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S. ASEAN INTERNATIONAL ADVOCACY & CONSULTANCY (SAIAC)

| Indonesia | Singapore | Laos | Philippines | Malaysia | India |

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TRADE IN MARKETPLACE edition



THE GROWING ROLE OF MARKETPLACE & E-COMMERCE IN SOUTHEAST ASIA

| SPECIAL REMARKS

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While trade takes a different path of growth (mainly from offline to online), the world has seen a “sustained” increase of small and medium enterprises (SMEs), ranging from homestead driven businesses to small scale to medium sized industry. Certainly, a new demand has been created in terms of the goods and services. The generation of a “new goods and services” paradigm is here to stay and to prosper. We are already seeing the growth of such industries, including micro sized growing from single to double digit. What Indonesia offered to the world is e-commerce and marketplaces such as Gojek, Tokopedia, Blibli, Lazada and Bukalapak. The value these companies brought has contributed much, especially during the Covid19 pandemic in recruiting SMEs to start selling online.



Indonesia has the potential to offer to the world a vibrant and new trade means, expanding to the sectors of logistics, including the role of last miles as well as pushing the arms of “marketplace” & “E-commerce” to accommodate the appetite of Indonesia’s SMEs to reach international markets.

We are supportive of S. ASEAN International Advocacy & Consultancy (SAIAC) report and the depth of understanding, and policy directions that is covered in it. The SAIAC business monthly report has become the “go to” and “to read” materials by the officials at the parliament, the governments, not just in Indonesia, but across Asia. I am pleased that in this report, an in-depth assessment is covered on trade, e-commerce, and marketplace.



From the desk of the President & CEO - SAIAC

| THE “GROWING ROLE” OF MARKETPLACE & E-COMMERCE IN SOUTHEAST ASIA – A SYMBOL OF FUTURE TRADE

A marketplace is a platform where vendors come together to sell their products and services to a “curated” customer base. The operations and marketing are managed by the product owners. The marketplace owners do not own the inventory, they manage the systems to allow easy and safe trading activities both for buyers and sellers. The Covid19 pandemic has expedited and broadened the functions and opportunities for marketplace, working alongside with government to support the economic national agenda. This report, amongst others focus on the varying aspects around marketplace, the shifts and the future challenges and opportunities.



The trends as we move into 2021 would be as follows:

1. Voice based Commerce – the reliance on voice assistance devices like the Amazon Echo with Alexa and the Google Home are being used from home used reasons to buying products online. It is

estimated that 75% of households in US will have smart speakers by 2025 (the data for ASIA is not out yet). The smart speakers or voice activated assistance provides a growing accuracy and convenience.

2. Omnichannel Shopping - The Omnichannel retail refers to providing shoppers a seamless and consistent experience across channels and devices and is poised to increase in 2021. The use of analytics tools like Fintexa provides a detailed e-commerce analytics to identify customer behaviours and track everything related to the cash flow. Such tools help to analyse which products are in demand, monitor profit and loss, evaluate customer loyalty.

3. AI and AR in the Role of eCommerce – Artificial Intelligence (AI) acts as the online store associate by offering personal guidance and recommendations to the customers. Augmented Reality (AR) helps eliminate this hurdle by letting customers see how a certain product would look. More e-commerce platforms are implementing AI and AR as part of the benefits to the merchants.

4. New Payments Options – Cash is certainly not kind any longer, and yes, soon, cashless payments will take many forms. This is the reality we are in and will continue to evolve in the years ahead. As of today, most e-commerce businesses accept digital wallets apart from debit and credit cards. Cryptocurrencies, especially Bitcoin, have many benefits to online shop owners, such as low transaction fees and no reverse transactions. The year 2021, many analysts predicts the use of Bitcoins and Cryptocurrencies in e-commerce businesses.

5. Dynamic Pricing Mechanism – Dynamic pricing allows e-commerce retailers to stay competitive and attract customers. Different marketplace may price the same products differently, as segregated by market buying power.

