

Understanding Asia

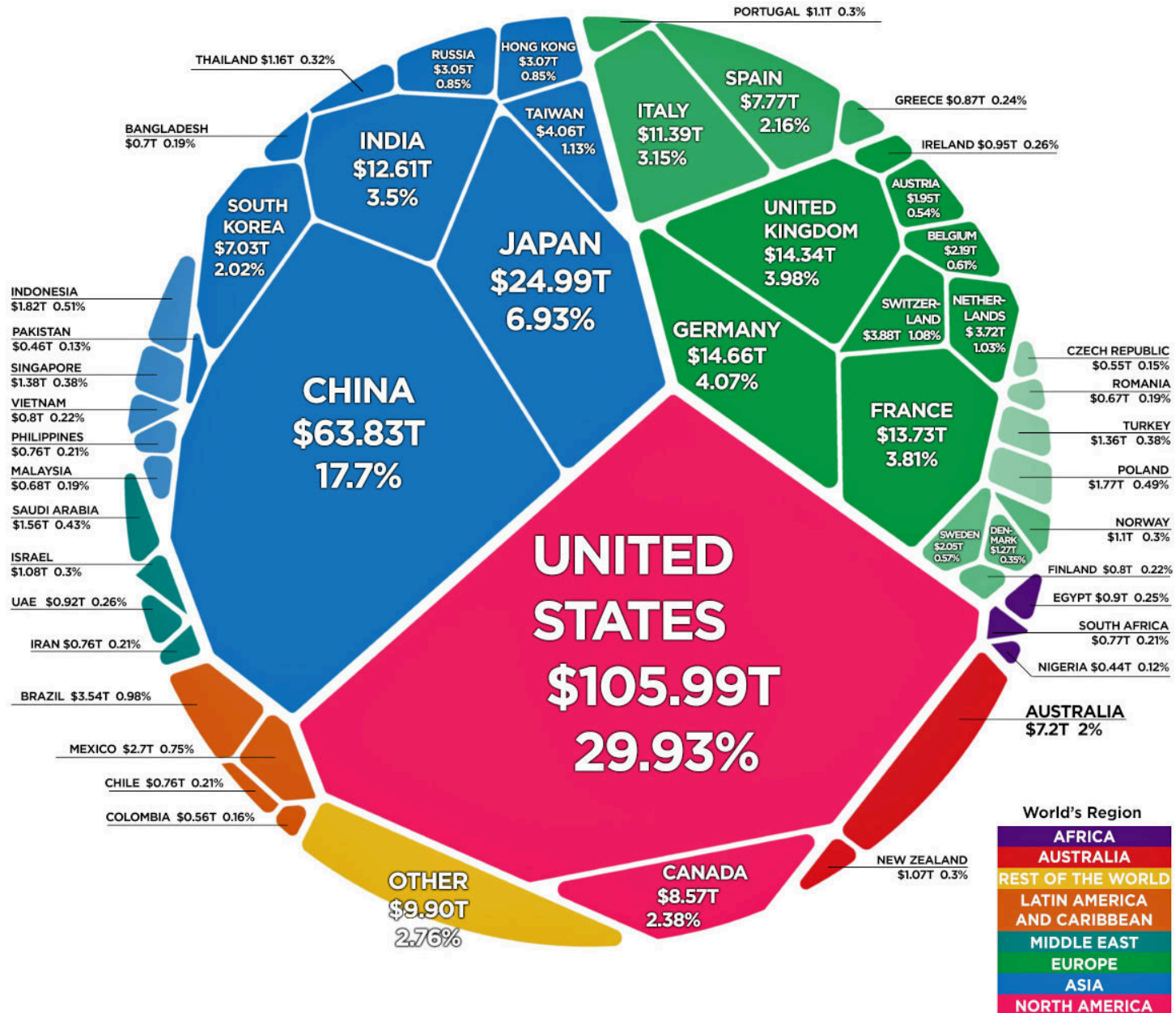
Presented by Rita and Bill Hadden

Proprietary: do not share without
written permission

9-week Outline

- 1. Asia overview
- 2. What has changed in China?
- 3. How has economic development impacted family/gender/poverty patterns in Asia?
- 4. Where are Asia's flashpoints & insurgencies?
- 5. What drives business & how is technology used in Asia?
- 6. Health & Healthcare in Asia?
- 7. How is Asia dealing with disastrous pollution?
- 8. Opportunities for major change in Asia?
- 9. Cultural expectations: East vs West.
- QUESTIONS?

