



### CACCI President Joins Extraordinary Online Meeting of WCF General Council



Mr. Samir Modi, President of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), joined the extraordinary only meeting by the World Chambers Federation (WCF) General Council under the International Chamber of Commerce (ICC) 1 held on June 17, 2020. Chaired by WCF Chair Mr. Hamad Buamin, the meeting discussed the new dates for the 12th World Chambers Congress (23-25 November 2021 in Dubai), the

new priorities and focus areas of ICC's COVID-9 response plan in collaboration with WCF, and a sharing of information on outstanding initiatives and experiences of chambers leading the COVID-19 response. As a transnational chamber, CACCI is a permanent member of the General Council, the governing body of WCF, with President Modi as its representative. CACCI was one of only two transnational chambers present at the online meeting, the other one being the Junior Chamber International USA.

### Preparations for the Virtual 34th CACCI Conference Underway



As recommended by the CACCI Advisory Board during its virtual meeting on May 20, CACCI agreed to hold its 34th CACCI Conference online using one of the virtual meeting platforms (instead of a face-to-face gathering that was originally scheduled on October 29 – 30, 2020 in Taipei, Taiwan). The CACCI Secretariat is currently coordinating with the office of CACCI President Mr. Samir Modi on the preparations for the virtual Conference. Members will be notified as soon as arrangements are finalized.

#### In this Issue:

- Deadline for Online Nomination for CACCI Awards Extended ..... 2
- FICCI-CACCI "Roadmap to Recovery" virtual conference held on June 2..... 2
- CACCI President Samir Modi Delivers Keynote Address at FICCI-CACCI virtual conference ..... 3
- CACCI Secretariat Officers Visit Philippine Representative Office in Taipei ..... 4
- CACCI Secretariat Officers Link Up with Indonesian Economic and Trade Officials in Taipei ..... 4

- News Updates ..... 5
- Member Personalities .....15
- Special Features ..... 16
- Product and Service Councils ..... 21
- Investment & Joint Ventures in the Region ..... 24
- Economic Cooperation News ..... 27
- Technology ..... 30
- Policy Updates ..... 32
- Webinars ..... 36

## Deadline for Online Nomination for CACCI Awards Extended



The Covid-19 pandemic has led to lockdowns in many countries and resulted in the decision to hold the virtual 34th CACCI Conference instead of having a face-to-face meeting. As such, it has been decided that the deadline for submission of online nomination for CACCI Awards will be extended to November 30, 2020. This covers the four Award categories, namely 9th Local Chamber Awards, 8th Asia-Pacific Young Entrepreneur Award, 3rd Asia-Pacific Woman Entrepreneur Award, and 4th Hydropower and Clean Energy Excellence Award; and

The final selection of winners and the presentation ceremony of the Awards will be made during the 35th CACCI Conference to be held in Wellington, New Zealand in 2021, instead of the original schedule of October 2020 in Taipei.

CACCI encourages Member Chambers to participate in the CACCI Award Program and submit their online nominations for each of the following four Award categories by clicking on the links below:

- [9th Local Chamber Awards](#)
- [8th Asia-Pacific Young Entrepreneur Award](#)
- [3rd Asia-Pacific Woman Entrepreneur Award](#)
- [4th Hydropower and Clean Energy Excellence Award](#)

For any further questions, please e-mail the CACCI Secretariat at [cacci@cacci.biz](mailto:cacci@cacci.biz).

## FICCI-CACCI “Roadmap to Recovery” Virtual Conference Held on June 2

The COVID-19 pandemic has triggered economic and social shocks globally, sparing no nation from its devastating multi-dimensional impacts, further exacerbating existing vulnerabilities and inequalities and leading to immense suffering in regions around the world.

With the economic fallout from the global spread of COVID-19 continuing to increase, the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) jointly organized “Roadmap Towards Back-to-Business for Asia Pacific Countries”, a virtual conference which was held on June 2, 2020.

The panelists were composed of representatives from selected CACCI Member Chambers: Ambassador Benedicto Yujuico, President of the Philippine Chamber of Commerce and Industry (PCCI) and Past President of CACCI; Mr. Jemal Inaishvili, Former President of the Georgian Chamber of



Commerce and Industry and Immediate Past President of CACCI; Mr. Cagri Gurgur, Chief Adviser to the Union of Chambers and Commodity Exchanges of Turkey (TOBB); Mr. Bryan Clark, Trade and International Affairs Director of the Australian Chamber of Commerce and Industry; Mr. Manjula da Silva, CEO of Ceylon Chamber of Commerce; and Mr. Chikara Shimizu, Deputy General Manager of the International Division at Japan Chamber of Commerce and Industry and Tokyo Chamber of Commerce and Industry. Ambassador Abdul Hannan, Adviser to the Federation

of Bangladesh Chamber of Commerce and Industry (FBCCI), served as moderator.

Over 100 people attended the hour-and-half long webinar, which kicked off with welcome remarks from FICCI Secretary-General Mr. Dilip Chenoy. This was followed by a special keynote address delivered by CACCI President Mr. Samir Modi.

During the panel discussion, panelists began by talking about their respective economies before COVID-19, before describing

what the situation looked like currently. They shared the measures being taken by government authorities in their countries to help support and stimulate the markets, as well as how their own chambers were helping to mitigate the crisis. Though all noted that there were many challenges ahead, the overall tone regarding economic recovery was a hopeful one.

The webinar ended following a Q&A, in which panelists answered questions, first from the moderator, Amb. Hannan, and then from participants.

## CACCI President Samir Modi's Keynote Address at the FICCI-CACCI virtual conference

Good day to everyone!

First of all, I would like to welcome all panelists and participants to today's virtual conference on "Roadmap Towards Back-to-Business for Asia Pacific Countries" jointly organized by CACCI and the Federation of Indian Chambers of Commerce and Industry (FICCI). This is the first virtual conference that is being held by CACCI, and we are very grateful to FICCI for initiating this milestone event for the Confederation.

Indeed, the COVID-19 pandemic is having a massive impact not only on our daily lives but also on our businesses. None of us could have foreseen the extraordinary circumstances brought on by the health crisis, and all of us are asking how long it will last and how soon we will bounce back.

The pandemic continues to trigger economic and social shocks globally, sparing no nation from its devastating multi-dimensional impacts, further exacerbating existing vulnerabilities and inequalities and leading to immense suffering in regions around the world.

A recent report by the Asian Development Bank assessing the potential impact of COVID-19 notes that:

- The global economic impact of COVID-19 could reach \$5.8 trillion (6.4% of global GDP) under a 3-month containment scenario, and \$8.8 trillion (9.7% of global GDP) under a 6-month containment scenario.
- The potential economic impact on Asia and the Pacific is estimated at \$1.7 trillion (6.2% of regional GDP) under a 3-month containment scenario and \$2.5 trillion (9.3% of regional GDP) under a 6-month containment scenario, with the region accounting for 30% of the overall decline in global output.
- Under the short and long containment scenarios, the ADB report notes that border closures, travel restrictions, and lockdowns that outbreak-affected economies

implemented to arrest the spread of COVID-19 will likely cut global trade by \$1.7 trillion to \$2.6 trillion.

- Global employment decline will be between 158 million and 242 million jobs, with Asia and the Pacific comprising 70% of total employment losses.
- Labor income around the world will decline by \$1.2 trillion to \$1.8 trillion—30% of which will be felt by economies in the region, or between \$359 billion and \$550 billion.

The ADB report also pointed out that governments around the world have been quick in responding to the impacts of the pandemic, implementing measures such as fiscal and monetary easing, increased health spending, and direct support to cover losses in incomes and revenues.

According to ADB estimates, sustained efforts from governments focused on these measures could soften COVID 19's economic impact by as much as 30% to 40%. This could reduce global economic losses due to the pandemic to between \$4.1 trillion and \$5.4 trillion.

These findings highlight the important role policy interventions can play to help mitigate damage to economies. They can also provide governments with a relevant policy guide as they develop and implement measures to contain and suppress the pandemic, and lessen its impacts on their economies and people

In this regard, I am particularly pleased to note that many of our CACCI members are reportedly working with their respective governments in implementing stimulus packages to help confront the economic challenges posed by the COVID-19 situation.

At the same time, they are also instituting measures aimed at minimizing the negative impact of the pandemic on the business operations of their respective constituencies.

With the economic fallout from the global spread of COVID-19 expected to continue increasing, CACCI and FICCI have therefore agreed to organize today's

virtual Conference, and have invited representatives from selected CACCI member chambers – including those from Japan, the Philippines, Australia, Sri Lanka, Turkey, Georgia, Bangladesh and India – to convene online for a panel discussion.

The panelists will share information and their insights on:

- a. the expected impact of the health crisis on their respective economies;
- b. what the business sector and government authorities in their countries are doing to mitigate the impact of the crisis on the economy and to safeguard business operations;
- c. what measures are currently being set in place as part of efforts to put back the economy and businesses on the road to recovery; and
- d. the challenges – and opportunities – that their markets face at the present time and what businesses have learned from this situation.

In closing, let me take this opportunity to thank our panelists and Moderator who have graciously accepted our invitation for them to share with us their experiences and insights on the issues surrounding the theme of today's virtual conference. I am sure their insightful inputs will contribute great value to this year's discussions.

I would also like to express once again my deep gratitude to the Federation of Indian Chambers of Commerce for its strong support of CACCI and its activities. It is our ardent hope that the level and quality of such support not only will be maintained, but will increase in the coming years.

Lastly, I also hope that, despite the limitations that the ongoing crisis has placed on our resources, CACCI and its members will continue to pursue activities to further enhance the value of our organizations to our respective members and communities, to help rebuild business confidence, and to ultimately achieve economic recovery.



## CACCI Secretariat Officers Visit Philippine Representative Office in Taipei



CACCI Director General Mr. Ernest Lin (2nd from right) and Deputy Director-General Mr. Amador Honrado Jr. (2nd from left) visited the Manila Economic and Cultural Office (MECO) in Taiwan where they were received by MECO Chairman and Resident Representative Mr. Angelito Tan Banayo (3rd from right) and MECO Trade Representative/Director for Commercial Affairs Mr. Michael Alfred V. Ignacio (rightmost). Accompanying them were Mr. Joseph Huang, Senior Vice President of CTBC Financial Holding and Deputy Secretary General of Third Wednesday Club (3rd from left); Mr. Robert Chang, Vice President of CTBC Financial Holding (leftmost); and Ms. Ivy Chang, Assistant Manager of CTBC Financial Holding (not shown in photo).

Discussions focused on possible areas of cooperation between MECO, CACCI and CTBC Financial Holding in promoting business opportunities in Taiwan and the Philippines. One proposal put forward was the holding of a joint webinar featuring relevant government officials and businessmen from the Philippines who would talk about policies and incentives to attract foreign investors to the country.

## CACCI Secretariat Officers Link Up with Indonesian Economic and Trade Officials in Taipei

CACCI Director General Mr. Ernest Lin (2nd from left) and Deputy Director-General Mr. Amador Honrado Jr. (rightmost, front) – along with officers of the Corporate Relations Department of CTBC Bank – on June 18 met over lunch with officials of the Indonesian Economic and Trade Office to Taipei led by Mochammad Firdaus, Director of Investment Dept. (center, front) and Syahroni Ahmad, Director of Industry Dept. (leftmost, front). The meeting enabled the CACCI Secretariat officers to introduce CACCI to the Indonesian officials and how the Confederation can help them in their efforts to promote trade and investment between Indonesia and other CACCI member countries.





### 12th World Chambers Congress Announces New Date



The International Chamber of Commerce World Chambers Federation (ICC WCF) and Dubai Chamber of Commerce & Industry have jointly decided to postpone the 12th World Chambers Congress. Originally scheduled to be held from February 23 to 25, 2021, the event will now take place on November 23 to 25, 2021. The event's location is unchanged and will be held in Dubai, United Arab Emirates. According to the ICC WCF, several factors led to the decision to postpone the Congress:

- First, the global COVID-19 situation continues to have a significant impact across regions, with exceptional measures still in place to combat the spread of the virus. Many delegates may not be in a position to make travel arrangements and may still be reluctant to gather in large crowds in the months to come.
- For similar reasons, Expo 2020 Dubai has been postponed by one year and is now set to run from 1

October 2021-31 March 2022. The intention has always been to have the Congress coincide with the World Expo, so that delegates may take advantage of both events.

- ICC WCF consulted with its Executive Committee members in April, who unanimously supported the idea of postponing the event.
- Finally, ICC WCF discussed with the Geneva Chamber of Commerce, Industry and Services, the co-organiser of the 13th World Chambers Congress set for June 2023, to ensure that such a decision would not affect that edition of the Congress.

The nine-month postponement will also allow ICC and Dubai Chamber to continue working hand in hand in order to deliver the best Congress experience possible for delegates. The event's theme - Generation Next: Chambers 4.0 - remains the same, becoming more relevant than ever before.

the pandemic disrupting global supply chains, depressing consumer demand, and putting millions out of work. By 2021, cumulative output losses worldwide are expected to \$8.5 trillion, wiping out nearly all gains of the previous four years.

The unprecedented crisis portends significant setbacks for sustainable development. Low-skilled low-wage workers – economically marginalized and vulnerable who cannot work remotely – have been disproportionately affected by job losses, which will inevitably exacerbate poverty and income inequalities. An estimated 34.3 million people are projected to fall into extreme poverty this year, with the bulk of this increase occurring in Africa. By 2030, about 130 million more people may live in extreme poverty than previously expected, dealing a huge blow to global efforts to eradicate poverty and hunger.

Facing an unprecedented health, social and economic crisis, governments in developed economies have rolled out massive stimulus packages to minimize the fallout of the pandemic. The picture is different for most developing economies, as they are saddled with chronic fiscal deficits and already high levels of public debt, which constrain their ability to implement much-needed support measures. Notwithstanding bold fiscal measures, the depth and severity of the crisis presage a slow and painful recovery.

Stronger global cooperation is critical to contain the pandemic and extend economic support to countries hardest hit by the crisis. To protect jobs and prevent a further rise in income inequality, governments need to ensure that the monetary and fiscal support measures boost productive capacities, rather than simply driving up asset prices. At the same time, the crisis presents a window of opportunity for “recovering better”. Renewed global solidarity can help strengthen public health systems, build resilience to withstand economic shocks, improve social protection systems, and address the climate change emergency.

### The COVID-19 Pandemic Unravels the World Economy: UN DESA

As nearly 90 % of the global economy came under some form of lockdown in the second quarter, the world faces the grim prospect of the most severe recession since the Great Depression of the 1930s. This is according to the

World Economic Situation and Prospects (WESA) as of mid-2020, published by the United Nations Department of Economic and Social Affairs (UN DESA). Per the report, the world output is projected to contract sharply by 3.2% in 2020 with

## ADB updates Assessment of the Potential Impact of COVID-19

The Asian Development Bank (ADB) has published an updated assessment of the potential impact of COVID-19, in which it presents new projections on the economic impact of COVID-19 and highlights policy implications. Key points are as follows:

- New analysis using the Global Trade Analysis Project model estimates that the global economic impact of COVID-19 could reach \$5.8 trillion (6.4% of global GDP) under a 3-month containment scenario, and \$8.8 trillion (9.7% of global GDP) under a 6-month containment scenario. This updates estimates published in the Asian Development Outlook 2020 on 3 April, which predicted global COVID-19 losses of between \$2.0 trillion and \$4.1 trillion.
- The potential economic impact on Asia and the Pacific is estimated at \$1.7 trillion (6.2% of regional GDP) under a 3-month containment scenario and \$2.5 trillion (9.3% of regional GDP) under a 6-month containment scenario, with the region accounting for 30% of the overall decline in global output.
- Government policy responses—such as direct income and revenue support—could soften

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# ADB BRIEFS

## An Updated Assessment of the Economic Impact of COVID-19<sup>1</sup>

Table 3. GDP Impact (Excluding Policy Measures)—Deviation from the Non-COVID-19 Baseline

	GDP (\$ million)		GDP (%)	
	Short Containment	Long Containment	Short Containment	Long Containment
Global	-5,796,893	-8,789,852	-6.4	-9.7
Asia	-1,667,824	-2,529,112	-6.2	-9.3
Australia and New Zealand	-91,156	-139,456	-4.6	-7.0
Central Asia	-21,070	-33,978	-3.4	-5.5
East Asia ex-PRC	-164,085	-256,741	-6.0	-9.3
PRC	-1,083,078	-1,623,381	-7.5	-11.2
Southeast Asia	-163,223	-252,899	-4.6	-7.2
South Asia	-141,938	-217,646	-3.9	-6.0
Pacific	-3,275	-5,010	-4.6	-7.0
G3	-3,528,842	-5,327,954	-7.3	-11.0
United States	-1,485,318	-2,226,466	-7.1	-10.7
Japan	-324,483	-491,035	-5.9	-8.9
European Union + United Kingdom	-1,719,041	-2,610,453	-7.7	-11.7

G3 = United States, Japan, and European Union plus United Kingdom; GDP = gross domestic product; PRC = People's Republic of China.