6. Mobile will Dominate E-Commerce – Use of mobile phones have almost taken over half of the job of a laptop or a desktop. The end of 2020, mobile devices are expected to make almost 73% of total sales. It is also noted that 30% of online shoppers are likely to abandon their carts in the middle of shopping if the website of the product is not mobile-friendly.

7. Sustainability Influence Sales – Green consumerism is rising rapidly, brands need to be “against animal testing, protect environment, no plastic” and have other elements that sustain our earth.

8. Visual Commerce will Dominate – Visual commerce refers to using imagery not just on product pages, but also on the entire store to entice users to engage and convert.

| *E-commerce – Marketplace* - THE MICROSOFT & BUKALAPAK CASE

Bukalapak is one of Indonesia’s largest marketplace, e-commerce platforms that serves more than 6 million online sellers and 100 million users. A strategic investment was made by Microsoft into this enterprise to escalate the growth of e-commerce by adopting Azure as its preferred cloud platform, thus making digital more relevant to every individual. Microsoft will also provide digital skills training for Bukalapak employees and their merchants.



| FROM A SLOW B-B TO AN EXPEDITED B-C IN 2020.

In the past, the growth of marketplace and e-commerce was attributed to the millennials, who are poised to take over the mainstream businesses and C-suite jobs across the world. During the Covid19 pandemic, marketplace, eCommerce, platforms, channel distributors, drop shippers and other related parties have been embedded into the chains of fostering SMEs businesses. The game has now expanded from millennials (who are still dominating) to entrepreneurs of all ages (mainly small and medium enterprises). In short, marketplace & e-commerce will continue to be a future norm where buying and selling of goods and services are exchanged, domestically or internationally.

THE GAME HAS SHIFTED, NOT CHANGED

During the Covid19 pandemic, marketplace, eCommerce, platforms, channel distributors, drop shippers and other related terms have become a "forced" party to lessons for all generations of businesses.

Shaanti Shamdasani / CEO SAIAC at Harvard
Digital Transformation Session

Given the role of marketplace & e-commerce, we understand that the government are continuing to keep a close eye on the required regulations that is pertinent to ensuring a fair trade, fair play ground and a fair ecosystem, one amongst many are the taxation on e-commerce transactions.

As an example, the success of Amazon or Alibaba has impossibly denied any imagination of a mega trade worldwide, with a daily user of 250 million to 330 million daily users. A risky growth to manage and a risky mega trade environment that requires a strong foundation of government regulations.

Below are the 2019 data on the size of the growth:

- Amazon sellers earn \$1 million annually, or about four times as much as eBay.
- 2.1 percent of Amazon sellers earn more than \$10 million in annual revenue.
- 55 percent of sellers earn 20 percent or more profit.
- 63 percent of Amazon sellers only sell their products on marketplace platforms.
- About 29 percent of Amazon sellers are unhappy with their omnichannel management software.

As many marketplace owners works towards recruiting sellers, it will not be fair to say that all online sellers succeed. The success rates vary between 10-15%. While it maybe a staggering low, the challenges expand over low digital education to the support of infrastructure capacities. SMEs that succeed are more likely to master marketplace sales tricks, or overcome by resistance to change by following these practices:

- Implementing multiple projects and selling across multiple channels to develop new markets.
- Planning obsessively on how to respond to various business and marketplace scenarios.
- Following business competitors' actions closely.
- Showing a willingness to cannibalize the company's existing revenue streams to build more lucrative opportunities.
- Abandoning traditional practices readily to develop promising revenue streams.

These consumers embrace the eCommerce innovation instead of resisting change, and the B2B companies need to cultivate the same attitude to pace with the technologies. The era of mobile and social as well as vertical marketplace platform has dawned, and a forward-thinking company can leverage the next generation marketplaces to expand their operations, widen their bases to provide

