



### New Year's Message from the President



As we leave behind 2020 with its unprecedented difficulties brought about by the Covid-19 pandemic, and enter 2021, I hope that, despite the uncertainties that are expected to still prevail during the incoming year, we will all keep our resolve to serve our respective communities and remain relevant and of value to them.

With 2021 referred to as the Year of the Ox under the Chinese calendar, let us all make an effort to imbibe the enviable character of the animal. Powerful and balanced and able to carry heavy loads, the Ox always manages to find the energy to get back on its feet, even when going through difficult times. Like the Ox, let us all try to have the tenacity and perseverance to climb mountains and to protect ourselves and those around us from the fiercest weather

conditions.

I wish to assure members that CACCI will endeavour to help you, in whatever way it can, in your efforts to adapt to and meet the various challenges we continue to face in 2021, and to identify the reforms needed to drive our Confederation – and our members - in our ongoing transformation towards a stronger, more resilient post-COVID-19 business environment.

May you all have a productive and re-energized year ahead!

SAMIR MODI  
President

#### In this Issue:

- |   |   |   |    |
|---|---|---|----|
| • Chinese New Years Greeting Card .....   | 2 | • CACCI Lifetime Special Member Donates Company Products to South Asian Residents in Hong Kong .. | 5  |
| • CACCI Endorses CoNGO Statement on NGO Access to the UN .....                      | 2 | • Former CACCI Presidnet Jemal Inishvili to Join ICC WCF Chair's Circle .....                     | 5  |
| • CACCI to Join CoNGO's Newly-Created NGO Committee on Language and Languages ..... | 3 | • News Updates .....  | 6  |
| • Steering Committee for CACCI Study on World Tradng System Formed .....            | 3 | • Member Personalities .....  | 14 |
| • Donations Sought for the CACCI Study on World Trading System .....                | 4 | • Special Features .....  | 16 |
| • CACCI Officers Touch Base with Slovak Blockchain Company DECENT .....             | 4 | • Product & Service Councils .....  | 18 |
|   |   | • Investment & Joint Ventures in the Region .....   | 22 |
|   |   | • Economic Cooperation News .....   | 25 |
|   |   | • Technology .....  | 28 |
|   |   | • Policy Updates .....  | 30 |



## CACCI Endorses CoNGO Statement on NGO Access to the UN



According to the CoNGO Statement, facilitating and enhancing the participation of NGOs in the United Nations System is central to the mission of CoNGO. Working to ensure that NGOs have adequate and regular access to UN meetings, conferences, special events and documentation has been a prime CoNGO function throughout its 72 years of existence. NGO access to and at the UN is a major channel through which NGOs assert their voice and exercise their agency throughout the UN System, contributing their expertise, commitment, energy, and substantive input to policy-making processes. CoNGO has constantly striven to ensure and defend the free exchange of ideas among all parties at the United Nations, including in relation to UN Summits and Conventions.

The Statement stressed that the current coronavirus disease pandemic restrictions are a serious, though unavoidable, handicap to regular NGO contacts with UN officials and government delegates. The recent lessons learned concerning obstacles in communication, as well as the enhanced use of technology to communicate at a distance, must be applied in the



future, when the pandemic is over. Current pandemic restrictions are not however an excuse for countermanding standing rules, nor for creating new impediments to UN access.

CoNGO said it is unacceptable when governments endeavour to roll back NGO and civil society participation rights and opportunities. Governments must be aware that they have an ongoing duty to protect civil society rights, which are citizens' rights. CoNGO will continue to play a role in sharing information on roll-back practices and ongoing attempts to shrink civil society space. The COVID-19 situation is unpredictable. There is a real need for better sharing of information on UN COVID-19 regulations, restrictions and requirements, and more broadly on the full field of NGO accreditation, access and participation.

## CACCI to Join CoNGO's Newly-Created NGO Committee on Language and Languages

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) has expressed interest to join as one of the inaugural and constituting members of the proposed “NGO Committee on Language and Languages” being organized by the Conference of NGOs in Consultative Status with the United Nations (CoNGO).

According to CoNGO: “Fundamental to the work of the United Nations is the spoken and written word. The United Nations is a place of negotiation and action in which language and communication underlie everything that it does. The UN Secretariat works in two languages; the General Assembly works in six; the various members of the UN family have their own language policies, intended to promote inclusion. Beyond its official languages, the United Nations interacts with the public in a host of other languages. “We need to come together,” Secretary-General Guterres recently declared, “not only to talk but to listen.” Multilingualism is honoured and encouraged in the work of the United Nations.

“Written into many international instruments created or promoted by the United Nations is the principle of non-discrimination on the basis of language. The Universal Declaration



of Human Rights stresses access to education, a right to enjoy one's own culture, a right to a fair trial, and numerous other rights that are dependent on language.

“There is currently no NGO committee that concerns itself with language and language policy, despite the fact that all

international NGOs must grapple, to a greater or lesser extent, with language difference. And there are numerous NGOs directly concerned with the teaching of language, with interpretation and translation, and with communication with the public.

“An NGO Committee on Language and Languages could give its attention to UN language policy, to the work of interpreters and translators, to the use of language in the field, and to numerous other aspects of language, among them also the preservation of endangered languages and the promotion of language learning.

“Put in concrete terms, the proposed Committee will cover both language use at the UN (sexist language, the language of hate, the language of peace, human rights language) and the use of languages at the UN (provision of translation and interpretation, documentation, outreach to speakers of other languages, parity among languages, protection and promotion of indigenous languages, etc.).

## Steering Committee for CACCI Study on World Trading System Formed

As part of preparations for the conduct of the CACCI research study on “Resurrecting the World Trading System”, a Steering Committee has been formed to ensure that the study is conducted in an orderly way and the agreed timelines and expectations are met.

Composed of CACCI officers and other selected CACCI members, the Committee is expected to play an important role in helping the research to achieve its potential by providing valuable comments and inputs on the substance and coverage of the research study.

The Terms of Reference for the Steering Committee are:

- To ensure that the project is delivered within the terms of the contract
- To provide comments and insights into the draft research report (expected to be available by mid-2021)
- To assist CACCI to develop an appropriate policy response to advocate in ways that will achieve



satisfactory reforms of the WTO based on the report recommendations

d. To assist in identifying appropriate supporters within the business and

political landscape who can become partners and ambassadors for the project and its outcome

- To advise CACCI on appropriate pre- and post-project opportunities for additional fund raising and local events to promote the report outcomes.
- To engage in the home nations of CACCI members to garner national support for the report recommendation and policy position of CACCI.

The members of the Steering Committee include the following:

- Samir Modi, President, CACCI
- Ken Court, Chairman, CACCI Advisory Board





- Amb, Benedicto Yujuico, Member, CACCI Advisory Board, President, Philippine CCI
- Jemal Inaishvili, Member, CACCI Advisory Board and Former President, Georgian CCI
- Peter McMullin, Vice President, CACCI and Board Member, ICC Australia
- Rifat Hisarciklioglu, Vice President, CACCI and President, TOBB
- Sheikh F Fahim, Vice President, CACCI and President, FBCCI
- Pedram Soltani, Vice President, CACCI and Former First Vice President, ICCIMA
- Bryan Clark, Director, Trade and International Affairs, Australian CCI

- Ernest Lin, Director-General, CACCI

Given their experience and expertise in the field of business and in the chamber movement, not only in their country but regionally and globally as well, the above-mentioned CACCI officers and members are expected to make a significant contribution to the efforts of the Committee in ensuring the successful completion of the proposed research study.

The study will cover the following topics: (a) The world trading system as a public good; (b) The demise of the trading system and WTO; (c) Why this breakdown matters; (d) Why has the breakdown happened; and (e) What to do to fix the system.

The study is seen as an opportunity to reposition CACCI as a serious policy advocate for the business sector (and in particular small business) on a global scale.

## Donations Sought for the CACCI Study on World Trading System



The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) is soliciting donations from CACCI members to help cover the funding required to conduct the CACCI study on “Resurrecting the World Trading System”

Solicitation letters have been sent to the heads of CACCI Primary and Affiliate Members requesting for their financial support to complete the study. Their suggestions of companies or individuals who might be approached to seek their interest in becoming sponsors of this project were also sought.

CACCI has committed to funding the study to the value of US\$100,000. However, additional funding will be required to assist in ensuring that the final report can be launched in a way

that will have a policy impact at the global level. Also needed is a follow up with local engagement in all CACCI member countries, along with a sustained advocacy effort to secure appropriate reforms at the WTO.

The research study is estimated to be completed within 6 months, with the final draft ready to coincide with the next WTO Ministerial Council Meeting scheduled for mid-2021.

Once the draft study is completed, copies will be circulated to members for feedback and comments. Thereafter, the CACCI Vice Presidents and other members will be encouraged to help promote the study to their respective governments as well as to other regional and international organizations who might be interested on the issue.

The study is deemed important not only in addressing the current issues surrounding trade and investment, but also in helping raise the profile of CACCI as a serious policy advocate for the business sector.

## CACCI Officers touch base with Slovak Blockchain company DECENT

CACCI Director-General Ernest Lin (right), Deputy Director-General Amador Honrado (second from left), and Senior Officer Abby Moreno (left) recently met with Mr. Ashley Reeves (second from right), Partnerships Director of DECENT, at the CACCI Secretariat Office to touch base on potential partnerships.

Founded in 2015, Slovakia-based DECENT is a global blockchain company with a proprietary blockchain protocol named DCore. Though developed for a wide range of use cases, DCore is particularly suited for content distribution, payments and logistics tracking.

One of DECENT’s products, D-Trace, which sits on the DCore protocol, is useful in the agriculture industry and in supply chain traceability. The platform is currently used by the European Space Agency as well as confectionery companies for quality control and movement tracking.

With blockchain technology still mostly associated with



cryptocurrency and digital payments, one of the possible activities mentioned during Mr. Reeves’ visit is a webinar that will allow CACCI members to know more about DECENT’s blockchain technology and how it can be applied to their respective businesses and industries.

## CACCI Lifetime Special Member Donates Company Products to South Asian Residents in Hong Kong



Mr. Wilfred Li, Chairman and CEO of Carmelton Enterprises Ltd., (2nd from right, left photo, and rightmost, right photo) recently donated products of his company (such as baby and adult diapers,

wet wipes, etc.) to South Asian residents in Hong Kong - including those from Pakistan and India- in his desire to make their lives more comfortable during the time of the Covid-19 pandemic. Mr. Li is also Charter

President of the Hong Kong Children, Babies, Maternity Industries Association Limited, which is an Affiliate Member of CACCI.

## Former CACCI President Jemal Inaishvili to Join ICC WCF Chair's Circle



Former CACCI President and current member of the CACCI Advisory Board Mr. Jemal Inaishvili from Georgia has been invited to be a member of the ICC World Chambers Federation (ICC WCF) Chair's Circle.

The invitation was extended to Mr. Inaishvili by Mr. Peter Mihok, Honorary Chair of the ICC WCF and Chair of the ICC WCF Chair's Circle, and Mr. Hamad Buamin, Chair, ICC WCF. He was invited in his capacity as former member of the WCF General Council during his term as President of CACCI from 2014 to 2018. As a transnational chamber, CACCI is a permanent member of the WCF General Council, the governing body of the WCF.

The ICC WCF Chair's Circle was founded recently with the aim of ensuring a continuous engagement with the WCF network and provide support, guidance, and advice to the WCF Chair on issues of strategic importance of the success of the WCF.

In his acceptance letter, Mr. Inaishvili said that it is



a great honor and a privilege for him to be offered the valuable opportunity to participate in the activities of an august body such as the ICC WCF Chair's Circle. "Given my long involvement in the chamber movement and my four-year tenure as President of the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) from 2014 to 2018, I am confident I will be able to contribute to the important work of the Circle," Mr. Inaishvili added.

The WCF was established by the ICC in 1950 to be the advocate of its chamber of commerce members worldwide. WCF is a non-political, non-governmental body representing the interests of all local, national, regional, bilateral and transnational chambers of commerce and industry.

## Global Chamber Platform Releases Global Economic Survey 2021 Results



The Global Chamber Platform (GCP) has recently released the results of its Global Economic Survey 2021 which they conducted in the latter part of 2020. The survey aimed to gather a qualitative assessment from GCP members on global economic developments, trade policy, and other key policy challenges. The GCP brings together the 16 major national and transnational Chamber organisations from the four corners of the globe. Its key objective is to facilitate trade and market access internationally as well as developing coherent and innovative answers to the challenges of globalisation that the shift in global economic realities brings about for all players involved.

The GCP was launched in 2002 by the Eurochambres (Association of European Chambers of Commerce and Industry) to develop a coherent framework for Eurochambres and its relations with partner organizations around the world. The Eurochambres itself represents over 19 million enterprises in Europe through 46 members and a European network of 2,000 regional and local Chambers.

CACCI joined the GCP in October 2003 during the 11th Annual Congress of Eurochambres, where Mr. K. K. Modi, then CACCI President, was invited as one of the panelists.

CACCI was one of the respondents of the GCP Global Economic Survey 2021 survey, along with a number of CACCI member chambers.

Hereunder is the executive summary of the survey results.

### ***I. Macroeconomic Outlook of the Global Economy***

The COVID 19 outbreak has defied all initial economic expectations for 2020, by prompting a historic global

recession to the tune of 4.4% for the past year. With different world regions having been impacted differently by the economic fallout, the pace of the economic recovery in 2021 will likely also reflect these underlying dynamics. In line with these parameters, the GCP were asked to give their expectations on growth perspectives for their country/region compared to recent World Bank forecasts.

It was noteworthy in that regard to find that the GCP were predominantly more optimistic than the WB forecasts for economic growth in 2021. This could point to a stronger rebound for the global economy than the 4.2% that are currently anticipated, possibly helped by the commencing roll-out of COVID vaccines in several world regions. Notably more positive growth expectations came from GCP participants from India, the Gulf region and for the European Union. Especially the FGCCC and FICCI expect growth rates to outperform those of the WB by 1.3% and 1.7% respectively. Overall, the GCP show more optimism in terms of growth expectation in this edition when compared to previous surveys, as none have reported a more pessimistic economic outlook for 2021 than those forecasted by the World Bank.

However, despite the optimism for growth picking up in 2021, the GCP equally acknowledge that the economic rebound will likely not be enough to recuperate the staggering economic losses caused by COVID 19 in 2020. In fact, the GCP seems to point to a somewhat more gradual global economic recovery for the years ahead.

In terms of the top challenges for the global economy in the new year, the GCP identified the most pressing issue very clearly, and that is worrying unemployment

resulting from the economic fallout from the global pandemic, as millions of businesses and more than 590 million jobs worth of economic activity were estimated to be lost in 2020. In line with this finding, the prime focus for global policy makers and the incoming G20 Italian Presidency, should be in getting people back to work, thus helping to boost domestic and global demand.