Note: Definition of regional and subregional groupings is online in Appendix 2: <https://aric.adb.org/covid-gtap-appendix>.

Source: Asian Development Bank estimates.

the COVID-19 impact by as much as 30%–40%, reducing the global economic loss to \$4.1 trillion–\$5.4 trillion (4.5%–5.9% of global GDP).

- Policy makers should work together to quickly limit the pandemic—the longer the containment period, the more difficult and prolonged the recovery will be. Strong income and employment protection are critical

to support the most vulnerable and avoid long-term economic scarring.

The brief likewise highlights that policy interventions could reduce the impact of COVID-19 by 30% under the short containment scenario and by 40% under the long containment scenario. It notes that strong income and employment protection are crucial.

## FBCCI Plans to Hold Webinar on Investment Opportunities in Bangladesh



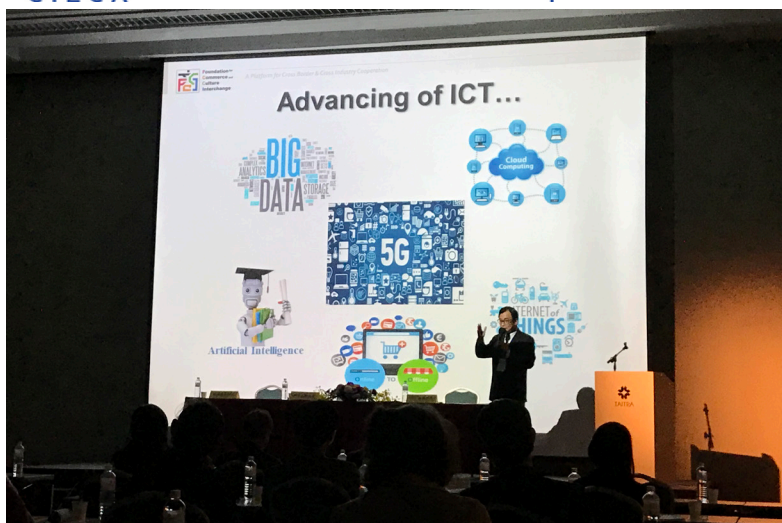
The CACCI Secretariat is currently coordinating with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in making preparations for the webinar the Chamber plans to hold that will feature speakers from the country's government and private sectors who will discuss investment opportunities in Bangladesh, with the aim of inviting CACCI member countries to consider the country as an investment destination. Members will be notified as soon as webinar arrangements have been finalized by FBCCI.

### CIECA Organizes Seminar on Digital Opportunities Amid Pandemic

The Chinese International Economic Cooperation Association (CIECA) in Taiwan held a seminar on May 27 at the Taipei International Convention Center (TICC), focusing on potential digital and business opportunities during the COVID-19 pandemic.

Attended by more than 80 representatives from various industrial sectors, the event kicked off with opening remarks by Chih-hung Liu, Deputy Director General Bureau of Foreign Trade at the Ministry of Economic Affairs (MOEA). Mr. Liu expressed pleasure in seeing active participation from the local business community and encouraged participants to take advantage of the seminar to get further understanding on the challenges and opportunities brought about by the coronavirus outbreak.

The seminar featured two speakers who shared with the audience their insights on the latest development of ICT. The first, Ethan Tu, is the founder of Taiwan AI Labs, a privately funded research organization specializing in



healthcare, smart cities, and human interaction. In his presentation, Mr. Tu pointed out that artificial intelligence (AI) has played an important role in our daily life and suggested that Taiwan should leverage its unique advantages to build advanced AI solutions. Emphasizing that innovation and abundant local talents are the biggest assets of Taiwan, he cited successful stories such as that of Taiwan Precision Medicine, the Taiwan Medical Imaging (TMI) system, TMI Expert

Learning System, the technology used to stop false information, as well as a few other projects Taiwan AI Labs cooperated with Taiwan's Ministry of Science and Technology (MOST) on. Mr. Tu also spoke of his experience of participating in the ICC (International Chamber of Commerce) meeting in Colombia, adding that through attending NGO or chamber activities, the private sector could effectively expand their network and also explore business opportunities, as was his experience.

The second speaker of the day was Dr. Dennis Hu, Director of Foundation for Commerce and Culture Interchange (FCCI), who gave his insights on how Covid-19 will impact the economy, and what digital opportunities lie in wait for businesses. In spite of the large, and often dire, impact of coronavirus on the world, Dr. Hu believes that society will slowly but surely adjust to the new normal. In his presentation, Dr. Hu analyzed the impact on personnel, operations, supply chain, revenue and overall assessment — providing the audience with the big picture on the possible repercussions. To mitigate the impact of the pandemic, he stressed the potential of the digital economy as well as the necessity for digital transformation in the post-pandemic era. Dr. Hu then called on the government to seize new opportunities such as Industry 4.0, open data, smart living, and smart business, as the new wave of opportunities lie in creativity and innovation.

The seminar concluded with a Q&A session, during which the two speakers further elaborated on their ideas of IT applications and digital business opportunities.





### FICCI and WHO Publish Guide to Safer Workplaces



The COVID-19 pandemic has changed the way world works as the possibility of infection continues to be real. Some governments are now beginning to cautiously implement the calibrated easing of lockdown conditions. With the opening of offices, manufacturing units, commercial establishments, supply chains, and the like, it cannot be emphasized enough that there is a “New Normal”, and that people will be re-

entering an altered version of the workplace.

In post-lockdown India, Safer Workplaces is a new social order. Reinforcing the importance of safe practices at the personal and workplace level and the acceptance of this new normal is the first step to instill a culture of safety across organizations.

As such, the Federation of Indian Chambers of Commerce and Industry (FICCI), alongside the World Health Organization (WHO), has published a guidance document on “Back to Safer Workplaces” to contain the spread of COVID-19. The document points out that the leadership of an

organization will play the most significant role in keeping the workplace safe, advising that they should make “safety” part of the mission. As for frontline employees, they should be empowered to ‘own’ the safety of their environment and be provided intensive training on safety protocols, incident reporting, listening, guiding their colleagues as well as for surveillance and continuous improvement.

The emerging scenario for workplaces in this new normal is as follows:

- Physical distancing is here to stay
- Safer workplaces
- Flexible and remote working
- Increased consideration for emotional wellbeing
- Work related travel will be reduced
- Businesses through Digital Technologies including AI and Communication like never before

Behavior Guidelines were also included in the document, specifically “the 7 musts”:

- Wear reusable face cover
- Maintain physical distance
- Practice hand hygiene and clean surfaces
- Avoid spitting in the open
- Avoid mass gatherings
- Be empathetic
- Self-monitor your health

Apart from listing specific Guidelines for Safer Workplaces, which covers how to deal with positive tests among employees, among other topics, the FICCI-WHO document also includes Guidelines for Safer Educational Institutions and Safer Market Places.

### World Bank Forecasts Worst Recession in Eight Decades as Virus Persists

The global economy will contract the most since World War II this year due to the COVID-19 pandemic, reducing incomes and sending millions of people into poverty in emerging and developing nations, the World Bank said.

Global gross domestic product will probably shrink 5.2% in 2020, the Washington-based development organization said in its semiannual Global Economic Prospects report. That compares



Photo: [Alex Proimos](#) (Wikimedia Commons [CC 2.0](#))

with a January projection for a 2.5% expansion, and would be the fourth-deepest recession of the past 150 years after 1914, 1930 to 1932 and 1945 to 1946, the World Bank said.

Per capita output will contract in more than 90% of countries, the largest percentage since 1870. The economy will rebound in 2021, growing 4.2%, according to the report.

## News Updates

Economic activity among advanced economies is anticipated to shrink 7% in 2020 as domestic demand and supply, trade, and finance have been severely disrupted. Emerging market and developing economies (EMDEs) are expected to shrink by 2.5% this year, their first contraction as a group in at least sixty years. Per capita incomes are expected to decline by 3.6%, which will tip millions of people into extreme poverty this year.

Those with limited health care capacity, deeply integrated global value chains, heavy dependence on foreign financing and extensive reliance on international trade, commodity exports, and tourism are likely to be the hardest hit.

The World Bank report showed contractions in 2020 of 6.1% for the United States and Japan, a 9.1% contraction for the Eurozone, 8.0% for Brazil and 3.2% for India. China is expected to maintain growth of 1.0% in 2020, down from a January forecast of 6.0%.

World Bank officials said their baseline scenario assumes that social distancing lockdowns and temporary

business closures begin to ease at the end of June. But the report shows a downside scenario in which lockdowns are extended by three months this year. Should that occur, the 2020 contractions would deepen to 8% to 10% in advanced economies and 5% in emerging markets, with far more permanent business closures, a bigger collapse in global trade flows, layoffs and deep cuts in household spending.

"The global recession would be deeper if bringing the pandemic under control took longer than expected, or if financial stress triggered cascading defaults," the World Bank said.

Most central banks have cut interest rates to about or below zero to buffer the effect of the novel coronavirus, with the Federal Reserve starting an unprecedented range of emergency programs that provide as much as \$2.3 trillion (¥249 trillion) in loans. Fiscal stimulus packages have varied. The U.S. is providing about 15 % of GDP in support and Germany about 4.7%, while Japan's program is worth about 42% of GDP, according to Bloomberg Economics.

*Japan Times*



*Photo: Bangko Sentral ng Pilipinas (Philippine Star)*

terms for a period of one to two years, Yujuico urged the banking sector to provide businesses more breathing room to help support trade and industry survive the pandemic.

"We are calling on the banks to review their guidelines with a request to align with the ARISE to allow longer payment extensions so that they can respond appropriately to the big negative impact of the pandemic on many borrowers," Yujuico said.

Stressing that these are the same companies providing a steady stream of revenue during the good times, Yujuico appealed to the banks and other financing institutions to help revive businesses and get the Philippine economy to move forward.

During the lockdown, many member companies of the PCCI were unable to generate enough revenues to service their debts to banks. The willingness of bank to restructure loan, Yujuico said, will breathe life back into businesses and preserve employment.

The Bankers Association of the Philippines (BAP) has earlier responded to the plea of the business sector for longer extension on loan maturities due this year saying that banks will make their own decisions on loan relief depending on the circumstances between the borrower and the creditor.

In a letter to PCCI, BAP President, Mr. Cesar Consing said that banks will be more constructive and supportive of their business borrowers considering that a lot of businesses are non-operational due to the implementation of the enhanced community quarantine (ECQ).

*PCCI*

## PCCI Reiterates Call for Relief to Borrowers

The Philippine Chamber of Commerce and Industry (PCCI), the largest umbrella of business organizations in the country is reiterating its call on banks and other financing institutions to grant temporary but indispensable relief to borrowers hardest hit by the pandemic through voluntary and negotiated loan term extension or restructuring.

Commending the Bangko Sentral ng Pilipinas' (BSP) support for the Chamber's proposal, PCCI President, Amb. Benedicto V. Yujuico urged the BSP to incentivize lenders to adopt the approach of deferring or restructuring loans principal repayments for individual and corporate borrowers already heavily burdened by the effects of the prolonged community quarantines upon mutually

acceptable and reasonable terms and conditions.

Rather than making loan deferments or restructuring prescriptive and mandatory, Yujuico called on the BSP to consider the grant of regulatory relief measures such as the relaxation of rules on loan loss provisioning and staggered booking of loan loss provisions as proposed in House Bill No. 6815, the Accelerated Recovery and Investments Stimulus for the Economy (ARISE) bill. Yujuico said, "The key to obtaining relief for our members is for the BSP to encourage and help banks to be able to support the businesses and industries hardest hit by the pandemic."

Reiterating the PCCI and the entire business community's support to the ARISE's provision to extend loan

## Wellington Chamber Report Details New Zealand's Effective Response to the COVID-19 Outbreak

New Zealand has thus far been successful in dealing with COVID-19. The country has had a total of 1,504 cases and 22 deaths, but currently have zero active

COVID cases. This is a result of many factors, such as the behaviour change of citizens, the size and dispersal of the population, and of course, government response. A report by the Wellington Chamber of Commerce details the New Zealand government's response, as well as those of the chamber itself and the New Zealand Chambers of Commerce and Industry (NZCCI).

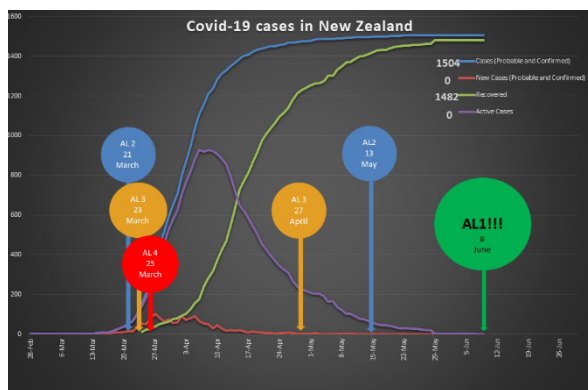
COVID-19, and the subsequent actions of government, took place rapidly in New Zealand in March. Within just five days, New Zealand went from the announcement of an Alert Level system to a full lockdown at Level 4.

At this level, people must stay at home in their 'bubble', other than for essential movement such as going to the supermarket. All gatherings and educational facilities are closed, travel is severely limited, and people can only exercise within their neighbourhood. Businesses must be closed except for those businesses deemed 'essential', such as supermarkets, pharmacies and lifeline utilities.

### Economic Stimulus

New Zealand's Government introduced a range of measures to respond to the economic impact of COVID-19. These include:

- **Wage Subsidy Scheme:** Made available to businesses (including the self-employed, contractors and sole traders), this provided each employee with NZ\$585.80 per week



(full-time) and NZ\$350.00 per week (part-time or under 20 hours) for 12 weeks. To qualify, a business had to display that their revenue had dropped by more than

30% due to COVID-19, and endeavour to pay their employees at least 80% of their normal pay.

- **Small Business Cashflow Loan Scheme:** Eligible businesses with fewer than 50 full-time employees are entitled to a one-off loan of up to NZ\$10,000 plus NZ\$1,800 per employee. The interest rate on the loan is 3%, with no interest charged if the loan is paid off within one year.
- **Leave Support Scheme:** Paid the same amounts as the Wage Subsidy Scheme but for only 4 weeks. Payment is for employees that need to self-isolate due to COVID-19 – they have the virus, have been in contact with someone with the virus, are caring for someone with the virus, or have returned to New Zealand from overseas – and cannot work from home.
- **COVID-19 Income Relief Payment Scheme:** Available to anyone that has been, or is, made redundant as a result of COVID-19 between March 1 and October 30, 2020. It pays \$250 per week (part-time) or \$490 per week (full-time) for 12 weeks
- **Low-value Asset Threshold for Depreciation:** Temporarily increases the low-value asset threshold for depreciation from \$500 to \$5,000, allowing businesses to deduct the full cost of assets with a value of less than \$5,000 in the year they purchased them. This applies to

assets purchased between March 17, 2020 and March 16, 2021.