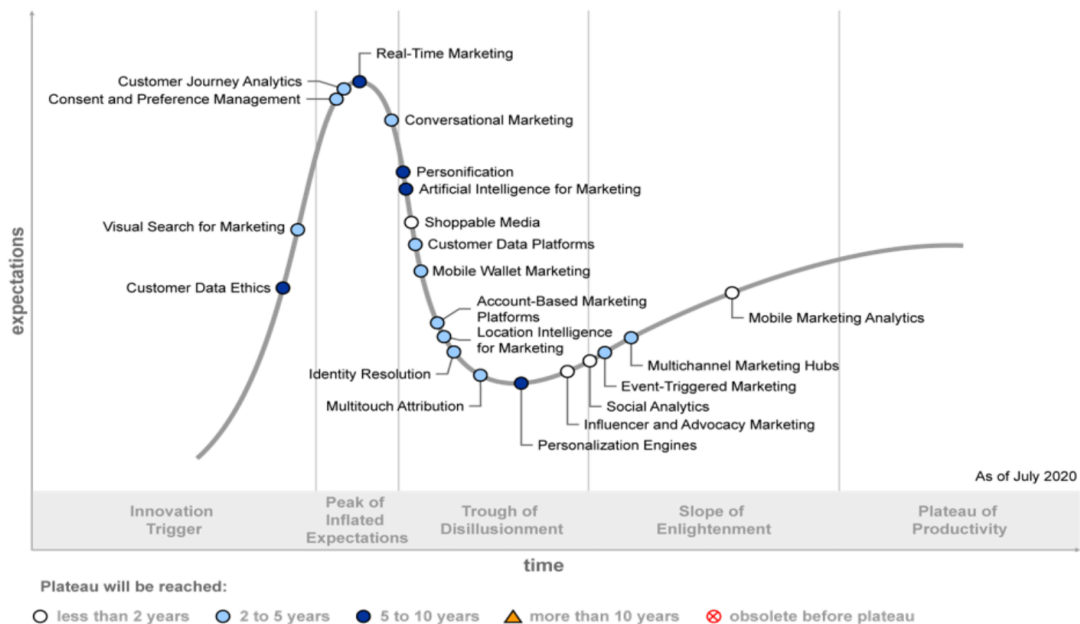
deeper accessibility to products and services. The B2B market itself is predicted to reach more than US\$ 6.7 trillion by 2020.

| DIGITAL “DARWINISM” DOES NOT DISCRIMINATE – EVERY BUSINESS IS UNDER THREAT

An opportunity in the challenge, that is how each business must see themselves as we change centuries. How a business embraces the current digital disruption is what differentiates them. Given the economic uncertainties. SMEs are under pressure to drive digital transformation while still managing and balancing the daily operations of their business. There are three key areas where SMEs should be applying technology:

1. To facilitate and inform products and services to develop ongoing relationship with their customers.
2. To reshape processes, improve agilities and efficiencies.
3. To empower employees to develop creative thinking and encourage spaces for experimentation.

Hype Cycle for Digital Marketing, 2020



The case of 2020 is rather different, and the trends are dependent on economic factors. The big difference will be seen in 2021, where marketing investments will be made based around the Covid19 and the related products and services, thereon, branching out to other sectors. Regardless of the sector, low-cost or no-cost methods of growth are more important. The core marketing themes in the years to come are as follows:

- a. Conversational Marketing.
- b. Consumer Privacy and Consent.
- c. Artificial Intelligence & Machine Learning for Marketing.
- d. Personalization is referenced as a personification.
- e. Marketing Hubs (clouds) and e-mail automation.
- f. Fewer New Innovation.

Despite the temptation to embrace every technology, for SMEs, financing is still an issue and cash flow needs to be managed. SMEs must be strategic in the utilisation of digital disruption tools.



| INDONESIA – US RELATIONS

One of the interesting moments for US is the 2020 US Presidential Elections, aside from the thrills and intrinsic behind the campaign and the voting system, some parts of the world, who used to be close allies of the US are eyeing the Presidential Election, all to gauge the future directions of US Economic & Political Agenda.

While awaiting the US political and economic rude awakening, what has begun to surface is the leniency that US has shown towards some of trading partners, in this instance, Indonesia. One example of such leniency is the extension of the Generalized System of Preferences (GSP) for tariffs and trade facilities granted to Indonesia. This was officially issued by the US government through the Office of the United States Trade Representative (USTR), where, due to trade surplus with the United States, Indonesia's eligibility for the program has been under review since 2018. Both, India, and Thailand lost their GSP privileges after a similar review.