Total Wealth by Country in 2019



Article and Sources:

<https://howmuch.net/articles/distribution-worlds-wealth-2019>
 Credit Suisse - <https://credit-suisse.com>



UNDERSTANDING ASIA



Overview



Proprietary: do not share without written permission

Asia Overview

- World Foreign Direct Investments (FDI)
- China FDI
- Trade *
- Allies, Threats
- Pollution *
- Miscellaneous *

* Q&A

Questions for this course

- Do not use the Zoom CHAT function
- Use the RAISE HAND function
(Participants, More, Raise Hand)
- Bill Hadden will call your name in turn
- Email Rita, after class as needed, if not enough time for all questions.

World

Foreign Direct Investments

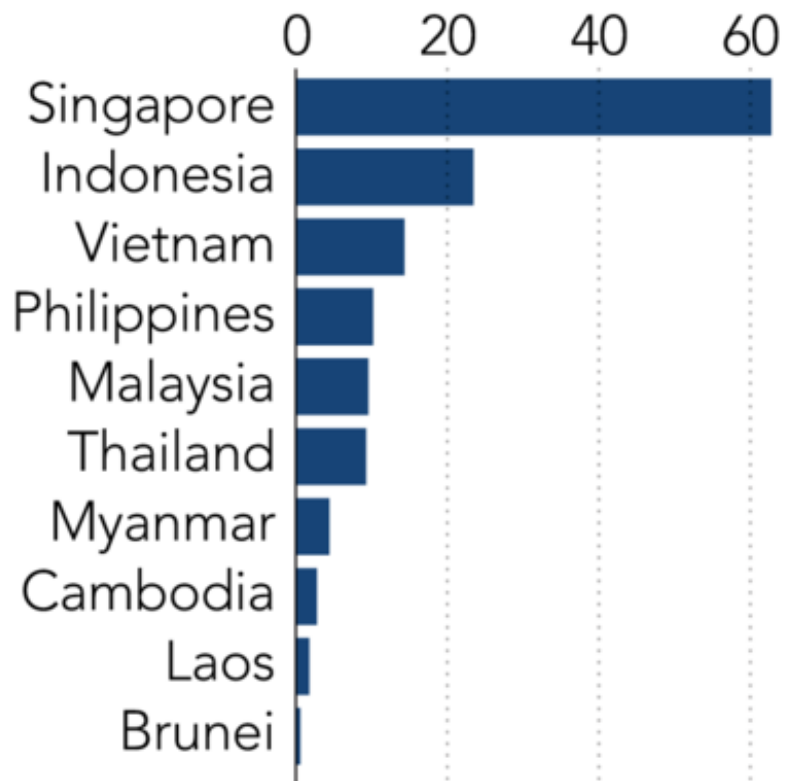
(FDI)

Investment that involves controlling ownership in a business in one country by an entity based in another country. Expected to decline by 40% due to 2020 pandemic.

FDI Flows into ASEAN (2017-2018)

