



SOUTH EAST ASIAN MARKET UPDATE

COUNTRY NEWS

 **VIETNAM**

New projects ready for foreign investors

Prime minister Nguyen Tan Dung has approved a list of 127 projects that will await foreign investment until 2020. Of the projects, 51 will see infrastructure development for transport, energy, water supply, urban waste treatment and industrial zones. Twenty projects will comprise construction of universities, hospitals, pharmaceutical factories and tourism sites. According to the approved list, the projects are eligible for investment from wholly foreign investors, joint ventures, public-private partnerships, official development assistance programmes or foreign direct investment. Investors seeking 'build-operate-transfer' arrangements can also contribute investment.

Source: Intellasia

 **MALAYSIA**

Malaysia's economy to grow fastest among Asean-5

Malaysia stands out among the Asean-5, as it is the only economy that will likely experience faster growth in 2014, says the RHB Research Institute. Malaysia's real gross domestic product (GDP) is to expand at a faster rate of 5.4% this year, after moderating to +4.7% last year. Consumer spending is

projected to grow at a more moderate pace of 6.0% this year, after expanding at a relatively strong pace of +7.6% in 2013.

Source: The Sun Daily

 **SINGAPORE**

Singapore retains top spot in ranking of investor-friendly locations

Singapore kept its top spot in the Economist Intelligence Unit's (EIU) latest ranking of the world's most investor-friendly locations, staying ahead of second-placed Switzerland and third-placed Hong Kong. In its statement, EIU said Asia's best performers have several factors in common: a favourable policy environment, particularly for finance and foreign investment; and competition policies that encompass international best practices.

Source: Channel NewsAsia

Singapore economy grew 4.9% on-year in Q1: MTI

The Ministry of Trade and Industry announced today (May 20) that it has maintained its gross domestic product (GDP) growth forecast for 2014 at 2 to 4 per cent, after the Singapore economy grew by 4.9 per cent on a year-on-year basis in the first quarter. The expansion

in GDP during the January-March period was lower than the government's initial estimate of 5.1 per cent, partly due to the change in base year from 2005 to 2010. Using 2010 as the base year, GDP growth in 2013 came in at 3.9 per cent instead of the previously announced 4.1 per cent.

Source: Channel NewsAsia

 **PHILIPPINES**

Imports grow 9.6% in March; trade deficit narrows to \$146M

The country's imports in March rose 9.6% on year on increases in the purchases of transport equipment, plastics, fuel and food but the country's trade deficit still narrowed during the month as exports expanded at a double-digit pace. The government is looking at a 6 percent growth for both imports and exports in 2104.

Source: Manila Bulletin

 **INDONESIA**

Indonesia Predicts Six Percent Growth Rate in 2015

The government forecasted that economic growth in 2015 will be at 5.5 to six percent. Improving global economy has been used as a basis to propose a draft of the 2015 State Budget by the House of Representatives (DPR). The 2015 State Budget draft is intended to

provide a reference for the new government in providing services for the people.

Source: Tempo.Co

SECTOR NEWS

ENERGY

Vietnam-US cooperate in peaceful use of nuclear energy

This agreement was initiated between deputy prime minister and Foreign minister Pham Binh Minh and the US Secretary of State John Kerry on October 10, 2013 in Brunei, in the framework of the 23rd Asean Summit. The scope of the cooperation agreement includes the development of nuclear energy use; research, development and application of civil nuclear reactor technologies, management of used fuel; training and development of infrastructure and human resources; and radiation protection, radioactive waste and used fuel management. The cooperation between Vietnam and the US is to take various forms, such as the exchange of scientific information and documents; staff exchange and training; organising of conferences and seminars; providing services and technical support. The agreement takes effect for 30 years and continues to be in effect for each period of 5 years and can be modified upon agreement.

Source: Intellasia

Aeon to increase investments despite subdued sentiment

Aeon Co (M) Bhd is set to increase its investments this year in anticipation of sustained spending by consumers. It plans to invest RM700mil in capital expenditure (capex) in financial year ending Dec 31, 2014 (FY14). The company will open three outlets this year in Bukit Mertajam, Taiping, and in Quill City, Kuala Lumpur. Aeon will embrace environmentally friendly methods to reduce its net energy consumption by using more power-efficient devices. The retailer has planned to deploy energy-saving initiatives such as LED lighting and escalator sensors in its stores and

shopping centres. It will be done in phases on a store-by-store basis, with the aim of completing it within the next 12-15 months.

Source: The Star

Thailand is looking for alternatives

A return to economic growth in Thailand is expected to drive greater demand for electricity, hastening efforts to look for alternative sources of energy. Expanding the use of renewable energy sources is one option. Last July the Ministry of Energy said it was aiming to boost renewables' capacity to nearly 14,000 MW by 2021. This includes 3000 MW from solar, 4800 MW from biomass, 3600 MW from biogas and 1800 MW from wind, with the balance to come from hydropower and waste.

Source: Thailand Business News

Supplying Electricity to Indonesians; Domestic Coal Consumption Rises

Indonesian state-owned electricity firm Perusahaan Listrik Negara (PLN) said that Indonesia - Southeast Asia's largest economy - is expected to nearly double domestic consumption of thermal coal over the next eight years in an attempt to meet the nation's growing electricity demand. Coal is targeted to form the fuel source for 66 percent of total electricity generation by 2022 from 52 percent currently. As a consequence domestic coal consumption in Indonesia is expected to rise to 151 million metric tons in 2022 from 82.9 million metric tons in 2014.