On a similar note, President Jokowi, and Foreign Minister Retno Marsudi met with US Secretary of State, Mike Pompeo on October 29, 2020 on the importance of increasing economic cooperation's. This signals a message of confidence by the US government in improvements to domestic regulations carried out by the Indonesian government to create a more conducive business and investment climate. Furthermore, this move between Indonesia and US could help boost a two-way trade, reaching to a limited trade deal (LTD) agreement by 2024, which covers trade cooperation and investment in information, communication, and technology sectors.

Aside from the trade deals, it is interesting to note that US Secretary of State, Mike Pompeo also discussed the issues surrounding South China Sea and the enhancement of maritime security in some of the world's busiest trade routes to help protect Indonesia's sovereignty near the Natuna Islands and its Exclusive Economic Zone (EEZ). A noteworthy point here is that Indonesia does not recognize Beijing's territorial claim on the nine-dash line, which intrudes into Indonesia's EEZ. In this instance, the US has also deployed its warships on multiple occasions to assert its stance on promoting a free and open Indo-Pacific region. While Indonesia takes a careful stand between US and China, 2021 post Presidential Election and a new Presidency in the US might change the landscape drastically.

Along the same line, Indonesia welcomed a new US Ambassador, H.E. Sung Kim, who shared his sentiments on US-Indonesia relations and bringing his previous experience in Philippines during the South China Sea conflicts. Indonesia and US relations has been focused on four domains, namely, (i) infrastructure, (ii) trade, (iii) workforce re-enforcement through education sector and (iv) healthcare.

The challenges between the two countries moving forward is the Beijing factor in Indonesia, evidently so in the vaccine agreement, the monetary aid and other health assistance rendered during the covid19 pandemics.

If a second term of Donald Trump persist, then Indonesia should expect a continuation of American protectionism and worsening trade war between US and China. In the event, US-Indonesia trade relations would likely continue along the current stagnant trend, with the probability of any significant US involvement in Indonesia's infrastructure and economic agenda.

In the scenario of a Biden Presidency, a revival of US global leadership is foreseen and a repudiation of the Trumps unilateral and inward-looking orientation. This will be an opportunity of the supply chain side to secure American factories migration from China to Indonesia, as we suspect, a rivalry between US and China will persist, but at a softer tone.



| REGIONAL TRADE UPDATES:

1. APEC LEADERS TO MEET VIRTUALLY: Malaysia will host the 2020 APEC Summit on November 20. It will be the first time the 21 economy leaders have met virtually. The summit, which was cancelled last year because of unrest in Chile, will include a meeting of foreign and trade ministers on November 16.

2. AUSTRALIA HOSTS WTO MEETING: Trade Minister Birmingham has this week chaired a meeting of WTO Ministers to pursue global rules on fisheries subsidies and to explore ways the WTO can best support a COVID-19 recovery. The virtual meeting was attended by 22 Ministers from throughout the world.

3. JANUARY START FOR UK-JAPAN FTA: Japan and the United Kingdom are moving briskly to complete their domestic ratification procedures of their new free trade agreement to allow for a January 1 introduction. This follows the signing of the agreement in Tokyo by Trade Secretary Truss and Foreign Minister Motegi.

4. AUSTRALIA LOOKING AT US APPLES: The Department of Agriculture is seeking public comment on a draft report concerning the importing of commercially grown fresh apples from the north-west states of the US. It proposed to allow importing of the apples subject to a range of biosecurity import requirements.

5. NEW ZEALAND'S NEW LIVESTOCK TRADE RULES: The Ministry of Primary Industry has announced interim new rules for livestock shipments including lower stocking densities, more food in case of delays and more daily voyage reporting. This follows the sinking of the Gulf Livestock 1 in a typhoon off Japan in September.

