



### New Year's Message from the President

It is a great pleasure for me, as the newly-elected President of CACCI, to convey my New Year's greetings to all members of CACCI and readers of the CACCI Profile. I sincerely hope that the coming year continues to bring prosperity to you personally, your businesses, and your families.

As we enter the year 2019, I hope that every member remains committed to the objectives of CACCI and to contribute to the further growth of the Confederation. We learned from our Istanbul Conference in November last year that we are now in a highly dynamic and volatile environment where we face fast-changing developments that require swift and sometimes bold action. I am confident, however, that CACCI, given its talents and resources, is up to the challenge.



*Samir Modi*

As I embark on the first year of my Presidency, I would like to count on your continued strong support towards the fulfillment of the CACCI objectives. In particular, I look forward to your participation in the 33rd CACCI Conference to be held in Colombo, Sri Lanka in September 2019, as well in the Presidential visits to a number of CACCI Primary Members that I plan to undertake during the year.

Let us continue our dialogue among each other, with governments in the region, and with other regional and international organizations on how best we can help our region achieve an even more rapid and sustainable growth.

May you all have a Happy and Prosperous New Year!

Samir Modi  
President, CACCI

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## CACCI Announces Date and Venue for 33rd Conference This Year



CACCI wishes to inform all officers and members that the 33rd CACCI Conference will be held in Colombo, Sri Lanka and is tentatively scheduled on September 17-18, 2019. To be hosted by the Ceylon Chamber of Commerce, next year's Conference will take place at Shangri-La Hotel Colombo. The dates and venue were agreed during the 89th CACCI Council Meeting held on November 23, 2018 in Istanbul, Turkey.

The two-day event is designed

to provide a valuable platform for CACCI members and invited experts to exchange views on issues of current concern to the business community of the region. Parallel sectoral breakout sessions will be organized that will gather government and private sector experts for dialogue and panel discussion on important sectoral issues.

A meeting of the Planning Committee will be held on March 14, 2019 to discuss preparations for the Conference.

Officers and members are encouraged

to join the meeting and share ideas and suggestions on how to make the 2019 Conference productive and meaningful. Details will be sent out as soon as arrangements are finalized.

CACCI is counting on your valuable participation for the successful outcome of the annual gathering in 2019. Should you have questions at this stage, please do not hesitate to let us know.

## CACCI Secretariat Executives Attend 80th Anniversary Celebration of Kowloon Chamber of Commerce



The Kowloon Chamber of Commerce (KCC) invited CACCI officers to join its 80th Anniversary Celebration held on December 18, 2018 at the Hong Kong International Convention Centre. CACCI was represented at the glittering event by Director-General Mr. Ernest Lin and Deputy Director-General Mr. Amador Honrado Jr. During the celebration, which was attended by some 1,000 KCC members and special guests, Mr. Lin presented a special token to KCC Chairman Mr. John Li in appreciation of the important role KCC plays in promoting the interest of businessmen not only in Hong Kong but also in other Asian countries.



## CACCI Visits KCC Headquarters



CACCI Director-General Mr. Ernest Lin and Deputy Director-General Mr. Amador Honrado were warmly welcomed by officers of the Kowloon Chamber of Commerce (KCC) led by Permanent Chairman Mr. Conrad Lee at the KCC headquarters in Hong Kong on December 19, 2018. The CACCI visitors were



treated to a special tour of the newly renovated KCC offices, which also feature a mini-museum containing important historical documents of the Chamber as well as other exhibits, including a special cabinet displaying CACCI materials.



## Look Back on the Year that was with 2018 CACCI Year-End Review

CACCI invites members and readers to view a summary of the Confederation's activities over the past year. You may download a copy of the year-end review on the link below.

[https://drive.google.com/drive/folders/1yE\\_2NuNQBf9Mb\\_rS8wOQFKV95eZ3MS7q?usp=sharing](https://drive.google.com/drive/folders/1yE_2NuNQBf9Mb_rS8wOQFKV95eZ3MS7q?usp=sharing)

CACCI would like to take this opportunity to thank you for the cooperation and assistance you have extended in

undertaking the Confederation's projects and programs in 2018. Without your help, CACCI would not have accomplished what we had set out to do for the year.

CACCI looks forward to your continued support this new year, and we hope to see you and your colleagues in our gatherings in the year ahead.

## CACCI Members Invited to Take Part in the 23rd St. Petersburg International Economic Forum



**SPIEF'19**  
ST. PETERSBURG  
INTERNATIONAL  
ECONOMIC  
FORUM

**6-8 JUNE**



CACCI members are invited to participate in the 23rd St. Petersburg International Economic Forum (SPIEF '19) to be held on June 6-8, 2019 in St. Petersburg, Russia.

Organized by the Roscongress Foundation (<https://roscongress.org/en/>), the SPIEF is an international platform for discussion of the key issues on the global economic agenda. In 2018, the Forum brought together over 17,000 participants – business representatives, heads of international organizations, officials, experts, scientists and media from 143 countries.

The Chamber of Commerce and Industry of the Russian Federation (CCIRF), a Primary Member of CACCI, is Knowledge Partner of the Forum. It is also the main organizer of panel sessions on cooperation within SCO (Shanghai Cooperation Organization), BRICS (Brazil, Russia, India, China and South Africa), and some other issues of economic development.

Detailed information about SPIEF'2019 is available at the website <https://forumspsb.com/en/>

# Roscongress Foundation to hold 5th Eastern Economic Forum in Vladivostok



The Roscongress Foundation will hold the 5th Eastern Economic Forum (EEF) in Vladivostok, Russia on September 4-6, 2019.

The forum aims to: (a) strengthen ties between the international investment community, Russian business, and federal, regional, and local government bodies; (b) conduct a comprehensive expert assessment of the economic potential of the Russian Far East as well as improve the region's competitiveness and attractiveness to investors both nationally and internationally; (c) showcase new investment and business opportunities such as

advanced special economic zones, Vladivostok Free Port and state support for high-potential investment projects.

The Forum's agenda includes discussion of key issues in the world economy, regional integration and the development of new industrial and technological sectors, as well as of the global challenges facing Russia and other nations.

The Chamber of Commerce and Industry of the Russian Federation (CCIRF), a Primary Member of CACCI, is EEF Knowledge Partner and is actively involved in the process of creating the architecture of the Forum, preparing the participants list, and organizing the exhibition, panel sessions and roundtables on the key international and regional issues. According to the CCIRF, the Forum business program includes a number of business dialogues with leading partner countries in the Asia-Pacific region and with ASEAN.

Detailed information about EEF 2019 is available at <https://forumvostok.ru/en>.

## ICC invites chambers to submit nominations for 2019 World Chambers Competition



### *Did you know the deadline is approaching?*

The International Chamber of Commerce (ICC) recognizes chambers' efforts to support communities through a variety of projects and initiatives. That is why they are looking to highlight those actions and share them with international delegates attending the upcoming 11th World Chambers Congress from 12-14 June 2019 in Rio de Janeiro, Brazil. But it will not be possible if chambers don't submit projects to the World Chambers Competition, the unique awards programme that acknowledges and rewards chambers for their efforts to strengthen their communities!

### *Who can participate?*

Any and all chambers — large and small, public and private, local to national, from around the world — are encouraged to participate.

What are the categories?

- \* Best Education and Training Project
- \* Best Membership Recruitment Project

- \* Best SME and Entrepreneurship Development Project
- \* Best Unconventional Project

### *How to participate?*

Go to the official website (<https://www.worldchamberscongress.org/world-chambers-competition/>) to find out the guidelines, rules and steps to apply. The deadline to participate ends on 15 February 2019.