- **Budget 2020:** the government pledged NZ\$50 billion to fight the impact of COVID-19. This included spending on the previously listed wage and loan schemes; free trades and apprenticeship training for the next two years in building and construction, agriculture, manufacturing, community health, counselling and care work; and 11,000 new environmental jobs.

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Wellington Chamber of Commerce Activities

Voice of Wellington Business

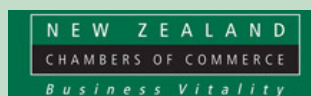
When New Zealand entered a full lockdown at Level 4, businesses shut their doors and confusion was abound in the business community. The Wellington Chamber shifted its offerings quickly to support its members during this time. This included a range of measures.

- **COVID-19 Website:** Here, the Chamber shared all essential updates from Government, guides and links to all business support available, frequently asked questions, and health and safety advice, among other offerings.
- **Webinars:** With people working from home, the Chamber moved to online events through Zoom and Microsoft Teams. Webinars on various topics took place nearly every day for more than two months. These included weekly Q and A sessions with employment law and health professionals, a pre-Budget address from the Finance Minister, updates from central and local government personnel, and health and wellness training.
- **Member Engagement:** To engage with members, Wellington Chamber staff personally called every member business to check how they were coping with the circumstances and ensure they were receiving the support they needed. On top of this, regular email updates were provided



to all members, passing on the latest information, developments and support available.

- Support: The Wellington Chamber made its AdviceLine available to all businesses (including non-members) for free. This call-in service provides businesses with employment and business advice, consultancy, and support. The Chamber also grew its Business Mentors offering, providing free mentors for all businesses with fewer than 20 full time employees. Almost 100 businesses were provided a mentor.



### **New Zealand Chambers of Commerce Activities**

NZCCI, like the Wellington Chamber, quickly changed its activities to support businesses throughout the period. Across New Zealand, Chambers provided excellent support, online access and regular updates for their members.

For example, the Auckland Business Chamber has held regular business updates, the Canterbury Employers' Chamber of Commerce has shifted to online training sessions and the Otago Chamber of Commerce has provided online seminars. This is indicative of the theme across the entire NZCCI network; Chambers moved many of their offerings online and greatly increased their communication with members. Facing a critical period in the life of their business, NZCCI members have received as much support as possible.

The NZCCI network also played a key advocacy role over the last quarter, maintaining contact with central and local government representatives to ensure the needs of business were understood and acted upon. Examples include successfully calling for Government employees to return to their offices in the CBD and discussions with the Canberra Business Chamber on Wellington – Canberra flights.

## Top 10 Enterprises Sign Joint Declaration for the Development of Mongolia

The Mongolian National Chamber of Commerce and Industry (MNCCI) and Erdenet State-Owned Enterprise have successfully organized a cooperation meeting of TOP 10 Enterprises in Erdenet City.

The event was organized by Erdenet State-Owned Enterprise, which has been named as a TOP-100 enterprise for the 15th year. Executive Members of MNCCI, Erdenet State-owned Enterprise, Erdenes-Tavantolgoi JSC, Oyu Tolgoi LLC, Khan Bank, MCS Group, Petrovis Oil LLC, Golomt Bank, Ulaanbaatar Railway JVC and Shunkhlai LLC participated in the



discussion and exchanged views on how to address issues such as securing people from the pandemic, the current situation and how to

control the risks facing the economy.

The meeting resulted in adopting recommendations to the new government on improving the business and legal climate, preserving policy stability, resolving the difficulties caused by the pandemic in a short period of time, and reviving and strengthening the economy and also signing on the statement of declaration.

*MNCCI Newsroom*

## Tajikistan CCI Launches Free Webinar Series



The Chamber of Commerce and Industry of the Republic of Tajikistan, in order to support the business community in the condition

of the impact of the coronavirus pandemic on business, and together with its partners, has launched a series of free online seminars and trainings in webinar format on the following topics:

1. Business online – a push for development;
2. The impact of the coronavirus pandemic on contractual relationships;
3. Export and import in the context of a

coronavirus pandemic;

4. Post crisis business management.

Webinars are held 2 to 4 p.m. on Wednesdays and Fridays from June 5 to July 3.

Participants can send questions for experts and partners via Viber, WhatsApp, or Telegram; share experiences and recommendations, as well as business ideas that may be useful to other entrepreneurs. Interesting and promising business ideas will be submitted to partners to attract investment.

Participants will be awarded certificates. To participate in the webinars, interested parties need to send their full name, place of work, position, and the topic they are interested in to [members.tpptj@gmail.com](mailto:members.tpptj@gmail.com). Cutoff will be 2 p.m. on Tuesdays and Thursdays.

### CSI an Effective Support Tool for Businesses after COVID-19 Pandemic: VCCI Chairman

The Vietnam Chamber of Commerce and Industry (VCCI) launched a scheme on May 26 regarding an evaluation and announcement of sustainable businesses based in Vietnam this year.

In line with this programme, the Vietnam Business Council for Sustainable Development have joined with leading experts in various socio-economic development fields to update the Corporate Sustainability Index (CSI) with new points to follow the requirements of important free trade agreements that the country has recently signed.

In addition, updates reflect the significant changes which have occurred in influential labour and environmental management policies that have had a major impact on the operations of domestic enterprises.

Most notably, issues relating to the 17 sustainable development goals and the overall national action plan under the 2030 Agenda for Sustainable Development have been simplified and integrated into the CSI set for 2020.

During his speech at the launching ceremony, Vu Tien Loc, VCCI Chairman and the Chairman of the Vietnam Business Council for Sustainable Development, shared, "The programme aims to change the mindset and way of doing business for 'immediate profit' by running firms in harmony with economic benefits, social development, and



environmental protection in the long term.

The CSI set not only reflects 127 indicators, but is a very scientific and effective business management tool built specifically for Vietnamese enterprises, especially small and medium-sized businesses." Following this, the VCCI Chairman revealed that the COVID-19 pandemic has shown the gaps that exist in economic management and operation, thereby

displaying the importance and urgency of sustainable development. In this context, the scheme regarding the CSI set has played an extremely important role in terms of socio-economic development.

The greater number of businesses that apply the CSI, the more professional and corporate governance activities will be, thereby helping firms to improve their competitiveness and ultimately enhance their ability to cope with and adapt to different scenarios.

Loc suggested the companies put the CSI into the focus of their corporate governance strategies whilst simultaneously preparing a sustainable development report, promptly detecting weaknesses and shortcomings that occur in the process of production and business as a means of seizing potential opportunities for greater investment in the future.

VCCI News

### SBF Launches Initiatives to Strengthen Businesses and Support Workers in Need

The Singapore Business Federation (SBF) will set up a \$2.5 million Rising in Support of Enterprises (RISE) Fund in partnership with Enterprise Singapore (ESG), and will partner the SBF Foundation in its \$2 million industry-led Compassion Fund. These two initiatives aim to help businesses, particularly small- and medium-

sized enterprises (SMEs), tide over the challenges arising from COVID-19 by supporting them in three areas: business sustenance, business growth and capability-upgrading, and increase workforce resilience by providing financial assistance to workers in need.

Under the RISE Programme, the \$2.5 million fund will be established



with the support of ESG's SG Together Enhancing Enterprise Resilience (STEER) Programme. Through the STEER programme, ESG will match \$1 for every \$2 contributed by SBF to help strengthen and transform businesses. Under RISE, an SBF member with

## News Updates

a paid-up capital not exceeding \$5 million, can apply for support of up to \$500 to offset the cost of a wide range of qualifying activities conducted by SBF, its programme partners, and other trade associations and chambers (TACs), aimed at helping businesses tide over the COVID-19 situation and emerge stronger. More details on the application process will be available by June 30, 2020.

SBF's RISE Programme is also the first STEER-supported fund to cater for the qualifying activities of other TACs. For a start, SBF will work with 12 members of its TAC Alliance to offer additional business growth and capability upgrading activities on topics such as digital transformation, corporate sustainability, crisis leadership and post-COVID-19 growth.

The RISE Programme will run from July 1, 2020 to December 31, 2021, or until the fund is exhausted. The 18-month programme period will provide Singapore businesses with adequate time to relook at their business strategies and processes, and to decide on suitable courses and events to meet

their objectives.

SBF also recognises that the COVID-19 pandemic has adversely affected many Singaporeans. To mitigate the impact, the SBF Foundation, which is SBF's charity organisation, is also setting up an industry-led Compassion Fund to help employees in need. For every dollar raised by a participating TAC, the SBF Foundation will match dollar for dollar up to \$200,000 per TAC. The Foundation aims to reach out to at least 10 TACs to benefit at least 8,000 employees in need of financial assistance.

To kick start the initiative, the SBF Foundation will provide a total of \$2 million in funding to enable TACs and their members to set up their respective industry-led Compassion Funds that will support employees in need before their financial circumstances worsen.

Each Compassion Fund is targeted at lower income earners who are affected by unexpected personal or family crises. Employees are encouraged to seek help from their employers. The employee is then referred to government and community agencies that will offer further social and financial assistance.

and other routes soon after.

Australian Chamber Tourism chair John Hart said: "The symbolic route will show we have developed a safe and effective method of air travel and encourage the extension of the aviation networks to other destinations across Australia and New Zealand over time."

Stephen Byron, Managing Director of Canberra Airport, said that the Canberra and Wellington connection was a logical first step to reinvigorating international air travel and regional economy.

"Canberra and Wellington have been COVID-19 free now for several weeks, they are also significant hubs for business and tourism, and with such a positive health situation on each side there would be no requirement for post-travel quarantine in either city," Mr Byron said.

Canberra Business Chamber CEO Graham Catt said there are already strong business linkages between Canberra and Wellington.

"New Zealand will be one of the top international markets for the Australian Capital Territory (ACT) and regional businesses. The synergies between our two economies create opportunities in important industry sectors like education and research, ICT, cyber security, renewable energy, and space science."

John Milford, Wellington Chamber of Commerce Chief Executive, said the bubble needed to be open as safe as it is to do so "for the sake of our small businesses, airport, and events sector."

Auckland Business Chamber chief executive Michael Barnett said the proposal was developed to help build momentum and give confidence the countries can get back to business.

"We feed each other and we need each other's dollars urgently to help with economic recovery. New Zealand needs Aussies back here as our single most important visitors, all 1.5 million of them, supporting our tourism sector, our cafes and events decimated by the enforced shutdown."

## First Trans-Tasman Flight Proposal Released

The opening of the Trans-Tasman bubble to allow Australians and New Zealanders to move freely between countries is proposed to begin with a symbolic pilot flight between capital and sister cities Canberra and Wellington in July.

The Australian Chamber Tourism, Canberra Airport, Wellington Chamber of Commerce, Canberra Business Chamber and Auckland Business Chamber have united to create a proof of concept proposal for the first



post-COVID-19 flight.

Keen travellers can now register to be part of the initial concept flights on July 1 and 2, with the goal to establish regular flights between the two capitals



### Updated ASEAN-Japan Trade Deal, Covering Services, to Enter into Force in August



*Japanese Prime Minister Shinzo Abe  
(Prime Minister's Office of Japan)*

Japan has ratified updates to its comprehensive economic partnership deal with the 10-nation

ASEAN bloc, with the changes to enter into force on August 1, Japan's Ministry of Foreign Affairs (MOFA) said in a statement on June 16.

These amendments are the first since the pact was enacted on Dec 1, 2008, becoming Japan's first multilateral trade deal. It had focused on eliminating tariffs on goods.

The 106-page updated agreement, known as the First Protocol, adds provisions that cover the cross-border trade in services and investment between Japan and ASEAN. It also includes rules and liberalization commitments from ASEAN member

states which have not been included in bilateral trade deals concluded between Japan and each ASEAN member state, the MOFA statement said.

The updated document will first apply to Japan and the four ASEAN countries that have ratified the changes – Thailand, Singapore, Laos and Myanmar.

Japan's MOFA pointed out that this will be the country's first trade deal covering trade in services and the movement of

service industry workers with Cambodia, Laos and Myanmar.

"It is expected that the Protocol will promote further trade and investment between Japan and the fast-developing ASEAN (region), and strengthen the Japan-ASEAN cooperative relationship," it added, with countries having to maintain transparency in service trade regulations and treat foreign investors fairly.

The revised deal, which was signed last year, will apply to the other six ASEAN nations in the second month after they complete their respective domestic procedures.

*Straits Times*

switching to a forward-looking perspective analyzing likely directional trends for international production over the decade to 2030.

A few key findings of the Report:

- The COVID-19 crisis will cause a dramatic fall in FDI. Global FDI flows are forecast to decrease by up to 40 per cent in 2020, from their 2019 value of \$1.54 trillion. This would bring FDI below \$1 trillion for the first time since 2005.

- Early indicators confirm the immediacy of the impact. Both new greenfield investment project announcements and cross-border mergers and acquisitions (M&As) dropped by more than 50 per cent in the first months of 2020 compared with last year.

- The impact, although severe everywhere, varies by region. Developing economies are expected to see the biggest fall in foreign direct investment (FDI) because they rely more on investment in global value chain (GVC)-intensive and extractive industries, which have been severely hit, and because they are not able to put in place the same economic support measures as developed economies.

- Despite the drastic decline in global FDI flows during the crisis, the international production system will continue to play an important role in economic growth and development. Global FDI stock stands at \$36 trillion today.

- However, the international

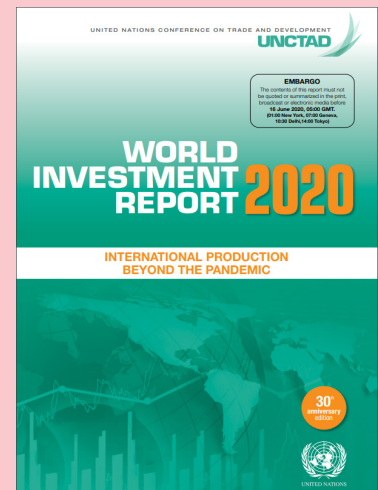
### UNCTAD launches World Investment Report 2020

The United Nations Conference on Trade and Development (UNCTAD) has just launched the 30th anniversary edition of their annual World Investment Report – WIR2020: International Production Beyond the Pandemic.

The Report provides the latest trends and prospects for global and regional investment flows and documents

recent national policy changes and developments around international investment agreements. It includes a detailed assessment of the impact of the crisis caused by COVID-19 on both trends and policies.

The theme chapter of the Report briefly looks back at three decades of international production before



production system is entering a decade of transformation. This transformation will bring both challenges and opportunities for investment and development policymakers:

Challenges include increased divestment, relocation and investment diversion, and a shrinking pool of efficiency-seeking investment, implying tougher competition for FDI.

Opportunities arising from the transformation include attracting investors looking to diversify supply bases and building redundancy and resilience. The pool of regional market-

seeking investment will increase. And digital infrastructure and platforms will enable new applications and services and improve bottom-up access to GVCs.

- Progress on investment in the sustainable Development Goals (SDGs) is evident across six of 10 SDG investment sectors: infrastructure, climate change mitigation, food and agriculture, health, telecommunication, and ecosystems and biodiversity. However, overall growth is falling well short of requirements.

- Sustainability funds have grown rapidly in number, variety and size. UNCTAD estimates that funds

dedicated to investment in sustainable development have reached \$1.2-1.3 trillion today. However, most of these funds are invested in developed countries (e.g. in renewable energy).

- A new set of global actions to facilitate a “Big Push” in SDG-relevant private sector investment in the developing world is urgently needed. UNCTAD’s new Action Plan combines several policy instruments to provide an implementation framework for investing in the 2030 Agenda for Sustainable Development.

## Member Personalities

### SAARC CCI elects new President, Vice President



#### SAARC CHAMBER OF COMMERCE & INDUSTRY

APEX BUSINESS ORGANIZATION OF SAARC



*New SAARC CCI President  
Iftikhar Ali Malik*

Mr. Iftikhar Ali Malik, veteran Pakistani business leader and former President of the Federation of Pakistan Chamber of Commerce and Industry (FPCCI), will take over the Office of the President of the South Asian Association for Regional Co-operation Chamber of Commerce and Industry (SAARC CCI). Mr. Malik, who was nominated by FPCCI, will assume the position as President on June 30th 2020, for a term of two years.