Equally, despite global challenges such as COVID 19 requiring global solutions to effectively muster a swift economic recovery, the GCP saw the risk of countries succumbing to protectionism as the second most important challenge for the global economy this year. As the third most pressing issue, the GCP identified risks of global fiscal crises emerging in the aftermath of COVID 19, following extensive government spending needed to mitigate the adverse effects of the pandemic on businesses and citizens.

### ***II. COVID-19 and the Road to Economic Recovery***

With unemployment being the key challenge for the year ahead, the GCP recognize that increasing consumer demand and bringing people back in jobs will be crucial for a swift and sustainable economic recovery. Still, a lack of predictability in the economic and political landscape, the uncertainty surrounding the development of the virus, disruptions in logistics and supply chains, as well as persisting travel restrictions have all been identified as remaining important bottlenecks towards for full global recovery.

To aid companies, especially SME's during these difficult times, GCP members have identified the swift implementation of financial aid packages for redundant employees and small businesses, the freezing of rent, tax and other payment obligations, as well as the furloughing of payments as the most effective support policies to sustain SMEs.

At the same time nearly all GCP respondents agreed that their governments



## News Updates

implemented effective measures in their country/region, and a majority considered them to have been implemented swiftly.

### **III. Internationalization and adapting to the post-COVID Age**

With business already looking to the post-COVID business environment, there is no denying that the economic landscape has been irrevocably altered by the pandemic. This is reflected by the two biggest challenges businesses will need to grapple with according to the GCP: access to finance, and digital transformation. With millions of businesses in need of financial support, and a marked shift to digital ways to do business, it is no surprise that the GCP stress the urgency of these challenges. In the view of the GCP therefore, creating a business-friendly environment to attract more investment, enhancing the skills of the workforce, as well as the promotion of innovation and R&D are seen as the top policy measures which should be adopted to help businesses recover.

At the same time, the GCP sees the

crisis as an opportunity to ensure not only a swift but also a green recovery. To that end, the majority of GCP members were in favor of policy makers adopting a benefits-based system that can reward sustainable businesses practices and make additional funding available for that matter. Some GCP respondents equally plead for making financial recovery support conditional on meeting sustainability criteria. Importantly however, the GCP have shown across the board resistance to higher taxation of goods produced by non-sustainable business practices, such as through the vehicle of a carbon border tax.

### **IV. International Trade and Investment**

With protectionism on the rise, and identified as a top challenge for the global economy this year, the GCP fear further restrictions to accessing foreign markets as a real and worrying prospect for 2021. However, according to the GCP there has been shift in this edition of the survey as regards the best global answer

to fight protectionism: While last year the top priority was the active engagement in bilateral, plurilateral, and multilateral trade negotiations – this year's second place – the GCP now strongly prefer a better use of international business and governmental platforms to increase transparency and oversight, which rose from fourth place last year to the undisputed top preference this year.

### **V. Brexit**

Finally, GCP members indicated that the uncertainty that had surrounded the future of the EU-UK relationship before the Trade and Cooperation Agreement was signed by the EU and the UK on December 24th, has mostly had no significant impact on investments from their region, with a marked exception signaled by the Federation of Indian Chambers of Commerce and Industry, who saw a decrease of Indian investments from the United Kingdom as a result of the uncertainties that had surrounded Brexit.

## TOBB Invites CACCI Members to ACD's 1st Virtual Conference



The Union of Chambers and Commodity Exchanges of Turkey (TOBB) invited CACCI members to participate in the 1st Virtual Conference of the Chambers of Commerce and Industry (CCI) of the Asian Cooperation Dialogue (ACD) Member Countries held on 20 January 2021, from

10:00 to 13:00, Turkey time.

The ACD was established as an intergovernmental forum in 2002 to develop cooperation between Asian countries and improve the competitiveness of Asia at the global level. The Ministers of Foreign Affairs of 35 ACD member states meet annually to discuss ACD developments, issues of regional cooperation and ways to enhance and solidify Asian unity. Turkey is current Chair of the ACD for the term 2019-2020.

The date of the 1st Virtual Conference was scheduled in close coordination with the Ministry of Foreign Affairs of the Republic of Turkey in order to make sure that the outcomes of



ASIA COOPERATION DIALOGUE

the Conference could be presented on the 17th ACD Ministerial Meeting on 21 January 2021.

During the Conference, TOBB President Mr. Rifat Hisarciklioğlu and Republic of Turkey Minister of Trade H. E. Ruhsar Pekcan gave the Opening Remarks, followed by a presentation on “Business Opportunities in Turkey” to be delivered by the President of the Investment Office, Republic of Turkey Burak Daglioğlu. Thereafter, there was a Roundtable Discussion on “The Economic State of Play in the ACD Member Countries”, after which Prof. Dr. Guven Sak, Managing Director of the Economic Policy Research Foundation (TEPAV) – TOBB’s think tank – spoke on “Future Agenda for the Business Community in the Post-Covid Era of the ACD Member Countries.”

## CoNGO President Calls on NGOs to Decrease Fear and Increase Hope Amidst Today's Challenges



Mr. Liberato C. Bautista, President of the Conference on Non-Governmental Organizations in Consultative Status with the United Nations (CoNGO), citing “a surplus of fear and deficit of hope” caused by the problems and challenges faced by countries today, has called on non-government organizations (NGOs) and civil society organizations (CSOs) to the urgent tasks of decreasing fear and increasing hope.

In his New Year Message issued on January 1, 2021, Mr. Bautista said, “To decrease fear, we must continually affirm human dignity and human rights as inherent, inalienable, indivisible and interdependent. To increase hope, we must build a common future for all the inhabitants of the earth and their natural ecology, refusing pillage and plunder in our economic life, and instead, promoting and safeguarding the common public goods and services indispensable to securing life and life’s flourishing.”

President Bautista said that in 2021, CoNGO will be open to ongoing consultation and collaboration with all its members and partners, and with the numerous entities of the United Nations System, “as we advance the causes that we all know to be urgent and just.” The Sustainable Development Goals will continue to figure on all our priority lists “as we collectively pursue the Decade of Action leading to 2030,” the CoNGO President added.

In this context, Mr. Bautista underscored that two

Conference of NGOs  
in Consultative  
Relationship with  
the United Nations



Conférence des ONG  
ayant des Relations  
Consultatives  
avec les Nations Unies

particular domains will receive high attention in 2021. “Firstly, it is unacceptable that some governments endeavour—at their national level, and internationally—to roll back NGO and civil society participation rights and opportunities. Shrinking civic space is shrinking democratic space. Governments must be aware that they have an ongoing and legal duty to protect civil society rights, which are citizens’ rights. Secondly, CoNGO will continue to deplore the decrease of resources for the functioning of the United Nations System. Only with fully adequate finance and personnel can the UN efficiently fulfill the multiple tasks devolved by governments to this irreplaceable universal institution.”

Founded in 1948, CoNGO is an independent, international, non-profit membership association of non-governmental organizations (NGOs). It facilitates the participation of NGOs in United Nations debates and decision-making. CoNGO is most active at the major UN centres of New York, Geneva and Vienna but its work stretches out to all regions of the world. CACCI, which was granted Consultative Status with the ECOSOC under the United Nations in 1970, joined CoNGO in 1979.

## Taiwan third-best investment location, BERI report says



Taiwan was ranked as the third-best investment destination, alongside South Korea, in the latest report by the US-based Business Environment Risk Intelligence SA (BERI).

BERI also gave Taiwan the

highest score for foreign exchange risk, making it the most secure nation in the world regarding foreign exchange.

The report showed Taiwan scored a profit opportunity recommendation (POR) — a gauge that BERI uses to evaluate a nation as an investment destination — of 62, up one point from 61 in its May and August reports.

Taiwan retained its third-place ranking from the two earlier reports, although South Korea tied with it after improving from 60 in August and 58 in May.

Switzerland topped the latest list, with a POR of 68, followed by Norway,

with a POR of 63. Finland and Singapore followed in fourth place with a POR of 56.

BERI uses three main indicators to assess investment risk: operating conditions (operations risk), political risk, and foreign exchange and external accounts position (remittance and repatriation factor) risk.

Taiwan scored 60 in operating conditions, placing it third; 46 in political risk, ranking it 14; and 80 in foreign exchange risk, putting it in first place.

The report projected that Taiwan’s POR would increase to 67 in 2025, allowing it to retain its third-place ranking alongside South Korea.

Elsewhere in Asia, Japan scored





51 points, placing it 14th in the world; China scored 50, putting it in 16th place; Indonesia scored 48 to come in at 18th; the Philippines scored 44 for 23rd place; India scored 43, coming in at 24th; and Thailand scored 35 to place at 39th.

Fifty countries were included in the report, with Venezuela placing last with a POR of 20. The global average POR is 44.

*Taipei Times*

## 2020 in Hindsight: Asia's bad to good in the year that was

*By Curtis S. Chin and Jose B. Collazo, RiverPeak Group*



2020 and the Year of the Rat could not be over soon enough, but with 2021 here and the Year of the Ox soon upon us, we take one last look at the year that was.

For Japan, from a postponed Tokyo Summer Olympic Games to a new prime minister, it was a year of disruption and turmoil. And, of course, from the Diamond Princess cruise ship COVID-19 outbreak early on, to some 200,000 cases and more than 2700 deaths by year-end, Japan has not escaped an economic and health catastrophe now marked by more than 1.6 million dead globally — including more than 315,000 in the United States and more than 145,000 in India.

Yet, less than 12 months since the novel coronavirus, SARS-Cov2, first identified in China would spread with deadly effect to the world, there lies hope for a better year ahead amidst unprecedented progress on vaccines and treatments.

So, who was up and who was down in Asia in 2020? Here's our annual assessment:

### **Worst year: Asia's Poorest**

As in too many places, it is the poorest and most vulnerable in Asia — the forgotten men, women and children, of the region — who have been hit hardest by COVID-19. The World Bank reports that Asia's most vulnerable have borne the brunt of a "triple shock" — the pandemic itself, the economic fallout from the containment measures and the ensuing global recession.

Amidst collapsing tourism and weakened exports, hunger grows, and access to jobs, technology and education shrinks. The Asian Development Bank now projects that the coronavirus could push 160 million more into poverty across Asia. The region's poverty rate will increase for the first time in 20 years, says the World Bank.

And so sadly, it is Asia's rapidly growing class of the "new COVID poor," who receive the depressing distinction of

worst year in Asia.

### **Bad year: World Health Organization (WHO) and Dr. Tedros Adhanom Ghebreyesus**

It should have been a year for the WHO to shine. Instead, the specialized U.N. health agency and its beleaguered director general, Tedros Adhanom Ghebreyesus of Ethiopia, found themselves in a no-win situation facing accusations of not holding China accountable for its less than transparent handling of the coronavirus.

Hidebound by the rules of bureaucracy and diplomacy, the WHO could say little as China delayed release of information, allowed millions to travel from Wuhan during the Chinese New Year period, and cracked down on citizen journalists and whistleblowers. In February, Chinese doctor Li Wenliang himself died from COVID-19 after seeking to warn others of a mysterious SARS-like virus early on.

President Trump said the U.S. — the WHO's largest donor — would leave the organization, alleging that Ghebreyesus and the WHO were beholden to China. A turnaround could be at hand with a new U.S. Administration, but it's been a decidedly bad year for WHO and Ghebreyesus.

### **Mixed-year: Xi Jinping and the Belt and Road Initiative**

China President Xi Jinping's successes at home so far in crushing COVID-19 and dissent in Hong Kong were tempered by growing pushback abroad in 2020 against his much touted "Belt and Road Initiative."

This grand "One Belt One Road" infrastructure scheme launched in 2013 to connect some 70 countries with a "new Silk Road" of Chinese-financed ports, railways and highways, and other projects ran into growing push back amidst COVID-19 slowdowns and worries about debt owed to China. This was underscored at year-end as Australia approved new laws that would give Prime Minister Scott Morrison powers to veto or scrap agreements that state governments reach with foreign countries, including a BRI project in the state of Victoria.

A 2020 Pew Research survey fielded in 14 countries including Australia, the U.S. and several Asian and European nations revealed that attitudes toward Xi and China have now reached new lows. Some 78% of respondents stated that they had little or no confidence Xi would do the right thing in global affairs, up from 61% in 2019. 2020 was a decidedly mixed year for Xi despite, or perhaps because of, the reality of China's engagement abroad — from conflict on the Himalayan border with India to trade tensions and disputes over the Mekong River and the South China Sea.

### **Good year: Asia's e-commerce giants**

The United States might have Amazon, but the diversity of Asia's e-commerce giants also found 2020 to be an emphatically good year.

E-commerce in Asia was already on the rise well before COVID-19. GoJek of Indonesia and Grab of Singapore have long had well established digital payment platforms. And with the pandemic, the pace of adoption has quickened as lockdowns drove more consumers from India to Japan online.



## News Updates

Chinese e-commerce giants Alibaba and JD.com racked up a record \$115 billion in sales on a single day. And a report from Google, Temasek Holdings and Bain & Company projects e-commerce in Southeast Asia to exceed \$100 billion by 2025, up from \$38 billion in 2019. All this is good news across Asia for e-commerce platforms such as Tokopedia, Taobao, Shopee, Shopify, Lazada, Bukalapak and Sendo. Importantly, it might also herald many a good year ahead as consumers build on new digital habits, from fintech to telemedicine.

### Great year: Tsai-Ing wen and Jacinda Ardern

Both women won landslide re-

elections this year, but that's not all that Taiwan President Tsai-Ing wen and New Zealand Prime Minister Jacinda Ardern have in common. These two leaders led charges against COVID-19, instituting strict lockdown measures that prevented community transmission in their countries while also avoiding the draconian practices adopted by China.

In mid-December, Taiwan with a population of about 24 million had reported just 759 cases and seven deaths. New Zealand with a population of about 5 million had recorded 2110 cases and 25 deaths. Arden has also remained unruffled during a live telecast in the midst of an earthquake and continues to lead her nation

forward amidst enduring climate change and terrorism worries.

And when it comes to economic numbers, Tsai and the people and businesses of Taiwan may well be a role model for all. A campaign proclaiming "Taiwan can help" has sought to turn the island's success in battling COVID-19 into geopolitical gains. By mid-December, Taiwan's 2020 economic growth looked to outpace much of Asia's including that of mainland China — the world's second largest economy — for the first time in decades.

So, in this most difficult of years, Best Year in Asia goes to a dynamic duo of decisive female leaders who are showing the way to a better year ahead.

*Japan Times*

## Australia should reopen international borders to skilled migrants: ACCI

Australia's biggest business collective, the Australian Chamber of Commerce and Industry (ACCI) is calling on the federal government to reopen international borders to skilled migrants stranded offshore in a 'risk-managed way', as businesses struggle to find suitably skilled workers.

Melbourne-based Raghubir Singh is an experienced motor mechanic who had planned to use his temporary graduate visa to gain work experience so he could eventually realise his dream to live in Australia permanently.

Instead, he is stranded in the northern Indian state of Haryana as his visa ticks down, leaving him with an uncertain future as it is still not known when Australia's borders will reopen to non-citizens and non-residents.