### *What happens if you are chosen as a finalist?*

For each category, four finalists will be selected by an international jury. The panel will be made up of ICC World Chambers Federation leadership, as well as representatives from chambers and other recognised global organisations. The finalists will then be invited to join in Rio de Janeiro for the Congress, as honoured guests. Cash prize also awaits the winners.

If you have any questions, please do not hesitate to reach out by sending an email to [worldchamberscongress@iccwbo.org](mailto:worldchamberscongress@iccwbo.org)



# ASEAN Publishes Annual Investment Report 2018



The ASEAN Investment Report 2018 has been released. It examines ASEAN's rapidly growing digital economy backed by fast expanding digital networks.

This year's report also offers a dedicated chapter that examines the increasing trend of Australia's Foreign Direct Investment (FDI) and Multinational Enterprise (MNE) activities in the region, highlighting Australia as a key partner of ASEAN.

On its 50th anniversary last year, ASEAN has shown that it remains an investment destination of choice. FDI flows in the region reached an all-time high of US\$137 billion, up by 12% from 2016. The robust inflows also increased ASEAN's share of global FDI to developing economies. Wholesale and retail trade emerged as the largest industry recipient, overtaking finance and

manufacturing sectors, which are traditionally the major FDI recipients. There is also growing interest in health care, research and development activities and e-commerce, including fintech.

Internet transactions, estimated to be worth US\$50 billion in 2017, may potentially reach US\$200 billion by 2025. The digital revolution is disrupting and transforming industries and businesses as well as the way goods and services are delivered. The digital economy has also generated opportunities to accelerate development by increasing business efficiency and productivity, widening access to existing or new markets, and facilitating participation in the global value chains. ASEAN countries are actively promoting investment in the digital economy, including through further cooperation on digital connectivity. However, policy and institutional challenges remain.

The ASEAN Investment Report is prepared under a technical cooperation arrangement between the ASEAN Secretariat and the United Nations Conference on Trade and Development, with inputs from members of the ASEAN Coordinating Committee on Investment and supported by the ASEAN-Australia Development Cooperation Program Phase II (AADCP II).

The report can be downloaded at: <https://bit.ly/2SxNyaX>

## CTBC Bank Hosts 4th Anniversary Luncheon for the Taiwan-ASEAN Business Network



Mr. Ernest Lin, Senior Vice President of CTBC Bank and concurrently CACCI Director-General, served as host of the luncheon organized by CTBC Bank on December 20, 2018 in commemoration of the 4th Anniversary of the founding of the Taiwan-ASEAN Business Network. Some 30 members of the Network attended the luncheon, including trade representatives

from Malaysia, Indonesia, Singapore, Vietnam, Thailand and India, as well as representatives from the ROC government and Taiwanese business organizations with business interest in the ASEAN market. The Network serves as a platform for members to have a regular interaction and information-sharing on trade and investment opportunities in the region.

# Asia's Economy Deemed to be Swayed by China Slowdown in 2019

By Kentaro Iwamoto, Nikkei Asian Review



A woman paints lanterns for the Lunar New Year in China's Zhejiang Province on Dec. 25. The country's economy is expected to heavily influence others in the region in 2019. (Photo by Reuters)

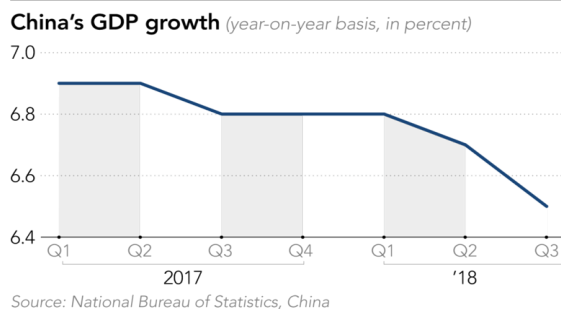
China will again shape Asia's economic outlook in 2019 as the region's largest economy faces internal and external challenges, including trade tensions with the U.S.

Economists expect China's growth to slow versus 2018, affecting economies across Asia. All eyes are fixed on Beijing's response.

In line with global trends, the regional economy is likely to see slower growth in 2019, estimates by economists and governments suggest. According to Japanese investment bank Nomura, one of the key challenges faced by Asia is China's expected slowdown, especially in the first half of the year.

In 2018, China's growth slowed gradually, with gross domestic product expanding by 6.8% on the year in the first quarter, by 6.7% in the second quarter and by 6.5% in the third quarter, as the government cut back on infrastructure spending to try to reduce debt at the local level. Weaker car sales added to the slowdown.

Ting Lu, Nomura's chief China economist, expects much slower growth in the coming months. Pointing to the weak auto sales, which were a drag on consumption figures, he said, "We believe this kind of decline will extend all the way into the first half of [2019]." Lu also predicted sales of construction equipment will also drop in the first half of the year due to the replacement cycle and the end of stimulus measures aimed at encouraging purchases.



In addition to domestic factors, the U.S.-China trade fight will likely weigh on the Chinese economy. Data show that U.S. tariff increases on Chinese exports have started to bite, with the Chinese government's Manufacturing Purchasing Managers' Index showing declines in export orders over the past few months through November 2018.

HSBC, a bank, said in a recent report that an escalation of the trade war could shave 0.7 to 0.8 percentage point off China's GDP growth in 2019. According to the latest China economist survey compiled by Nikkei, the country's economic growth is forecast to slow to 6.2% in 2019 from 6.6% in 2018.

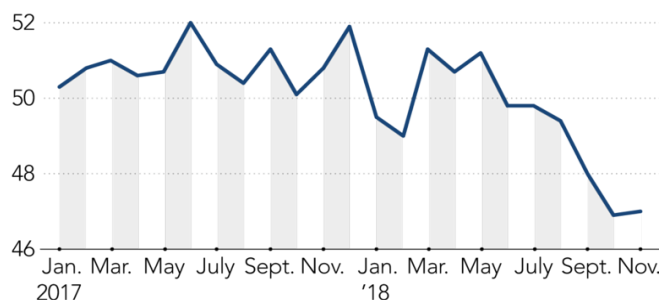
Given that likelihood, market watchers are turning their attention to the steps the government will take to keep the economy ticking over. The leadership under President Xi Jinping already hinted at more fiscal stimulus, such as bigger tax cuts, at the annual Central Economic Work Conference in mid-December.

"The external environment is complicated and severe, and the economy faces downward pressure," the conference statement said. It called for "bolder and more effective measures" to implement a "proactive fiscal policy." The plan is to expand tax cuts and fee reductions beyond the roughly 1.3 trillion yuan (\$188 billion) authorized for 2018.

A slowdown in China would have ripple effects across Asia, as it is a major trading partner for most countries in the region. That would also affect the region's market confidence. Most economies in Southeast Asia started to cool in the second half of 2018 as U.S.-China trade tensions escalated.

At the same time, growth in the technology sector is slowing worldwide, which will dent the growth of electronics exporters. The World Semiconductor Trade Statistics in November predicted the chip market as a whole will grow by just 2.6% in 2019, compared with 15.7% in 2018, due to weaker demand for smartphones.

**New export orders PMI in China**



Output of electronics in places like Japan, South Korea and Taiwan may suffer. Sales at Taiwan's Largan Precision, one of the world's largest manufacturers of lenses for smartphone cameras, dropped nearly 30% on the year in November.

Another potentially destabilizing factor in Asia in 2019

is elections, and the political uncertainty that may result.