Mr. Malik has been associated with SAARC CCI from its inception, helping facilitate regional integration and economic cooperation for 25 years. He served as the President of Lahore Chamber of Commerce and Industry (LCCI) in 1990 and then as President of FPCCI in early 2000. Mr. Malik will be the third Pakistani to assume the Presidency of SAARC CCI. Currently, he is the senior Vice President, having held the position at SAARC CCI for five consecutive terms.

As an entrepreneur, Mr. Malik is Group Chairman of Guard Group, a Lahore-based conglomerate involved in manufacturing automotive filters for leading brands in Pakistan, serving as Original Equipment Manufacturers (OEM) for Honda, Toyota, Suzuki, Millat & Alghazi Tractors. He also serves as Chairman of the Mumtaz Bakhtawar Memorial Trust Hospital.

SAARC CCI has also elected Mr. Sheikh Fazle Fahim, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and concurrently, Vice President of CACCI, to the position of Vice President. Mr. Fahim was nominated by FBCCI and will hold the position for the 2020 to 2021 term.

Mr. Fahim is a business leader and entrepreneur with extensive experience in business development, financial management, multiproduct distribution, as well as a philanthropic community leader.



*New SAARC CCI Vice President  
Sheikh Fazle Fahim*

## Special Features

### Recessions Can Be the Best Time to Start a Business

By Alexandre Lazarow, Author, *Out-Innovate:*

*How Global Entrepreneurs — from Delhi to Detroit — Are Rewriting the Rules of Silicon Valley*

Some of the world's most successful companies began life in recessions. Experts say that this is often because they build resilience into their business model and are poised to grow when the economy improves.

Alexandre Lazarow is the author of *Out-Innovate: How Global Entrepreneurs — from Delhi to Detroit — Are Rewriting the Rules of Silicon Valley* and a venture capitalist with Cathay Innovation, a global firm that invests across Africa, Asia, Europe and North America.

**BRINK** began by asking Lazarow why now is a good time to consider starting a new business.

**LAZAROW:** I'll tell you two reasons why today is a really good time. One is it's never been easier to start a startup, given the amount of infrastructure that's getting built. I think of Amazon Web Services making it easier for anyone to rent a supercomputer by the hour, or platforms like Shopify for e-commerce, but also the amount of capital and the culture of entrepreneurship that is really permeating the zeitgeist of our society.

#### Creators Not Disruptors

We're obviously in the eye of the storm right now, and there's a question of what happens in the very short term, but I have this notion of creators versus disruptors. In Silicon Valley, there is a focus on building startups that disrupt something. But in many of the toughest ecosystems around the world that consistently face challenges like the ones we're facing now, the best entrepreneurs are not disruptors, they're creators.

They're creating industries that offer a new product or service that was unavailable in the mass market, and they're not targeting the top of the pyramid, they're really providing a solution for the whole ecosystem.

So to come back to the question, now is an interesting time to be a creator, because the crisis has laid bare some of



the biggest challenges we have in our society. And there's a huge opportunity to solve some of these.

I think we're going to see some great businesses getting built that will be tackling these incredibly difficult, intractable problems — and if they succeed, they'll build something really meaningful.

#### Camel vs. Unicorn

**BRINK:** *What are the qualities you need in a startup to be successful in an environment like this?*

**LAZAROW:** In my book, I set up this idea of building your startup as a camel versus a unicorn. In Silicon Valley, in the context of abundance, unicorns are seen as the ideal. They are built on the idea of growth at any cost, where it's okay to subsidize user acquisition or have unsustainable unit economics in service of growth. It's okay to burn a lot of capital and hire ahead of growth. And it's okay to be short term.

But in tougher ecosystems, like the one we're in now, the characteristics of what it takes to build successful startups are more like those of a camel. A camel is an animal that can sprint across the desert and drink water faster than any other animal. It can thrive when times are good, but it can also survive in the world's harshest environments.

And in that context, the best entrepreneurs are now starting with sustainable unit economics from the get go. They're not subsidizing user acquisition. They're managing costs. They're thinking very carefully about

sustainability from the beginning, and they're taking a long-term approach.

This, of course, does not mean these startups are not looking to grow, but they're trying to do it with survival and resilience in mind.

**BRINK:** *You talk about resilience — what do you mean in this context?*

**LAZAROW:** Resilience starts with having something sustainable and a deep understanding of the unit economics and the levers of your business. A lot of the startups that I've looked at are building some amount of diversification into their business model. For example, they have a bunch of different geographies that they can rely on.

And they build a team around the people that they find, wherever that person is, by building a distributed team. That way, if one part of the team has challenges, you actually have support.

**BRINK:** *Are there particular sectors that you think are likely to weather the storm better than others?*

**LAZAROW:** One of the things that I've observed is the difference between sectors where entrepreneurs are building businesses in the developed and developing world. In the U.S., less than 20% of startups have been in markets that really served peoples' core needs, like health care, financial services, energy, agriculture, etc.

Whereas in emerging markets, the proportion of startups focused on core needs is much higher — for Africa it's over 60%. And I think that businesses that can solve some of these critical needs are going to be ones that are really well-positioned for the future.

We're already beginning to see this with the rapid growth in health care companies or digital transformation of the education ecosystem — the ones that are going to scale are the ones that are solving a really critical need that society can't do without.

*Brink News*



# COVID-19 Is Accelerating the Value of Human Capital

*By Alex Bernhardt, Director at Marsh & McLennan Advantage*

Companies that responded to the recent unprecedented bull market by strengthening their balance sheets, investing in innovation and, notably, taking care of their employees are proving to be much more resilient in the ongoing crisis. The recent outperformance of stakeholder-oriented firms builds on a longer history of outperformance by companies scoring well against a variety of environmental, social and governance (ESG) criteria, and harkens a new era of focus in the sustainable investment community on “S” issues alongside “E” issues like climate change.

### **Renewed Emphasis on Human Capital**

While COVID-19 is shedding fresh light on social issues, the importance of human capital to the success of any enterprise is no secret. Just ask any human resources professional.

However, much of industry has yet to move beyond platitudes — e.g., “our most important asset is our people” — to incorporate thoughtful measurement and assessment of returns on human capital management (HCM) investments. Recognizing this gap between words and actions, a group of major institutional investors formed the Human Capital Management Coalition (HCMC), which started advocating the SEC for enhanced HCM disclosure by companies in 2017. Building on the work of the HCMC, another and even broader investor coalition, led by the Interfaith Center on Corporate Responsibility, signed a statement in April urging companies to respond to COVID-19 with a focus on employee well-being. It recommended providing employees with temporary paid leave, prioritizing health and safety and taking every measure to maintain worker employment through this difficult period, among other things.

While disclosures by companies of HCM metrics have been limited, available data explains why these investors have been right to emphasize HCM. Mercer’s 2020 Global Talent Trends survey shows that 75% of companies with ESG metrics embedded into the CEO’s agenda have revenue growth rates of more than 6%, whereas only 35% of companies that have not assigned ESG metrics to their CEO reported the same growth. Additional research by Marsh & McLennan Insights and Mercer shows that higher ESG scores can be an indicator of higher employee satisfaction



and a greater ability to attract young talent, both of which are well understood to be drivers of long-term enterprise value.

### **The Rise of Stakeholders**

Stakeholder management is gaining momentum. The Business Roundtable, an association of CEOs representing companies with more than \$7 trillion in annual revenues, released a statement in 2019 redefining the purpose of corporations to benefit

stakeholders and not just shareholders. Shortly thereafter the World Economic Forum updated its “Davos Manifesto,” first released in 1973, to now explicitly state that “a company serves not only its shareholders, but all its stakeholders.” And Larry Fink, the CEO of the largest asset manager in the world, said in his latest letter to CEOs that a company must “serve its full set of stakeholders.”

All of this took place prior to the global onset of the coronavirus pandemic, which has only served to redouble focus on stakeholder-oriented management approaches. For instance, some companies that overemphasized shareholder welfare leading up to the crisis, often through debt-fueled share buybacks and dividends, found themselves in need of government support or having to make layoffs to stay solvent. This has not gone unnoticed by the public or by policymakers; here are two examples from North America: As a condition of receiving support under the U.S. Treasury’s Exchange Stabilization Fund, which was seeded with \$500 billion by the CARES Act, airlines are not allowed to buy back shares or issue dividends for the duration of such support plus one year.

The Canadian government will be implementing a bridge lending facility, which will similarly include borrower limitations on share buybacks, dividends and executive compensation.

### **Stakeholders vs. Shareholders and Financial Performance**

All of this recent movement builds on a secular transition that was already underway from the shareholder wealth maximization (SWM) approach of investment and business management, which has dominated much of the last 50 years, to a more pluralistic vision of corporate value creation. Investment and corporate management teams

## Special Features

can prepare for this transition by, among other things, lengthening their time horizons for financial analysis and growing conversant with HCM and ESG data and analysis.

Interestingly, per Mercer's Global Talent Trends survey, 85% of business leaders already agree that an organization's purpose should extend beyond shareholder primacy, and 68% attest to the need to make better progress on ESG issues. Yet, if the C-suite is clearly aligned with many investors on a new approach to business, then what is impeding progress?

Recalcitrant or slow governance may be to blame. Again, per Mercer's Global Talent Trends report, boards have yet to mandate ESG-related targets for three-quarters of business leaders. Though a more likely barrier is that a large swathe of influential investors and business leaders still believe moving toward a stakeholder approach and away from SWM will result in worse financial performance.

This viewpoint however treats the shareholder-to-

stakeholder shift as a zero-sum game, which it is not. Even in a stakeholder model, shareholders remain an important stakeholder group, and financial performance remains an important thermometer for company health. What changes in a stakeholder model is the time frame for and the diversity of tools used to conduct company health evaluations.

Regardless of how this debate gets settled, several things will be clear coming out of COVID-19:

The "S" in ESG is going to receive more emphasis going forward. Among "S" issues, HCM is likely to rise to the top. And short-term, shareholder-focused "financial engineering" business strategies are going to be increasingly called into question.

The third point above is especially true if shareholder-focused strategies lead to detrimental outcomes for employees, without which no company can operate.

*Brink News*

## Philippine Business Executives Shift Companies' Attention to COVID-19 Response

As the Philippines continues to fight the effects of the coronavirus pandemic which has infected over 26,000 individuals, several top executives in the private sector are shifting their businesses' attention towards charitable efforts to help and reach out to those in need.

Among the business executives using their companies to help Filipinos cope with the crisis are the following:

***Jose Sio, Teresita Sy-Coson, Henry Sy, Jr. Harley Sy, and Frederic DyBuncio of the SM Investments Corporation***

Sio is the chairman of the Board of the country's largest conglomerate; Teresita Sy-Coson is the vice chair; Henry Sy is also vice chairman; Harley Sy is executive director, and; DyBuncio is the president and chief executive officer.

To augment efforts of the health sector in fighting the pandemic, the SM Group donated over P170 million for medical supplies for hospitals battling the coronavirus disease, as well as P100 million to Project Ugnayan, a fund-raising platform led by top business groups in cooperation with the Philippine Disaster



*Antipolo receives COVID-19 test kit donation from SM Foundation*

Resilience Foundation. This takes its total reported donations to over P270 million.

SM Supermalls also waived the rental fees in all of its 74 shopping malls nationwide from March 16 to April 14. Earlier in May, the business group said it had constructed seven insulated emergency quarantine facilities in Pasay City and Quezon City through the SM Foundation.

***Aboitiz family of the Aboitiz Group of Companies***

The Aboitiz Group committed a total of P1.82 billion for COVID-19 mitigation efforts, which include P388 million in donations for medical frontliners, and relief goods for

underprivileged families.

Aside from this, the Aboitiz Foundation has set up a fundraising page called Help Our Health Workers Fight COVID-19 to raise funds for PPE sets, in coordination with the University of the Philippines (UP) Medical Foundation and The Outstanding Women in the Nation's Service Foundation. As of June 11, the fund-raising drive has already raised more than P2 million.



*Aboitiz President and CEO Sabin Aboitiz*

The Aboitiz Group, led by its CSR arm Aboitiz Foundation, has since turned over 5,700 N95 masks to the Department of Health (DOH) and the

## Special Features

Research Institute for Tropical Medicine (RITM). Through its Davao Light and Power Company Incorporated, it has provided 2,000 pieces of surgical masks, two units of IR thermometers and 25 pieces of N98 masks to the Department of Environment and Natural Resources in Davao Region.

Aboitiz food business unit Pilmico also donated through the Aboitiz Foundation several surgical masks to hospitals in Cebu, Tarlac, Iligan City, and Cagayan de Oro. The company also pledged to donate bread packs to police and military checkpoints and hospitals in Capas, Tarlac and Iligan City in March. Meanwhile, UnionBank, the banking and financial services arm of the Aboitiz Group, provided support to frontliners by partnering with Caritas Manila. In March, it said it was working to procure medical ventilators for government hospitals.

### ***Ramon Ang of San Miguel Corporation***

As of April 23, Ramon Ang's San Miguel Corporation's total amount of donation for COVID-19 efforts had already reached P1.147 billion.

On June 8, SMC president Ramon Ang led the turnover of 45 adult nasal high flow nasal cannula (HFNC) to National Task Force COVID-19 chair and Defense Secretary Delfin Lorenzana and NTF chief implementer Carlito Galvez Jr. HFNC machines are used for supplemental oxygen therapy for persons with signs of respiratory distress and have been used for patients categorized as severe or critical COVID-19 cases.

In a statement dated May 15, SMC said it has started turning over to some local government units in Metro Manila testing booths to help boost the testing capacity of all 17 local government units in the capital region. Apart from the testing booths, SMC is also donating P3 million worth of polymerase chain reaction tests to each of the 17 LGUs, which is equivalent to 34,000 tests.

On May 11, it said it has also produced more than 600,000 pieces of nutribun, a bread product that became popular in the 1970s, which it donated to



*Production of San Miguel Corporation's Nutribun*

vulnerable sectors of society.

Aside from these efforts, the corporation also earlier completed the construction of 10 emergency quarantine facilities it built together with the Armed Forces of the Philippines in military camps nationwide for COVID-19 patients with mild to no symptoms.

On Labor Day, San Miguel likewise donated 85,000 liters of free fuel for the government's shuttle service programs that provided free transportation to thousands of medical frontliners and workers reporting to hospitals in Metro Manila.

### ***Sam Verzosa and RS Francisco of Frontrow International***

Sam Verzosa and RS Francisco, chief executive officer and president of Frontrow, respectively, also joined in the efforts to fight the effects of the pandemic. On May 20, the multinational direct-selling giant announced it is pledging 100% of the sales of its health supplement products from May 1 to 30 for charitable projects.

The donations accounted by its charity arm Frontrow Cares has amounted to over P100 million and



counting. Until now, the company has been sending aid to several major cities and provinces in the country, from Tuguegarao to Isabela, Laguna, Cebu, Bohol, Davao, Zamboanga, Iligan, and Marawi, among others.

Frontrow also sent medical supplies like PPEs and aerosol boxes, along with immune-boosting health supplements, to over 50 hospitals and institutions all across the country, as well as truckloads of rice and canned goods.

Aside from aid sent to different areas across Luzon, Visayas, and Mindanao, assistance from Frontrow has also reached overseas Filipino workers, especially those in the Middle East like in Dubai and Abu Dhabi.

### ***Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala of the Ayala Group of Companies***

Jaime Augusto Zobel de Ayala and Fernando Zobel de Ayala, who serve as the group's chairman and president, respectively, have also helped in the fight against coronavirus disease through various aids from the company.

On June 4, the Ayala Group turned over an automated ribonucleic acid (RNA) extraction machine and two reverse transcription polymerase chain reaction (RT-PCR) machines and its accessories to officials of the Southern Philippines Medical Center in Davao City.

The Ayala Group, led by its healthcare unit Ayala Healthcare Holdings, Inc. (AC Health), also vowed to build four Biosafety Level 2 laboratories and help capacitate three existing laboratories in Makati City, Cebu, and Davao. The business group said this will bring an additional capacity of 5,500 RT-PCR tests per day in the country.