Mr. Singh's predicament highlights the problem of a country largely dependent on migration now in a quandary as Australia's international arrivals remain capped by limited quarantine capacity that has been prioritised to bring vulnerable Australians home — leaving no room for skilled migrants.

The Australian Chamber of Commerce and Industry's acting chief executive Jenny Lambert said businesses are bearing the brunt of the government's hard border closure — as operators are struggling to fill the void left by skilled workers with locally available labour.

The latest survey conducted by the Australian Bureau of Statistics reveals that one in five businesses are struggling to find qualified staff, while almost one in six reported not having enough labour.



Businesses reported they were having difficulty in finding suitably skilled tradespersons, hospitality workers and STEM professionals, while labourers, drivers and managers were also in demand, the survey showed.

Ms. Lambert said while the border closure has served as a key bulwark against the pandemic — its devastating impact on businesses and primarily international tourism cannot be overlooked.

Since March, a total of 75,000 temporary visa holders have entered the country via air and sea amidst a border ban that requires all non-citizens and non-residents to acquire a travel exemption from the Australian Border Force to reenter the country.

While the government has doubled the allocation for the relatively new Global Talent visa scheme and has also created a Priority Migration Skilled Occupation List (PMSOL) to allow a select group of highly skilled migrants to bypass tough border restrictions, it has left many critical sectors out of this list — which Liz Allen, a demographer at the Australian National University said fails to consider the industries in dire need of a workforce.

"A migration program focusing on so-called exceptional talents will send some vital industries and services into significant stress, and all aspects of life will be adversely impacted for people living in Australia.

"The federal government will need to identify ways to safely welcome migrants back to Australia as soon as practicable — the socio-economic wellbeing of the nation depends on it," said Ms. Allen.

*SBS Punjabi*

## KCCI vies to beef up Korea-ASEAN biz partnership



Leaders of the Korea Chamber of Commerce and Industry in ASEAN countries discussed how to strengthen the strategic business partnership between the two regions at a meeting held online on December 22.

The Association of ASEAN Korean Chambers took place at the Four Seasons Hotel in central Seoul, joined by government officials and businesspeople.

At the meeting, Ahn Byung-hwa, deputy chief of the Presidential Committee on New Southern Policy, introduced seven major tasks, such as comprehensive collaboration in health care and support for rural infrastructure. “This year marks the 10th anniversary of the strategic partnership between Korea and ASEAN. We are trying to upgrade the New Southern Policy

initiative,” Ahn said.

The government established the Presidential Committee on New Southern Policy in August 2018 to push for the New Southern Policy that President Moon Jae-in first revealed during his trip to Southeast Asian countries, including Vietnam, Indonesia, and the Philippines, in November 2017.

Korea Institute for Industrial Economics & Trade’s Shin Yoon-sung stressed the significance of multilateral free trade pacts such as RCEP and CPTPP.

“The focus of RCEP and CPTPP is ASEAN countries. Vietnam, Indonesia, and Myanmar will emerge as new production platforms thanks to their competitiveness in wage, logistics, and power supply,” said Shin who leads the New Southern Policy division at the institute.

Shin added that Korean companies need to strengthen their brand power in Southeast Asian countries based on the Korean Wave and Korea’s successful fight against COVID-19.

Kang Ho-min, who takes charge of KCCI’s global businesses, said he hoped that the meeting could offer information and insights to Korean businesspeople so that they will be able to better deal with the post-COVID-19 era.

*The Korea Herald*

## New COVID-19 variant may delay economic recovery: PCCI

The new COVID-19 variant will delay the Philippines’ economic growth if it will reach the country, a business group said on December 28.

The Philippine Chamber of Commerce and Industry (PCCI) is taking “all the steps” to prevent the entrance of the new variant, said chair and director for special projects Alegria Limjoco.

“This is the only way we can again grow our GDP and all that but we must really all take the precautions and avoid the crowd and [practice] social distancing and [follow] the protocols because it’s really going to delay our recovery,” she told ABS-CBN’s Teleradyo.

Limjoco said the country’s economic growth, which the Bangko Sentral ng Pilipinas (BSP), the Philippines’ central bank forecast to be 6.5 to 7.5, might be delayed to the “later part” of next year’s second quarter.

The Philippines has prohibited the entry of travelers from the UK, where the new variant was discovered, and enforced a mandatory 14-day quarantine for visitors from nations that have reported a case.

*ABS-CBN News*

## ICCIMA Hosts Private Sector’s Meeting with Industry Minister



Iranian Mining, Industry, Trade Minister Alireza Razm Hosseini attended the 10th meeting of the Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA)’s board

of directors to discuss major issues related to the private sector, the ICCIMA portal reported on December 26.

In this meeting, the representatives of the country’s private sector raised several issues including the national budget bill for the next Iranian calendar year (begins on March 21, 2021) and the private sector’s proposals for amending the bill, inflation, and the significance of joining regional treaties including the Regional Comprehensive Economic Partnership (RCEP) for the country’s trade.

Speaking in the meeting, the ICCIMA Head Gholam-Hossein Shafeie underlined the negative impact of the sanctions on the performance of the country’s production sector and called for the authorities to make realistic and practical decisions to support the private sector in the face of the created challenges.



“We need to look for ways to make maximum use of the opportunities that the removal of the U.S. sanctions can present in order to strengthen the country’s economy by completing value chains in the production sector, as well as increasing the production of basic goods and changing production methods by using advanced technologies,” the official said.

He further mentioned RCEP, which is a free trade agreement initiated

by Indonesia, between the Asia-Pacific nations of Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, South Korea, Thailand, and Vietnam.

The members of this agreement account for about 30% of global gross domestic product (GDP) and have a market of 2.2 billion people, or about 30% of the world’s population, which unfortunately

has not received much attention in Iran, while the treaty could have implications for both members and other economies such as Iran, he stated.

The ICCIMA head finally emphasized that the country’s trade regulations and policies should be amended to facilitate economic relations with other nations and also pave the way for joining such treaties.

*Tehran Times*

### Private Sector Willing to Support Government in Coronavirus Vaccine Roll-Out, says FICCI



The private sector is willing to support and augment government’s capacity across the value chain of COVID-19 vaccine distribution and administration, industry body FICCI said on January 7.

In this regard, the Federation of Indian Chambers of Commerce and Industry (FICCI) and Ernst & Young (EY) have submitted a detailed plan outlining what support private sector, including healthcare, can provide, through the FICCI-EY Strategy paper on ‘Protecting India - Public Private Partnership for vaccinating against COVID-19’. The strategy paper was submitted to the National Expert Group on Vaccine Administration for COVID-19 (NEGVAC) in December.

The FICCI-EY paper, that was developed in consultation with various stakeholders from healthcare, pharmaceuticals, medical devices, logistics, cold chain and allied sectors, states that India would need 1.3-1.4 lakh vaccination centres, 1 lakh healthcare professionals and 2.0 lakh support staff/ volunteers to support government’s mass-inoculation programme.

Private healthcare sector, responsible for almost 70% of healthcare delivery in the country, can adequately supplement the physical and human infrastructure supply in key capacity constrained regions, specifically in urban and semi-urban areas, FICCI noted.

A FICCI survey conducted in collaboration with EY and the National Accreditation Board for Hospitals & Healthcare Providers (NABH), showed that 81% of survey respondents from private healthcare industry are willing to inoculate front-line

workers in local areas, 75% are willing to inoculate their local communities, 70% are willing to allocate manpower in semi-urban/rural areas for vaccination, and 94% are willing to impart training for inoculation.

The private players are now waiting for a direction from the government on how to contribute towards the massive vaccination program, in national interest, FICCI said.

*Business Today*

### Japan business leaders call for support under coronavirus emergency



Japanese business leaders said on January 7 that support will be necessary for struggling firms under a second state of emergency over the novel coronavirus in Tokyo and three neighboring prefectures, while they viewed the decision as inevitable due to resurging infections.

Many owners in the restaurant industry are expected to follow a government request to shorten their business hours, bracing for a further drop in revenue after the number of bankruptcies in the sector hit an all-time high last year as many people refrained from dining out.

“A fresh request for shorter business hours, among others, will deal an additional blow to businesses that have already taken an enormous hit, especially restaurants that have barely endured on the brink of management crisis,” said Akio Mimura, chairman of the Japan Chamber of Commerce and Industry.

Mimura asked for “flexible and swift” aid from the government and local authorities to firms that follow requests so



## News Updates

that they can stay in business.

Under the state of emergency through Feb. 7, restaurants and bars are asked to stop serving alcohol by 7 p.m. and close by 8 p.m. The government will provide up to 60,000 yen (\$580) a day to dining and drinking establishments that comply with its request to shorten business hours, an increase from the current support of up to 40,000 yen.

Facing criticism that the declaration came too late, the government of Prime Minister Yoshihide Suga is urging companies to make sure that employees work from home or stagger working hours.

The number of bankruptcies in the restaurant sector involving debts of 10 million yen or more hit a record 842 in 2020,

up 5.3% from a year earlier, according to data from Tokyo Shoko Research.

Hiroaki Nakanishi, chairman of the Japan Business Federation known as Keidanren, stressed the need for a “greater sense of crisis” to be shared among all people.

The government made a “grave” decision to declare an emergency, Nakanishi said, asking for effective steps against the virus in the shortest possible span of time.

“It’s essential to maintain employment and businesses from the viewpoint of protecting the lives and livelihoods of citizens and measures toward maintaining social and economic activities are also critical,” Nakanishi said.

*Kyodo*

## FNCCI urges govt to extend loan payment period for SMEs

The Federation of Nepalese Chambers of Commerce and Industry (FNCCI), in a meeting with Finance Minister Bishnu Prasad Paudel, has urged the government to extend the loan settlement period by at least next three months for small and medium enterprises (SMEs). The umbrella organization of the private sector business entities made such an appeal in the context of banks exerting pressure on the SMEs to pay back the loan on time.

The private sector body has said half of the small and medium enterprises



(SMEs) will be closed if the loan payment period for them is not extended.

Earlier, the government had set a timeline of mid-January for the SMEs to pay the bank loan. According to the

entrepreneurs, the SMEs have not regained their full-fledged business and cannot pay the loan within the given deadline.

According to the Credit Information Bureau, banks have kept around 2,800 enterprises, most of them SMEs, in the blacklist in the past nine months. “Apart from extending the deadline for loan payment, COVID affected SMEs should also be given special privileges such as tax benefits and market promotion package to help them sustain businesses,” reads a statement issued by the FNCCI.

## World Bank Sees Subdued Rally for this Year



The global economy is to have a subdued recovery this year from the COVID-19 pandemic, but the near-term outlook is highly uncertain and growth could be imperiled if COVID-19 infections and delays in the rollout of vaccines continue, the World

Bank said on January 5.

In its new Global Economic Outlook, the World Bank forecast 4% growth this year following a 4.3% decline last year, the biggest plunge in global output since a contraction of 9.8% in 1945, as nations demobilized at the end of World War II.

By comparison, the global recession triggered by the Great Depression of the 1930s saw growth shrink by 4.8% on average from 1930 through 1932. The 2008-2009 financial crisis triggered a 1.8% drop in global output in 2009.

“If history is any guide, the global economy is heading for a decade of growth disappointments, unless policymakers put in place comprehensive reforms,” the bank said, citing the global pandemic layered over economic trends already in play.

“While the global economy appears to have entered a subdued recovery, policymakers face formidable challenges in

## News Updates

public health, debt management, budget policies, central banking and structural reforms,” World Bank president David Malpass said.

The bank said that global growth this year would be aided by a recovery of 3.5% in GDP growth in the US and an even bigger 7.9% rebound in China, the world’s two biggest economies.

For last year, the World Bank expects GDP in the US to fall by 4.3 percent, while it predicted a modest 2% increase in China.

Because of the uncertainty caused by the rise in COVID-19 cases and initial problems in distributing vaccines, the World Bank said that its forecast is highly uncertain. Under a scenario where virus cases continue to rise and the rollout of vaccines does not accelerate, global growth could be reduced to a meager 1.6% this

year.

The new report increased global growth for last year by 0.9 percentage points from its June forecast, reflecting in part better-than-expected performance in China and the US, but the forecast trimmed the outlook for this year by 0.2 percentage points.

For the US, the decline for last year was revised upward by 2.5 percentage points to a smaller decline of 3.6 percent, and the 3.5% rebound for this year was lowered by half a percentage point.

To combat the sharp downturn, the World Bank has made US\$160 billion available to help more than 100 countries protect the poor, support firms and bolster the recovery.

Malpass told reporters that the World Bank is making US\$12 billion available to provide 1 billion COVID-19

vaccinations in poor countries.

“People at the bottom of the income scale were hardest hit by the shutdowns and recession, and will most likely be the slowest to regain jobs and get vaccinations,” Malpass said.

The World Bank expects the eurozone to have a 7.4% drop in growth for last year followed by a 3.6% this year, while growth in Japan is expected to fall 5.3% last year and then rebound by 2.5% this year.

For all advanced economies, the World Bank predicted a drop of 5.4% last year and a rise of 3.3% this year.

For emerging markets and developing countries, the bank said that when all figures are reported, growth is expected to have declined 2.6% last year and increased 5% this year.

*Associated Press*

## TOBB To Organize Digitalization Virtual Fair on January 26-27



Türkiye

The Union of Chambers and Commodity Exchanges of Turkey (TOBB) will organize the “TOBB Digitalization Virtual Fair “ on January 26-27, 2021 to facilitate business opportunities amid the global Covid-19 pandemic.

The two-day Virtual Fair, which will be open 24 hours each day, aims to enhance the digital transformation process of SMEs, eliminating the lack of information and providing access in this field. By attending the event, participants will not only be able to conduct one-on-one meetings with companies from different sectors, but also join webinars on topics of: (1) Digital transformation in economy; (2) The key of digitalization: 5G and the internet of things; and (3) The new normal: digitalization.

For more information on the event as well on registration, interested parties may visit <https://tobb.org.tr/sanalfuar/>, or contact TOBB directly via the following e-mail: [sanalfuar2021@tobb.org.tr](mailto:sanalfuar2021@tobb.org.tr).

## Member Personalities

### FPCCI Elects Mian Nasser Hyatt Maggo As New President



The Federation of Pakistan Chambers of Commerce & Industry (FPCCI) has elected Mr. Mian Nasser Hyatt Maggo as its new President effective January 1, 2021.

Raised in Karachi, Mr. Maggo established Al Riaz Group, an indenting company dealing in the petrochemical, textile, and steel sectors that is recognized as one of the most reliable in Pakistan.

Mr. Maggo possesses excellent management and leadership skills, and is actively involved in business and community affairs, regularly contributing his time and effort for the benefit of the business community of Pakistan. He previously served as President of the Karachi Chamber of Commerce and Industry in 2002-03, as well as Acting Chairman of Pakistan-China Business Council and Senior Vice Chairman of Pakistan-Turkish Business Council of FPCCI. In addition, Mr. Maggo is a Life Member of SAARC Chamber of Commerce and Industry and has been on the Executive Committee of FPCCI numerous times.