6. CHINA ANNOUNCES NEW ANTI-DUMPING DUTIES: China has announced new preliminary anti-dumping duties on the synthetic rubber EPDM imported from the European Union, South Korea and the US. The duties will range between 12.5% and 220%. EPDM has wide uses including sealing, insulation and roofing.

7. SOUTH KOREA LOOKS TO PACIFIC BLOC: South Korea is seeking associate membership of the Pacific Alliance. The trade bloc consists of Chile, Colombia, Mexico and Peru. Australia, NZ and Singapore sought to join the bloc in 2017. A flurry of negotiations followed but have now been stalled for more than 2 years.

8. US CLAIMS EARLY CHINA VICTORY: A USTR and Department of Agriculture study published during the week claims historic results for farm exports to China under President Trump's US-China trade agreement. The report points to record sales of corn and pork and big increases in soybeans, sorghum and beef sales.

9. PHILIPPINES MOVES TO PROTECT PLYWOOD: The Philippines is clamping down on poor quality plywood by reinstating a mandatory certification program for local and imported wood. Trade Secretary Lopez said unfair competition from imported substandard plywood threatened public safety and local industry.

10. US CHALLENGES CHINA RULING: The US this week told it will appeal a recent WTO ruling that some tariffs levied on Chinese goods breached global trade rules. However, there is no ability for the WTO to consider the appeal because its appellate body is hamstrung by a failure of members to appoint new members.



11. ASEAN SEEKS GREATER SUPPLY CHAIN EFFICIENCY: ASEAN this week hosted a major regional workshop aimed at lowering supply-chain costs and boosting speed and reliability in the region. Secretary-General Lim told the virtual workshop an efficient and resilient logistics network was paramount in times of crisis.

12. AUSTRALIA LAUNCHES CRITICAL MINERALS PITCH: Australia has sought to boost its minerals trade by publishing The Australian Critical Minerals Prospectus 2020. Trade Minister Birmingham said Australia needed to attract more investment along the entire supply-chain including production and processing.

13. UK & JAPAN TO SIGN TRADE AGREEMENT: UK Trade Secretary Truss is expected to be in Tokyo on Friday to sign an FTA with Japan. The Comprehensive Economic Partnership Agreement is the first major trade agreement the UK has negotiated outside of the EU. Negotiations were largely concluded in September.

14. FIJI SIGNS TRADE AGREEMENT WITH US: Fiji and the US have signed a Trade and Investment Framework Agreement (TIFA). USTR Lighthizer said the signing of the agreement was an important step in increasing US trade engagement with Fiji and the Pacific. Two-way goods trade in 2019 totalled \$350 million.

15. PACIFIC TRADE AGREEMENT READY TO GO: The Pacific Pacer Plus Trade Agreement will enter into force on December 13 following its ratification by the Cook Islands. The trade/development agreement has now been ratified by Australia, Cook Islands, Kiribati, Samoa, Niue, Solomon Islands, Tonga and New Zealand.

16. ABBOTT ATTENDS FIRST UK TRADE MEETING: The UK's revamped Board of Trade met for the first time this week. Its key advisory focus includes WTO reform, combating of digital protectionism and Commonwealth trade. Its high-level membership includes former Australian Prime Minister Tony Abbott.

17. CHINA ANNOUNCES BIG ANTI-DUMPING PENALTIES: China has announced provisional anti-dumping duties of up to 221% on polyphenylene sulfide from Japan, Korea, Malaysia and the US. Polyphenylene sulfide is a high-strength engineering plastic used in automotive, electronics and electrical goods.

18. TAIWAN TRADE OFFICIAL HURT IN PUB FIGHT: The Taipei Trade Office and Chinese Embassy in Suva have both sought police help after a hotel fight between diplomats and a trade official who needed hospital care. China alleges Taiwan displayed a cake decorated with a "self-styled flag" at a national day reception.

19. AUSTRALIAN COTTON INDUSTRY QUERIES CHINA: Australia's cotton industry believes China has begun discouraging its mills from using Australian cotton. Cotton Australia and the Australian Cotton Shippers Association have said they were working with the Australian Government to understand the situation.