It also helped ease the strain on its small and medium enterprise partners through waiving P766-million worth of services and business operations fees as of May 19. Ayala Malls alone has waived P280 million covering over 2,400 of its SME partners as of the said date.

On top of these, the Ayala Group has donated testing booths for four mega swabbing centers.

It pooled P46.4 million for the



## Special Features

conversion of portions of the World Trade Center in Pasay City into a temporary healthcare facility. Ayala Land unit Makati Development Corp. led the fit-out construction for 9,700 square meters of space at the World Trade Center in just a span of seven days in April.

The corporation and key operating units also settled P9.86 billion worth of taxes ahead of the extended June 14 deadline, in a bid to help the government boost revenues during the coronavirus pandemic.

As of mid-May, the Ayala group has contributed about P5.71 billion in anti-COVID-19 efforts aimed to protect its employees, support partners and clients, and provide for communities.

### **Andrew Tan Group of Companies**

The Andrew L. Tan group of companies under the tycoon's holding firm Alliance Global Group, Inc. (AGI) has donated over P603 million for various efforts in the country's fight against COVID-19.

### **Enrique Razon Jr. of the Razon Group**

Outside of the International Container Terminals Services, Incorporated, Enrique Razon Jr.'s Bloomberg Cultural Foundation, Inc. has donated P600 million for medical supplies, relief goods, PPEs, other critical supplies, and in retrofitting facilities to become treatment facilities.

### **Manuel Lopez and Eugenio Lopez III of the Lopez Holdings Corporation**

Manuel Lopez is the chairman and CEO of Lopez Holdings while Eugenio Lopez III is the vice chairman and executive director.

The Lopez Group of Companies donated P100 million to the Department of Transportation in April to aid in the agency's programs for COVID-19 response.

These projects include the conversion of passenger ships into temporary quarantine facilities and the establishment of quarantine terminals for returning seafarers and overseas Filipino workers.

Energy Development

Corporation, its geothermal company, likewise lent 11 container vans to local government units the provinces of Leyte, Negros Oriental, Ilocos Norte, Kidapawan City, and Cotabato. These were used as temporary isolation rooms for patients and quarantine rooms for frontliners.

### **Manny V. Pangilinan of MVP Group of Companies**

The MVP group of companies, led by Manuel V. Pangilinan, has advanced its tax payments ahead of the June deadline to help boost the government's funds to fight COVID-19.

It has also donated over 1,000 grocery packs to families of health workers and personnel of the V. Luna Hospital, and to families of soldiers manning quarantine checkpoints.

In April, telecommunications and digital service provider PLDT turned over 30 of its service vehicles to the Armed Forces of the Philippines for use by the military in anti-COVID-19 responses.

One Meralco Foundation, Meralco's social development arm, likewise distributed food packs and care packages to vulnerable families in Metro Manila, and PPEs to government hospitals.

The business group also partnered with the Department of Works and Highways and Iglesia ni Cristo to transform the Philippine Arena in Bocaue, Bulacan into a 300-bed mega-treatment facility in April.

### **Anthony Almada of the National Grid Corporation of the Philippines (NGCP)**

In addition to corporations augmenting the government's efforts against the pandemic, the NGCP, with Anthony Almada as president and chief executive officer, has donated P1 billion in goods and cash to support health workers.

Half of the amount or P500 million was donated in the form of goods and medical equipment while the remaining half was donated in cash.

The NGCP has donated another P5 million worth of 10,000 supermarket gift certificates to Project Ugnayan.

### **Manny Villar of the Villar**

### **Group of Companies**

The Villar Group led the conversion of the Philippine International Convention Center (PICC) in Pasay City and Philippine Institute of Sports Multi-Purpose Arena or ULTRA stadium in Pasig City as temporary quarantine facilities.



Aside from this, the Villar family also donated disinfecting apparatus to some government hospitals in Metro Manila, hospital beds for quarantine facilities, and 200,000 face masks and a supply of bottled water through the Department of Health.

### **James Go and Lance Gokongwei of JG Summit Holdings Inc.**

Go is the chairman of the JCSHI while Lance Gokongwei is the president and CEO.

JG Summit Holdings, through its Gokongwei Brothers Foundation (GBF), announced in March the allotment of P100 million for relief operations to help in the fight against the coronavirus pandemic.

The foundation also donated to Project Ugnayan as well as PPE items, several ventilators and numerous food items to over 80 hospitals in the country.

### **Clinton Campos Hess of Unilab Laboratories Inc.**

Clinton Campos Hess is the president and chief executive officer of Unilab, the country's largest pharmaceutical company.

As of April, Unilab's support to the government's COVID-19 response was nearing P1 billion, as it widened its donation channels for medicines, medical equipment and protective kits for frontliners, as well as relief packages for the marginalized sector.

Philippine Daily Inquirer

## Product & Service Councils

### **Asian Council on Health and Education**

#### **The struggles of homeschooling in the world's tiniest apartments**



*Photo: China Daily*

Tao Xiaorong spent a month's rent to buy her 12-year-old son a used laptop in February, a few weeks after schools in Hong Kong closed and classes went virtual. But their internet service is so spotty that he's had trouble participating in online classes.

"He was very frustrated and used it as an excuse to not study hard," said Tao, a single mother raising her son on government subsidies in a one-room, 100-square-foot apartment in Sham Shui Po, one of the city's poorest neighborhoods. "His exam scores are

often below average. I'm afraid it'll get worse after this."

They are among an estimated 1.4 million residents — 20% of the population — in the Asian financial hub who live below the poverty line, typically in cramped apartments with communal kitchens and bathrooms euphemistically called "cubicle homes." Their experience highlights an educational divide that is worsening around the world as schools shutter because of the pandemic, putting disadvantaged students at greater risk of dropping out, failing to get into college and facing depression and malnutrition.

While Hong Kong's school shutdown has been among the longest in the world, nearly 160 countries have closed schools during the pandemic, affecting more than 1.2 billion students, according to UNESCO. Closures are estimated to have affected almost 70% of the world's enrolled students.

A UNESCO report in March warned of increased dropout rates, malnutrition, social isolation and increased exposure to violence and exploitation as a result of prolonged school closures.

The digital divide further hurts learning. In the U.S., one in five parents say it's likely their children have difficulty completing schoolwork because they don't have a computer at

home or a reliable internet connection, according to a Pew Research Center survey conducted in April. Among low-income families, that rises to about 40%. Educators say it's difficult to estimate how much the dropout rate could rise, as it will take months to see the effects of online learning. If governments respond with initiatives targeted to address inequalities — like funding for summer school, tutoring and enrichment programs — that could mitigate outcomes.

"The virus outbreak is dragging kids from low-income families into a vicious cycle," said Sze Lai Shan, a community organizer for SOCO who works with families in the city's poorest communities. "They may not have enough time to catch up to their peers before the exam date. They are more likely to feel depressed. It's not uncommon to see some of them just give up on themselves and drop out of schools."

Sze said the group has noticed more depression among children as family tensions are on the rise with the long school closures and many workplaces shut. More than 100,000 children in Hong Kong receive free lunch at school and the disruption puts many at risk of malnutrition, according to the group.

*Bloomberg*

### **CACCI Women Entrepreneurs Council**

#### **Why Women Make Better Crisis Leaders**



*New Zealand PM Jacinda Ardern  
([Ministry of Justice of New Zealand](#))*

While many countries continue to grapple with escalating COVID-19 outbreaks, two have declared theirs effectively over: New Zealand and Iceland. It is no coincidence that both countries' governments are led by women.

New Zealand Prime Minister Jacinda Ardern and her Icelandic counterpart, Katrin Jakobsdottir, have both received considerable — and well-deserved — praise for their leadership during the COVID-19 crisis. But they are not alone: Of the top 10 best-performing countries (in terms of testing and mortality), four — Estonia, Iceland, New Zealand and Taiwan — have woman leaders. German Chancellor Angela Merkel and Danish Prime Minister Mette



*Iceland PM Katrin Jakobsdottir ([Magnus Fröderberg](#) / [Wikimedia Commons](#))*

Frederiksen have also been commended for their pandemic leadership.

Women account for less than 7% of the world's leaders, so the fact that so many have distinguished themselves during the COVID-19 crisis is noteworthy. Following the mantra "go hard and go

## Product & Service Councils

early,” Ardern imposed a strict lockdown four days before New Zealand’s first COVID-19 death. Taiwanese President Tsai Ing-wen introduced more than a hundred public health measures in January — when the World Health Organization was still casting doubt on the possibility of human-to-human transmission.



*Taiwan President Tsai Ing-wen  
(Taiwan Presidential Office)*

Female leaders’ strong performance in times of crisis may be related to the path women take to power, which is generally more demanding than that faced by men. In particular, it may be

linked to the “glass cliff” phenomenon, whereby women are more likely than men to be appointed to leadership positions that are “risky and precarious.”

Research into the glass cliff began with the finding that, before appointing men to their boards, companies in the Financial Times Stock Exchange 100 Index typically experienced stable share prices. Before appointing a woman, however, those same companies often experienced five months of poor share-price performance. Another study found that companies listed on the U.K. stock exchange tended to increase gender diversity on their boards after experiencing big losses.

A similar tendency can be seen in politics. Margaret Thatcher became leader of a Conservative Party in crisis and prime minister after a “winter of discontent.” Ardern also got her break by being thrust onto a glass cliff: She became the leader of New Zealand’s Labour Party in 2017 after poor polling forced her predecessor to resign. A mere two months later, she became the country’s youngest prime minister in 150 years.

According to the researchers,

the glass cliff may appear because organizations are more willing to challenge the status quo when the status quo isn’t working. The visible difference of having a woman in charge could also reassure stakeholders that change is happening. As for the women, they may be more likely to accept leadership positions in times of crisis because they have fewer opportunities to reach the top. They can’t simply wait for an easier post to open up.

Regardless of why it happens, the fact is that by the time a woman reaches the heights of corporate or political power, she is likely to have overcome massive hurdles. With men, that is possible but far from guaranteed.

While many factors are shaping outcomes during the COVID-19 pandemic, leadership is undoubtedly one of the most important. It should surprise no one that, by and large, it is the leaders who have already had to prove themselves who are the most effective. That very often means they are women.

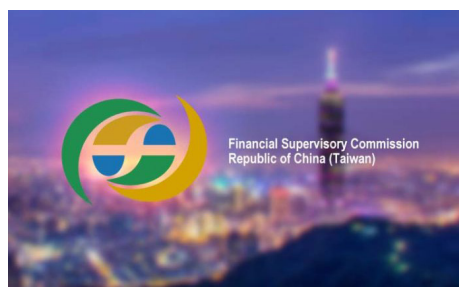
*Japan Times*

### SME Development Council

#### Taiwan FSC Mulls New Trading Platform for SMEs

The Taiwan government is considering establishing a new trading platform to make it easier for small and medium-sized enterprises (SMEs) to raise funds for expansion, according to Financial Supervisory Commission (FSC) Chairman Huang Tien-mu.

The commission is studying how to create a new fundraising channel for smaller firms, as President Tsai Ing-wen in her inaugural address on May 20 pledged to adopt more flexible financial policies and use more diverse means to meet companies’ demand for funding, Huang told a meeting of the legislature’s Finance Committee in Taipei.



Taiwan has four public fundraising channels: the Taiwan Stock Exchange (TWSE), the Taipei Exchange (TPEX), the TPEX’s emerging stock market and the Go Incubation Board for Startup and Acceleration Firms (GISA). “We will study if we need to create another set of requirements or to loosen existing rules to make it easier for SMEs to go public,” Huang said.

The TWSE and the TPEX have a set of financial criteria for companies applying for listing, such as profitability, net value, revenue and cash flow.

Companies recommended by the government, such as promising biotech firms, do not have to abide by such strict criteria.

The emerging stock market, a preparatory board for listing on the nation’s two main bourses, has no set financial criteria, but requires companies to submit at least two recommendation letters from securities firms for share listing, while companies applying to trade on the GISA needs recommendations by the government.

The commission said it is still studying whether it should let SMEs and start-ups trade on a separate and independent platform, with only professional investors, or those who have net assets of more than NT\$30 million (US\$1 million), allowed to buy or sell such shares, the Securities and Futures Bureau said.

*Taipei Times*



## Product & Service Councils

### **Asian Council on Food and Agriculture**

#### **How Singapore Plans to Survive World's Impending Food Crisis**

Singapore's obsession with food goes far deeper than its world-famous chili crab and laksa. One of the most densely populated countries on the planet, its 5.7 million people rely on other nations for almost everything they eat. Just 0.9% of its land area of about 700 square kilometers was classified as agricultural in 2016, only marginally more than icebound Greenland.

Despite producing little of its own, Singaporeans arguably have better access than anyone else to affordable, abundant and high-quality produce. The country has ranked first in an index of food security for two years running and is now deepening its focus as the COVID-19 crisis exposes the fragility of global food supply chains.

Years of contingency planning — and recent moves to maintain the key flow of goods from neighboring Malaysia — have helped keep supplies arriving through pandemic-related disruptions, even as Singapore experienced waves of panic-buying that emptied some supermarket shelves of food.

#### **Accelerated funding**

In an immediate response to the COVID-19 crisis, the government has accelerated funding for local farms to “grow more and grow faster” over the next 6 to 24 months, according to the Singapore Food Agency (SFA), established in April last year. The agency is also working to add to a supply network that already taps 170 countries or regions for its food, it said in an emailed statement.

Over the longer-term, its drive for greater food security is based on a three-pronged strategy to diversify the nation's food sources, support companies to grow overseas and lift domestic production.

The last of these is the most

ambitious, but arguably the most critical in cushioning against widespread supply disruptions: to produce enough food domestically to meet 30% of its nutritional needs by 2030, up from less than 10% now.

To this end, the country is developing expertise in technologies such as vertical farming, nutrient recovery from food waste, and the use of insects, microalgae and cultivated meat as alternative protein sources, according to William Chen, the director of Food Science and Technology Programme at Singapore's Nanyang Technological University.

Already, work is underway to free up more spaces for urban food production, for example on the rooftops of multistory car parks, according to the SFA. The government is financing research into sustainable urban farming as well as future foods such as alternative proteins, and seeking to expand fish farming off the south coast of the country. It's also funding technology to help raise output from its existing farms, which totaled about 200 licensed operations as of 2018, producing mainly vegetables, fish and eggs. Once fully operational, Singapore's urban food system could be exported to its neighbors.

It's not the first time that disruptions in food supply chains have spurred Singapore toward greater self-sufficiency. In the wake of the 2007-2008 global food price crisis, that saw the cost of some staples surge, producers including Barramundi Asia PTE won new support from the country's authorities. In the deep waters near Singapore's most southerly point, the company farms barramundi.

Stable tropical temperatures make the waters off Singapore's south ideal for rearing barramundi. The fish is harvested to order, giving Singapore's population access to some of the world's freshest ocean produce.

#### **Efficient farming**

Another key to stimulating the sector is in encouraging Singaporeans to support local produce, according to the nation's food agency. Already, the country's farmers have seen an increase



*Photo: [Citiponics / Facebook](#)*

in online demand since the coronavirus crisis began and the agency hopes additional income will help them further embrace technology and become more productive.

Online grocer RedMart, a unit of Chinese e-commerce giant Alibaba Group Holding Ltd.'s Lazada Group, lists about 20 local producers growing everything from tomatoes to eggs as part of the website's virtual farmers' market, including Barramundi Asia's fresh fish. Designated an essential service, the retailer has worked closely with the government amid the COVID-19 crisis. It's now aiding the push for local production and working with farmers to help them identify the products that are in most demand, said Richard Ruddy, Lazada Singapore's chief retail officer and head of grocery.

The pandemic has provided an opportunity to examine deficiencies in existing food systems as the world confronts the larger challenges of population growth, climate change and water scarcity, according to Chen of Nanyang Technological University. That involves having a better understanding of nutritional requirements and a greater emphasis on food quality over quantity, which could lead to a more efficient use of agricultural land.