Apart from electing Mr. Maggo as President, FPCCI in its latest election also chose one Senior Vice President and ten Vice Presidents in charge of various functions for 2021.



## Member Personalities

### Uday Shankar Elected FICCI President for 2020-21



Mr. Uday Shankar, a media and entertainment executive, has been elected by the Federation of Indian Chambers of Commerce and Industry (FICCI) as its new President for 2020-21.

Currently, Mr. Shankar is also Chairman and CEO of Star India and President of 21st Century Fox Asia-Pacific (Asia), and has recently been appointed Chairman of Star and Disney India and President of the Walt Disney Company, Asia-Pacific.

As a pioneer in the media and entertainment industry for over two decades, Mr. Shankar has been a leading voice in the Indian media and broadcasting sector, shaping reforms for the industry and its consumers. As Chairman of the FICCI Media & Entertainment Committee and former President of the Indian Broadcasting Federation, he has been at the forefront of landmark changes in self-regulation and pushing access for consumers in digitized distribution.

Mr. Shankar holds a Master Degree of Philosophy in Economic History from the Jawaharlal Nehru University in New Delhi.

### SBF Announces Appointment of New CEO



Mr. Lam Yi Young has been appointed as Chief Executive Officer (CEO) of the Singapore Business Federation (SBF) as of January 1, 2021. The former Deputy Chief Executive Officer took over the position from Mr. Ho Meng Kit, who has now retired after 10 years of sterling service, but will continue to help SBF as Senior Advisor.

Prior to joining SBF in July 2020, Mr. Lam spent 24 years in the Singapore Civil Service, including 11 years in Senior Public Sector Leadership positions like Deputy Secretary (Industry) in

the Ministry of Trade and Industry, Deputy Secretary (Policy) in the Ministry of Education, and Chief Executive of the Maritime and Port Authority of Singapore.

He currently sits on the boards of SBF Foundation, SBF Holdings Pte Ltd and SBF Connect Pte Ltd, and is a member of the Donor Relations Committee of the Community Foundation of Singapore. Mr. Lam also previously served on the boards of various statutory boards, companies, real estate investment trust, universities, research institutes, charities and clubs and societies. He holds a Master of Arts in Engineering from the University of Cambridge and a Master in Public Administration from Harvard University.

### Wellington Chamber of Commerce Appoints Chief Executive



Wellington Chamber of Commerce has appointed Simon Arcus as its Chief Executive, who will be taking over the role from Mr. John Milford from March 2021.

Mr. Arcus is currently at Mercer Australia in Melbourne working with the Goldman Sachs, Alcoa and GM Holden superannuation funds. The Board of Wellington Chamber of Commerce said it is delighted that Mr. Arcus agreed to join the team, as his knowledge and experience in the financial and insurance sectors, and in heading membership and advocacy organisations, will be of huge benefit to the Chamber's members and the wider business community in New Zealand.

### James Chiao appointed New Chairman of the Asian ICT Council



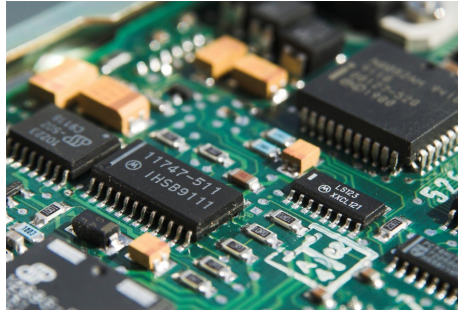
Smart cities expert James Chiao has been appointed the new Chairman of the Asian ICT Council (AICTC), one of several Product and Service Councils of CACCI. He replaces former Chairman Dr. G. J. Huang, who passed away two years ago. Mr. Chiao is Chairman & CEO of Taiwan-based Smart City Consulting Co. Ltd., and also serves as Chairman of the Smart City Committee of the Chinese International Economic Cooperation Association (CIECA) in Taiwan. He was one of the speakers during the breakout session of the AICTC at the 32nd CACCI Conference held in Istanbul, Turkey in 2018.

Given his experience in a broad range of institutions both in Taiwan and overseas, Mr. Chiao will no doubt make an important contribution to the efforts of the AICTC in promoting the ICT industry not only in the Asia-Pacific region but globally as well. In particular, his expertise in smart city solutions would be of great use and interest to many member countries, most notably in their journey towards digital transformation.

### What is Driving Asia's Technological Rise?

*By Jonathan Woetzel and Jeongmin Seong, McKinsey Global Institute*

Asia is a technological force to be reckoned with. Over the last decade, the region has accounted for 52% of global growth in tech-company revenues, 43% of startup funding, 51% of spending on research and development, and 87% of patents filed, according to new research by the McKinsey Global Institute (MGI). How did Asia get here, and what lessons does its success hold for the rest of the world?



Of course, Asia is not a monolith, and technology gaps within the region remain significant. India, for example, has fewer large tech companies than other major economies. Still, four of the world's top 10 technology companies by market capitalization are Asian.

China, home to 26% of the world's unicorns (startups valued at \$1 billion or more), leads the way in tech entrepreneurship in Asia, though it still relies on foreign inputs in core technologies. By contrast, advanced Asian economies like Japan and South Korea have large tech firms and a significant knowledge base, but relatively few unicorns. Asia's emerging economies still invest relatively little in innovation, but they do provide growing markets for the goods and services produced by Asia's tech leaders.

Against this background, Asian countries have had to make a virtue out of collaborating to overcome fragmentation and close technology gaps. And they have made considerable progress in recent years. Notably, they have invested heavily in regional tech startups—about 70% of such investment comes from within Asia—and robust regional technology supply chains.

While Asia's technology supply chains continue to be reconfigured as they develop, the shifts have occurred largely within the region. (For example, the region's developed economies and China have expanded investment in emerging economies' manufacturing sectors.) This went a long way toward supporting Asia's relative resilience during the COVID-19 crisis. The just-signed Regional Comprehensive Economic Partnership could foster even closer intraregional ties.

Collaboration among countries is only part of the equation. Asian governments have also worked with local tech companies to advance goals in domains like renewable energy and artificial intelligence. During the pandemic, such partnerships have been essential to South Korea's track-and-trace strategy, and to national health QR-code programs in China and Singapore. Asia is also developing new models for collaboration across digital ecosystems to help enterprises and societies share resources and information more effectively.

To be sure, Asian economies may find it difficult to catch up and compete in some well-established technology sectors—

such as semiconductor design or operating system software—where others have a commanding market position. But there is no denying Asia's tremendous progress in new technologies, often facilitated by its existing strengths in manufacturing and infrastructure.

For example, more than 90% of the world's smartphones are made in Asia. So, the region's economies have focused significant innovative capacity in this area, such as to design mobile application processors and

develop new types of hardware. Last year, the Chinese company Royole released the world's first flexible smartphone. Early this year, Samsung went a step further, launching the first foldable smartphone with a foldable glass screen.

Similarly, Asian firms have capitalized on the region's well-developed infrastructure to establish themselves at the cutting edge of 5G development and deployment. Of the five companies that hold the majority of 5G patents, four are Asian. Likewise, the region's strong position in next-generation electric-vehicle batteries—more than half the world's patents for solid-state batteries were filed in Asia—resulted from leveraging its existing strengths.

New opportunities are also opening up for Asia. While the region's consumer markets are expanding and digitizing rapidly, there is still a great deal of room for growth and innovation in consumer-facing technologies.

Similarly, Asia can expand its role in the growing market for digital information-technology services, such as big data and analytics, digital legacy modernization, and "Internet of Things" system design. After all, the region has a huge pool of tech talent: India alone produced three-quarters of the world's science, technology, engineering, and mathematics graduates between 2016 and 2018.

Vulnerability to the effects of climate change, from deadly heatwaves to large-scale flooding, is also driving progress in the region. Asia already has the largest share of installed renewable capacity—45 percent—compared to 25% in Europe and 16% in North America. The International Energy Agency expects that share to rise to 56% in 2040. With the support of investments in R&D and new infrastructure, Asia stands to make its mark on the world with technological solutions to climate risk.

Asia's rapid development as a global technological leader over the last decade is a testament to the power of collaboration. And yet, in much of the world, the tide is turning toward isolationism and protectionism. Indeed, after years of relative openness, rising trade barriers threaten to disrupt global flows of technology and intellectual property.



## Special Features

This will sap potential in many frontier sectors. According to MGI's simulation, \$8-12 trillion of economic value could be at stake by 2040, depending on the quality and level of technology flows between China and the rest of the world. Many high-tech markets—

including electric vehicles, battery storage, and advanced displays—depend on Asian investment and market growth to achieve global scale.

Asia is likely to continue to forge ahead with its technological development. But to make the most of its progress—

and the strides that have been made elsewhere—enhancing technological collaboration within, and among regions, remains a priority for Asia and the rest of the world.

*Project Syndicat*

## Which Developing Economies Will Rise After the Pandemic?

*By Ruchir Sharma, Morgan Stanley Investment Management*

After 2000, globalization and surging commodity prices astronomically boosted economic growth among nations with emerging economies. Over the next decade their share of the global economy nearly doubled, growing to 35%. By 2007, 107 of the 110 developing economies featured in the Penn World Table were catching up to the United States in average income, helping millions to escape poverty. The celebratory mood was captured in a popular phrase: “The rise of the rest.”

Then came the crisis of 2008. Trade and capital flows plunged and commodity prices tanked, while slowing global population growth started to shrink work forces. Instead of rising again, developing economies saw their share of the global economy stagnate in the 2010s. Half the countries in the Penn World Table fell behind the United States in average income. Recently hyped stars like Brazil and Russia are growing slower than the U.S. economy is. With the exception of China, “the rest” have fallen off the radar of the global media and financial markets.

This would be more disheartening if it weren't normal. In most decades after World War II, developed and emerging economies grew at a similar pace. Since nations with emerging economies tended to have populations that were growing faster, their per capita income was in fact often falling behind. These nations might leap forward for a decade or two, and possibly rise up an income class, only to stumble into crisis and find themselves back where they started.

Of 195 economies tracked by the International Monetary Fund, only 39 are “advanced,” and most of those were already advanced by 1945. The few that rose out of poverty and into the developed class are celebrated as “miracles,” such as Japan, South Korea and Taiwan. Their secret: export manufacturing, which by bringing in revenue from all over the world can sustain growth rates that would be impossible in a domestic market alone.

Today, however, manufacturing and exports are shrinking as forces in the global economy, so it can be hard to imagine what would power the next growth miracles. This explains the silence that engulfs emerging economies.

But in economies, as in nature, nothing is created, nothing



is destroyed — everything is transformed. And the transformations of the pandemic are already providing energizing possibilities for at least a few emerging economies. Those transformations include an accelerating digital revolution, economic reform and a revival of commodity prices.

The pandemic is accelerating the adoption of digital technology, which has a particularly strong effect on immature economies. Digital technology is unlikely to generate double-digit growth because its impact is largely limited to domestic economies, with no added boost from exports. But it can simultaneously and sustainably transform domestic emerging economies.

Countries with developing economies are less attached to a “legacy infrastructure” of brick stores and land lines, so they are adopting wireless tech faster than countries with developed economies. Despite trouble in its old state-run industries, China is still growing significantly faster than the United States, catching up in average income, thanks to the rapid emergence of its cashless “new economy.”

New internet companies are rising quickly outside China as well, from Russia and Poland to Argentina and Kenya. With deep knowledge of local tastes and languages, they are expanding access to a wide variety of services such as banking and back-office operations, making it easy for start-ups to get going. On average, digital revenue is rising, and the cost of starting a business is falling, faster in countries with emerging economies than in countries with developed ones.

From the steam engine to cars, the economic effect of tech revolutions has tended to gain momentum over time and peak decades after the original invention. The digital revolution is young; its biggest influence on the growth of emerging economies is most likely still to come.

Another major development is economic reform. One of the biggest drags on the long-term prospects of these nations is that they tend to get stuck in a cycle of success and failure, reforming only when forced to in a crisis, frittering away the gains during the ensuing boom, then falling back into crisis. A crisis as big as the pandemic could be relied on to force major reforms — and it has.





## Special Features

The United States and other nations with developed economies are ramping up spending to ease the financial pain of the pandemic, but there will be negative consequences for growth in the future. Lacking the means to spend, poorer countries are pushing reform that, while often unpopular, should boost productivity and promote growth. India is relaxing labor laws and rules that have protected farmers from market forces for decades. Indonesia is cutting taxes and red tape to generate investment and jobs. Brazil is pushing ahead with plans to downsize its unaffordably generous pension system. Saudi Arabia is overhauling its immigration rules to open labor market competition. Similar campaigns are underway in Egypt, the United Arab Emirates and other nations.

Unfortunately, many emerging economies depend on exports of oil, metals, farm products and other commodities, so their prospects shift with the prices of those commodities. Long booms and busts have left commodity prices essentially flat in inflation-adjusted terms since records began in 1850. That explains why so many economies are stuck in the developing stage. The per capita income of Brazil, a major commodity exporter, is no higher today, relative to the United States, than it was in 1850. Most leading oil exporters are no richer today, relative to Western nations, than in the year they discovered oil.

Still, in decades when commodity prices rise, the number of developing economies catching up to their developed counterparts spikes. Now, after a down decade, which forced producers to cut back on excess supply, market forces point to a

revival for commodity prices in the 2020s. That in turn should lift the fortunes of emerging markets like Brazil, Russia and Saudi Arabia, at least until the commodity cycle turns again.

It's also worth noting that although the path to prosperity through manufacturing is narrowing, it hasn't closed. In the past, manufacturing accounted for more than 15% of G.D.P. in export powerhouses. Today the economies in this class include Vietnam, Bangladesh, Poland and the Czech Republic. They are among the big winners as companies seeking lower wages and shorter supply lines move factories out of China.

The transformative effect of manufacturing is visible in a country like Poland, where multinational corporations are now making cars, light fixtures and other goods. Before the pandemic, a quarter century of unbroken growth had increased Polish incomes nearly tenfold to almost \$16,000 — on the cusp of the advanced economic class. A similar transformation is underway in Vietnam, which is investing not only in new factories, roads and ports, but also in programs to eliminate poverty.

If only a few nations stand to gain from export manufacturing, many more have a chance to thrive on the back of economic reform, a possible revival in commodity prices or the accelerating digital revolution. These growth engines won't bring back the "rise of the rest," which lifted virtually every developing economy in the 2000s. But they will be enough to power a few growth stars. In the 2020s, some of the rest will likely rise again.

*New York Times*

## Product & Service Councils

### *Asian Council on Food and Agriculture*

#### **India's protesting farmers hold key to self-reliance in edible oils**

Indian farmer Shingara Singh has grown grain for 35 years and is one of thousands of protesters against agricultural reforms who have the power to help slash a huge annual bill of \$10 billion for imports of vegetable oils.

But Singh, 55, says he will only switch to growing oilseeds, such as rapeseed and sunflower, on his 15-acre (six-hectare) plot in the northern state of Punjab, if the government promises guaranteed rates for his produce.