20. PHILIPPINE EXPORTERS URGED TO REGISTER: The Philippines is urging exporters to Europe to register for the EU Registered Exporter System by December 31. This will ensure continued access to the EU's tariff preferences for developing economies. An earlier June 30 deadline was extended because of COVID-19.



| SOUTHEAST ASIA & EAST ASIA

- › **China** – China signed an agreement with the Mekong River Commission (MRC) on 22 October to share year-round data on the flow of its portion of the vital waterway amid concern that Chinese dams may be causing drought downstream in Southeast Asia. MRC said that data-sharing is critical to the management of the Mekong, upon which 60 million people depend for fishing and farming in downstream countries Thailand, Cambodia, Laos and Vietnam. Two years of record drought on the 4,350-km (2,700-mile) waterway have severely harmed livelihoods and raised questions over how mainstream Mekong dams in China and downstream in Laos were affecting the flow of water. China has for 18 years shared water during the June to October monsoon season with the MRC to provide early flood warnings. However, with drought an increasing concern, the MRC has been seeking year-round data to help analyse what may be causing the river's low flow.

- › **Malaysia** - JF Technology Bhd, via its wholly-owned unit JF International Sdn Bhd, is partnering with Huawei Investment & Holding Co Ltd's unit Hubble Technology Investment Co Ltd (HTI) to set up a plant for the manufacture and supply of high-performance test contactors in China. With the opportunity for JFH Technology to work closely with HTI to develop new test contacting technology for 5G and 6G networks in the future, this will enable JFH Technology to move up the value chain of the semiconductor industry while developing local talents amongst Malaysians, the company said in the filing.

- › **Thailand** - The Thai-Chinese Chamber of Commerce has urged the government to speed up its economic partnership with China. According to Thai-Chinese Chamber of Commerce president Narongsak Puttapornmongkol, China's economy is on a path to a strong recovery and this could benefit Thai exports and overall economy. Narongsak urged the government to boost the promotion of connectivity between China's Belt and Road Initiative and Thailand's flagship Eastern Economic Corridor (EEC) project and elevate the relationship between the two countries in terms of trade and investment. He added that Thailand is still a target destination for Chinese investors, as indicated by investment applications approved by the Board of Investment in the first half of 2020 that saw China rank number one in terms of investment applications approved.

- › **Laos** - The Lao Ministry of Public Security has received law enforcement vehicles provided by its Chinese counterpart. Chinese Ambassador to Laos Jiang Zaidong said during a handover ceremony on 23 October that China-Laos law enforcement and security cooperation is an important part of bilateral relations, expressing hope that the law enforcement vehicles will help improve the capacity building of the Lao ministry. Member of the Secretariat of the Lao People's Revolutionary Party Central Committee and Minister of Public Security Vilay Lakhomfong said that the two ministries have always supported and helped each other in various forms. According to him, the Lao Ministry of Public Security is willing to deepen cooperation with the Chinese side, including jointly cracking down on crime such as cross-border gambling.

- › **China – Thailand Tourism** - The first group of Chinese visitors since Thailand's border closure in March due to COVID-19 arrived at Suvarnabhumi airport from Shanghai on 20 October, according to the Tourism Authority of Thailand (TAT). A total of 41 Chinese visitors on a Special Tourist Visa (STV) arrived on a special Spring Airlines flight at 5.10pm, TAT governor Yuthasak Supasorn said. Yuthasak said the tourists have entered the 14-day mandatory quarantine in Bangkok. Upon arriving, the tourists were required to download a tracking app on their smartphones. Chinese tourists accounted for most of 2019's tourist arrivals, with 10.99 million



visitors arriving last year. The TAT governor said the return of foreign visitors signalled a recovery, which has been made possible by a raft of tourism-related incentives.