It could also be a catalyst for people to think more about the origin and sustainability of what they eat and about cutting waste, according to Lazada's Ruddy, who sees a growing trend toward frozen foods. “Having an event like this really, really forces consumers, retailers, governments to rethink a lot of things,” he said.

*Bloomberg*

## Product & Service Councils

### Asian Council on Tourism

#### Georgia's Tourism Reopening to be Selective



Georgia is set to draw its door – just a crack – to international tourism in July, relaunching flights and opening so-called “green corridors” to reconnect with the world. But the summer season in this tourism-dependent country is shaping up to be a mere shadow of what it has become in recent years.

The country's plan to reopen the country to tourists while safeguarding the relatively under-control coronavirus situation is centered on allowing in only tourists from countries that also had small outbreaks. But those plans took a hit when Israel – the first country with which Georgia had signed an agreement – had a sudden spike in COVID-19

infections.

“Papers are ready to be signed, but after the epidemiological environment worsened in Israel we sat down and decided to delay this,” Prime Minister Giorgi Gakharia said in a June 10 briefing. Georgia is also in negotiations with Baltic countries, the Czech Republic, Poland and Austria over creating the green corridors, but nothing has been decided yet. “This biggest challenge of this crisis is its unpredictable nature,” Gakharia said. “In order not to endanger the health of our citizens we must take extremely cautious steps.”

He also said he expects affluent visitors to arrive first, “not your regular backpacker hitch-hiking around the world.”

The government has yet to unveil a detailed plan for ensuring that tourists don't bring coronavirus to Georgia. Ideas floated by officials thus far include requiring potential visitors to take a PCR test for the disease 72 hours prior to arrival, or allowing in only those who have spent the previous two weeks in a “safe country.”

The tentative reopening comes as the country's leadership tries to balance the economic meltdown wrought by the lockdown and the risk of a fresh invasion of coronavirus, which Georgia so far managed to keep at bay

through painstaking efforts. As of June 10, Georgia officially has had a total of 822 confirmed cases, of which 690 have recovered and only 13 died.

Public health officials, who have led Georgia's response to the pandemic, don't sound particularly excited about the nation's tourism plans. “Tourists should not be afraid of the place they are coming to and we should not be afraid of the place they are coming from,” said Paata Imnadze, the deputy director of Georgia's Center for Disease Control, at a June 8 briefing.

Many ordinary Georgians also are worried that tourists will bring not just cash, but also the coronavirus to the country. Nevertheless, concerns over the largely petrified economy have increasingly taken top billing on the list of national worries.

Anxious to start hosting international guests again soon, Georgian hotels, for their part, have been jury-rigging their establishments to meet the government's new, coronavirus-conscious health and safety standards about social distancing and sanitary rules. But even if most of Georgia meets the standards by July 1, when international flights are scheduled to resume, it is unclear if the world will yet be in much of a traveling mood.

*Eurasianet*

## Investment & Joint Ventures in the Region

### Carrefour to acquire Wellcome, Jasons Market Place in Taiwan

Carrefour, the France-based hypermarket chain, announced on June 2 that it is set to acquire Wellcome Taiwan Co. Ltd, which operates supermarket chains Wellcome and Jasons Market Place in Taiwan.

Carrefour said in a statement that it has reached an agreement with Hong Kong-based Dairy Farm International Holdings Ltd., which owns Wellcome Taiwan, to acquire the



company.

The US\$108.6 million deal will give Carrefour ownership over the 199 Wellcome supermarkets and 25 Jasons Market Place stores in Taiwan, as well as other assets Wellcome has in the country.

The deal is expected to be finalized by the end of 2020, Carrefour said.

Carrefour said that it plans to switch out the signage at all Wellcome supermarkets in Taiwan within one year of the deal being finalized and that the Jasons Market Place stores will become “high-end Carrefour supermarkets.”

Carrefour currently operates 137 stores in Taiwan, and earned a revenue of 1.968 billion euros in 2019, while Wellcome Taiwan had a revenue of 390 million euros.

*Focus Taiwan*

## Investment & Joint Ventures in the Region

### Japan's Gojo invests Rs 130 crore in Indian financial companies during lockdown



#### Gojo & Company, Inc.

Japan-based impact investor Gojo & Company is increasing its exposure in India's financial inclusion space, with about Rs 130 crore of investments in the past few weeks into two local financiers to the bottom of the pyramid.

It has just bought about 16% in the Delhi-based startup Aviom India Housing Finance for about Rs 26 crore, raising its equity ownership to about 50%. Furthermore, it also injected

an additional Rs 105 crore in Satya MicroCapital a little while back, people familiar with the matter said.

Gojo bought the shares in Aviom from Singapore-based venture capital firm Insitor Impact Asia Fund, which offloaded its entire holding in the mortgage lender. Unitus Capital advised Aviom and Insitor on the deal.

Earlier, Gojo had invested Rs 45 crore in Aviom in two tranches with the last being concluded in February. Its investment in microfinance firm Satya MicroCapital helped raise its stake to 37% from 25% earlier.

Gojo's exposure to Indian firms now stands at Rs 365 crore, out of its total investment of Rs 525 crore (in dollar equivalent) across four countries including Cambodia, Myanmar and Sri Lanka.

Its India portfolio includes Ananya Finance for Inclusive Growth, a non-banking finance company set up by Friends of Women's World Banking, and Loan Frame Technologies, a supply chain finance platform.

*Economic Times*

### Taiwan woos International Buyers with One-Stop Solution for Mask Production

Taiwan will provide a one-stop service for mask manufacturing amid growing international demand for respirators as the COVID-19 rages worldwide.

Foreseeing the skyrocketing demand and related commercial opportunities, mask manufacturers have proposed incorporating various areas of expertise necessary for production into an all-inclusive package, said Tsai Yun-chung, director-general of the Ministry of Foreign Affairs' Department of International Cooperation and Economic Affairs.

The holistic approach involves exporting a production model that vertically integrates different nodes along the surgical mask supply chain. From non-woven fabric suppliers to



mask machine manufacturers, the service package promises to facilitate the export of Taiwan's mask manufacturing technologies.

The proposed "mini-factory" based on a standard 20 production lines will be able to produce 2 million surgical masks a day, and can be adjusted to manufacture N95 and R95 respirators, among other types of masks, Tsai said.

Taiwan's embassies and representative offices will help promote the service and find potential customers overseas, reported CNA.

*Taiwan News*

### Ant Financial-Backed Fund Invests in Singapore Fintech



Singapore-based fintech startup Wallex has announced the close of its series A funding round, led by Ant Financial-backed BACE Capital, SMDV and Skystar Capital, which invested an undisclosed amount, according to a press release on June 10.

Wallex is a B2B FX engine that allows customers to convert and pay in over 40 currencies, collect via virtual accounts, and hold funds in a wallet. The platform has recorded 20% monthly growth, according to the company.

"Wallex is setting its sights on providing future-ready services like virtual receivable accounts and multi-currency wallets. This funding will help us build out more robust capabilities for our SME customers to manage their cash flow and hedge their forex risk within a single platform," Jody Ong, CEO and co-founder, said in the announcement.

The funds raised will also be used to grow its reach in existing and new markets, particularly in Asia, where 52% of trade is within the region, the announcement said. It will also grow its teams and work on partnerships to further expand its business.

Wallex holds money transfer licenses in Singapore, Hong Kong and Indonesia.

*Finews.Asia*



## Investment & Joint Ventures in the Region

### Hong Kong government to take stake in Cathay Pacific

The Hong Kong government will take a stake in Cathay Pacific and increase its influence over the airline's board as part of a HK\$39bn (US\$5bn) rescue plan.

In what marks a rare direct purchase by the state of a shareholding in a private company in the Asian finance hub, authorities will contribute HK\$27.3bn to a bailout of the carrier in the form of a bridge loan, preference shares and warrants. Hong Kong's government will also be able to send two "observers" to board meetings and have access to information from management.

The move hands a lifeline to the carrier, which has suffered from months of disruption from the coronavirus crisis and last year's pro-democracy protests. The deal will hand the Hong Kong government a 6.1% stake but Swire Pacific will remain the controlling



shareholder, with its holding diluted from 45% to 42% after the recapitalisation. Air China's stake will fall from 29.9% to 28%. Qatar Airways, the third-biggest shareholder, will have its stake diluted from 9.9% to 9.3%.

"It strikes a suitable balance between continuing to allow Cathay Pacific to operate independently versus (the Hong Kong government) having some sort of surveillance, given the government has lent a lot of money to Cathay," said Paul Yong, analyst at DBS, of the rescue package.

The company said it had "explored available options" before

committing to the recapitalisation. Paul Chan, Hong Kong's financial secretary, said the city's government did not intend to be a long-term shareholder in the airline and would not "interfere" in its operation or management.

As part of the bailout, Hong Kong's government will give Cathay a HK\$7.8bn bridge loan that it can immediately draw down. The airline will also issue \$19.5bn in preference shares and warrants to the government, and launch a HK\$11.7bn rights issue to existing shareholders.

Luya You, an analyst at Bank of Communications International, said the move was unprecedented for the Hong Kong government.

"It is monumental because there has been no record of them giving this kind of money to airlines in the past," she said, adding that it reflected the importance of the carrier to Hong Kong's status as Asia's financial hub.

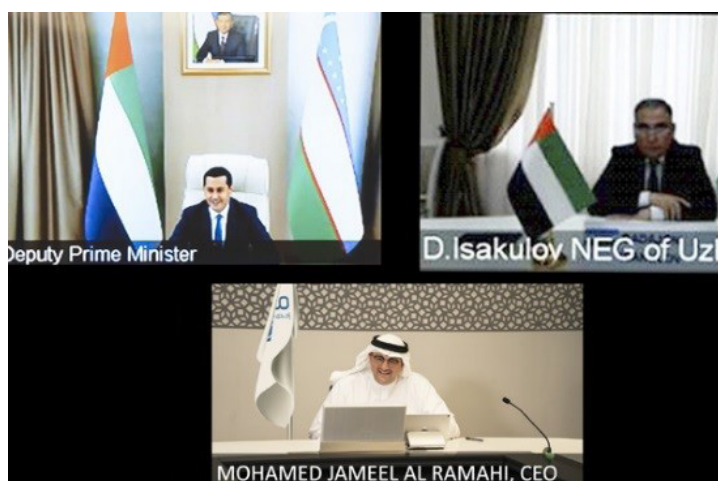
*Financial Times*

### UAE's Masdar Seals 500MW Wind Farm Project Deal in Uzbekistan



Abu Dhabi-based Masdar said it has signed an agreement with the Uzbekistan Ministry of Investments and Foreign Trade and JSC National Electric Grid of Uzbekistan to design, finance, build, and operate a 500-megawatt utility-scale wind farm project.

The Power Purchase Agreement (PPA) and Investment Agreement was signed during a virtual ceremony by Masdar CEO Mohamed Jameel Al Ramahi,



Uzbekistan's Deputy Prime Minister and Minister of Investments and Foreign Trade Sardor Umurzakov, and Chairman of JSC National Electric Grid Dadajon Isakulov.

Under the agreements, Masdar will develop, build and operate the wind farm project, which will be located in the Zarafshon district of the Navoi Region. Commercial operation is expected to be achieved in 2024.

Al Ramahi said Masdar was proud to be collaborating with the Uzbek Government on its second utility-scale clean energy project in the country. The 500MW wind farm supports Uzbekistan's long-term renewable energy ambitions and its strong commitment to not only modernise its power sector, but also invest in energy security, he noted.

*Trade Arabia News Service*

## Economic Cooperation News

### Vietnam Approves New Trade Deal with EU



Vietnam's parliament unanimously approved a free-trade agreement with the European Union that will scrap almost all tariffs on goods traded between the bloc and the Southeast Asian country.

The National Assembly's vote followed approval by the European Parliament in February. The agreement is expected to go into effect as early as July after all governments approve it, according to the website of the Vietnam Chamber of Commerce and Industry.

Vietnam will slash 99% of its import duties over 10 years and the EU will do the same over seven years under the pact. The agreement curbs non-tariff barriers and opens up public procurement.

Trade between the EU and Vietnam reached \$56.45 billion last year, according to the General Department of Vietnam Customs. Vietnam's 2019 exports to Europe were \$41.5 billion, accounting for 16% of the nation's

shipments that year.

Vietnam, whose economy depends on exports, has inked more than a dozen free-trade agreements in roughly the past two decades.

The trade agreement could increase Vietnam's gross domestic product by 2.4% and give exports a 12% boost by 2030, according to a World Bank report released in May. The deal will prompt more foreign companies to shift operations to Vietnam, according to a post on the chamber's website, which cited Minister of Industry and Trade Tran Tuan Anh.

Vietnam's legislature also passed an investment protection pact with the European Union.

*Bloomberg*

### Thailand to Consider Membership in Trans-Pacific Trade Partnership

Thailand has set up a committee to consider by mid-July whether the country should join a trans-Pacific free-trade agreement, as opposition parties and some business groups say membership could harm the farm and healthcare sectors.

Thailand's commerce ministry has said joining the 11-member Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) would boost the country's economy, helping to offset the impact of the coronavirus outbreak and make sectors including electronics and agriculture more competitive against rivals such as Vietnam and Malaysia, both CPTPP members.

The CPTPP was originally known as the Trans-Pacific Partnership (TPP), which fell apart when the United States withdrew in early 2017. Member countries, including Japan and Canada, signed the CPTPP deal in 2018 without the United States.

Thailand's lower house panel will look into membership of the trade pact within 30 days before presenting its



study to the government, committee chairman Werakorn Khumprakob told Reuters on June 11.

"The government wants to hear opinions from the lower house," Werakorn said. "So we will thoroughly look at advantages and disadvantages of membership before making a conclusion."

Membership will need parliamentary approval. Opposition parties and some business groups say tariff-free access to other CPTPP member countries could lead to a flood of agricultural and pharmaceutical imports from some of those countries and harm those industries in Thailand.

The committee will be open to opinions for or against membership of CPTPP - which also counts Australia, Chile and Singapore as members - including from non-government organisations and a joint standing committee on commerce, industry and banking, Werakorn said.

*Reuters*

### Taiwan, Sweden launch NT\$250 Million Initiative

Taiwan and Sweden will jointly invest about NT\$250 million (US\$8.45 million) in the form of grants to institutions in both countries supporting six proposals in the development of information communications, bio-engineering and materials science, Taiwan's Ministry of Science and Technology (MOST) said on June 18.

In a statement, the ministry said the grants for the six joint proposals will be the first example of tech cooperation between Taiwan and Sweden under a memorandum of understanding (MOU) signed by the ministry and the Swedish Foundation for Strategic Research (SSF) in August 2019.

After the MOU, the ministry and SSF received applications for grants for 49 proposals from the two countries and approved six, the ministry said.

The six projects also mark the first large-scale cross-border cooperation between the two countries with the SSF expected to invest about NT\$200 million over the next five years and MOST to cover the remaining NT\$50 million.

MOST said the funding from the



## Economic Cooperation News



ministry is expected to encourage more Taiwanese talent to become involved in scientific research.

According to the ministry, the six joint proposals focus on a wide range

of areas such as solid-state anode-less lithium battery initiatives, antenna technologies for beyond-5G wireless communications, highly scalable CMOS (Complementary Metal-Oxide-

Semiconductor)-integrated nanopore biomolecule sensors, and a chip-size accelerator for material research and health.

The first cooperation under the MOU will be hosted by prominent research institutions from both sides, MOST said.

They are Taiwan's National Taiwan University, National Tsing Hua University, National Chiao Tung University, National Cheng Kung University, National Taiwan University of Science and Technology and National Central University and Sweden's Uppsala University, Chalmers University of Technology, the KTH-Royal Institute of Technology and Linköping University, the ministry added.

*Focus Taiwan*

### China-Brunei Joint Venture Delivers First Supply of Refined Fuel Products



Hengyi Industries Sdn Bhd, a China-Brunei joint venture, delivered its first supply of transportation fuels from Hengyi to its Brunei selling partner on May 18, marking the start of its supply of refined fuel products to Brunei's domestic market.