FDI flows into ASEAN member states

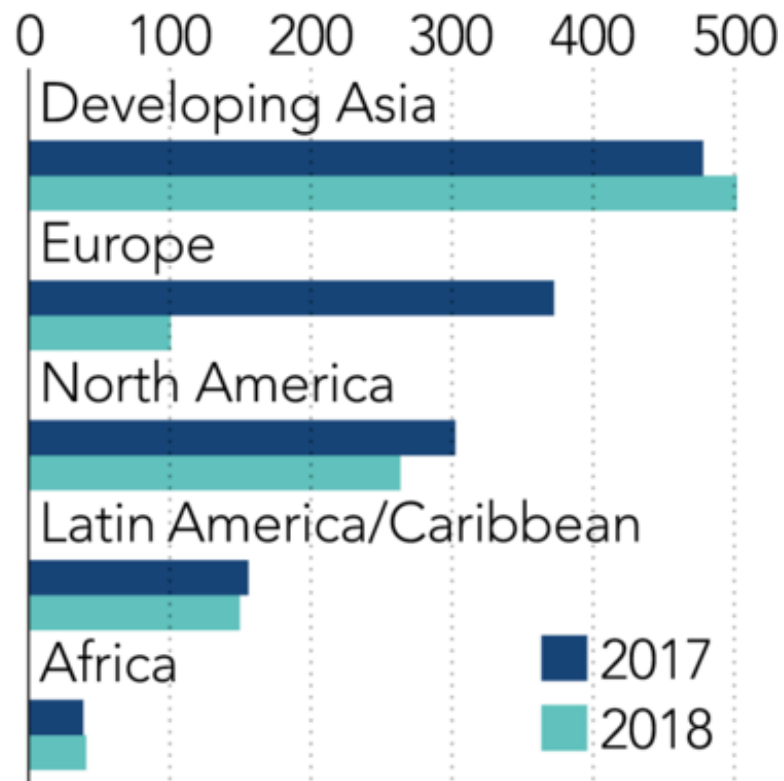
(in billions of dollars)



Source: ASEAN Secretariat (2017)

FDI inflows by region

(in billions of dollars)

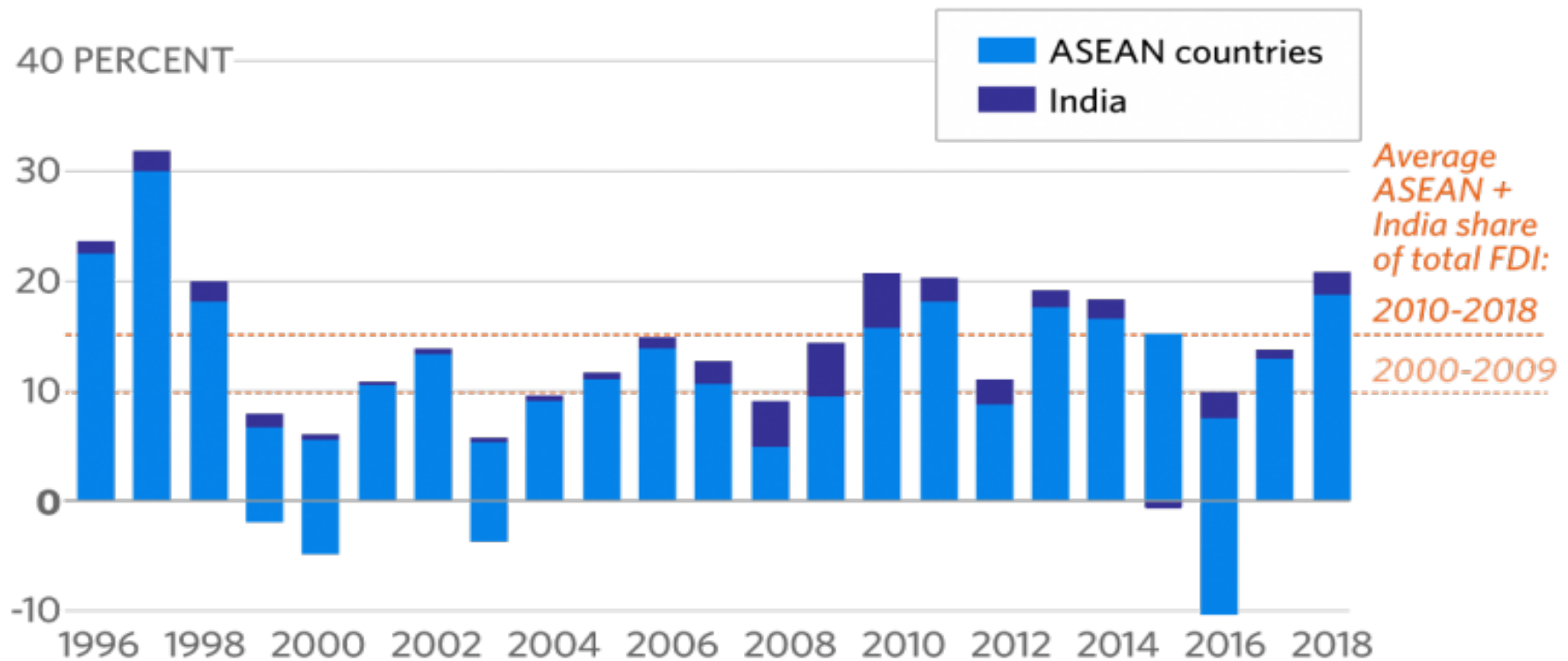


Source: UNCTAD estimates

Japan FDI to ASEAN, India (1996 - 2018)