Such a switch by farmers in the breadbasket states of Punjab and Haryana

could cut shipments of edible oils that have tripled over the last two decades to rack up India's third biggest import bill, after crude oil and gold.

That would also melt bulging inventories of rice and wheat worth billions of dollars that lie unsold in government warehouses, after years of bountiful harvests.

But industry experts say grain growers are unlikely to make the switch in large numbers unless the government offers financial assistance.

Such a move looks unlikely during the stand-off over three new farm laws adopted by Prime Minister Narendra Modi's government in September, which



protesting cultivators call a ruse to abandon MSPs.

These prices are set for more than 20 crops each year, but state buying agency the Food Corporation of India (FCI) applies them only to purchases of rice and wheat, blaming a lack of funds and storage space.

Only the prospect of financial support will encourage farmers to switch from grain crops, with their government-set prices, to the less predictable gains of oilseeds.

The government, which earns 350 billion rupees (\$4.77 billion) from levies on edible oil imports, can easily set aside 40 billion rupees a year for crop

## Product & Service Councils

diversification, through more taxes on such imports, Mehta added.

Higher output of oilseeds and fewer imports of oils will boost farmers' incomes, create jobs in the domestic crushing industry and help save precious foreign exchange, he said.

The growers' transition away from grain is a key step in a government plan to boost oilseed production, said a senior government official, who sought anonymity in line with policy.

Government purchases, initially meant to promote self-sufficiency in domestic staples, have spurred farmers,

especially those with access to better irrigation, to favour grain over the years, rather than oilseeds and pulses.

That has pushed India to the rank of the world's second-biggest producer of rice and wheat, but caused a glut. At the same time, lower oilseed output has made it the world's biggest importer of oils, to meet nearly 70% of consumption.

Such imports have surged to 15 million tonnes from 4 million two decades ago and could touch 20 million by 2030, boosted by a growing populace with higher incomes to satisfy a penchant for calorie-laden curry and deep-fried food. India buys

palm oil from Indonesia and Malaysia and soybean oil from Argentina, Brazil, Russia and Ukraine.

Oilseeds are now mainly grown in rain-fed areas with low crop yields, but Punjab, with efficient irrigation, can expect higher yields, experts say.

Farmers in the state and neighbouring Haryana can produce 6 million tonnes of rapeseed if they divert half the area now under wheat, bringing a domestic supply boost of 2.5 million tonnes, Mehta estimated.

*Reuters*

### Asian Council Tourism

#### A Japanese town's push for green tourism



Although travel is about new sights, sensations and experiences, more often than not, the chief pleasure of traveling is the temporary reprieve from the daily grind. Yet much of the travel experience leaves little time for forging deeper connections to people and places, and it can feel as though you're simply skating across the surface of another somewhere.

Not so at the INOW program, pronounced ee-no, and meaning "let's go home" in the local dialect.

Based in Kamikatsu, a tiny village in the cedar-forested mountains of Tokushima Prefecture best known for its forward-looking zero-waste policies,

the INOW program offers an alternative to sightseeing-centric modes of travel. Over two weeks, participants live in the village as local residents; even the program's name, pronounced ee-no, is Awa dialect for "let's go home."

Activities vary by season, ranging from tea harvesting to indigo-dyeing workshops, but always include several shifts volunteering at Gomi Station (Kamikatsu's local waste-separation center) and zero-waste business Cafe Polestar.

If the itinerary sounds vague, that's because it is — deliberately so. Each program is highly flexible and tailored to the individual participant based on their interests. But the true range of possible experiences in Kamikatsu isn't evident from the INOW website at all, and that is partly by design.

"It's not a set program where everybody's going to get the same experiences," says INOW co-founder Linda Ding. "And we call it a program, but really, it's like, 'Here's our lives, please come and join us.'"

"Think of it as tourism to change your own perspective," co-founder Terumi Azuma says. "We want you to enter a completely different daily reality, and experience it as your own. The point



is that we're not treating participants as customers, but as someone living in Kamikatsu."

Officially launched in July 2020, the idea for INOW came to Ding and Azuma rather organically. In 2019, they had originally

intended to build a hostel in Kamikatsu to attract visitors to the town. Quickly realizing neither of them actually wanted to run a hostel, in its place they launched the Try Kamikatsu! Program, a kind of internship in which participants would work at Cafe Polestar — owned by Azuma — several days a week in exchange for food and lodging. The onset of COVID-19 forced the program to shut down for several months in spring 2020, which gave the pair space to rethink their goals and priorities, eventually resulting in the current INOW program.

One of the main draws of the program is experiencing the village's zero-waste lifestyle. At the INOW house, participants are obligated to separate their trash according to the town's stringent system, scrubbing their plastic wrappers clean and clipping them onto the hanger next to the sink to drip-dry.

At Gomi Station, where the sorting of 45 categories of trash is overseen by a small cast of city hall employees, you

## Product & Service Councils

quickly learn to separate glass bottles by color, cans by metal type (aluminium or steel), and even different types of cartons. A children's toy takes an entire hour to dismantle into its various components: a fistful of metal screws and a heap of colorful plastic. Volunteering here is an eye-opening experience; regular recycling systems in other parts of Japan feel profoundly inadequate in comparison.

For Azuma, a native of Kamikatsu, sharing the zero-waste lifestyle through INOW is more than simply adhering to town policies. It's about discovering what you actually need to survive by learning how to reduce waste.

Ding concurs, adding that spending two weeks in Kamikatsu's zero-waste system inevitably forces participants to change, one way or another. "One of the participants was someone who only ate at convenience stores," she says. "There's no konbini here, so he just had to cook for himself. It's forcing people to be in these



positions where they get to try something different."

Both Ding and Azuma believe Kamikatsu has much more to offer beyond zero-waste lessons.

Indeed, another of the program's draws is being able to spend time in nature with a number of local residents, many of whom lead quietly inspiring lives. You might spend a morning with activist Atsuko Watanabe cooking lunch over a wood-fired stove, or an afternoon making art and discussing philosophy with woodblock printmaker Osamu Nakamura.

INOW's very charms can be a source of frustration for some: unlike a tour, there isn't always a real "schedule," and activities often change at the last minute. Not everyone will be able to commit to two weeks on this program, and those who don't drive may find Kamikatsu's lack of transportation infrastructure a real headache — the nearest supermarket is a 10-kilometer cycle down the mountain.

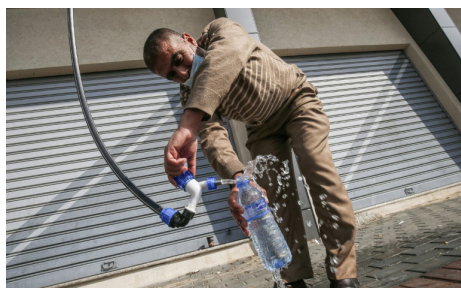
But life in Kamikatsu is often about learning to take things as they come, and not being too attached to specific outcomes. Even if activities change, there is invariably something else to do: a waterfall to hike to, a forest to explore, an event at the local community center. Past participants all agree that two weeks feels far too short.

With its ability to truly welcome and integrate newcomers into the community over the space of just two weeks, INOW is the rare program that lives up to its name.

*Japan Times*

### ***Asian Council on Water, Energy, and Environment***

#### **Israeli Firm in Gaza Extracts Drinking Water from Air**



The densely populated Gaza Strip has long lacked sufficient drinking water, but a new project helps ease the shortage with a solar-powered process to extract potable water straight from the air.

Unusually, the project operating in the Islamist-run Palestinian enclave, which has been blockaded by Israel since

2007, is the brainchild of a Russian-Israeli billionaire, Michael Mirilashvili.

The company he heads, Watergen, has developed the atmospheric water generators that can produce 5,000 to 6,000 litres (1,300 to more than 1,500 gallons) of drinking water per day, depending on the air's humidity.

With just a few machines operating in Gaza, Watergen is far from meeting demand for the two million people who live in the crowded coastal enclave wedged between Israel, Egypt and the Mediterranean Sea.

"But, it's a start," said Fathi Sheikh Khalil, an engineer with the Palestinian civil society group Damour, which operates one of the machines because Israeli firms cannot work in Gaza.

The strip, plagued by severe economic woes and regular power shortages, has also been facing a worsening water crisis for years. Its overused aquifer has been degraded by saltwater intrusion and contaminated by pollutants, making most available water salty and dangerous to drink and forcing the import of bottled

water.

Only three percent of Gaza's own water meets international standards, according to the United Nations, which had in 2012 predicted that ecological pressures would have made Gaza "unliveable" by now. Multiple studies have linked rising rates of kidney stones and high incidence of diarrhoea in Gaza to the consumption of sub-standard water.

Several players are working to solve the water shortage, including the European Union, which is supporting a massive seawater desalination plant.

A religious Jew with a picture of a prominent Orthodox rabbi on his office wall, Mirilashvili told AFP that when he learnt about Gaza's water crisis, he immediately wanted to help.

Israel tightly controls imports to Gaza and Mirilashvili acknowledged that getting his machines approved "took some time". Israel's army "liked the idea, but needed to check the equipment," he said.

Watergen's technology is suited to Gaza because it runs on solar panels, an asset in the enclave where the one power





## Product & Service Councils

plant, which requires imported fuel, lacks the capacity to meet demand.

Watergen has donated two machines, which cost \$61,000 each, to Gaza. A third machine was sent to the strip by the Arava Institute for Environmental Research, based on a kibbutz in southern Israel.

One of the machines, a metal cube that roars as it runs, is located at the town

hall in Khan Yunis in southern Gaza. After capturing humidity, the machine condenses it into water and then filters it into instantly drinkable water.

When the air's humidity level is above 65%, Watergen's machines can produce about 5,000 litres of drinking water per day, said Khalil of the Palestinian group Damour. An additional 1,000 litres can be produced when the humidity level

exceeds 90%.

Some of the water is consumed by city hall employees and some transported to a local hospital for patients with kidney problems, Khalil said. "One or two machines won't change anything," he told AFP. But "it shows there is a solution".

*Agence France-Presse*

### Asian ICT Council

#### How Japan can Become a Data Powerhouse

With the COVID-19 pandemic, the world has realized the need to utilize big data — from medical data on infections, to mobile data and traffic data to track the movement of people — to counter the virus.

But it has also been faced with the hard realization that there are no international regulations to restrict the use of personal data or reign in major data platforms. The same could be said for Japan, which lacks a comprehensive system that will enable data to be shared among central and local governments and the private sector.

According to the World Digital Competitiveness Ranking released by Switzerland-based IMD, Japan ranked 27th among the 63 nations listed. Looking at subfactor rankings in the survey, Japan came at the top for technological framework, including the number of mobile broadband subscribers and Wi-Fi broadband coverage. However, Japan was at the bottom for the use of big data, agility of companies and international experience of digital engineers.

So what is Japan's game plan?

Former Prime Minister Shinzo Abe, at the World Economic Forum in 2019, proposed "Data Free Flow with Trust (DFFT)," a concept by which countries put in place data protection regulations



*The task of modernizing Japan's data and information sharing processes has been handed to Takuya Hirai, minister in charge of digital reform. (Kyodo)*

but also allow the free flow of data. He later followed it up at the Group of 20 summit in Osaka a few months later with a process called the "Osaka Track," which aims to get related nations, regions and international institutions to work together to draw up international rules on data flow and electronic commerce under the World Trade Organization.

Its basic ideal is: "Striving to form an international framework that will facilitate free flow of data while appropriately protecting personal and critical industry data and securing public trust in privacy and security."

Japan attempted to show a different approach to the U.S., where private platforms, such as Google, Apple, Facebook and Amazon (GAFA), are the dominant data holders; China, where the nation controls data for both public and private sectors; and the EU, which is focusing on individual rights with GDPR.

To secure transparency, Japan has made progress in disclosing government data. However, the COVID-19 pandemic

has revealed that the government has been unable to effectively use its data and cooperate with local municipalities in its battle against the virus.

The government's COVID-19 cluster response team, which has played a significant role in its efforts to contain the virus, had to manually type in data coming from various municipalities and organize it before being able to analyze it.

Moreover, daily reports from medical institutions on infection cases to be put in a system called HER-SYS, which was launched in around June to manage data on infected individuals, were sent to the central government via fax.

So what roles should the government and the digital agency play? First, it is crucial to draft rules that will be the foundation for data utilization and prepare underpinning systems that will enable the private and public sectors as well as the central and local governments to utilize data that they have with each other.

For instance, Hiroaki Miyata, a professor at Keio University, has proposed "data sharing rights," which allow authorities to use personal data without the permission of individuals if the usage is for the purpose of the greater good. This kind of thinking has been reinforced as utilizing medical data became increasingly important in the COVID-19 era.

Secondly, Japan needs to take the initiative for global data rule-making by working with other like-minded nations. Data is not something closed within a border. People are relying more on platforms provided by overseas firms, mostly the U.S., as they stay and work remotely from home.

Rather than allowing superpowers



## Product & Service Councils

to unilaterally decide regulations, Japan should play a significant role in shaping rule-based order through cooperation with other like-minded countries that share basic values.

Thirdly, the government should closely work with private firms to provide services that people can truly benefit from. As a part of its efforts to counter the coronavirus, the government has launched experiments, such as analyzing people's

movement based on data from mobile network carriers and obtaining health condition data through the message app Line.

The proposed direction for Japan's digital society included in a draft of the revised basic law on information technology currently under debate states that "the government, cooperating with the private sector, will create an environment to provide services that will respond to

diverse needs among its people while launching new services that will better incorporate users' perspective."

The digital agency will need to have not only wider, strategic viewpoints, such as forming Japan's data infrastructure and global data rule-making, but must also compile policies that will benefit the country's people.

*Japan Times*

### Women Entrepreneurs Council

#### Taiwan, US Bond to Empower Women



Taiwan and the US have teamed up to take part in the Women's Livelihood Bond 3 (WLB3) initiative — a collaboration that American Institute in Taiwan Director Brent Christensen touted as "a testament to the United States' and Taiwan's commitment to the shared value of promoting women's development and prosperity."

Created by the Singapore-based Impact Investment Exchange (IIX), the Women's Livelihood Bond Series is a series of debt securities to empower women in Southeast Asia by creating sustainable livelihoods, officials said at the event.

WLB3 — the third tranche in the US\$150 million four-part initiative — would assist 175,000 to 185,000 female entrepreneurs and socioeconomically disadvantaged women in Indonesia, India,

Cambodia and the Philippines by financing loans, marketing and production and living expenses.

Taiwan is participating in the WLB3 as a responsible member of the international community, and to reinforce ties in the region and bolster the government's New Southbound Policy, as well as strategic cooperation with the US in the Indo-Pacific region, Minister of Foreign Affairs Joseph Wu said.

According to Christensen, "The US-Taiwan collaboration on the Women's Livelihood Bond builds upon our existing cooperation on several successful platforms and initiatives, such as the Global Cooperation and Training Framework, the Women's Economic Empowerment Summit, and our collaboration in APEC."

