

Welcome to the latest issue of D&B's ASEAN Newsletter, where we aim to round up exciting developments in D&B, news around the region, data stories and product updates. Referenced below are a number of hot topic areas, take a look, click on the links, ask your local sales team for further clarification or drop us an email directly.

FDI Flows at a Record High

Aug. 23 – The Association of Southeast Asian Nations (ASEAN) recently published their 2012 ASEAN Investment Report in which they revealed their recent foreign direct investment (FDI) successes.

FDI flows into ASEAN rose to an all-time high of US\$114 billion in 2011 (up 24 percent year-on-year compared to 2010); ASEAN took in about 7.4 percent of total global FDI inflows in 2011; and ASEAN's FDI stock has grown to over US\$1.1 trillion in 2011 (quadrupling from just US\$266 billion in 2000).

ASEAN's strong FDI performance were brought about as a result of various factors, including a surge in M&A sales, a record increase in intra-ASEAN investments and a rise in FDI from emerging sources on top of regional measures and agreements.

Furthermore, each individual ASEAN member country has also introduced measures to further improve their respective investment environments by further opening up more industries for investment and investment routes, simplifying investment procedures and providing tax and financial incentives to promote FDI in new industries. - [Read more](#)

Source: The ASEAN Briefing

ASEAN Automobile Market to See Continued Growth

Aug. 16 – A recent report released by market research and consulting firm Frost & Sullivan notes that ASEAN is expected to become the fifth largest buyer of cars by 2019. Fueled by rising incomes and a prime-age demographic, ASEAN's automobile market has been forecasted to grow at a compound annual rate of 5.8 percent through 2019, "[poising ASEAN] to become a global automotive production hub."

At the forefront of the ASEAN automotive boom is Indonesia and Thailand, who both have had the total number of cars on their roads surpass the 1 million mark already this year – the most of any ASEAN nation.

Frost & Sullivan also expects to see growth in ASEAN automobile production, forecasting a compound annual growth rate of 8 percent through 2019, with the capacity to produce 7 million units by that time. - [Read more](#)

Source: The ASEAN Briefing

ASEAN Industry Highlights

ASEAN

29-Aug-13 The ASEAN Briefing [Positive Outlook in ASEAN for American Companies](#)

Indonesia

26-Aug-13 The Jakarta Globe [Indonesia's Power Cable Industry Heads for Consolidation](#)

22-Aug-13 The Jakarta Post [Decline in car, motor sales loom after July](#)

21-Aug-13 The Jakarta Post [Basic metal industry to grow over 12 percent in H2](#)

Laos

3-Sep-13 The ASEAN Briefing [Laos Expands Rail Projects](#)

Malaysia

19-Aug-13 The Star [Slowdown in demand for higher-end chips and sensors expected](#)

Myanmar

6-Aug-13 IBT [Ford, GM And Other Car Makers Are Racing To Open Up In Myanmar](#)

Philippines

23-Aug-13 Manila Standard [Vehicle imports rise 1%](#)

22-Aug-13 Daily Inquirer [Philippines urged to focus on manufacturing](#)

21-Aug-13 Business World [Electronics still expected to post growth](#)

13-Aug-13 Manila Bulletin/Yahoo News [Auto industry recasts targets anew](#)

5-Aug-13 Daily Inquirer [Foreign firms keen on investing in PH electronics sector](#)

Singapore

19-Aug-13 South China Morning Post [Singapore to build fifth airport terminal as it seeks regional dominance](#)

Thailand

4-Sep-13 The Nation [Chinese auto makers set up plants here](#)

3-Sep-13 The Nation [Auto giant launches test track](#)

31-Aug-13 Bangkok Post [Lawson in Asean push](#)

30-Aug-13 Bangkok Post [Toshiba unveils new semiconductor plant](#)

29-Aug-13 Bangkok Post [New plan: medium speed trains, not high speed](#)

28-Aug-13 Bangkok Post [Surplus of eco-cars a new concern](#)

Vietnam

9-Sep-13 VOV [Vietnam promotes semiconductor industry](#)

28-Aug-13 Saigon Times [Nation to save US\\$60 million on aircraft purchases](#)

6-Aug-13 Vietnam News [Hitachi secures infrastructure foothold](#)

2-Aug-13 Vietnamnet [Steel assoc. seeks help against tax-dodging Chinese alloy](#)

Abe's ASEAN tour

Sep. 6 – Abe's recent trips to Southeast Asia show that Japan is turning once again to the region. Abe travelled to Indonesia, Thailand and Vietnam in January — his first foreign tour since his re-election as Prime Minister.

He visited Myanmar in May, and then Malaysia, Singapore and the Philippines in July. Abe is also set to visit Brunei, Cambodia and Laos in October. While many observers interpret such visits primarily as a strategy to counter China, it can be argued that Japan's major motive for this diplomacy is a mix of both commercial and strategic interests.

Abe's Southeast Asia visits are not unprecedented. Japan has turned to Southeast Asia numerous times in the past, evident in foreign policy changes orchestrated by Prime Ministers Sato, Tanaka and Fukuda. Each time Japanese leaders have approached Southeast Asia the main issues have usually involved China, concerns over Japan's economy, or both. While it was not accompanied by a tour, Japan's first turn to the region in the post-war period happened in the 1950s under Prime Minister Yoshida. The motive for the turn was mainly commercial, as the Southeast Asian region was seen then as a substitute for the 'loss' of the Chinese market after it shifted to a socialist system. Since then, Japanese leaders have consistently attached great importance to its relationship with countries in Southeast Asia. This observation is reinforced by Japan's huge economic presence in the region in the form of aid, trade and investment, which have grown progressively over the years. [Read more](#)

Source: East Asia Forum

Photo Credit: AmCham Vietnam



Indonesia will be strong in ASEAN Economic Community 2015

Sep. 8 – Indonesia is likely to be a major player in the ASEAN Economic Community (AEC) in 2015, a think tank chief said at Julius Baer's inaugural Next Generation Summit in Asia in Nusa Dua, Bali, on Friday.