- › **Thailand – Rural Unrest** - The ongoing anti-government rallies could further weaken domestic consumption and tourism, said newly appointed Bank of Thailand (BoT) governor Setthaput Suthiwart-Narueput, who succeeded Veerathai Santiprabhob on 1 October. The central bank noted that it needs to monitor the situation closely. Setthaput said that given the existing fundamentals of financial stability, sufficient foreign reserves, low public debt and labour market flexibility, Thailand remains resistant to shocks. The country has also succeeded in containing the spread of COVID-19, lending support to the economic recovery. Nevertheless, the new governor said Thailand faces an uneven road to recovery from the pandemic. On 22 October 2020, Prime Minister Prayut Chan-o-cha suggested everyone take a step back in the conflict and offered to lift the state of emergency. A special parliamentary session to discuss ways to defuse the ongoing political conflict is expected to be held by the end of October.
- › **Thailand – Covid19 Vaccines** - Thai biopharmaceutical company Siam Bioscience has signed an agreement to partner with UK-based firm AstraZeneca to produce and supply potential COVID-19 vaccine AZD1222, developed by the University of Oxford, for Thailand and Southeast Asian countries. Thai deputy prime minister and public health minister Anutin Charnvirakul said on 12 October that all parties have agreed to prepare large-scale manufacturing capacity at Siam Bioscience. AstraZeneca will be providing the potential vaccine at no profit during the COVID-19 pandemic, while Siam Bioscience will set up the manufacturing facilities through technology transfer from the European company.
- › **Laos – Special Economic Zone (SEZ)** - A new Special Economic Zone (SEZ) project in Laos' Vang Vieng district has completed its feasibility study, environmental and social impact assessment, and concession survey, according to Lao-Vang Vieng New Area Development Company director Thang Zinxuan. A report by a local news site said that Chinese investor Lao-Vang Vieng New Area Development Company has spent two years undertaking a feasibility study for the development of its new SEZ in Vang Vieng district in Vientiane. The project, located to the west of the Xong River, will cover around 7,000 hectares. Thang said the project is being divided into five construction phases spanning 29 years, with a total value of US\$5.3 billion. The project will include new roads, four bridges across the Xong River, a shopping centre, a school, a hospital, unique temple grounds, a convention centre and natural tourism sites.
- › **Vietnam** - Canada has concluded that Vietnam does not subsidise enterprises producing and exporting steel following an anti-dumping and anti-subsidy investigation that began in November 2019, according to the Trade Remedies Authority of Vietnam under its Ministry of Industry and Trade. Canada, will therefore, not impose an anti-subsidy tax on the steel products imported from Vietnam. In addition, Canada also reduced the anti-dumping tax significantly compared to the preliminary decision. Anti-dumping tax rates will be cut from 36.3%-91.8% in the preliminary period to 2.3%-16.2% in the final conclusion for exporters offering full cooperation in the case. The Trade Remedies Authority of Vietnam said Canada was currently assessing the damage to its domestic manufacturing industry and is expected to reach a final conclusion on 13 November. If there is no damage in the conclusion, Canada will not impose anti-dumping duties on Vietnam's corrosion-resistant steel sheets.
- › **Vietnam – First Green Loan** - Vietnam's Phu Yen TTP Joint Stock Company (Phu Yen JSC) signed a US\$186 million loan with the Asian Development Bank (ADB) on 9 October 2020 to develop and operate a 257MW solar power plant in the southern province of Phu Yen's Hoa Hoi commune, through the country's first certified green loan. Phu Yen JSC is owned by B Grimm



Power Public Company Limited and Truong Thanh Vietnam Group Joint Stock Company (TTVN). The project is the largest single operating solar power plant in Vietnam and one of the largest in Southeast Asia. It will help to reduce 123,000 tonnes of carbon dioxide annually. The power plant will deliver electricity to Quang Ngai and Nha Trang cities, as well as surrounding areas in a region that is emerging as one of Vietnam's key tourist centres.

- › **Myanmar Election 2020 (Special Coverage)** – Five years ago, a flawed election in Myanmar was celebrated as a triumph by the democratic world. Though the ruling military guaranteed itself 25 percent of the seats in parliament, prevented many in the Rohingya minority from voting and banned opposition leader Aung San Suu Kyi from becoming prime minister, her National League for Democracy (NLD) nevertheless won in a landslide so sweeping that it was able to form a government.