"We are proud to stand with Taiwan and other like-minded partners to promote, support and foster women's economic empowerment around the world," he said.

The WLB series exemplifies the new international paradigm of seeing public-private collaboration as a more powerful form of aid to developing countries, said Executive Yuan Minister Without Portfolio John Deng.

International Cooperation and Development Fund (ICDF) Secretary-General Timothy Hsiang hailed WLB3 as a landmark case in the fund's utilization of innovative financial instruments.

Against the backdrop of the COVID-19 pandemic, WLB3 microfinancing would encourage female entrepreneurs to engage in domestic manufacturing that breaks the cycle of

poverty and fosters economic resilience.

As Taiwanese private investors have yet to take part in the WLB3, the ICDF is inviting them to consider purchasing WLB Series securities, Hsiang added.

*Taipei Times*

### Investment & Joint Ventures in the Region

#### Entegris makes \$200M investment in manufacturing facility in Taiwan



A leading U.S. maker of chip materials is to build a \$200 million plant in Taiwan in another big win for the island's flagship semiconductor industry.

Entegris, which counts Taiwan Semiconductor Manufacturing Co., the world's biggest contract chipmaker, as its top customer, is set to start construction early next year and aims to start production by the end of 2021, Bertrand Loy, the company's president and CEO, told Nikkei Asia.

## Investment & Joint Ventures in the Region

The factory in the southern city of Kaohsiung will make materials for the world's most advanced semiconductors, such as 5-nanometer and 3-nanometer chips. Entegris will supply TSMC, the first chipmaker in the world to get into large-scale production of such chips, but will later supply chipmakers worldwide if needed, Loy said.

Entegris is the world's top supplier of high-end filters, which are vital to ensure the purity of chemicals and liquids used in making chips and displays. Such materials are increasingly crucial as semiconductor manufacturing grows more complex, with less room to tolerate defects.

The Massachusetts-based company also supplies all the world's top chip leaders including Intel, Samsung, Kioxia, and SK Hynix.

The investment is significant for Taiwan, a democratic self-ruled island with the world's second-largest chip economy by revenue after the U.S.

Taiwan hopes to lure more leading chip equipment and material makers to produce locally, a senior official told Nikkei Asia. Taiwan wants to defend its industry position at a time when China -- which views the island as part of its territory -- is ratcheting up efforts to expand its own semiconductor industry.

As part of its expansion in Taiwan, the company expects to recruit more than 200 employees, to add to its local headcount of approximately 300. Entegris currently has around 5,300 employees worldwide.

The company already has manufacturing sites in Japan, South Korea and Malaysia and a smaller production presence in Taiwan and China.

Entegris' planned expansion will help Taiwan broaden its innovation capacity in semiconductor equipment manufacturing, said Wang Mei-Hua, Taiwan's minister of economic affairs.

*Nikkei Asian Review*

### LG Electronics, Magna to Partner

LG Electronics Inc plans to spin off some of its electric vehicle (EV) components business into a new joint venture with Canada's Magna International Inc.

Magna would buy a 49% stake in the new unit for 501.6 billion won (US\$453 million), while the remainder would be owned by LG Electronics, the South Korean company said in an exchange filing on December 23.

The joint venture would make e-motors, inverters and electric-drive systems in factories in Incheon, South Korea, and Nanjing, China, people familiar with the matter said.

LG Electronics is "known as a leader in electronics parts and may produce electric cars based on an original equipment manufacturer model, rather than establishing its own EV brand," Macquarie Investment Management Korea Co Ltd chief investment officer for equities Jeon Kyung-dae said.

The new company, tentatively called LG Magna e-Powertrain, would service orders from Magna as well as Magna's clients. EV components being poured into the joint venture include LG Electronics' battery heater unit as well as its power relay assembly division.

"The market for e-motors,



inverters and electric-drive systems is expected to have significant growth between now and 2030, and the JV [joint venture] will target this fast-growing global market with a world-class portfolio," the companies said in a joint media release.

"LG will help accelerate Magna's time to market and scale of manufacturing for electrification components, while software and systems integration are competencies that Magna brings to this venture," they said.

The tie-up is LG Electronics' second major investment in the auto industry after it bought headlight-systems and automotive-lighting provider ZKW Group GmbH in 2018 for about 1.1 billion euros (US\$1.34 billion).

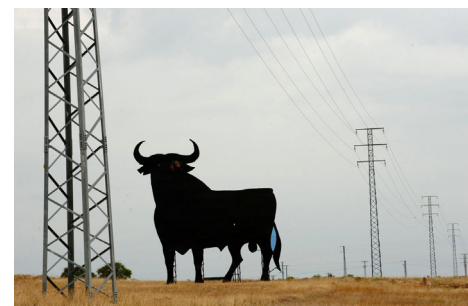
The latest venture would also have a software research and development center in Troy, Michigan, where Magna's US headquarters are located, one of the people familiar with the matter said.

LG Magna e-Powertrain would include more than 1,000 employees at LG locations in the US, China and South Korea,

and the transaction is expected to close in July, subject to a number of conditions including obtaining LG shareholder approval.

*Bloomberg*

### Japan's Orix to Buy Spanish Energy Firm Elawan



Orix Corp. has agreed to buy Spain's Elawan Energy in what is the Japanese financial conglomerate's first deal to acquire a majority stake in an overseas renewable power company.

Tokyo-based Orix is purchasing an 80% stake from Elawan's management and Spanish industrial company Acek, company spokeswoman Yuka Kanaoka said on December 28. With an additional capital injection later, the deal is worth about 100 billion yen (\$965 million), she said.

The transaction is expected to close in the second quarter of 2021,



## Investment & Joint Ventures in the Region

subject to receipt of regulatory approvals and satisfaction of customary closing conditions, Orix said in a statement.

The acquisition will expand Orix's global renewable energy operations as it broadens a business portfolio that ranges from leasing to banking and real estate. Acek, which also owns car parts maker Gestamp Automocion SA, has been selling stakes in renewable assets.

Elawan, set up in 2007, develops

and operates wind and solar power projects in Europe and the Americas. It has 714 megawatts of operational projects, more than 460 megawatts under construction and a development pipeline of over 10 gigawatts.

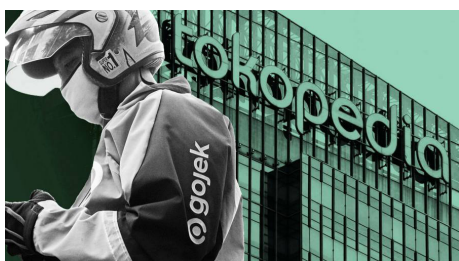
"Elawan is an ideal platform to further support the growth of Orix renewable energy business globally," Hidetake Takahashi, head of energy and eco-services business headquarters at Orix,

said in the statement.

Orix has been ramping up investment in renewable energy at home and abroad in recent years. In September, Orix agreed to buy a roughly 20% stake in Indian renewable energy developer Greenko Energy Holdings for \$980 million, the conglomerate's biggest investment in the sector overseas.

*Bloomberg*

### Gojek, Tokopedia in advanced talks for merger, report says



"Indonesia's ride-hailing and payments giant Gojek is in advanced discussions about merging with local ecommerce pioneer Tokopedia, ahead of a planned initial public offering of the combined entity," reported Bloomberg,

citing sources familiar with the situation.

Should a deal materialize, the combined entity will have a value of over US\$18 billion and will provide services ranging from ride-hailing and payments to online shopping and delivery. The two Southeast Asian giants have signed a detailed term sheet to conduct due diligence of their businesses, the report noted.

A Tokopedia spokesperson declined to comment on the matter and Gojek did not immediately respond to Tech In Asia's requests for a comment.

While both parties are looking to close the deal as soon as possible in the coming months and see potential synergies from the agreement, they are still discussing merger ratios. The merged entity could

seek a joint listing in Jakarta and the US, or work with a blank-check company for an American listing.

The development comes after the two Indonesia-based startups held discussions over a potential merger of their entities in December. However, the companies disagreed over the management of their businesses in their key region of Indonesia at the time, said the report.

The potential merger between them could face less regulatory backlash than a deal between Gojek and Grab, who have reportedly agreed on parts of their tie-up but with some portions still needing further negotiations.

*Tech in Asia*

### SK Group to invest \$1.5bn in fuel cell maker Plug Power

South Korea-based conglomerate SK Group will take a 9.9% stake worth \$1.5 billion in hydrogen fuel cell maker Plug Power Inc and form a joint venture to help provide hydrogen fuel cell products to Asian markets, the companies said.

As part of deal, a U.S. unit of SK Group will acquire about 51.4 million shares of Latham, New York-based Plug Power at a price of \$29.2893 per share.

The agreement comes at a time of brisk demand for clean energy, signaling a gradual shift from polluting fossil fuels in the coming years.

The South Korea government in 2019 announced the Hydrogen Economy Roadmap through 2040, with



ambitious goals, including over 5MM tons of hydrogen per year, and expects the cumulative economic value of its hydrogen economy to reach ~\$40 billion by 2040.

If a deal comes through, the SK Group-Plug Power investment is expected to close in the first quarter of 2021.

Morgan Stanley & Co. LLC served as the financial adviser and Goodwin Procter LLP acted as legal adviser to Plug Power.

*Reuters*

### Mitsubishi Prepares to Sell Lab-Grown Beef in Japan

Mitsubishi Corp has agreed to partner with Israel's Aleph Farms Ltd to lay the groundwork for bringing lab-grown beef to Japan, where demand for meat is growing.

The two companies are to work on tailoring Aleph's beef — grown in vats from muscle cells of living animals — to the tastes and nuances of Japanese consumers and regulatory bodies, Aleph chief executive officer Didier Toubia said in an interview from his office in Rehovot, Israel.

They would then use Mitsubishi's manufacturing capabilities to scale up production and distribution, he said.

## Investment & Joint Ventures in the Region

Aleph, whose investors include US food giant Cargill Inc, plans to sell its initial batch of lab-grown meat to consumers in Asia next year, with Japan being “high on the list” of target countries, Toubia said.

The partnership reflects the strides made by the so-called cultivated meat industry, which arose mainly in response to animal rights and environmental concerns. Aleph is among about 60 start-ups jockeying to sell meat or poultry that



bypass the abattoir and modern, industrial-

scale farming, and countries are starting to open pathways to consumers.

Tokyo-based Mitsubishi, which had US\$15.6 billion in food sales in the 12 months through March last year, is tapping an industry that is expected to grow.

The cell-based meat market is projected to reach US\$140 billion in the next decade, according to forecasts compiled by Blue Horizon Corp, which invests in alternative proteins.

*Bloomberg*

## Economic Cooperation News

### Pakistan eyes economic diplomacy to boost ties with African countries



*Pakistan Foreign Minister Shah Mahmood Qureshi held a meeting with ambassadors of African countries to discuss bilateral economic cooperation.*

Pakistan’s foreign minister says the government is committed to develop economic ties with African countries to boost people-to-people and business links. Foreign Minister Shah Mahmood Qureshi held a meeting with ambassadors of different African countries at the Ministry of Foreign Affairs on January 7 to discuss bilateral economic cooperation prospects. Diplomats from Algeria, Kenya, Libya, Mauritius, Morocco, South Africa, Sudan and Tunisia attended the meeting.

According to FM Qureshi, Pakistan is keen to upgrade its diplomatic ties and develop strategic cooperation with

African states. The country has planned to open new embassies and the foreign ministry has encouraged the Pakistani diplomats in the African region to devote all their energies to promote and strengthen the economic partnership between Pakistan and Africa. Pakistan had previously announced a plan to establish its diplomatic mission in strategically located Djibouti.

Recently, FM Qureshi held a virtual meeting on economic diplomacy with Pakistani envoys posted in Algeria, Kenya, Nigeria, Ethiopia, Niger, Libya, Mauritius, Morocco, South Africa, Sudan, Senegal, Tanzania, Zimbabwe and Tunisia to emphasize the importance of economic diplomacy. Underlining the shift from geo-politics to geo-economics, the foreign minister urged the Pakistani envoys to develop mutually beneficial economic partnerships with African countries, focusing on trade promotion, financial inflows, investments, tourism and technology transfer.

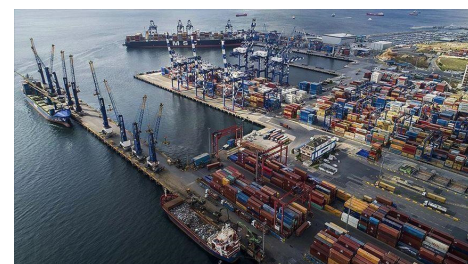
Pakistan’s trade with African countries touched US\$4.18 billion in 2019-20, signifying an increase by seven% as compared to the previous year (US\$1.38 billion) despite the pandemic challenges. The success came after the first-ever ‘Pakistan-Africa Trade Development Conference’ in Nairobi in January 2020.

The recent development is part of Pakistan’s “Engage Africa” policy, which aims at forging closer ties with the continent by expanding Islamabad’s diplomatic economic interaction and develop it into a strategic partnership. In 2019, Pakistan

hosted the ‘Engage Africa’ diplomats’ conference in which Prime Minister Imran Khan urged Pakistani diplomats to “focus on African countries” to improve ties with the region with an emphasis on trade.

*Gulf News*

### Indonesia, South Korea ink economic cooperation deal



Indonesia and South Korea have signed an agreement to enhance bilateral economic cooperation.

Negotiations on the Indonesia-South Korea Comprehensive Economic Partnership Agreement (IK-CEPA) started in 2012, Indonesia’s Trade Minister Agus Suparmanto said in a virtual news conference after the signing ceremony on December 18.

Talks were halted in 2014 due to a change in Indonesia’s government, resumed in February 2019, and concluded in November the same year, he said.

Suparmanto said the deal will help Indonesia become a production hub and make its economy stronger, more

## Economic Cooperation News

competitive, and attractive for South Korean investors. "In the trade of goods, South Korea will eliminate up to 95.54% of its tariff posts, while Indonesia will eliminate 92.06% of its tariff posts," he continued.

Under the agreement, South Korea will abolish tariffs on several Indonesian products such as lubricants, stearic acid, shirts, dried fruits, and seaweed.

Indonesia will eliminate tariffs for products including gearboxes of vehicles, ball bearings, and wall tiles.

In terms of import value, South Korea will eliminate tariffs for 97.3% of goods coming from Indonesia, while Indonesia will eliminate tariffs for 94% of its imports from South Korea.

In the trade of services, the two countries are committed to open more

than 100 sub-sectors and increase the integration of several service sectors, including construction, postal and courier services, franchising, and computer-related services, the minister said.

Sung Yun-mo, South Korea's trade, industry, and energy minister said IK-CEPA will also facilitate professionals from the two countries in the science and technology, software, and robotics fields.

*Anadolu Agency*

### U.S. State Department Lifts Restrictions on U.S.-Taiwan Contact



*U.S. Secretary of State Mike Pompeo*

U.S. Secretary of State Mike Pompeo on January 9 announced that Washington is lifting restrictions on contacts between U.S. officials and their Taiwanese counterparts, that have been in place since Washington cut ties with Taipei in favor of Beijing in 1979.

