only be taxed on 3 percent of their profits, down from the previous 12 percent.

The finance ministry would no longer factor in the cost of buying the ingredients or semi-finished products in Taiwan when it calculates the taxes for such companies, the MOTC said.

It said that it decided to ask the finance ministry for help after an offshore oil platform builder in the free-trade zone in Kaohsiung Port in 2015 entrusted a Taiwanese manufacturer with processing its products before they were shipped overseas.

However, that meant the offshore oil platform builder's profits generated in Taiwan could not be accounted for in the paperwork.

The MOTC said it asked the finance ministry in July 2015 to stipulate a way to calculate profits generated by overseas investors in the free-trade port zones if they have trouble accounting for the profits they produce in Taiwan.

The decision should encourage foreign investors to establish product distribution centers in Taiwan, the MOTC said.

Investors would also be more motivated to buy components from Taiwanese manufacturers, as the cost of purchasing the components would not be included in the basis of taxation, the MOTC said.

Taipei Times

Policy Updates

Turkey

Robust Growth continues in Turkey in Q1 2018

Turkey rode the momentum of the 2017's impressive GDP growth well into the first quarter of 2018. The Turkish economy grew by a faster-than-expected 7.4 percent year-on-year in the first quarter of 2018, according to the official data of the Turkish Statistical Institute. The breakdown of the data showed that private consumption and the recovery in invest-



ments were the main drivers of growth in first quarter. Private consumption grew by 11 percent and investment expenditures by

9.7 percent year-on-year in the first quarter. With strong growth on solid macroeconomic fundamentals, Turkey remains on track as one of the largest economies globally, ranking top among OECD, and second among G20 members after India.

In its June 2018 Global Economic Prospects Report, the World Bank forecast that Turkey's economy will grow by 4.5 percent in 2018, while according to the OECD, Turkey's economy is forecast to expand 5.1 percent this year. For comparison, the global economy as a whole is projected to grow by 3.8 percent.

Invest in Turkey

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

It is a non-governmental organization serving as a forum for promoting the vital role of businessmen in the region, increasing regional business interaction, and enhancing regional economic growth. Since its establishment in 1966, CACCI has

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

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

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