The hope then was that the NLD and its Nobel Peace Prize-winning leader would use their newly acquired power to expand democracy and human rights in Myanmar, a nation of 57 million also known as Burma. So it is a dismal verdict on what has happened in the country that the new general elections scheduled for Nov. 8, the first since 2015, will be even less free and fair than that first landmark vote.

The constitutional strictures granting the military a quarter of parliament remain in place. So does the ban on voting by most Rohingya, to whom the government has denied citizenship; some 1 million members of that ethnic group remain exiled in Bangladesh after being driven out of the country three years ago in a bloody ethnic-cleansing campaign. Other ethnic minority groups will also be prevented from voting, ostensibly because of ongoing military campaigns. In total, voting has been cancelled in all or parts of at least 56 townships, disenfranchising 1.5 million people, according to Human Rights Watch.

Some of the anti-democratic strictures, such as the pre-allocation of parliamentary seats, were written into the constitution by the military and cannot be changed without its support. Nevertheless, Aung San Suu Kyi, who in practice runs the government, has made almost no effort to bring about liberal change. On the contrary, she backed the genocidal campaign against the Rohingya and defended it in international forums. Having courted Western governments and extolled democracy when she was a disempowered opposition leader, Aung San Suu Kyi has largely turned her back on both.

Myanmar's political regression has been a particular blow to the United States, which punished the previous military regime with heavy sanctions and worked for years to encourage a democratic opening. A democratic Myanmar would be a natural U.S. ally in Southeast Asia, while China reaps the benefit of a renewed autocracy.

Unfortunately, the Trump administration has done almost nothing to discourage the backsliding. Democratic nominee Joe Biden has pledged to revive U.S. support for democracy around the world; if he is elected president, applying that policy to Myanmar should be a priority.

| BELT & ROAD -2020 PROGRESS



As we approach the end of 2020, we continue to maintain a focus on the development and progress of the Belt and Road initiatives (BRI). A so called, made in China for the world MEGA (it focus on Asia, Europe and Africa, but open to all partners, including the private sectors) project, that has invited a lot of attention and controversial. The Belt and Road Initiatives (BRI),

over the years has turned its visions into reality, and in some parts of the world, has been widely welcomed by the international community.

Below are some of the progress BRI has made on the POLICY front:

Policy Coordination is the key backbone of the BRI and lays down the foundation for a joint action. Over the past years or so, China has engaged international organizations and participating countries to obtain a broad consensus.

- a. The **BRI has been incorporated into important documents of international organizations** (UN, G20, APEC, CELAC, CASCF, FOCAC amongst others).
- b. **Intergovernmental Cooperation Agreements**, a total of 173 cooperation agreements has been signed with 125 countries and 29 international organisations.
- c. **Coordination and cooperation in specific fields**, China has launched the "Belt and Road Digital Economy International Cooperation Initiative" with Egypt, Laos, Saudi Arabia, Serbia, Thailand, Turkey, and the United Arab Emirates. It has signed cooperation agreements with 16 countries to strengthen the construction of the *Digital Silk Road*. China issued the "Action Plan on Belt and Road Standard Connectivity (2018-2020)".
- d. **Standardization**, the BRI has signed 85 standardization cooperation agreements with 49 countries and regions.
- e. **The "Astana Proposal by BRITCC Participating Jurisdictions for Enhancing Cooperation in Tax Matters"**, signalling that the cooperation network has expanded to 111 countries and regions on taxation. China and 49 B&R countries published the "Joint Statement on Pragmatic Cooperation in the Field of Intellectual Property Among Countries Along the Belt and Road", the Forum on the Belt and Road Legal Cooperation, Belt and Road Energy Ministerial Conference and 18 countries jointly announced building the B&R energy partnership. In addition, China published the "Vision and Action on Jointly Promoting Agricultural Cooperation on the Belt and Road", the "Vision for Maritime Cooperation Under the Belt and Road Initiative". China has been a strong proponent of the establishment of international commercial courts and a "one-stop" diversified resolution mechanism for international commercial disputes.

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