In a statement, Pompeo said that for several decades the State Department had created complex internal restrictions on interactions with Taiwanese counterparts by American diplomats, service members and other officials.

"The United States government took these actions unilaterally, in an attempt to appease the Communist regime in Beijing. No more," Pompeo said in the statement. "Today I am announcing that I am lifting all of these self-imposed restrictions," he added.

Pompeo also announced a decision to void all sections of the Foreign Affairs Manual or Foreign Affairs Handbook that convey authorities to regulate engagement with Taiwan via any entity other than the American Institute in Taiwan (AIT). AIT represents U.S. interests in Taiwan in the absence of official diplomatic ties.

"The United States government maintains relationships with unofficial partners around the world, and Taiwan is no

exception," he said, adding that the latest statement recognizes that the U.S.-Taiwan relationship "need not, and should not, be shackled by self-imposed restrictions of our permanent bureaucracy."

In response, Taiwan's Foreign Minister Joseph Wu thanked Pompeo for the latest announcement in a tweet.

Saying that these restrictions "unnecessarily limiting our engagements these past years," Wu also expressed gratitude for bipartisan support in the U.S. Congress for passing the Taiwan Assurance Act, which advocates a review of prior bilateral engagement guidelines.

"The closer partnership between Taiwan & the US is firmly based on our shared values, common interests & unshakable belief in freedom & democracy. We'll continue working in the months & years ahead to ensure Taiwan is & continues to be a force for good in the world," Wu said in a tweet.

*CNA*

### Taiwan Signs Customs Standards Agreement with New Zealand

Taiwan and New Zealand have signed an agreement to mutually recognize their authorized economic operators (AEO), the Ministry of Foreign Affairs said on December 31.

The deal is expected to enhance customs cooperation and supply chain safety between the two countries, Department of East Asian and Pacific Affairs Director General Larry Tseng said.

"Through the arrangement, exporters awarded AEO status in Taiwan

and New Zealand can enjoy trade facilitation for their goods in each other's territory," Tseng said.

The agreement was signed on Dec. 14 and Dec. 18 by the heads of the representative offices of both countries, and becomes the eighth such document signed between Taiwan and another nation, Tseng said.

Other countries with which Taiwan has signed similar agreements are Australia, India, Israel, Japan, Singapore, South Korea and the US, he said.

An AEO is defined by the World Customs Organization as a party involved in the international movement of goods that

has been approved by a national customs agency as complying with international supply chain security standards.

Separately, the Ministry of Finance said in a statement that trade volume between Taiwan and New Zealand was US\$1.3 billion in 2019.

The Customs Administration implemented its AEO program in December 2009 and has to date certified 789 of them, the ministry said. Those include 377 general and 412 security and safety AEOs, with countries accounting for 48% of Taiwan's trade, it said.

*Taipei Times*



## Kazakhstan, U.S. Explore Investment Cooperation Possibilities, Support for the Private Sector

Kazakh Prime Minister and the United States International Development Finance Corporation CEO Adam Boehler met to discuss the prospects for investment cooperation in agriculture, tourism, logistics, infrastructure, finance and technologies, the Kazakh Prime Minister's press service reported.

The sides noted the primary importance of projects and initiatives aimed at developing the private sector in Kazakhstan.

The meeting was also attended by First Deputy Prime Minister Alikhan Smailov, the Agency for Strategic Planning and Reforms Chair and AIFC Governor Kairat Kelimbetov, Kazakh Foreign Minister Mukhtar Tileuberdi, U.S. Ambassador to Kazakhstan William Moser, and Counselor to the CEO at the U.S. International Development Finance Corporation (DFC) Caleb McCarry.

During the meeting, the agreement was signed between the Astana International Financial Centre (AIFC) and the International Development Finance Corporation meant to attract at least \$1



billion over five years to support the private sector, encourage its growth in the region of Central Asia and foster economic partnerships in Central Asia and beyond, as part of the Central Asia Investment Partnership signed Jan. 7 between Kazakhstan, Uzbekistan and the United States.

The funds are meant to promote private sector projects that meet international standards in infrastructure quality and promote inclusive, transparent and sustainable investments with a broader goal to attract more investments in the region.

“Working through the C5+1

platform, the initiative (Central Asia Investment Partnership) will seek to take advantage of opportunities for increasing trade, development, and connectivity to make each country in Central Asia stronger and more prosperous. As the region seeks to recover from the economic effects of the COVID-19 pandemic, such cooperation and resilience is more important than ever,” said the joint statement.

The initiative will be implemented by the U.S. International Development Finance Corporation (DFC), Astana International Financial Centre and the Ministry of Investments and Foreign Trade of Kazakhstan.

*Astana Times*

## Singapore, Malaysia to work closely to keep supply chains going amid state of emergency



Singapore and Malaysia will continue to work closely to keep supply chains going amid the movement control restrictions and state of emergency declared in Malaysia, said Minister for Trade and Industry Chan Chun Sing on January 13.

Mr. Chan was speaking to reporters during a visit to specialty chemicals company DuPont Singapore. When asked about the latest developments in Malaysia and whether it would affect Singapore's supply chain, he said: “We are in close contact with our Malaysian counterparts regarding the latest movement control, and also the state of emergency. I've exchanged texts with my counterparts and I think we have shared our commitment to make sure that we continue to keep our trade flows going, keep our supply chains going, to the benefit of both countries.”

He added that over the last few days, Singapore's supplies and trade flows with Malaysia have continued “as per normal”. Malaysia had earlier announced fresh nationwide movement restrictions to

curb the soaring number of new Covid-19 infections.

Mr. Chan said that since the onset of the Covid-19 pandemic, Singapore has been preparing itself for potential disruptions to its supplies and supply chains by diversifying the latter, and also by stockpiling and stepping up local production where possible.

“We continue to review the resilience of our supply chains on a daily basis for all our food items and all our essential products,” adding that “so long as we stay calm, we are able to adapt to the situation and will be able to utilize the diversity of our supply chains to keep our food supply and essential supplies adequate.”

*Straits Times*

## Artificial Intelligence Finds Hidden Roads Threatening Amazon Ecosystems



It took years of painstaking work for Carlos Souza and his colleagues to map out every road in the Brazilian Amazon biome. Official maps of the 4.2 million-square-kilometer region only show roads built by federal and local governments. But by carefully tracing lines on satellite images, the researchers concluded in 2016 that the true length of all the roads combined was nearly 13 times higher.

“When we don’t have a good understanding of how much roadless areas we have on the landscape, we probably will misguide any conservation plans for that territory,” said Souza, a geographer at a Brazil-based environmental nonprofit

organization called Imazon.

Now, Imazon researchers have built an artificial intelligence algorithm to find such roads automatically. Currently, the algorithm is reaching about 70% accuracy, which rises to 87%-90% with some additional automated processing, said Souza. Analysts then confirm potential roads by examining the satellite images. Souza presented the research last month at a virtual meeting of the American Geophysical Union.

The laborious work of mapping roads by hand was not wasted -- that data was needed to train the AI algorithm. Thanks to the algorithm, Souza and his colleagues should now be able to update their map every year with relative ease. The team also plans to share the algorithm with organizations in surrounding countries so roads can be mapped in other parts of the Amazon basin.

People build unofficial roads through the Amazon for a variety of reasons, said Souza. Logging companies build winding roads so they can access timber, while miners build straighter roads to reach gold deposits. Other roads are built for agriculture or as part of land speculation before selling public lands to private owners. Determining the legality of such

roads is complicated; many are illegal, but some are permitted in logging and mining concessions, said Souza.

Large areas of road-free rainforest are important for protecting Amazonian biodiversity and isolated indigenous people, said Souza. Moreover, roads are often a harbinger of further destruction. Nearly 95% of deforestation in the Brazilian Amazon occurs within 5.5 km of a road or 1 km of a river, while about 95% of fires occur within 10 km of a road or river, according to prior research by Souza and his colleagues. Loggers and gold miners often abandon private roads when natural resources are exhausted, said Souza, whereupon farmers and ranchers make use of them for further development.

If policymakers don’t consider unofficial roads, they may underestimate the harm being done to the Amazon, said Souza. The new algorithm could help provide a complete and up-to-date picture, showing where to focus efforts at rainforest protection.

The unofficial roads, said Souza, cover a huge area. “If we don’t stop this, it’s going to be the next frontier of occupation and deforestation.”

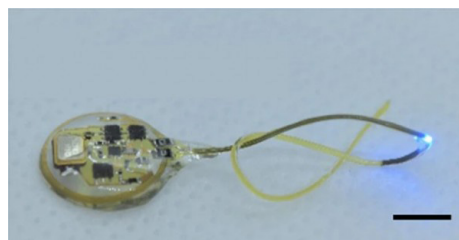
*Inside Science*

## Tiny Wireless Device Could Be Answer to Obesity and Losing Weight

Researchers from Texas A&M University introduced a tiny wireless device that could be the answer to fight obesity and help with weight loss by stimulating nerve endings, particularly the vagus nerves, which are responsible for food cravings. This device could be inserted via a simple implantation procedure.

According to Science Daily, the tiny wireless device can be controlled externally from a remote frequency source because it does not need a power cord, unlike other devices.

The device is shaped like a paddle and comprises of microchips and micro LEDs that will light upon targeting the



specific vagus nerve endings. The tiny wireless device will be attached to the stomach, wherein researchers hope that it could someday replace the gastric bypass surgery.

One of the authors of the study, assistant professor Dr. Sung Il Park from the university’s Department of Electrical and Computer Engineering, said that their goal in making the tiny wireless device is to develop a tool that will only require a simple surgery and that will stimulate the vagus nerve.

Park said that their device can do both things, noting that it could someday help people in need of dramatic weight-loss surgeries.

The study, published in the January 2021 issue of *Nature Communications*, has focused on the vagus nerves as potential targets to treat obesity because they could send sensory information to the brain of a feeling of fullness.

Although there are devices already available, these devices required an external power source. But with wireless technology and the application of genetic and optical tools, nerve stimulation would be easier and more comfortable.

The tiny wireless device has micro LEDs at its flexible tip that is fitted to the stomach. The device’s head, called the harvester, housed the microchips for the device to communicate to an external





radiofrequency source, and it can also power the micro LEDs to make them light.

The researchers found that the device could be used to stimulate the non-stretch parts of the receptors in the stomach to respond to the chemicals of the food to tell the brain that the stomach is already full.

Stomachs are known to stretch and expand when it is full. This message is sent to the brain via the mechanoreceptors on the vagus nerve, which is a different receptor that the researchers want to target.

The researchers said that the device could be used in further studies, like manipulating nerve endings in the

gastrointestinal tract and other organs to control appetite and other behaviors that are of greatest interest to scientists.

The novel device will help scientists understand more the neuronal function in the peripheral nervous systems in a new light that was never before done.

*The Science Times*

## Japan's Fugaku Supercomputer is Tackling some of the World's Biggest Problems



*Riken's Center for Computational Science director, Satoshi Matsuoka*

Japan's Fugaku supercomputer — which in June ranked first in the global Top500 list of such machines, the first time for a Japanese machine in about nine years — was surprisingly not created with the aim of excelling in numerical benchmarks, unlike some of its rivals.

Instead, it was born with an “application-first philosophy,” meaning that its exclusive purpose is to dedicate its computational excellence to tackling some of the world's biggest challenges, such as climate change, says Satoshi Matsuoka, 57, the mastermind behind the project.

As the director of Riken's Center for Computational Science, Matsuoka and his team have set out nine application areas for Fugaku to work on that are of importance to society, such as medicine, pharmacology, disaster prediction and prevention, environmental sustainability and energy.

Matsuoka began leading the team developing the next-generation supercomputer in around 2010, just before

its predecessor K computer became the world's fastest supercomputer in the Top500 benchmark by conducting more than 10 quadrillion calculations per second.

Fugaku, set to be officially launched in 2021 at Riken's facility in Kobe, won international acclaim for becoming the world's first supercomputer to grab the top spot in all four Top500 categories — raw computational speed, big data processing, deep learning with artificial intelligence and practical simulation calculations. It was developed jointly by the state-backed Riken research institute and Fujitsu Ltd. over a decade at a cost of ¥130 billion.

Fugaku conducted more than 442 quadrillion calculations per second in the Top500 benchmark test, which computes the machine's raw speed. Named after an alternative name for Mount Fuji, the supercomputer has already been used for experimental trials in various research related to the coronavirus and global weather simulations, among others, since April.

In developing Fugaku, the priority had been to improve the computer's usability so that it could process various

programming languages — just like any standard computer — rather than purely computational speed.

Another focus of the project was to achieve an unprecedented level of power-efficiency. Both were solved with the creation of the Fujitsu A64FX microprocessor, which runs the same programs as smartphones and PCs and at the same time is up to 20 times more powerful than its predecessor but is extremely energy efficient. Fugaku uses about 30 megawatts at full power.

About 160,000 A64FX microprocessors are used in Fugaku, and the chip is also being used by the supercomputer manufacturer Cray Inc. (a subsidiary of Hewlett Packard Enterprise Co.), marking the first time in history that a Japanese supercomputer chip has been utilized by an American supercomputer manufacturer, Matsuoka said.

“Japan re-emerging as a formidable force in the high-end semiconductor is something that we really wanted to achieve. And that's taxpayers' money well spent,” he said.

*Japan Times*





## Policy Updates

### Australia

#### Australia changes rules for return travelers due to mutant COVID-19 strain



The Australian Government has made major changes to how it accepts return travelers in response to the mutant, highly contagious strain of COVID-19 circulating overseas.

On January 8, the National Cabinet agreed to halve the number of international arrivals allowed into three states over the next month.

Until February 15, NSW will be allowed to take a maximum of 1,505 people a week into hotel quarantine. Queensland will be allowed a maximum of 500 people weekly, while Western Australia's cap will be 512 individuals.

All passengers must test negative before arriving in Australia, though some exemptions apply. For example, seasonal workers from amber-risk countries where there is limited access to testing may be excused from pre-departure testing and instead be tested on arrival.

Passengers on all flights from the United Kingdom will be subject to rapid testing for the new strain of coronavirus before they board flights to Australia.

Mask wearing is also now compulsory (excluding children 12 and under and those with other accepted exemptions) in all international and domestic airports and flights.

Quarantine workers such as cleaners in quarantine hotels or bus drivers at airports will also now have to undertake daily testing.

ABC

### Brunei

#### Brunei aims to Slash Carbon Emissions by 20% in Next 10 Years



Brunei aims to cut its greenhouse gas output by 20% over the next 10 years, relative to business-as-usual levels.

The Brunei Darussalam National Council on Climate Change submitted its nationally determined contribution (NDC) to the United Nations on December 31, outlining Brunei's commitments under the Paris Agreement.

As the sultanate seeks to diversify the economy through rapid expansion of the industrial sector, carbon emissions are expected to rise from the 10.1 MtCO<sub>2</sub>e recorded in 2018 to 29.5 MtCO<sub>2</sub>e by 2030.