The first big electoral test in the region is scheduled for Feb. 24, when Thai voters head to the polls for parliamentary elections that will mark a milestone in the country's return to civilian rule.

"Even if a general election passes smoothly, political uncertainty is likely to remain a drag on Thailand's prospects," according to a report by Capital Economics. Pointing to the short-term risk from civil unrest, the report says, "Another outbreak of protests and violent conflict, similar to those observed in 2010 and 2014, would deal a significant blow to the economy."

Indonesia will hold a presidential election in April, and there will be midterm elections in the Philippines the following month. India will also have a general election in May. Clouds on the political horizon are already affecting the region's third-largest economy, with central bank chief Urjit Patel resigning in December over policy differences with the government of Prime Minister Narendra Modi.

Some emerging economies may need to continue raising interest rates to keep local economies stable as the U.S. Federal Reserve hinted at more interest rate increases at its December policy meeting. On Dec. 20, stock indexes in emerging markets dropped when the Fed implied two rate hikes might be coming in



*Indonesian President Joko Widodo, left, Thailand's Prime Minister Prayuth Chan-ocha, center, and Indian Prime Minister Narendra Modi will face voters in 2019. (Photo by Reuters)*

2019, on the heels of four the previous year.

Fed tightening tends to pull in capital to the U.S. from emerging markets, and that could cool domestic consumption and investment.

One positive factor would be lower oil prices, which peaked in late 2018. As many Asian economies rely heavily on domestic consumption, lower oil prices could help moderate inflation and boost consumer spending.

## Member Personalities

### **Business Central Incorporated board re-elects Chair and announces new Wellington Chamber President**

Business Central is happy to announce that its board has re-elected Vaughan Renner as Chair, and has elected Jo Healey as the President of the Wellington Chamber.

Business Central Incorporated represents three brands - Business Central, Wellington Chamber of Commerce, and ExportNZ Central.

Jo Healey is currently Head of Global Technology Services for IBM NZ and joined the Business Central board in October and she replaces Peter Cullen as the President of the Wellington Chamber. Peter Cullen's tenure as a Director has come to an end, but his association with the Chamber of Commerce continues as a Life Member.

Vaughan Renner has been associated with Business Central over a long period, serving as a board member and most recently as Chair.

The appointments were made at the first board meeting following the AGM in October, when three other new board members were ratified - Claire Pedley, Karun Shenoy, and Adele



*Jo Healey*

Rose.

Jo Healey and Adele Rose will join Vaughan Renner as Business Central's representatives on the Council of BusinessNZ. Vaughan is the current President of BusinessNZ.

John Milford, Chief Executive of Business Central and the Wellington Chamber of Commerce, welcomed the appointments of Jo Healey and Vaughan Renner.

"As a new Board member, Jo will bring a mix of experience and knowledge. Her experience leading Fujitsu and Dimension Data, as well as her current role with IBM, means we have an expert on the region's burgeoning technology sector.

"We also give a warm welcome to our three other new board members, Claire Pedley, Karun Shenoy, and Adele Rose. They each bring experience from across the business spectrum - small and big business, city and provincial, as well as governance, human resources, sustainability and IT skills."

"Vaughan's re-appointment as Chair confirms the board's overall satisfaction with the way our three brands are currently operating. His leadership and expertise is invaluable to our organisations and we are delighted with the re-appointment."



*Vaughan Renner*

*WECC Media*



## Member Personalities

### Sandip Somany takes over as new FICCI President

Sandip Somany, Vice Chairman and Managing Director, Hindustan Sanitaryware & Industries Limited (HSIL) Limited has been elected as the president of Federation of Indian Chambers of Commerce and Industry (FICCI) for 2018-19.



*Sandip Somany*

Somany was previously working as the Senior Vice President, FICCI. He was elected as the president in a recently concluded FICCI's annual general meeting.

In the past, Somany has held many industry leadership positions, including that of President of Ph.D. Chamber of Commerce and Industry and President of International Chamber of Commerce India chapter (headquartered in Paris). He was also

the Chairman of Indian Council of Sanitaryware Manufacturers (INCOSAMA) and a member of the Executive Committee of Governing Council of All India Glass Manufacturers Association.

Sangita Reddy, Joint Managing Director, Apollo Hospitals Group was elevated to the Senior Vice President of FICCI and Uday Shankar, currently the Chairman and CEO of Star India and President of 21st Century Fox Asia-Pacific (Only Asia) was elected as the Vice President of the industry body. In the past, Somany has held many industry leadership positions, including that of President of Ph.D. Chamber of Commerce and Industry and President of International Chamber of Commerce India chapter (headquartered in Paris). He was also the Chairman of Indian Council of Sanitaryware Manufacturers (INCOSAMA) and a member of the Executive Committee of Governing Council of All India Glass Manufacturers Association.

*The Hindu Business Line*

### Tajikistan CCI Appoints New Chairman

Tajikistan CCI announced the appointment of their new chairman, Mr. Jamshed Jumakhonzoda, at the chamber's 7th Congress held in *Jamshed Jumakhonzoda* Dushanbe on November 28.



Mr. Jamshed Jumakhonzoda previously served as director of the National Patent and Information Center under the Ministry of Economic Development and Trade. He was elected as

new chairman of the CCI for the five-year period, replacing Mr. Sharif Said.

Ms. Manzoura Rustamova and Mr. Odil Sangov were elected as deputy heads of the Chamber for 2019-2024.

Sharif Said reported on the results of the work carried out by the Chamber of Commerce and Industry in 2013-2018.

The Chamber of Commerce and Industry of Tajikistan is an organization of businesses whose goal is to further the interests of businesses. It represents the interests of small, medium-size, and big businesses encompassing all business sectors.

## Product & Service Councils

### Asian ICT Council

#### Iran, a Booming Market for ICT in Asia: Report



Iran is one of the booming markets for Information and Communication Technology (ICT) in Asia, the Communications Regulatory Authority (CRA) of Iran announced in its latest report.

The report explained that the country's youth population of around 27 million - most of them living in urban areas - make it as one of the best markets for

ICT products. Iran ranks 57 in exporting creative goods and in hi-tech products the country ranks 28, the report announced.

Creative economy paves the way for development of ICT manpower, which is considered as one of the most important factors, the report stated.

About 4,400 knowledge-based companies, 38 science and technology parks and 167 incubators are working in Iran. About 2,500 higher education centers in Iran have been established and 4.8 million students study at the Iranian universities.

The report also shed light on development of communication infrastructure.

Transmission network bandwidth was increased from 1240 GB in 2013 to 22191 GB. The global transit communications bandwidth also increased from 364 GB in 2013 to 2844 GB.

*Tehran Times*

### Asian Textiles and Garments Council

#### FDI Firms Expand in Local Textile-Garment Sector



Vietnam had become increasingly appealing to large foreign investor groups in the textile and garment industry who wanted to seize opportunities when the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) takes effect this month (January 2019), according to analysts.



# Product & Service Councils

German-based Amann Group, one of the world's top three leading producers of high-quality sewing and embroidery thread, is expanding its network to Vietnam with a new factory being constructed in Tam Thang Industrial Park in the central province of Quang Nam.

The new facility will be added to Amann's existing network of factories in various countries across Asia, including Bangladesh, China, India and Indonesia.

At the new production site, the group will produce around 2,300 tonnes of sewing thread per year, mainly for the manufacture of apparel and shoes.

The first phase of the project is scheduled to commence in late July next year.