Three Brunei cabinet ministers including Minister at the Prime Minister's Office and Second Minister of Finance and Economy Haji Mohd Amin Liew, Minister of Development Haji Suhaimi and Minister of Energy Haji Mat Suny and Chinese Ambassador to Brunei Yu Hong attended a ribbon-cutting ceremony to

officialiate Hengyi's first supply of refined fuels (gasoline, diesel and jet fuel).

As part of Hengyi's commercial agreement with Brunei Shell Marketing (BSM) Company Sdn Bhd signed in September 2019, Hengyi will supply refined fuel products to BSM for domestic market distribution, which signifies a new milestone for the country's downstream industry with the extension of the domestic oil and gas value chain.

The refinery is also expected to reduce Brunei's dependency on imported fuel products while also generating products for export.

Chen Liancai, chief executive officer of Hengyi Industries said that Brunei's Sultan Haji Hassanal Bolkiah has called to hasten economic growth and realize Brunei Vision 2035, including through the materialization of foreign direct investment (FDI) projects within the nation.

"The local manufacture of a range of fuel products by Hengyi, one of the largest FDI companies in Brunei, contributes to the development and diversification of the nation's downstream energy sectors while supporting Brunei's national self-sufficiency," Chen told Xinhua.

Hengyi Industries is a joint venture between China's Zhejiang Hengyi Group and Damai Holdings, a wholly-owned subsidiary under the Brunei government's Strategic Development Capital Fund, owning 70% and 30% of the shares respectively.

With the help of its oil refinery and petrochemical project at Pulau Muara Besar (PMB), a 955-hectare industrial park on an island at the Brunei Bay, Hengyi will be supplying a total of 427,509 barrels of refined fuel products to BSM to meet the monthly domestic demand for petroleum products.

According to Chen, Hengyi's oil refinery and petrochemical project at PMB also opens up employment and business opportunities to local workers and businesses.

Since the start of its operations, Hengyi has directly employed hundreds of locals and this number is expected to increase further. Several more indirect employment opportunities have also been generated through various contractors and local service providers, he said.

*Xinhua*



## Economic Cooperation News

### Azerbaijan-Turkey Mutual Visa Exemption May Be A Boon for Tourism and Investments



*Azerbaijan's President Ilham Aliyev (left) shakes hands with Turkish President Recep Tayyip Erdogan*

The governments of Azerbaijan and Turkey have announced a mutual visa exemption for citizens, a development expected to boost tourism exchange and investment flows between the two countries.

The statement published to the Official Gazette of Republic of Turkey on

June 4 read that the agreement allows citizens of both countries to stay in each other's territory for 90 days, increasing the period from 30 days.

"Citizens of both sides holding a valid passport shall be exempted from visa requirements for 90 days in order to enter, transit, exit and stay temporarily in the territory," explained the statement, adding those who may want to stay over 90 days should apply for a residence permit.

The new document ratifies the agreement on the mutual visa exemption that was signed during Turkish President Recep Tayyip Erdogan's official one-day working visit to Azerbaijan. The deal replaces the old agreement on the mutual visa application that was signed in 2003 and serves to strengthen the friendly relations and cooperation between the two countries and facilitate travel opportunities for the citizens of both countries.

Previously, Turkish passport holders had to apply for a visa before traveling to Azerbaijan until September 1, 2019, when the government of

Azerbaijan canceled the visa regime for the citizens of Turkey. Ankara has unilaterally adopted the same privilege for Azerbaijani citizens in 2007.

Turkey's ambassador to Azerbaijan, Erkan Ozoral said the new visa exemption will make travel between the two neighboring countries easier. Meanwhile, member of the Azerbaijani parliament, Tahir Mirkishili believes that the mutual exemption of visa will pave the way for increasing mutual investments given that fact that Turkey is one of the largest actors both in Azerbaijan's foreign trade turnover and exports.

President Erdogan's administration plans to increase the foreign trade volume with Azerbaijan to \$15 billion by 2023. In 2019, the same volume increased by 25% to reach \$4.4 billion. Turkey has so far invested about \$11 billion in Azerbaijan's economy, while Azerbaijan's investments in Turkey is expected to hit \$20 billion by the end of 2020.

*Caspian News*

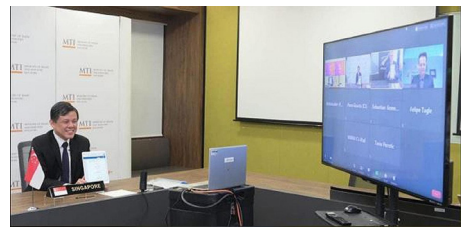
### Singapore, Chile, New Zealand Ink Deal to Boost Digital Economy Cooperation

Singapore, Chile and New Zealand have signed an agreement that will bolster cooperation on issues in the digital economy.

Following the June 12 signing, which was done electronically, Singapore Trade and Industry Minister Chan Chun Sing said that local businesses will find it easier to conduct trade activity digitally, which will improve efficiency and lower costs.

His counterparts were New Zealand Trade and Export Growth Minister David Parker and Chile's Minister of Foreign Affairs, Teodoro Ribera Neumann.

Negotiations for the Digital Economy Partnership Agreement (Depa), as it is called, began in May last



*Singapore Trade and Industry Minister Chan Chun Sing during the June 12 video call with his New Zealand and Chilean counterparts*

year. It is the first digital economy pact Singapore has signed and is also its first international treaty to be electronically inked, noted Chan.

Such agreements aim to set up clear and harmonised international rules and allow free data flow with appropriate safeguards. One of the aims of the agreement is to have various systems in the three countries operate seamlessly together to improve trade flows.

One initiative already taking

shape involves Singapore working with New Zealand on a system that will include the exchange of e-certificates for animal products, such as meat and meat products, said Singapore's Ministry of Trade and Industry, Ministry of Communications and Information, and the Infocomm Media Development Authority in a joint statement.

Chan said signing the agreement electronically also signifies Singapore's commitment to overcome geographical limitations and maintain trade and business activities, despite the Covid-19 pandemic.

He added that the outbreak has greatly accelerated the pace of digital transformation globally, so as more businesses carry out their activities in the digital sphere, pacts such as the Depa will be even more critical in facilitating trade.

Singapore also started talks on a similar agreement with Australia last October.

*Straits Times*

### First Taiwan-developed Coronavirus Antibody Test Approved



A domestically-developed antibody test for COVID-19 has been approved by the Taiwanese authorities. The first test of its kind in Taiwan, it helps

paint a clearer picture of herd immunity status and contributes to better disease control. According to the Taiwan Food and Drug Administration (FDA), the test kit manufactured by Excelsior Bio-System Incorporation (EBS) can detect antibodies in blood samples in just 10 to 15 minutes, with an accuracy rate exceeding 90%, wrote CNA.

An individual with coronavirus will test positive using the method after contracting the disease for seven to 10 days, said the company. However, more tests are needed for better diagnosis as the mechanism may not work for people during early-stage infections, FDA cautioned.

A collaboration between the

biotech company and the National Taiwan University Hospital (NTUH), the screening tool is significant in that it can pinpoint asymptomatic patients who have generated antibodies to COVID-19 but have never exhibited symptoms. This serves to provide insight into community transmissions for the authorities, so they can effectively adjust disease prevention measures and for further epidemiology research.

The test kit is now ready to enter mass production, with monthly manufacturing capacity expected to reach 400,000 in August, said the company. It's eyeing export orders while meeting domestic demand.

*Taiwan News*

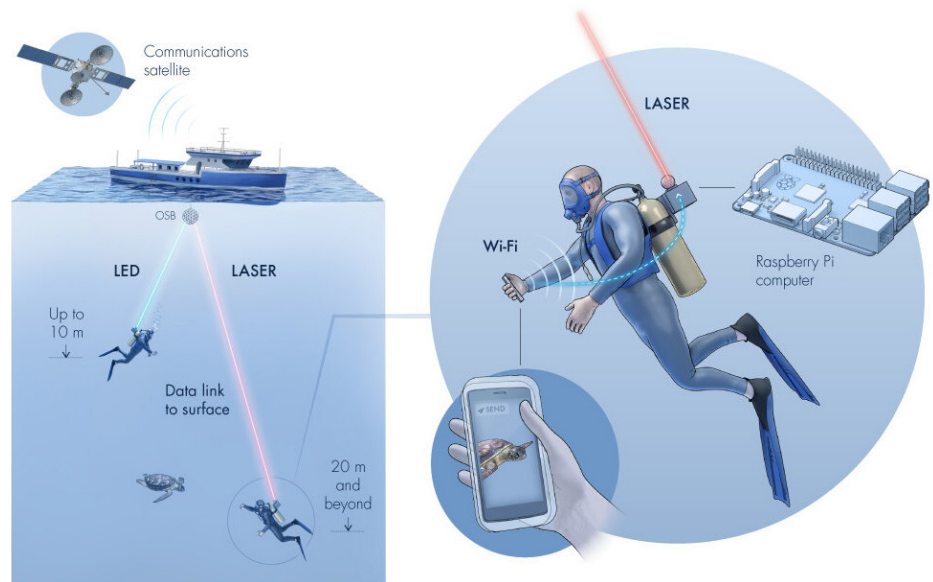
### Aqua-Fi could bring Wi-Fi-like Tech to the Underwater World

Radio waves travel poorly through the water, which makes it difficult for divers or submersibles to wirelessly transmit information to the surface. Scientists are trying to change that, though, by developing an underwater version of Wi-Fi.

In 2018, researchers at Saudi Arabia's King Abdullah University of Science and Technology (KAUST) had used lasers to transmit HD video through water. Their experimental new system, known as Aqua-Fi, builds on that technology.

A user such as a scuba diver would start by sending data such as photos or videos from a smartphone contained in a watertight housing. That data would initially be transmitted in the form of radio waves, going just a few feet to a small device mounted on the diver's air tanks.

A microcomputer in that device would then convert the data into a series of ultra-rapid light pulses, each pulse representing either a 1 or a 0 in binary code. Those pulses would subsequently be emitted towards the surface, using either an integrated 520-nanometer laser or an array of green LEDs – the



LEDs could send the data relatively short distances using little power, while the laser could send it farther but would use more power to do so.

Upon reaching the surface, the light pulses would be received by a photodetector on the underside of a ship, then converted back into the original photos or videos by a connected computer. From there, the files could be uploaded onto the internet via satellite. So far, the Aqua-Fi system has been used to upload and download multimedia between two computers placed a few meters apart in still water. Before it can

enter real-world use, though, it will have to be adapted to meet challenges such as the light-scattering effect of swiftly moving water – doing so may involve utilizing a spherical receiver, that could detect light pulses coming in from all directions.

"We have created a relatively cheap and flexible way to connect underwater environments to the global internet," says the lead scientist, Assoc. Prof. Basem Shihada. "We hope that one day, Aqua-Fi will be as widely used underwater as Wi-Fi is above water."

*New Atlas*



## Innovation under COVID-19



*The device checks Liu Jen-sen's temperature in front of the Electrical Engineering II building at National Taiwan University  
(Han Cheung, Taipei Times)*

While engineering professor Liu Jen-sen manually took the temperature of hundreds of students entering the building, he was sure there was a more efficient way to complete the annoying task.

With hundreds of students entering National Taiwan University's (NTU) Electrical Engineering Building every period, the exercise put faculty in close proximity with visitors when social distancing was crucial to fighting the COVID-19 pandemic.

Liu immediately had a eureka moment, headed to his basement workshop and cobbled together a prototype for Prevention No 1, an automated temperature measuring station.

The device Prevention No 1, an automated temperature measuring stand, checks Liu Jen-sen's temperature in front of the Electrical Engineering II building at National Taiwan University. Liu, an engineering professor at the school, invented the contraption. With infrared thermal camera systems costing up to NT\$500,000, Liu's was a steal at NT\$6,000.

Prevention No 1 is now used across campus and in other institutions. The latest version at NTU's main entrances, which costs about NT\$12,000, can even scan visitor's ID cards and transmit the information to a central database.

Liu is one of several Taiwanese who have gained attention for their inventions to battle the COVID-19 pandemic. Liu had planned to keep Prevention No 1 for campus use only, but his department head Wu Chung-chih and college dean Chang Yao-wen convinced him to publicize the blueprints and hold a press conference to promote them.

Since then, public institutions and private companies have built their own versions of the apparatus, and a group of NTU alumni subsidized the construction of close to 80 devices for others in need.

Liu also considered doing

something with no-touch elevator buttons when the pandemic hit, but temperature monitoring was more urgent. Liu says that in addition to the cost, infrared thermal cameras are easily affected by the environment and require someone to monitor them constantly.

The first version was not automatic. Users stepped on a button, which activated the thermometer gun. He automated the device by affixing the gun to an infrared sensor — the kind found on auto-flush toilets — and adding a battery pack.

The process from concept to creation took just two weeks, and upon installation, it significantly reduced queuing times. The ID-scanner function was developed by the NTU Maker Club, which continues to tinker with the device to bolster its capabilities.

Liu hopes to release Prevention No 2, which, in addition to yet-to-be-revealed upgrades, will look more like a product instead of a makeshift contraption.

"I don't know exactly how many places are using the device," Liu says. "But whenever someone manages to build one and shares their results with us, it makes me very happy."

*Taipei Times*



*An upgraded version of Prevention No 1 at National Taiwan University's Xinhai Rd entrance scans each visitor's ID card and takes their temperature.  
(Han Cheung, Taipei Times)*



## Policy Updates

### Australia

#### Australia to Restart Flights to New Zealand

Canberra Airport opened a register for travelers interested in flying from the Australian capital to New Zealand on July 1 in a proposed resumption of international travel.

The proposal to restart flights connecting the two capitals was under discussion between the two governments as well as Qantas and Air New Zealand, Canberra Airport Managing Director Stephen Byron said on June 4.

Under the proposal, the flights between Canberra and Wellington would not require quarantine of passengers. Canberra Airport opened its register of interest for the first flight on July 1 and 140 names were added within the first hour.

"There's very strong demand for these flights which supports the commercial proposition, but it also underlines the social importance of starting these flights as soon as the health authorities deem it safe to do so," Byron told The Associated Press.

"We do think that the time is right now for government to set a date and for the parties to work together to deliver the service on that date," Byron added.

Return flights would leave Wellington and Canberra on the first morning that flights were allowed, he said. "We have to be safe, there's no doubt, but the number of infections on both sides is very low. It is crucial that this is just a trial ... and we've chosen the two most COVID-safe cities in the world, almost," he said.

New Zealand currently has no active COVID-19 cases. However, it remains likely that the country will import new cases once it reopens its borders, and officials say their aim remains to stamp out new infections as they arise.

*New York Times*

### Cambodia

#### Cambodia to phase out US dollar denominations

Cambodia will soon not accept smaller denominated US dollar banknotes — US\$1, US\$2 and US\$5 — due to low demand.

The National Bank of Cambodia (NBC) said it was considering not accepting them from banks and microfinance institutions (MFIs) which it said were flooding its stockpiles. "We will give banks (and MFIs) three months starting June 1 until Aug 31 to take all those notes to the NBC for transport abroad without a service fee. Financial institutions will be charged if they take the notes to the NBC after the deadline.

Phnom Penh Commercial Bank president Shin Chang-moo told The Phnom Penh Post that the move would contribute to the promotion of local currency. "I expect, in the longer term, the use of Khmer riel (KHR) will increase to a great extent. We are already observing equivalent KHR notes quickly replacing the US\$1 and US\$5 notes, which are usually old and in a worn condition, often creating disputes about acceptance."

The Centre for Policy Studies (CPS) director Chan Sophal said the NBC's move is part of the "de-dollarisation" goal. "There is no sense in keeping lots of dollar notes at the expense of monetary policy which can be used at a time of crisis like now. As the Cambodian economy gets bigger, the loss of monetary instruments to affect the economy becomes quite costly.

"De-dollarisation should not be done overnight, as an autonomous monetary policy has to match the central bank's competency. But it has to start with some practical steps."