Simon Tay, chairman of the Singapore Institute of International Affairs, predicted that Indonesia - as it had the biggest population in the region - would be strong in the face of the AEC.

"Indonesia is about 40 per cent of the ASEAN economy. For AEC, Indonesia is really strong," Tay said, adding that the management of its financial institutions would determine the country's position among the other ASEAN countries.

"The leadership of the central bank as well as the Finance Ministry will be crucial. However, I am quite confident that Indonesia will be okay," he said.

There are currently 10 ASEAN member countries representing a population of over 600-million people. In 2015, ASEAN is set to launch the AEC, a unified market for its members, to enhance not only the group's collective marketing might, but also the individual competitiveness of its members. [Read more](#)

Source: The Jakarta Post/Asia News Network

Southeast Asia's Major Domestic Appliances sector continues growth momentum to generate USD 3.4 billion in first half of 2013: GfK

Washing machine record greatest demand surge; Vietnam is fastest growing market

Sep. 8 – Consumers in the Southeast Asian region which is made up largely of emerging markets are hungry for large appliances such as air conditioners, refrigerators, washing machines and microwave ovens. GfK retail tracking of the Major Domestic Appliances (MDA) sector reported soaring demand that boosted three out of four key segments by more than 20 percent over the same period last year.

In the first six months of this year, nearly 11.5 million units of large appliances were sold across the eight key markets tracked by GfK in the region— Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam, Cambodia and Laos. Demand in volume terms spiked by nearly 20 percent compared to last year, while translating to a 22 percent growth in total dollar value.

The most significant growth market during this tracking period was Vietnam, which reported a 31 percent rise in consumer spending on major domestic appliances. Others which also saw high expansion of their MDA market value of around 22 percent were Indonesia, Cambodia and Thailand. [Read more](#)

Source: Asean Affairs / GfK

Country Risk Update

ASEAN Regional Risk Indicators

Singapore	DB2b
Malaysia	DB3b
Indonesia	DB4b
Phillippines	DB4b
Thailand	DB4c
Vietnam	DB5b
Cambodia	DB5d
Myanmar	DB6a

Country Risk Headline News

- **Malaysia** - Private and public consumption keep economic activity buoyant.
- **Thailand** - The economy returns to technical recession in Q2.

The DB risk indicator is divided into seven bands, ranging from DB1 through DB7. Each band is subdivided into quartiles (a-d), with an 'a' designation representing slightly less risk than a 'b' designation and so on. Only the DB7 indicator is not divided into quartiles.

DB1 Lowest risk	Lowest degree of uncertainty associated with expected returns, such as export payments, and foreign debt and equity servicing.
DB2 Low risk	Low degree of uncertainty associated with expected returns. However, country-wide factors may result in higher volatility of returns at a future date.
DB3 Slight risk	Enough uncertainty over expected returns to warrant close monitoring of country risk. Customers should actively manage their risk exposures.
DB4 Moderate risk	Significant uncertainty over expected returns. Risk-averse customers are advised to protect against potential losses.
DB5 High risk	Considerable uncertainty associated with expected returns. Businesses are advised to limit their exposure and/or select high-return transactions only.
DB6 Very high risk	Expected returns subject to large degree of volatility. A very high expected return is required to compensate for the additional risk or the cost of hedging such risk.
DB7 Highest risk	Returns are almost impossible to predict with any accuracy. Business infrastructure has, in effect, broken down.

D&B provides analysis on over 130 countries worldwide. If you wish to order reports using your D&B subscription [please click on the link](#) and select the country/region in which you are registered as a D&B subscriber. Non-D&B subscribers wishing to order reports please contact Customer Services at your local D&B Office.

Product Enhancement Portfolio Manager v.7.0 Supplier Portfolio Manager v.5.0



Helping you see
the full picture

Product Update

Portfolio Manager / Supplier Portfolio Manager

We have recently launched an upgrade of Portfolio Manager & Supplier Portfolio Manager, to version 7.0 and version 5.0 respectively. Existing customers receive these new enhancements to their product versions automatically.

Portfolio Manager is an online analysis tool which merges your customer receivables data with D&B's databases to provide a unique insight into your portfolios, enabling you to pinpoint the main areas of risk and opportunity.

Supplier Portfolio Manager merges your vendor data with D&B's databases to give you insight into your supplier portfolios from buyers or business unit spend to how your suppliers are linked and what their main business activities are.

Enhancements in brief:

- Any reports ordered for a business within the last 24 months will be available to view within the business summary screen
- Free text space now available in Portfolio Manager, for adding and tracking your comments on each customer.
- Improved Alerts and related settings, to enable enhanced auditing capability
- New Historical Setting Section: to allow tracking of any setting change used to perform analysis in your Portfolio Manager
- Failure Risk Score details: historical failure score on each customer now available globally
- The Business Summary screen will now display the date on which a business was first added to your Portfolio.
- Data Download by FTP now available daily
- And other additional Product enhancements: new languages supported, currencies available for analysis, in-depth data by market currencies available for analysis and in-depth data by market.

Interested in knowing more?

Please contact your local D&B Office if you wish to learn more and to schedule a demo to see how Portfolio Manager/Supplier Portfolio Manager can help you manage your customer/supplier portfolio more effectively, all in an online solution.

Feedback The ASEAN Newsletter will continue to evolve and we have exciting plans moving forward that will further improve communication. We welcome your feedback so please send us your comments via this [Quick Survey](#), or to the Newsletter Team directly at ongc@dnb.com.