*Vietnam News*

The students formed teams and launched 48 ventures in industries ranging from skincare, advertising, food and education. Initiated in 2017, this is the third graduation ceremony of this programme that has seen a total of 189 students from approximately 29 local universities participating via five cohorts.

*Digital News Asia*

## Asian SME Council

### Linksys Unveils Cloud-Hosted Wi-Fi Management Platform for SMEs



Linksys has announced Linksys Cloud Manager, a cloud-hosted WiFi Management Platform purpose-built for small business environments that reduces costs and increases operational efficiencies. The solution offers centralized visibility, management and control of a wireless network without the cost and complexity of traditional hardware controllers, overlay software, or annual hosting costs.

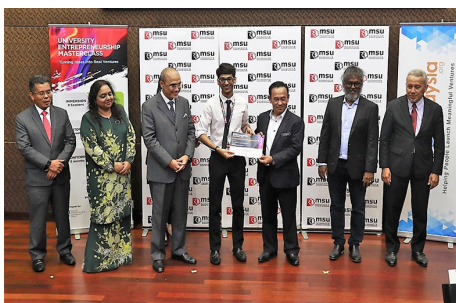
Linksys Cloud Manager enables IT administrators and other authorized users to remotely monitor, manage and troubleshoot single or distributed wireless networks in real time via a single dashboard. This plug-n-play platform helps provide secure remote access to Linksys Business Wireless-AC Access Points, which are built with enterprise-grade, high-performance hardware, and is competitively priced with no licensing or maintenance fees for five years. The included cloud license fits any budget and provides a complete solution for IT solutions providers and their SME customers.

"SMEs count for 99% of all businesses operating in Singapore. That said, there is definitely a great need in the market for affordable, business-grade, cloud-based WiFi management platforms designed for SME operating environments," said Jenny Ng, Vice President, Linksys Asia Pacific.

*Network Asia*

## Young Entrepreneurs Group of Asia Pacific

### U-Masterclass to Create Young Entrepreneurs



Specially designed to help university students interested in entrepreneurship turn their ideas into sustainable ventures, the University Entrepreneurship Masterclass (U-Masterclass) programme is an initiative of the Ministry of Finance Malaysia (MOF) and executed by StartupMalaysia.org.

The programme's Cohort 3 and 4 graduation day was held on Dec 18 at Management and Science University (MSU) with 73 graduating students. Present at the ceremony were the president of MSU, Professor Dr Mohd Shukri Ab Yajid; senior deputy director of National Strategy Unit, MOF, Abu Bakar Jambol; and senior director of digital economy and international relations, Ministry of Entrepreneur Development, Arividya Arimuthu.

In his speech, Abu Bakar shared his hopes for the students to create successful businesses, become employers and provide jobs for other Malaysians.

"The government and the private sector cannot provide jobs for everyone. By becoming an entrepreneur, you can hire people and contribute to the economy."

# Economic Cooperation News

## Iran, Turkey Pledge to Promote Economic Ties to Reach \$30bn Trade Target

Iran and Turkey have agreed to step up their economic cooperation with the aim of reaching a \$30-billion target set for their annual trade, voicing concern over the re-imposition by the US of unilateral sanctions against the Islamic Republic, a move which they say could affect the entire region's economy.

The agreement was reached at the 5th Meeting of High Council for Iran-Turkey Strategic Cooperation in Ankara chaired by Iranian President Hassan Rouhani and his Turkish counterpart, Recep Tayyip Erdogan, according to a joint statement issued at the end of the event on December 20.

Tehran and Ankara, the statement added, called for closer bilateral relations in all areas, especially economy, politics and fight against terrorism, saying enhanced ties between the two neighbors will contribute to the region's peace and stability.

They emphasized the need to promote the existing trade mechanisms between the two neighboring states so they could speed up efforts to increase the volume of their annual to the \$30 billion target they had previously set.

*Press TV*

## Azerbaijan, India Discuss Economic Cooperation

India and Azerbaijan enjoy close and friendly relations and have an active cooperation between them in many areas including political, commercial and investment, educational and cultural.

Economy Minister Shahin Mustafayev met Indian ambassador Sanjay Rana, who recently completed his diplomatic mission in Azerbaijan.

During the meeting, the two sides exchanged views on the current economic relations between Azerbaijan and India and opportunities for expanding cooperation.

Minister Mustafayev underlined the importance of bilateral cooperation with India, mutual visits and meetings in the development of relations, the

importance of the Intergovernmental Commission on trade, economic, scientific and technological cooperation between Azerbaijan and India, informed about the projects implemented with the participation of Azerbaijan, transit opportunities, including the North-South international transport corridor.

Pointing out that about 170 Indian capital companies operating in Azerbaijan, the minister invited Indian businessmen to benefit from the favorable conditions created in industrial parks and neighborhoods created in our country and to organize joint ventures.

Diplomatic relations between the two countries were established in 1992.

*Azer News*

## Russian-Japan Economic Cooperation Fruitful in All Areas, Says Minister

Economic cooperation between Russia and Japan based on an eight-point cooperation plan offered by Japanese Prime Minister Shinzo Abe, has yielded tangible results in all areas, Russia's Economic Development Minister Maksim Oreshkin said following the meeting of the intergovernmental commission on economic cooperation between the two countries in Tokyo on December 18.

"There are tangible results making the life of our countries' people better in each area," he said.

Japanese Foreign Minister Taro Kono said that the sides had confirmed plans on further cooperation during the meeting of the intergovernmental commission. He added that among the discussed issues were cooperation in the areas of energy, agriculture, forest, fishing industries, medicine, healthcare, urban environment, Far East and cutting-edge technologies.

Over the past couple years economic cooperation between the two countries has been based on a cooperation plan offered by Shinzo Abe at a meeting with Russian President Vladimir Putin in Sochi on May 6, 2016. The plan includes efforts to foster relations between Japan and Russia in the energy sector, small and medium-sized businesses, the promotion of

industrialization of the Far East, expansion of the export base, as well as the proposal to strengthen cooperation in the cutting-edge technologies, including nuclear energy, and the sphere of humanitarian exchanges.

Currently, the two sides plan joint economic activities in five areas, namely aquaculture, greenhouses, tourism, wind energy, and waste recycling. As reported earlier over 60 projects out of 150 envisioned by the plan are being implemented now.

*TASS*

## India, China Eye Soft Power Path to Better Ties

India and China are looking at increasing soft power linkages as part of a new diplomatic engagement to reduce distrust between the two neighbours, which have a festering border row.

Chinese Foreign Minister Wang Yi, who was in Singapore on a four-day visit, attended the first meeting of the India-China High-Level Mechanism on Cultural and People-to-People Exchanges.

He had talks with India's External Affairs Minister Sushma Swaraj last December 21, during which they agreed on "10 pillars of cooperation", including in film and television, educational cooperation, language teaching and tourism.

They also agreed to increase cultural and sports exchanges.

Some analysts, however, believe the impact of such moves would be limited, with the two countries having many areas of discord.

"Such initiatives will create goodwill and this is a positive step for the two countries. But it is of limited impact," said India's former foreign secretary Lalit Mansingh. "It doesn't take away from the strategic threats that India faces from China."

*Straits Times*

## Vietnamese Deputy PM Urges Stronger Vietnam-RoK Cooperation

Deputy Prime Minister and Foreign Minister Pham Binh Minh has suggested that Vietnam and the Republic of

# Economic Cooperation News

Korea (RoK) should promote cooperation in all fields, including defence, security, economy, e-commerce, labour, innovation and creativity towards the target of 100 billion USD in two-way trade by 2020.