According to NBC's 2019 annual report, the share of riel in circulation in the Kingdom grew by 33% year on year by last year's end as deposits in riel increased by 37%. The report also noted a steady rise in demand for the local currency, with the dollar deposit ratio

dropping by 2% last year.

*New Straits Times*

### Georgia

#### Georgian parliament adopts energy efficiency legislation

The Georgian parliament has adopted legislation on energy efficiency and energy performance of buildings, bringing the country closer to EU standards.

The legislation aims to reduce emissions and pollution, improve the energy efficiency of buildings, as well as decrease energy imports and bolster the country's energy security.

The Ambassador of the European Union to Georgia, Carl Hartzell, now hopes to see the Georgian government's "rapid follow-up."

The European Union, the United Nations Development Programme (UNDP) and the Energy Community are helping Georgia "refine its climate and energy policy, ensuring that legislation works to reduce emissions."

The organizations note that while the battle against COVID-19 is "at the top of the policy agenda", they say the "measures to fight climate change should not be forgotten in the pandemic."

Welcoming the adoption of the legislation on May 21, Economy Minister Natia Turnava said Georgia has been carrying out rapid reforms to turn its energy sector into a European-styled green energy sector.

*Agenda.ge*

### India

#### India restricts imports of tires to boost domestic manufacturing

The government has restricted imports of tires used for cars, buses, lorries and motorcycles, including radial and tubeless, in a move aimed at curbing imports and boosting domestic companies.

## Policy Updates

In all the categories, imports have been restricted and will need permission. So, even after paying the customs duty, imports are not freely allowed from other countries. The rules were notified by an amendment in the import policy of pneumatic tires by the Directorate General of Foreign Trade (DGFT) under the Union Commerce Ministry.

Any goods under the restricted category means an importer would require a license or permission from the DGFT for imports. Given the procedures and permissions, these measures have the effect to dissuade imports.

Before the new policy, imports of tires were allowed without any restrictions. Indian tire manufacturers have been demanding restrictions on imports from China and other destinations.

The government recently pitched for 'Aatmanirbhar Bharat' pitch and coined the 'Go Vocal for Local' slogan in a bid to make India self-sufficient in the post COVID phase.

The restrictions are on imports of tires used in station wagons, racing cars, scooters, multi-cellular polyurethane tubeless tires, and bicycles. Imports of these tires were worth \$260.72 million in

April-February 2019-20 as against \$330.72 million in the same period in 2018-19.

With demand slumping during the lockdown due to the COVID-19 pandemic, domestic companies are seeking measures to boost manufacturing which will also enhance employment opportunities.

*Business Insider*

### Indonesia

#### Indonesia planning 10% tax on foreign digital services

Indonesia will slap a 10% value-added tax on the digital offerings of foreign companies from July 1, the finance ministry said — a levy that could

apply to internet giants such as Spotify and Netflix.

Products and services including video games, music and movie streaming could be subject to the levy, the government said.

"The tax for foreign digital products is a part of the government's effort to create a level playing field for all businesses," the tax directorate said in a statement. The move was also aimed at boosting public revenue to help mitigate the impact of COVID-19 on Southeast Asia's biggest economy, it added.

Indonesia's fast-growing Internet economy was valued at US\$40 billion in 2019 - a figure estimated to more than triple by 2025 - according to a study by Google and Singapore sovereign investment fund Temasek.

Tech companies often pay little tax in countries where they are not physically present. International efforts have dragged on to find a new model for taxing revenues earned via online sales and advertising, but Washington said targeted taxes single out U.S. companies such as Google, Apple, Facebook, Amazon and Netflix.

In response to a levy on revenues earned by tech companies in France, Washington threatened retaliatory duties of up to 100% on French imports such as champagne and camembert cheese.

*AFP*

### Japan

#### Japan plans to let in 250 foreigners daily under eased travel curbs

Japan plans to ease its coronavirus travel restrictions by letting in up to around 250 foreign travelers per day from Australia, New Zealand, Thailand and Vietnam, government sources said on June 11.

The quota, which Japan aims to introduce this summer, will initially apply to businesspeople, the sources said, adding that the government task

force on the virus response is expected to finalize the plan soon.

Japan currently has an entry ban in place for 111 countries and regions, with foreign travelers who have been to any of these areas within the last two weeks being turned away.

"We will continue to carefully consider ways to partially resume (international travel) in steps, while taking care to prevent infections from spreading," Prime Minister Shinzo Abe told a parliamentary committee.

Foreign travelers who come to Japan under the quota will be required to hand in negative results from a polymerase chain reaction, or PCR, test taken before their departure and take another test when they land in Japan.

They will also need to submit an itinerary detailing the hotel they are staying at and places they intend to visit and refrain from using public transportation, the sources said. They may be asked to keep GPS data on their smartphone to make it easier to conduct contact tracing in the event they are found to be infected.

Businesspeople such as executives and engineers will be given priority, with students and then tourists set to follow later, the sources said.

The government is also considering setting up stations to conduct PCR tests on people leaving Japan, as some countries have begun opening their borders to those that provide negative results, the sources said.

According to the Foreign Ministry, 181 countries and regions have imposed travel restrictions of some kind on Japan, including Australia, New Zealand, Thailand and Vietnam. The easing of travel restrictions is expected to be mutual, and discussions are being held with these countries on how to do so without risking the spread of COVID-19. Details such as how many from each country will be let in, and how freely they will be allowed to move once at their destination, are still being worked out.

Japan chose the four countries for the scheme because they have the

## Policy Updates

outbreak under control, and due to their strong economic ties with Japan, the sources said.

Depending on the situation, the government will expand the list later to other countries, including China, South Korea and the United States.

*Kyodo*

### Nepal

#### Nepal extends flight suspension until July 5

The Civil Aviation Authority of Nepal (CAAN) issued a statement on June 14, saying the suspension period of all domestic and international commercial passenger flights has been extended till July 5.

“Special permission from CAAN is required for repatriation flights, rescue flights, freighter flights and flights related to the medical and other essential supplies,” the statement read.

All flights except special charter flights have been suspended in the Nepali sky since the enforcement of a lockdown in the country on March 24. Though the country has relaxed the lockdown and allowed certain services to operate, the suspension on air service continues.

The Himalayan country plans to ease the lockdown in three phases. In the first phase, shops have been allowed to open and private vehicles for short distances have started operating from June 11.

The first phase will last for 21 days, followed by the second and third phases that will last for 15 days each. After assessing risks, private offices, large industries, shopping centers and malls, among others, will be gradually opened.

*Xinhua*

### New Zealand

#### New Zealand government reveals new cap, emissions budget, in ETS reform

The New Zealand Government has announced a raft of fresh reforms to one of New Zealand’s key policy levers to fight climate change.

Changes to the Emissions Trading Scheme (ETS) will set a new cap of 160 million tonnes of CO<sub>2</sub>-equivalent greenhouse gases over 2021 to 2025, along with a provisional emission budget for the same period of 354 million tonnes.

The ETS works by requiring companies in the scheme to match each unit of emissions they report with an allowance, or credits, they must pay to the Government. People who plant forests, meanwhile, can report the carbon dioxide they take out of the air and claim credits, which they can sell, thus creating a trading market and an incentive to lower emissions.

Other changes include price controls that will act as a backstop when auctioning is introduced, designed to stop prices going too low or too high. The Government will also extend participants’ access to the fixed price option – which acts as the scheme’s de-facto price ceiling – to cover 2020 emissions.

At the same time, however, the Government has opted to push back implementing major forestry policies to 2023, along with delaying bringing in penalties for smaller foresters. Climate Change Minister James Shaw said the announced reforms would give businesses and foresters the certainty they’d been asking for.

He has also asked the recently-formed Climate Change Commission to provide advice on whether the commitments New Zealand made under the Paris Agreement are ambitious enough to meet the UN’s aspirational target of limiting warming to 1.5C above pre-industrial levels.

Those pledged to slash New Zealand’s emissions by 30 per cent below 2005 levels, and 11 per cent below 1990 levels, by 2030.

*New Zealand Herald*

### Pakistan

#### Pakistan to allow Afghan exports but with new conditions

After three months, Pakistan has opened its routes for Afghan goods which can be sold in Pakistan or be transferred on to India, but with some new restrictions, according to an official from the Ministry of Industry and Commerce.

Pakistani officials have said they will allow only 100 trucks a day, less than the past, and these goods will be transferred in Pakistani vehicles that first bring goods from Pakistan to Afghanistan. According to the ministry, at least 500 trucks entered Pakistan from Afghanistan on a daily basis before the lockdown.

“Pakistan has offered us two options,” said Jawad Dabir, head of media at the Ministry of Industry and Commerce. “One of these options is that the vehicles that bring Pakistani goods to Afghanistan will transport Afghan exports (to Pakistan).”

Afghan entrepreneurs said that by offering such options, Pakistan wants to reduce the Afghan exports to Pakistan and those through Pakistan to India.

“Pakistan should apply the same policy, as it was ahead of the lockdown in which there was no limitations on Afghan exports,” said Sardar Mohammad, an Afghan trader. “Such limitations will create big problems for our exports.”

A member of the Commerce and Industries Chamber, Mohammad Yunus Mohmand, said the conditions applied by Pakistan are in contravention of the international laws, and that the government should try to implement these laws.

“We have been assured that Pakistan’s routes will be fully opened,” said Mohmand.

*Tolo News*



## Policy Updates

### Taiwan

#### Taiwan expects to resume pork exports

Taiwan would resume fresh pork exports in the second half of this year if the World Organisation for Animal Health (OIE) declares it a foot-and-mouth disease (FMD)- free country where vaccination is not practiced, the Council of Agriculture (COA) said on June 8.

After passing various tests and verification, the nation expects to receive notification from the OIE of its FMD-free without vaccination status in the middle of this month, the council said.

That would make Taiwan one of only two Asian countries other than Japan with that status, it said.

This also means it could start exporting fresh pork as early as the second half of this year, with Singapore expected to be the first market, COA Minister Chen Chi-chung has said. Taiwan currently exports only certain processed pork products to a handful of nations.

A major outbreak of FMD in 1997 dealt a huge blow to Taiwan's pork industry, costing it export orders of NT\$60 billion (US\$2 billion) a year.

The biggest animal epidemic in the nation's agricultural history led to the culling of 4 million pigs and prompted it to start a vaccination program.

Taiwan started a program to terminate FMD inoculation on July 1, 2018, and after a full year of no infections reported, it applied in July last year to the OIE for FMD-free status. It then submitted an application to the OIE later last year for recognition as an FMD-free country where vaccination is not practiced.

The OIE is likely to formally notify Taiwan later this month after completing all required procedures, the council said.

Taiwan's pig farming industry had an output value of NT\$70.9 billion last year, council data showed.

*Taipei Times*

### Thailand

#### Thailand allows laborers to return to offshore jobs

The government of Thailand has allowed thousands of its citizens to return to work overseas as the coronavirus disease-2019 (COVID-19) subsided in some countries.

The Bangkok Post reported that Thailand's Department of Employment gave its go-signal for some 50,000 laborers to work in Taiwan, South Korea, Japan, Malaysia, Singapore, and Israel. Of the total, about 20,120 workers will be sent to Taiwan while 3,818 will be exported to Japan.

"The ministry made a decision based on the health of workers. Taiwan has not had COVID-19 cases for a long while and it has respected preventive measures," Labor Minister MR Chatu Mongkol was quoted as saying.

The minister said that Thai workers arriving in Taiwan will face a mandatory two-week quarantine to ensure that the virus outbreak will be kept at bay. They will be allowed to work for a two-year contract once clear proven clear from the virus.

Meanwhile, about 6,412 are expected to work in South Korea, 2,448 in Malaysia, 2,934 in Singapore, and 2,840 in Israel.

There are currently 128,102 Thai migrant laborers still in Taiwan, while the second major group is in the Middle East—mainly Israel. A large number of Thai nationals are also working in Europe and the African continent, particularly South Africa.

According to the Bangkok Post, Thai migrant workers generate worth 140 billion baht in revenues for the country.

*ASEAN Economist*

### Vietnam

#### Vietnam Finance ministry proposes 30% jet fuel tax cut

The Ministry of Finance of Vietnam has proposed to cut environmental protection tax on jet fuel by 30% from VNĐ3,000 to VNĐ2,100 per litre.

The reduction is expected to help remove difficulties for the aviation industry due to the serious impact of the COVID-19 pandemic.

The proposal is part of the National Assembly Standing Committee's draft resolution on environmental protection tax on jet fuel, which has been sent to gather ideas and contributions from ministries and sectors.

The ministry calculated that with such a reduction, the State budget revenue will fall VNĐ87.33 billion (US\$3.8 million) per month. However, the cut will help air transport businesses ease the financial burden and maintain business operations as the COVID-19 pandemic is still serious and unpredictable worldwide.

The finance ministry had asked ministries, sectors, localities and agencies to send their comments by June 10, 2020. This resolution is expected to be effective until the end of this year.

Vietnam has initially controlled the pandemic; however, the disease continues to cause issues around the world. Restrictions on travel as well as interrupted production and business activities have made the aviation industry one of the most affected sectors. According to the assessment of the Civil Aviation Authority of Vietnam, if the pandemic is controlled this month, the 2020 transportation market will reach only 61.2 million visitors, down 22.6% year-on-year.

Of the figure, Vietnamese airlines are estimated to carry 10.4 million foreign visitors and 35.3 million domestic visitors, down 41.2% and 5.5%, respectively.

*VietnamNews*

# Webinars

DATE AND TIME 2020	NAME OF ONLINE EVENT	REGISTRATION DETAILS
1 July 10:00 AM Singapore Time	<b>FS-ISAC ASEAN Regional Briefing (Virtual)</b> Financial Services Information Sharing and Analysis Center (FS-ISAC) Email: <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a>	Free for FS-ISAC members and invited guests. <a href="#">Register Here.</a>  Interested parties that are not a financial institution or FS-ISAC member, please contact <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a> .
1 July 6:00 - 7:00 PM Singapore Time	<b>Wellbeing in SMEs: A New Normal?</b> Brunel University London	<a href="#">Register Here</a>
1 July 11:30 AM - 1:00 PM Singapore Time	<b>Resilience of Australian Businesses in Challenging Times</b> Love It Local Australia	<a href="#">Register Here</a>
2 July 6:00 - 7:00 PM Singapore Time	<b>How can the hospitality &amp; leisure sectors prepare for recovery?</b> SEMLEP's Growth Hub	<a href="#">Register Here</a>
7 July 10:00 - 11:00 AM Singapore Time	<b>Hong Kong Market Insights &amp; Opportunities</b> Export Connect	<a href="#">Register Here</a>
7 July 9:00 - 10:30 PM Singapore Time	<b>Women's Breakfast: The Impact of COVID-19 on Women-Owned Businesses</b> Lower Manhattan HQ (LMHQ)	<a href="#">Register Here</a>
9 July 12:00 PM Singapore Time	<b>FS-ISAC ASIA PACIFIC - July Business Resilience Call</b> Financial Services Information Sharing and Analysis Center (FS-ISAC) Email: <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a>	Free for FS-ISAC members and invited guests. <a href="#">Register Here.</a>  Interested parties that are not a financial institution or FS-ISAC member, please contact <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a> .
14 July 5:00 - 6:30 PM Singapore Time	<b>Sharing Cities' Smart City Solutions – Webinar Series: Building retrofit</b> Eurocities Email: <a href="mailto:manon.ghislain@eurocities.eu">manon.ghislain@eurocities.eu</a>	<a href="#">Register Here</a>
21 July 12:00 PM Singapore Time	<b>FS-ISAC APAC All Membership Regional Briefing</b> Financial Services Information Sharing and Analysis Center (FS-ISAC) Email: <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a>	Free for FS-ISAC members and invited guests. <a href="#">Register Here.</a>  Interested parties that are not a financial institution or FS-ISAC member, please contact <a href="mailto:workshops@fsisac.com">workshops@fsisac.com</a> .

Published monthly by the Secretariat, Confederation of Asia-Pacific Chambers of Commerce and Industry  
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