However, the government said as part of its climate action pledge it will shrink this growth by 20% through the introduction of mandatory carbon reporting and eventually, a carbon pricing scheme for the energy sector, which contributes 80% of the country's carbon emissions.

Brunei's National Climate Change Policy document shows that there is potential to reduce the country's emissions by more than 50% in the next 15 years.

Although Brunei was responsible for just 0.025 of greenhouse gas emissions in 2018, it has one of the highest per capita carbon footprints in the region.

With the sultanate recording its warmest year in 2016, the average temperature has increased 1.25°C since 1970 and is expected to rise to 4°C by 2100. The elevated temperature creates hotter and drier conditions which aggravate the intensity and severity of heatwaves, which has resulted in devastating fires in Brunei's forests and peat swamps.

Global warming has also intensified rainfall patterns, with total

rainfall in the country increasing at a rate of 100mm per decade.

Brunei is vulnerable to the impact of rising sea levels, with coastal areas lying at 12 metres below sea level. Climate change has also had a devastating impact on wildlife biodiversity, with 40% of biodiversity lost over the past 50 years due to forest degradation.

Studies also suggest that rising temperatures and humidity will likely increase exposure to vector-borne diseases such as dengue, malaria and Zika.

*The Scoop*

### Bangladesh

#### Government mulls policies on reuse of edible oil



The government is working to introduce policies on the use of trans-fat and edible oil at restaurants to safeguard public health, said a senior official of the Bangladesh Food Safety Authority (BFSA).

"The policy will address the issues of proper use of edible oil and trans-fat content in food," said Md Abdul Kayowm Sarker, chairman of the BFSA.

As per the Food Safety Hygiene Regulation 2018, nobody can use any by-products of food preparation. Used cooking oil is a waste product, and it must not be applied for further use as it violates the regulation, Sarker said.

Sarker said the BFSA was keen to develop a strategy for recycling used cooking oil so that the oil is used safely for further value-addition and safe waste disposal. Manzur Morshed Ahmed, a member of the BFSA, said there were many health issues regarding the use of used cooking oil.

Bangladesh imports more than three million tonnes of edible oil. But only



## Policy Updates

a negligible portion is collected as used cooking oil mostly by informal actors, who sell them to restaurants.

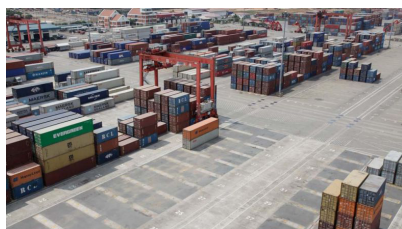
Latiful Bari, chief scientist of the Food Analysis & Research Centre for Advanced Research of Sciences, said reusing cooking oil increases the cholesterol, creates peroxides acid, causes cancer. Cooking oil with a high percentage of polar compounds is the prime cause for some of the worst diseases.

Md Abdur Rahim, joint secretary of the export wing of the commerce ministry, said the government would consider allowing exports of used cooking oils if stakeholders recommended.

*The Daily Star*

## Cambodia

### Cambodia adopts ASEAN service for customs clearance



Cambodian importers and exporters can now apply for ASEAN Customs Declaration Documents (ACDD) electronically through the ASEAN Single Window (ASW), the General Department of Customs and Excise of Cambodia (GDCE) said on December 24.

The documents will be recognised by authorities of the 10 ASEAN member states, which brings the facilitation of trade and customs clearance in the region up a notch.

The GDCE said it will implement the “exchange of ACDD and ASEAN Trade in Goods Agreement [ATIGA] e-Form D which are issued by the authorities of the ASEAN member states from the date of the announcement”.

The ASW is a regional initiative that links and integrates the National Single Windows (NSWs) of the 10 ASEAN member states, according to the ASEAN Secretariat.

“The ASW’s objective is to expedite cargo clearance and promote ASEAN economic integration by enabling the electronic exchange of border trade-related documents among ASEAN member states,” it said.

According to the ASEAN Secretariat, all 10 countries in the bloc had joined the ASW Live Operation by the end of 2019, where it said “the granting of preferential tariff treatment would be based on the Electronic Certificate of Origin – ATIGA e-Form D – exchanged through the ASW.

“The ASW Live Operation will continue to open a vast window of opportunities for ASEAN to include more documents, such as [ACDD], electronic Phytosanitary Certificate [e-Phyto], electronic Animal Health Certificate [e-AH] and electronic Food Safety Certificate [e-FS] Certificate to be exchanged through the ASW in the future,” it said.

*The Phnom Penh Post*

## Japan

### Japan to Eliminate Gas-Powered Cars as part of “Green Growth Plan”



Japan aims to eliminate gasoline-powered vehicles in about 15 years, the government said in a plan to achieve Prime Minister Yoshihide Suga’s ambitious pledge to go carbon free by 2050 and generate nearly \$2 trillion growth in green business and investment.

The “green growth strategy” urges utilities to bolster renewables and hydrogen while calling for auto industries to go carbon-free by the mid-2030s.

The strategy, which provides a roadmap to achieving the goals in different sectors, projected 30-50% increase in

electricity demand and called for a push to triple renewables in the country’s energy mix to about 50-60% from their current level, while also maximizing use of nuclear power as a stable, clean source of energy.

The strategy identified 14 industries, such as offshore wind, hydrogen and fuel ammonia as well as autos and rechargeable batteries and roadmap for each sector. The strategy shows an installation target for offshore wind power of up to 45 gigawatts by 2040.

Under the strategy, the government is also to provide tax incentives and other support to encourage investment into green technology. Suga projected an annual growth of 90 trillion yen (\$870 billion) by 2030 and 190 trillion yen (\$1.8 trillion) by 2050 under the plan.

The government will offer tax incentives and other financial support to companies, such as a 2 trillion yen (\$19 billion) green fund.

*Associated Press*

## Korea

### S. Korea to launch policy fund for digital, green New Deal initiatives in March



The South Korean government will recruit sub-funds for the 20 trillion won (\$18 billion) worth policy fund it plans to create by 2025 for new economic growth through digital and green initiatives.

Of the 20 trillion won, the government will create 4 trillion won policy in 2021 with an aim to launch the first fund of funds worth 140 billion won in March, said Hong Nam-ki, deputy prime minister for economy, at a ministerial meeting.

The policy fund, for which the government will contribute with matching



funds from the private sector, will spend up to 30 percent on investment in the New Deal related infrastructures. The rest will be invested in New Deal related businesses, especially in six core sectors such as big data, network and artificial intelligence technologies.

The Korean government in July announced the New Deal initiative that packages economic, environmental, and social reforms to prop-up the coronavirus-hit economy. It is mainly divided into two policies of digital and green.

To encourage the private sector's investment in the policy fund, the government plans to extend the fund's operation period to up to 20 years. Also, the government will contribute as much as 45% in projects, depending on the needs and involved risks, and offer higher incentives.

*Pulse News*

## Pakistan

### Pakistan to launch drone policy to boost local manufacturing industry



Pakistan government has approved the country's first drone policy in an effort to boost local drones manufacturing industry and to usher in a new era of automation.

Prime Minister Imran Khan on December 22 gave the green light to set up a committee to formulate a legislative and regulatory body that would expand a safer and legalised use of unmanned aerial vehicles (UAVs) in diverse sectors. Drone technology can greatly benefit the country's agriculture and urban planning sectors and maintain law and order situation, Khan said after a meeting with Minister for

Science and Technology Fawad Chaudhry in Islamabad.

The drone policy is seen as the first step towards building the drone industry in the country where the import of drones is practically banned due to security concerns. Talking to Gulf News, Minister Fawad Chaudhry explained the government has decided to lift the ban "to develop and boost the local drone manufacturing industry" in the next five years. The regulation would help Pakistan tap into the commercial drone market, which is expected to touch US\$43 billion by 2025 with an annual 20% growth rate, he said. "To develop its drone industry, Pakistan looks forward to joint ventures with China and Turkey," the minister said.

The planned legislation is designed to effectively "use drones in precision agriculture and by law enforcement for public safety." He said that his ministry is in contact with police departments to create special drone units to help curb street crimes in cities such as Karachi. As police departments around the world are increasingly turning to drones to fight crimes, Pakistan's police can also make full use of high-tech surveillance tools, he said.

*Gulf News*

## Philippines

### Competition policy vital to inclusive digital economy



As the coronavirus disease 2019 (Covid-19) pandemic accelerated the digital shifts, competition policy shall remain in place to ensure an inclusive digital economy, Philippine Competition Commission (PCC) chairman Arsenio Balisacan said on January 13.

In a webinar of the Asian Development Bank, Balisacan said micro and small enterprises are faced with challenges of competing in the digital economy, as it is still dominated by established large enterprises.

"MSMEs (micro, small and medium enterprises) and the poor suffered unequal access to digital platforms due primarily to poor connectivity. For example, penetration of high-speed broadband connection is low primarily because of unstable, slow, and expensive internet connection," he said.

Balisacan added 60% of households in the Philippines do not have access to the internet. There is also a low penetration to high-speed broadband connection.

Since established enterprises still dominate the digital market, the innovators, or the new entrants, will face the challenge of acquiring a sufficient scale of the market.

"That's where competition policy comes in. Because we want to ensure that innovation is not precluded, the barriers to entry are eliminated so that first-mover advantage should not be (a) permanent feature of these markets, otherwise inclusivity will not happen," Balisacan said.

He said poor access to cheap and high-speed connection will only exacerbate existing inequalities amid the fast-growing digital economy. There should be a proactive and whole-of-government approach in addressing these challenges to make digitalization as a catalyst for inclusive recovery, he added.

*Philippine News Agency*

## Taiwan

### Ministry Tightens Chinese Investment Regulations

The Ministry of Economic Affairs on December 30 said that it has tightened control on Chinese investments in Taiwan due to national security concerns, following in the steps of countries such as the US and Japan.

Based on new regulations, Chinese







military-owned companies and Chinese Communist Party-owned companies are banned from investing in Taiwan.

There is a worldwide trend of scrutinizing investments from China more closely due to concerns that China could gain access to key technologies and information, Investment Commission spokesman Su Chi-yen said.

“The US, Germany, Japan and Australia have all been regulating Chinese investments more strictly, not just Taiwan,” Su said. “Protecting business intelligence is a matter of national security.”

Articles 3, 4 and 6 of the Measures Governing Investment Permits to the People of the Mainland Area have been changed to expand the definition of Chinese capital to close loopholes that could be used by companies seeking to skirt regulations.

Article 3 has been updated to consider funds from any company with more than 30% Chinese capital to be wholly Chinese owned as far as its subsidiaries are concerned, rather than 40% under the previous rules.

Another change in Article 3 targets “material control.” Under the old rules, a board of directors had to be made up of less than 50% Chinese nationals to be considered a non-Chinese company. Now the rule extends to any other organizations that might be in material control of the company.

“There have been examples of companies where the real decisionmakers are not on the board, but on an ‘executive committee’ that is technically under the board. Now those organizations are covered by the law,” Su said.

Article 4 has expanded the definition of “investment” to cover any purchase of Taiwanese companies or assets

by a Chinese company, even in the absence of a stock deal.

“If the percentage of investment is very low, we would tell the company to keep us apprised of any changes in their ownership structure. If it is higher, then those companies would be barred from sensitive industries.”

According to Su said, “Chinese companies are restricted to investing in non-sensitive sectors such as retail and wholesale.” Technically advanced sectors such as IC design and telecoms are off limits; Chinese companies are also banned from investing in advertising and cultural industries due to “the unique dynamics of the cross-strait relationship.”

Any company found to be in contravention of the regulations would have to pay a maximum fine of NT\$25 million and divest immediately.

The ministry also announced an amendment to the Regulations Governing Investment or Technical Cooperation in the Mainland Area, tightening control of Taiwanese technology and intellectual property (IP) going to China.

“Selling or licensing Taiwanese technology or IP will now be considered ‘technical cooperation’ and must be approved in advance,” the ministry said in a release.

“This includes indirect technical cooperation through a third country,” it said, adding that the scope of the sectors targeted has also been widened from the IC sector to any “specialist technology.”

*Taipei Times*

## Thailand

### Thailand offers work permits to undocumented migrants to curb COVID-19

Thailand on December 29 said it would allow undocumented migrant workers from Cambodia, Laos and Myanmar to work in the country legally for about two years to curb the spread of COVID-19.

Migrants have to sign up online

and be registered by an employer before mid-September in order to receive a work permit until February 2023, according to a resolution by the cabinet.

They will first have to undergo health checks at a cost of about 7,200 baht (\$240), a Thai government spokeswoman said.

The announcement came as Thailand deals with its worst coronavirus outbreak to-date, with more than 1,500 cases since mid-December having been linked to mostly Burmese migrant workers at a seafood market in central Samut Sakhon province.

“The government has been screening migrants in areas at risk, resulting in some employers moving illegal migrant workers out of certain areas to avoid breaking the law,” deputy government spokeswoman Traisuree Taisaranakul told reporters.

“Also, illegal workers are panicking and moving out of certain areas, which risks spreading COVID-19,” she said, referring to the resolution during a weekly press conference.

Once the registration period ends in mid-February, authorities should “check, crack down on, arrest and prosecute” undocumented migrant workers, according to the resolution.

Thailand has about 2.2 million registered migrant workers - mainly from Myanmar, Cambodia and Laos - but many others work informally in sectors from fishing to farming, activists say.

The Migrant Working Group (MWG) - a network of civil society organisations - estimated that between 600,000 and 800,000 migrants would be eligible to register under the new measures.

*Reuters*

## Vietnam

### Vietnam Tightens Timber Laws to Ease U.S. Tariff Threats

Vietnam’s wood industry, under investigation by the U.S. Trade



## Policy Updates



Representative for allegedly importing illegally harvested or traded timber, is vowing to tighten regulations and buy more American lumber to avoid punitive tariffs that would devastate the sector.

Vietnamese officials are concerned the Trump administration could

hit Vietnam with new tariffs on timber as well as other products before it leaves power, said Do Xuan Lap, chairman of the Vietnam Timber and Forest Product Association.

“We’ve been buying more and more timber from the U.S.,” he said in a phone interview on January 8, adding such imports from the U.S. may increase at least 15% this year. “A high tariff will seriously damage our wood industry, but it will also hurt U.S. companies.”

The U.S. is the biggest market for Vietnamese wood products, representing an estimated \$6.5 billion in 2020, about half of the nation’s total agricultural shipments

to America last year, said Nguyen Do Anh Tuan, spokesman for Vietnam’s agriculture ministry.

U.S. Trade Representative Robert Lighthizer announced the timber investigation in early October along with a probe into Vietnam’s currency policy to determine whether an undervalued dong hurts American businesses. The U.S. Department of Commerce in November imposed a preliminary anti-subsidy tariff on car and truck tires from Vietnam, citing the Southeast Asian nation’s “undervalued currency” among the reasons for the decision.

*Bloomberg*

## About CACCI

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

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

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

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

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