During a reception in Hanoi on December 26 for Korean Deputy Foreign Minister for Political Affairs Yoon Soon-gu, who is also head of SOM ASEAN of the RoK, Minh spoke highly of the positive development of ASEAN- RoK ties over the past years, affirming that Vietnam and

ASEAN treasure relations with the RoK and hoping that both sides will continue stepping up their practical and effective ties for the sake of peace and prosperity in the region.

Towards the 30th founding anniversary of ASEAN-RoK dialogue relations in 2019, Minh stressed that Vietnam supports the organisation of the ASEAN-RoK Commemorative Summit and will work closely with ASEAN member states to ensure its success.

He also expected that Vietnam would continue receiving the RoK's support as the country will assume the ASEAN Chairmanship in 2020.

Yoon, for his part, affirmed that the RoK values ties with Vietnam and ASEAN in general. He highlighted Vietnam's importance in the implementation of the New Southern Policy of Korean President Moon Jae-in and in the development of relations between the RoK and ASEAN nations.

*Vietnam Plus*

## Technology

### UK Plans to Deploy Drone Detection Systems



After drones crippled London Gatwick airport during busy Holiday Christmas traffic, detection systems may now be deployed across the UK to combat the threat of drones.

According to UK Security minister, Ben Wallace there are 'no easy solutions' to tackling drone invasions but warned those using them 'recklessly' or illegally can expect severe punishment.

Gatwick has spent 5 million pounds since December 26 on new equipment and technology to prevent drone attacks.

The Britiswasmy were called in and used cutting-edge Israeli anti-drone system to defeat the drone, with equipment spotted on top of rooftops at the airport.

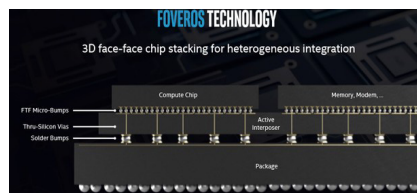
Officers used a high-tech radar and a laser rangefinder to locate drones within a 2.1 and 6.2 miles radius.

In a statement Mr Wallace said the Government was now able to deploy detection systems throughout the UK to

combat the threat the machines pose.

*eTurbo News*

### Intel Reveals Foveros 3D Packaging Technology



Intel has given some high level details of a new technology called Foveros, a 3D packaging technology that will make a debut in products next year and which will allow complex and different logic chips to be stacked directly on top of each other.

As a producer of a huge variety of different integrated circuits (ICs) with many different functions as well as different performance/power/cost balancing needs, Intel knows all too well that no single process node is optimal for all of them.

As such, when it comes to system-on-chip (SoC) design, the case for heterogeneous systems, where ICs are manufactured discretely and later combined onto a single package (system-in-package, or SiP), is strong. Instead of a monolithic design, where all parts of a given SoC (e.g. CPU cores, comms, I/O, etc.) are manufactured on the same node and combined on a single die, the heterogeneous approach allows each IC

to be manufactured on the process that is optimal for it, and it also ensures maximum flexibility in design by allowing customers to mix and match ICs for specific purposes. Further, it avoids yield issues that come from increasing die size and complexity.

What Foveros cleverly brings to the table is 3D stacking of discrete ICs, effectively enabling logic-on-logic integration. Face-to-face micro-bumps connect one IC to another, while through-silicon vias (TSVs) are then used to connect to the package below directly through the bottom die. This turns the lowest layer into an active interposer (as opposed to the traditional passive interposer layer which is used when connecting HBM memory to a GPU, for example). According to Intel, Foveros is both high in bandwidth and low in power demands.

*Bit Tech*

### Robots in the Field - Agriculture Embraces Autonomous Technology



Faced with seesawing commodity prices and the pressure to be more efficient



and environmentally friendly, farmer Jamie Butler is trying out a new worker on his 450-acre farm in England's Hampshire countryside. "Tom" is a small four-wheeled robot.

"Tom" uses GPS, artificial intelligence and smartphone technology to digitally map Butler's field. The robot monitors the individual plants in the field and then analyses each plant to identify whether it is a crop or a weed; feeding the data back to the AI to be digitally mapped.

Tom is the creation of the Small Robot Company. The British company was co-founded in 2017 by

experienced entrepreneur Ben Scott-Robinson and fourth-generation farmer Sam Watson-Jones. The entrepreneurs were inspired by the work of Simon Blackmore in the National Centre for Precision Farming at Harper Adams.

Blackmore had a vision - Replacing much of the work done by heavy tractors with a series of small smart, lightweight robots. Research led to the development of a concept of Farming as a Service (FaaS), and Small Robot Company was born.

The British startup's goal is to drastically cut down on fertilizer and

pesticide use to lower costs and boost profits for struggling farmers, while at the same time, increasing production and lowering the environmental impact of farming. To do this requires rethinking of how farming is done now - and how farming can be done in the future.

"If we can keep our costs to an absolute minimum by being on the leading edge of technologies as one method of doing that, then that's a really, really good thing," said Butler, one of 20 British farmers enlisted in a yearlong trial, according to CTV News.

*Digital Journal*

## Investment & Joint Ventures in the Region

### AXA to Buy Out China Joint Venture Partners for 4.6 Billion RMB



France's AXA Group is buying out the Chinese partners in its Mainland joint venture for 4.6 billion RMB (US\$662 million), a move that will make it the first foreign insurer to wholly own a top 20 property and casualty (P&C) insurance firm in China.

AXA, which currently owns 50% of AXA Tianping Property & Casualty Insurance Company (AXA Tianping), has signed an agreement with its domestic partners to acquire their half of the shareholding, the company says in a statement on November 27. The deal is subject to regulatory approvals.

According to AXA, full management control of the firm will allow the company "to accelerate its strategy in the largest growing market in Asia".

"AXA Tianping represents a unique platform for AXA to capture fully the significant growth potential of the P&C and health markets in China," AXA Chief

Executive Officer Thomas Buberl says in the statement.

The deal includes AXA buying back its Chinese partners' shares in AXA Tianping for 1.5 billion RMB in a capital reduction exercise.

The domestic shareholders are Shanghai Yi Ke Joint Venture, Hainan Hua Ge Industrial Investment Co., Tian Mao Industrial Group Joint Stock Corporation, Hainan Luda Technology Co., and Rixingkang Biology Engineering Co.

*Asia Asset Management*

### MedAdvisor Forms JV with Healthcare Giant Zuellig Pharma



MedAdvisor Limited, Australia's leading digital medication management company, is pleased to announce it has signed a Heads of Agreement to form a joint venture with Zuellig Pharma Holdings Pte Ltd (Zuellig Pharma), one of the largest healthcare services groups in Asia.

With close to 100 years of operating history, Zuellig Pharma's \$12 billion business provides healthcare services to over 350,000 medical

facilities (pharmacies, medical clinics, hospitals) across Asia and works with over 1,000 corporate clients, including the top 10 pharmaceutical companies in the world. It also operates large-scale patient engagement programs on behalf of pharmaceutical companies and provides employee health management services to corporate employers. Zuellig Pharma puts emphasis on providing pharmacy and medical clinic customers with state-of-the-art digital customer service capabilities to help cater to the growing convenience and service expectations of patients; and considers MedAdvisor a strong partner with the ability to support an extensive number of its customers in the region.

MedAdvisor will form a 50:50 joint venture based in Singapore with Zuellig Pharma to commercialise MedAdvisor's medication management platform in Asia.

MedAdvisor will license its core intellectual property to the JV on an exclusive, royalty-free basis and will develop localised versions of its platform for pharmacies and patients in the Filipino and South Korean markets. Both parties have conducted in-depth product-market fit assessments and are confident that MedAdvisor's technology can be effectively rolled out in these countries, which share a similar prescription model as Australia.