Source: Indonesia Investments

Indonesian Government Tries to Attract Investment in Geothermal Power

In an attempt to attract investments in Indonesia's geothermal power sector, the Ministry of Energy and Mineral Resources plans to offer higher prices for geothermal-based electricity. Based on a recommendation from the World

Bank, the new proposed geothermal-produced electricity price will range between 11.5 and 29 cents per kWh and will be effective until 2025. Having approximately forty percent of the world's total geothermal energy reserves, Indonesia contains great potential for geothermal energy exploration and notably, geothermal energy is projected to contribute 12 percent to Indonesia's energy mix by 2025.

Source: Indonesia Investments

Construction of Indonesia's Sarulla Geothermal Power Project Starts Soon

Indonesia is ready to start the construction of the world's largest geothermal power plant, the USD \$1.6 billion Sarulla project, in June 2014. According to the Asian Development Bank (ADB), the Sarulla project will develop the steam resources, and design, finance, construct, operate as well as maintain geothermal power plants with a total net guaranteed deliverable capacity of approximately 300 MW for 30 years. The project will be the largest single-contract geothermal power project upon completion, representing the large scale, high productivity and great potential of Indonesian geothermal resources. Geothermal energy is projected to contribute 12 percent to Indonesia's energy mix by 2025.

Source: Indonesia Investments

CONSTRUCTION/ INFRASTRUCTURE

35 projects approved for PPP investment

Prime minister Nguyen Tan Dung has approved 127 projects in which foreign investors can get involved until 2020 with 35 projects set for public-private partnership (PPP) implementation. The projects are divided into the groups of technical and social infrastructure development, agriculture, processing, manufacturing and services. Notably, the list of PPP projects includes the planned Long Thanh International airport in the southern province of Dong

Nai. The first phase of this big-ticket project costs some \$5.62 billion. Other major PPP projects are a railway leading to Hai Phong International Port at a cost of \$1.6 billion and a railway connecting the centre of Hanoi and Noi Bai International Airport at some \$1.35 billion in the north, a \$4 billion electric power centre in the central province of Binh Dinh and a \$1.25 billion metro line running through Tan Phu District in HCM City.

Source: Intellasia

Sunway plans new hospitals in Cheras and Penang

Sunway Bhd will build two new hospitals in Sunway Velocity in Cheras and near Sunway Carnival mall in Penang, as it eyes opportunities for expansion around the country. The new hospitals in Cheras and Penang will have 150 and 180 beds, respectively. Construction will begin at the end of the year. Currently, a 10-storey oncology tower is being built over six acres of land adjacent to the Sunway Medical Centre in Bandar Sunway. The new block would add 200 beds to the existing medical facility, which has 368 beds with an occupancy rate of 70%, 170 medical specialists, and an average rate of 1,200 and 140 outpatients and admissions per day, respectively.

Source: The Star

LBS Bina launches mixed project in Kuantan

Property developer LBS Bina Group Bhd hopes to tap the booming Kuantan's economic growth with its latest mixed commercial and residential development. Phase one of Sinaran Mahkota comprises 121 units of two- and three-storey shop offices designed in modern Mondrian concept. The second phase includes proposed serviced apartments, located opposite the International Islamic University Malaysia.

Source: New Straits Times Online

JHM Consolidation

plans RM25m lighting plant

Automotive lighting manufacturer JHM Consolidation Bhd plans to establish a RM25 million production facility in Sungai Petani, Kedah, to cater to rising demand. JHM executive chairman Datuk Tan King Seng said the company hopes to start production at the plant by 2016. He said the 3.6ha piece of land was purchased for RM6 million and the plant would have a built-up area of 55,741 square meters.

Vibhavadi eyes 2,000 beds in 2017

Vibhavadi Medical Center Plc (VIBHA), Thailand's third-largest private hospital in terms of market capitalisation, plans a massive investment of 40-50 billion baht over four years to double the size of its medical services to 2,000 beds nationwide. The 800-million-baht Vibha Ram Amatanakorn is under development and will be operational this year. Six other hospitals are being designed at a cost of 600-800 million baht each including those in Bangkok's Theparak, On Nut and Srinakarin areas along with one in Samut Sakhon and two in Chiang Mai. With the planned investment, Vibhavadi Medical Center will also diversify into property development in Chiang Mai including golf courses, hotels, home stays and industrial plants.

Source: Bangkok Post

TELECOMMUNICATIONS

LTA, SMRT tie up with IBM and StarHub to improve public transport

The Land Transport Authority (LTA) and SMRT will collaborate with StarHub and IBM in a bid to improve the public transportation network through the use of data. The collaboration, announced on June 2, 2014, has been named Fusion AnalyticS for public Transport Emergency Response, or FASTER. It will use data-driven analytical models for better crowd management and public transport incident management. LTA and IBM will work together to combine

farecard information from industry partners. SMRT will provide video data from selected MRT station and StarHub will provide anonymised telecommunications data for aggregate-level mobility analysis.

Source: Channel NewsAsia

Environmental Technology

PUB to collaborate with international firms on water treatment

National water agency PUB said on Friday (May 30) it will sign memorandums of understanding (MOUs) with five international water companies and research centres to explore R&D projects in water treatment.

The agency will sign agreements with Evoqua Water Technologies, Grundfos, Technologiezentrum Wasser (TZW), KWR Watercycle Research Institute and Anaergia during the Singapore International Water Week 2014 from June 1 to 5. The collaborations include research on water treatment processes such as producing drinking water from seawater and wastewater treatment solutions.

Source: Channel NewsAsia

OUR RECENT PROJECTS

- Customized business matching meetings for a Canadian water mission to Malaysia and an ICT mission to Indonesia
- Identification and prequalification of end customers for a German public listed pharmaceutical manufacturer in Singapore and Vietnam
- Execution of a fact finding trip to the Philippines for a Swiss software developer
- Identification of M&A targets for a Japanese multinational company in Malaysia