*BioSpectrum Asia*

# Investment & Joint Ventures in the Region

## SoftBank's Vision Fund prepares \$1bn Investment in 'Super App' Grab



SoftBank's Vision Fund is closing in on a deal that would see it invest at least \$1bn in "super-app" Grab, according to sources familiar with the matter.

Grab, southeast Asia's largest ride-hailing service, has raised \$6.5bn to date as it plans to fund new ventures such as food delivery, mobile payments and health tech in its drive to become the "super app" of the region.

The company has raised around \$2.7bn in 2018 alone and is valued at \$11bn following a funding round in August. Its principal backers, along with Japanese tech conglomerate SoftBank, include Chinese ride-hailing firm Didi Chuxing, Microsoft and Toyota.

Founded in 2012, Singapore-based Grab has quickly grown in its six-year lifespan and gained significant global attention after out-competing Uber earlier this year.

Uber's southeast Asia operations were bought by Grab in March following a costly battle for the Silicon Valley firm.

*Telegraph*

## Chinese Steel-Making Giant to Invest US\$4.4 bn in Philippines



Hesteel Group, a Chinese iron and steel manufacturing conglomerate, is investing US\$4.4 billion in the Philippines to set up a joint venture, The Paper (China) reported.

The second largest steel group in

China is planning to bond with Steel Asia Manufacturing Corporation to set up an enterprise that integrates iron making, steel making, rolling and deep processing.

It will take three to five years to build the factory in Cagayan de Oro City, Mindanao. Annual production is expected to reach eight million tonnes of iron and steel.

The Philippine Minister of Trade and Industry Ramon Lopez said it is by far the largest investment project involving China and the Philippines.

This project is being touted to help the country achieve the "Steel Dream," promoting the overall development of the manufacturing industry, further increasing export capacity and helping reduce the trade deficit.

*Asia Times*

## PH Regulator Rejects Go-Jek's Application for Manila Ride-Hailing Service



The Philippines' transport regulator has rejected an application from Indonesia's Go-Jek to launch a ride-hailing service in the country due to foreign ownership issues, a government official said on January 9.

The move puts a wrench in Go-Jek's plan to corner a bigger share of the Southeast Asian ride-hailing market, currently dominated by rival Singapore-based Grab.

The Land Transportation Franchising and Regulatory Board (LTFRB) denied the petition of Go-Jek's subsidiary to become the newest ride-hailing service in the Philippines, the regulator's chairman, Martin Delgra, told Reuters.

Velox Technology Philippines Inc, a unit of Go-Jek, "did not meet the citizenship requirement and the application was not verified in accordance with our

rules", Delgra said.

The Philippine constitution limits foreign ownership to 40 percent for certain industries. "If they want to appeal. That is their option," Delgra said, adding Grab remains the Philippines' largest ride-hailing firm.

Velox is fully owned by Go-Jek, according to the regulator, while Grab, through its local unit MyTaxi.PH Inc., complies with the foreign ownership limits.

*Deal Street Asia*

## Alibaba acquires Berlin-based data Artisans for \$103m: Report



Chinese e-commerce giant Alibaba Group has acquired Berlin-based data Artisans for \$103.3 million (€90 million), according to European media reports.

Founded in 2014, data Artisan provides services that deploy large-scale data processing solutions for enterprises. Their solution manages and deploys this data in real-time for better and faster decisions.

Data Artisans was started by the creators of Apache Flink, an open source stream processing technology. According to data Artisans' website, its clientele includes Uber, Lyft, Alibaba, eBay, Comcast, Huawei and King. data Artisans previously raised two rounds of funding in 2014 and 2016 totalling to \$7.5 million (€6.5 million). Its previous investors include btov Partners, Tengelmann Ventures and Intel Capital.

Alibaba's recent acquisitions tend to be in e-commerce in emerging markets.

In June, Alibaba acquired Istanbul-based Trendyol Group, the largest mobile commerce company in the MENA region for \$728 million. In May, it also acquired Daraz.pk, a Rocket Internet-backed e-commerce platform from Pakistan.

*Deal Street Asia*

# Fairs & Exhibits in Asia-Pacific

DATES 2018	NAME OF FAIR (Further Information)	COUNTRY	DATES 2018	NAME OF FAIR (Further Information)	COUNTRY
1-3 Feb. 	<b>Rice Tech Expo</b> (Shiny Trade Expositions, Tel: 91-866-6539879, Email: skbaji@ricetechexpo.com / ricetechexpo@gmail.com, URL: <a href="http://www.ricetechexpo.com/">http://www.ricetechexpo.com/</a> )	Kakinada India	12-15 Feb. 	<b>GDS</b> (BUSINESS GUIDE-SHA, INC., Tel: 81-3-3847-9853, Email: n-haga@gourmetdiningstyleshow.com, <a href="http://www.gourmetdiningstyleshow.com/">URL</a> )	Tokyo Japan
2-5 Feb. 	<b>Woodex 2019 -17th International Exhibition of Accessories, Machinery &amp; Wood, Equipment and Related Industries</b> (Merkur Fair Company / Istanbul-Turkey, Tel: 90-212-219-6930, Email: inci@merkurfair.com, <a href="http://www.woodex2019.com/">URL</a> )	Tehran Iran	14-16 Feb. 	<b>5th Top to Toe Transcatheter Solutions 2019 Conference</b> (Pepo Event Management, Tel: 971-4-2833-655, Email: 4ts@pepoevents.com, <a href="http://www.pepoevents.com/">URL</a> )	Dubai U.A.E.
3-5 Feb. 	<b>IETF 2019</b> (Confederation of Indian Industry (CII), Tel: 91-11-4577-1000, Email: info@cii.in, URL: <a href="http://www.ietfindia.in/">http://www.ietfindia.in/</a> )	New Delhi India	15-17 Feb. 	<b>5th NEPAL WOOD International Expo 2019</b> (FUTUREX TRADE FAIR & EVENTS PVT. LTD., Tel: 91-1126-224-721, Email: info@futurextrade.com, URL: <a href="http://nepalwood.com.np/">http://nepalwood.com.np/</a> )	Kathmandu Nepal
4-7 Feb. 	<b>MEDLAB</b> (Informa Life Sciences Exhibitions, Tel: 971-4-4082-891, Email: medlabme@informa.com / tom.coleman@informa.com, <a href="http://www.medlabme.com/">URL</a> )	Dubai U.A.E.	19-21 Feb. 	<b>PPS – 10th Philippine Ports and Shipping 2019</b> (Transport Events Management Limited, Tel: 60-87-426-022, Email: enquiries@transportevents.com, <a href="http://www.transportevents.com/">URL</a> )	Manila Philippines
5-7 Feb. 	<b>AgroFarm 2019</b> (DLG International GmbH, Tel: 7-499-978-6914, Email: g.mindru@dlg.org, URL: <a href="http://www.agrofarm.org/english/news.html">http://www.agrofarm.org/english/news.html</a> )	Moscow Russia	19-22 Feb. 	<b>TEXTILEGPROM</b> (TextilExpo, Tel: 7-495-748-7135, Email: fair@textilexpo.ru, URL: <a href="http://textilexpo.ru/en/">http://textilexpo.ru/en/</a> )	Moscow Russia
6-8 Feb. 	<b>27th 3D &amp; Virtual Reality Expo</b> (Reed Exhibitions Japan Ltd., Tel: 81-3-3349-8506, Email: ivr@reedexpo.co.jp, <a href="http://www.reedexpo.co.jp/">URL</a> )	Tokyo Japan	20-23 Feb. 	<b>EPC 2019</b> (Chemtech Secretariat, Tel: 91-22-4037-3636, Email: sales@jasubhai.com, URL: <a href="http://chemtech-online.com/">http://chemtech-online.com/</a> )	Mumbai India
6-8 Feb. 	<b>1st Aerospace Technology &amp; Components Expo</b> (Reed Exhibitions Japan Ltd., Tel: 81-3-3349-8506, Email: aerotec-tokyo@reedexpo.co.jp, <a href="http://www.reedexpo.co.jp/">URL</a> )	Tokyo Japan	20-24 Feb. 	<b>Korea Build 2019</b> (eSang Networks Co., Ltd., Tel: 82-2-3397-0152, Email: koreabuild@e-sang.net, URL: <a href="http://eng.koreabuild.co.kr/">http://eng.koreabuild.co.kr/</a> )	Goyang Korea
8-10 Feb. 	<b>5th Nepal Buildcon International Expo 2019</b> (FUTUREX TRADE FAIR & EVENTS PVT. LTD., Tel: 91-1-126-224-721, Email: info@futurextrade.com, <a href="http://www.futurextrade.com/">URL</a> )	Kathmandu Nepal	21-24 Feb. 	<b>Motobike Istanbul 2019</b> (Messe Frankfurt Istanbul, Tel: 90-216-384-5050, Email: begum.gok@turkey.messefrankfurt.com, <a href="http://www.messefrankfurt.com/">URL</a> )	Istanbul Turkey
9-11 Feb. 	<b>The 94th Hong Kong Wedding Fair</b> (Hongkong-Asia Exhibition (Holdings) Ltd., Tel: 852-2591-9823, Email: fuat.guvenlidal@cnr.net, <a href="http://www.hk-wedding-fair.com/">URL</a> )	Hong Kong China	23-26 Feb. 	<b>AGHA Sydney Gift Fair 2019</b> (Australian Gift & Homewares Association (AGHA), Tel: 61-2-9763-3222, Email: contact@agha.com.au, <a href="http://www.agha.com.au/">URL</a> )	Sydney Australia
11-12 Feb. 	<b>AIME2019</b> (Tarsus F&E LLC Middle East, Tel: 44-20-8846-2700, Inquiry: <a href="https://www.aime.aero/contact-us">https://www.aime.aero/contact-us</a> , URL: <a href="https://www.aime.aero/">https://www.aime.aero/</a> )	Dubai U.A.E.	24-27 Feb. 	<b>Prolight + Sound Guangzhou 2019</b> (Messe Frankfurt (HK) Ltd., Tel: 852-2802-7728, Email: info@hongkong.messefrankfurt.com, <a href="http://www.hongkong.messefrankfurt.com/">URL</a> )	Guangzhou China
11-13 Feb. 	<b>IDF Oman</b> (Al Nimr International Exhibition Organizers LLC, Tel: 968-9404-1717, Email: media@alnimrexpo.com, URL: <a href="http://www.idfoman.com/">http://www.idfoman.com/</a> )	Muscat Oman	25-27 Feb. 	<b>China VMF 2019</b> (Guangdong Grandeur International Exhibition Group, China Tel: 86-20-2210-6418, Email: marketing1@grandeurhk.com, <a href="http://www.grandeurhk.com/">URL</a> )	Guangzhou China
11-15 Feb. 	<b>PRODEXPO 2019</b> (EXPOCENTRE, Tel: 7-499-795-3799, Email: info@expocentr.ru, URL: <a href="https://www.prod-expo.ru/en/">https://www.prod-expo.ru/en/</a> )	Moscow Russia	27-1 Feb.- Mar. 	<b>UzBuild Tashkent 2019</b> (ITE Uzbekistan, Tel: 998-71-205-1818, Email: uzbuild@iteca.uz, URL: <a href="http://www.uzbuild.uz/">http://www.uzbuild.uz/</a> )	Tashkent Uzbekistan



# Policy Updates

## Hong Kong

### Hong Kong, Shenzhen Multibillion-Dollar Land Reclamation Plans May Be on Collision Course



Industry experts and academics have warned attempting to undertake two major land reclamation's in Hong Kong and Shenzhen at the same time could strain the resources of the Greater Bay Area, ultimately increasing the costs of the already multibillion-dollar projects.

Hong Kong's controversial Lantau Tomorrow Vision development project, in particular, already faces daunting cost estimates, which could be further increased if it does not have access to abundant supplies of relatively cheap landfill material.

Competition with Shenzhen for those supplies could create a major cost overrun for the project, which was disclosed by Hong Kong leader Carrie Lam Cheng Yuet-ngor in her annual policy speech in October.

The Lantau scheme, covering reclamation of 1,700 hectares (4,200 acres) from the sea, involves the construction of artificial islands off Lantau Island in western Hong Kong. But without proper coordination and planning among officials and governments in the Greater Bay Area (GBA), the land reclamation projects could create scheduling chaos and drive up costs throughout the region, experts said.

The official blueprint for the GBA will only be revealed in early 2019, and will outline Beijing's grand plan to integrate Hong Kong, Macau and nine southern mainland cities – Guangzhou, Shenzhen, Zhuhai, Foshan, Zhongshan, Dongguan, Huizhou, Jiangmen and Zhaoqing – into one huge megacity.

*South China Morning Post*

## India

### India Cuts Duty on Refined, Crude Palm Oil from Asean

The government has cut import duties on crude and refined palm oil from Southeast Asian countries. India imports 60% — 15.5 million tonnes annually — of its edible oil requirements, largely from Malaysia, Indonesia, Argentina and Ukraine.

The duty on crude palm oil from Malaysia, Indonesia and other members of the Association of South East Asian Nations was cut to 40% from 44%, while the tax on refined palm oil was cut to 45% from 54% if imported from Malaysia and to 50%, if purchased from Indonesia or other member-nations of Asean, the ministry of finance said in a ministry notification issued on January 1.

The industry said the duty reduction would lead to increased imports of palm oil and it was too early to say if Indian consumers would benefit. The Solvent Extractors Association said that the duty cut, effective from Tuesday, would impact the domestic palm oil refining industry and hit oil palm cultivation. The industry pegs the country's edible oil consumption at 23.5 million tonnes for 2018-19 and expects to import 15.5 million tonnes, with 60% from Malaysia and Indonesia, followed by soyabean oil from Argentina and Brazil, sunflower oil from Ukraine and Russia and canola oil from Canada.

*Economic Times India*

## Indonesia

### Indonesia Posts Narrowest Budget Deficit in 6 years in 2018

Indonesia posted the smallest fiscal deficit in six years in 2018 and less than initially projected, despite turbulence in its financial markets due to capital outflows, its finance minister said in a Facebook post.

The estimated budget deficit last year was equal to 1.72 percent of gross

domestic product (GDP), narrower than both the government's original plan of 2.19 percent and the latest estimate of 1.83 percent, Sri Mulyani Indrawati said in a message posted late on New Year's eve.

As a percentage of GDP, that was the smallest since 2012, the former World Bank managing director said.

The 2018 budget also has a 4.1 trillion rupiah (\$283.25 million) surplus in its primary balance, or budget balance before interest payments, which Indrawati said was the first surplus since 2011.

"We have done our duty to manage government finances well. The year 2018 was not an easy year with fluctuations in the global economy, commodity prices, capital flows and exchange rate," she said, while also noting higher interest rates at home and globally.

*Nikkei Asian Review*

## Japan

### Japan Factory Output Falls, Sales Slow as Risks to Economy Rise



Japan's industrial output contracted in November and partially reversed the previous month's gain, while retail sales slowed sharply as increasing global risks drag on demand and threaten the country's export-reliant economy.

The 1.1 percent month-on-month fall, pressured by a pullback in production of general purpose machinery, compared with a median market forecast of a 1.9 percent decline, following a 2.9 percent increase in October, the data showed.

While the latest figure was better than expected, the outlook pointed to a bumpier road for Japanese manufacturers.

Manufacturers surveyed by the Ministry of Economy, Trade and Industry (METI) expect output to rise 2.2 percent in December but decline 0.8 percent in

# Policy Updates

January, the data showed.

Data released on December 27 comes at a time of heightening volatility in global markets on concerns over slowing growth in U.S. and Chinese economies, uncertainty about U.S. fiscal and monetary policies, and trade protectionism.

*Reuters*

## Malaysia

### Malaysia's Economic Outlook Very Encouraging, Claims Finance Minister

Malaysia's economic indicators are very encouraging despite the Pakatan Harapan (PH) administration being a new government, said Finance Minister Lim Guan Eng.

Among others, he pointed out that Malaysia's foreign direct investment increased by 250 per cent to RM49 billion (US\$11.8 billion) in the first nine months of 2018. Exports also rose to a record RM96.4 billion, he said.

Inflation, meanwhile, was at a low of 1.2 per cent in the first nine months of 2018, Lim said.

"We must bear in mind that the global economic situation is facing more severe challenges compared with those faced by us in Malaysia," he said in a New Year's message posted on his Facebook page on December 31.

"Therefore, we are convinced that if the rakyat (people) are united, regardless of race, religion or background, we will be strong and stable as a nation in overcoming all future economic challenges."

He added that the government aims to fulfill the people's aspirations to the best of its ability.

*Channel News Asia*

## New Zealand

### NZ Tourism Spending Reaches \$39.1 Billion

The tourism industry's tremendous contribution to New Zealand's social and economic wellbeing has been reinforced by

newly released industry measurements.

The latest Tourism Satellite Account figures show that total annual tourism spend for the year to March 2018 reached an estimated \$39.1 billion, an increase of 7.7% or \$2.8 billion on the previous year.

International visitor spend is up by 9.6% to \$16.2 billion, while domestic visitors spend is up by 6.5% to \$23 billion. Welcoming the figures, Tourism Industry Aotearoa (TIA) Communications Manager Ann-Marie Johnson advised "this is a continuation of the spectacular growth enjoyed in recent years."

The Tourism Satellite Account is the official annual measurement of the New Zealand tourism industry, compiled by Stats NZ. It includes measures of tourism spend by international and domestic visitors, the number of people employed directly and indirectly by tourism, tourism's share of export earnings and its contribution to New Zealand's GDP.

*Australasian Leisure Management*

## Philippines

### Consumer, Gov't Spending to Lift PH Economy in 2019: PCCI

Despite soaring inflation, the Philippine Chamber of Commerce and Industry (PCCI) casts an "optimistic" eye on 2019, projecting a growth rate of 6.7%.

In a statement, the PCCI said the growth would be due to "robust" consumer and government spending.

"We agree with the Asian Development Bank (ADB) and the World Bank that see a growth rate of 6.7% for 2019 despite rising global uncertainty," the PCCI said.

Its prediction came after a slashed growth estimate from the ADB, which initially released a rosy prediction of 6.9% growth in 2019.

The Philippine economy has been hit by global shakeups in the past months due to rising oil prices and the trade war between superpowers United States and China.

Still, the PCCI said the Philippines

remains to be "one of the more resilient economies in Asia."

*Rappler*

## Singapore

### Singapore Economy Grew by 3.3% in 2018; Enters 2019 with 'Renewed Vigour and Purpose': PM Lee Hsien Loong

Singapore's economy grew by 3.3 percent in 2018, close to 2017's growth which was 3.5 percent, and above expectations, said Prime Minister Lee Hsien Loong in his New Year Message.

He said the economy is expected to grow by between 1.5 percent and 3.5 percent in 2019, but warned that the global economy faces major uncertainties with growing trade conflicts, nervous financial markets and signs of slowing growth.

But with long-term policies in place and a strong team in charge, the Republic has reason to be confident about its future, he added.

In his traditional message released on December 31, PM Lee noted that significant headway in leadership succession was made in 2018.

Parliament re-opened in May after a Cabinet reshuffle and the younger political office holders are being exposed to different responsibilities and working together as a team. They have settled on Finance Minister Heng Swee Keat as their leader and supported Mr Heng's choice of Trade and Industry Minister Chan Chun Sing as his deputy.

*Straits Times*

## Taiwan

### Investments Pledged for Taiwan Up 25% in 2018: MOEA

Investments pledged for Taiwan grew about 25 percent from a year earlier in 2018, indicating the government's efforts to encourage foreign and local firms to invest paid off, Deputy Economic Affairs Minister Kung Ming-hsin said on December 26.

Citing data compiled by the

# Policy Updates

Ministry of Economic Affairs (MOEA), Kung said a total of NT\$2.24 trillion (US\$72.73 billion) worth of investments were pledged between Jan. 1 and Dec. 25 by investors, representing a 25 percent increase from NT\$1.79 trillion in 2017.

The NT\$2.24 trillion comes from 227 projects, each valued at more than NT\$500 million, according to the MOEA.

Investments pledged by foreign investors totaled NT\$504.90 billion, up 23.29 percent from a year earlier, while locally pledged investments rose 25.5 percent from a year earlier to NT\$1.73 trillion, the data showed.

*Focus Taiwan*

## Thailand

### Thailand Appoints First Female Capital Market Regulator Chief

Thailand named Ruenvadee Suwanmongkol as secretary general of the Securities & Exchange Commission, appointing a woman to run the market regulator for the first time.

Ruenvadee, who is currently the director general of the Legal Execution Department at the Ministry of Justice, will begin her new position on May 1, according to a statement on the government's website. Prime Minister Prayuth Chan-Ocha's cabinet approved her appointment on December 24.

Ruenvadee, 54, has a law degree from Harvard University and an MBA from the University of California at Berkeley, according to data compiled by Bloomberg. This appointment marks her return to the SEC, where she was well-known to the public and media as a spokeswoman.

The SEC was set up in 1992 to supervise and develop the Thai capital market, according to its website.

*Bloomberg*

## Vietnam

### Van Don International Airport Receives First Commercial Flights

Vietnam's first privately-owned airport went into operation with the first commercial flight at Van Don Airport in Quang Ninh Province on December 30.

The Vietnam Airlines flight from HCM City to Van Don landed at the airport at 9.25 am and the flight to HCM City departed at 10.30 am.

Prime Minister Nguyen Xuan Phuc and leaders of related agencies were passengers on the first flights.

Return flights between HCM City-Van Don will operate once per day at 2 pm with the return flight at 4.45 pm, with an estimated flight time of two hours.

Duong Tri Thanh, director of Vietnam Airlines, said this was a part of their plan to expand domestic air routes and the tourism network in the northern coastal region. Vietnam Airlines will open new routes from Van Don to other Asian countries including South Korea, Japan and China in 2019.

Van Don International Airport costs nearly VND7.5trn (USD330m). VND734bn of which came from the provincial budget for ground clearance work. Sun Group invested VND6.7trn into the project which was completed after two years.

*Vietnam Net*

## About CACCI

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

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

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

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

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