Japan's Regional Foreign Direct Investment

The upswing in the share of Japan's total foreign direct investment into India and members of the Association of Southeast Asian Nations (ASEAN) highlights renewed Japanese interests in the region.



The ASEAN countries are Indonesia, Vietnam, Philippines, Malaysia, Thailand, Singapore, Cambodia, Myanmar, Brunei and Laos

Japan's Infrastructure Investm in SE Asia (2019)

SE ASIAN COUNTRY	JAPAN	CHINA
Vietnam	\$208B USD	\$69B USD
Indonesia	74	92
Philippines	43	
Singapore	19	28
Thailand	15	
Malaysia		34

NOTE: ADB estim. SE Asia economies need \$210B/yr in infrastructure investment from 2016 - 2030 to maintain current level of economic growth. Data from ADB/Bloomberg



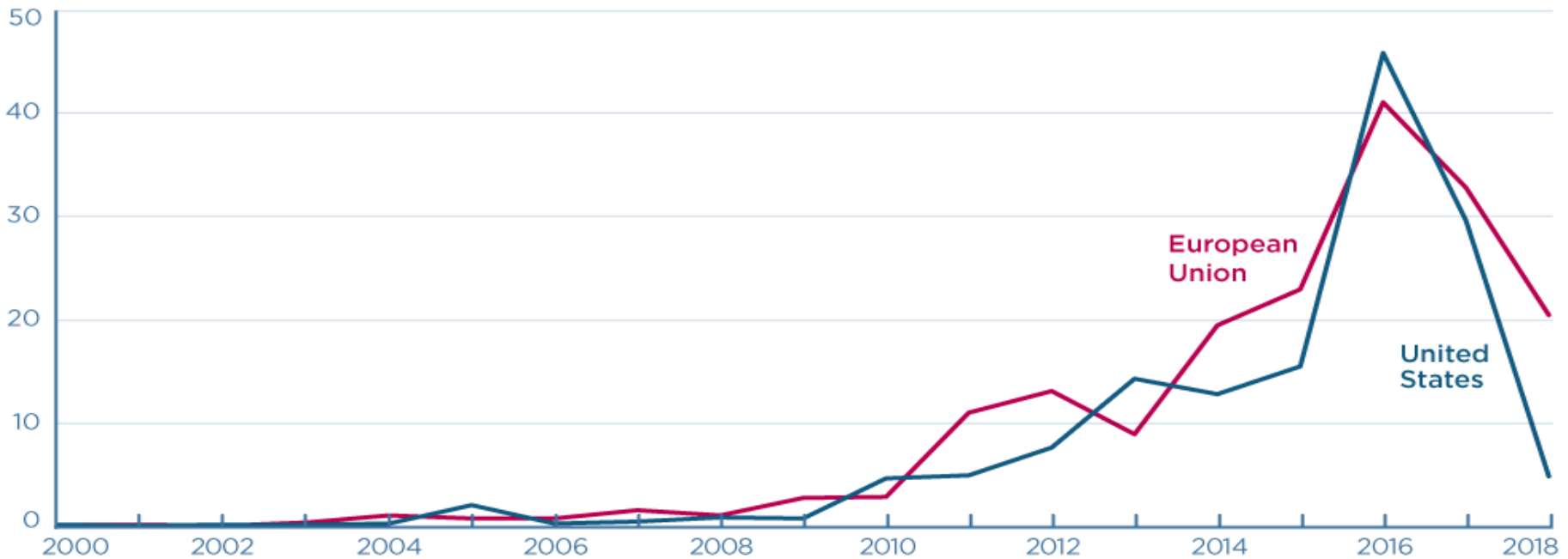
China

Foreign Direct Investments (FDI)

China Investm in USA in 2018 plummeted by 88% (comp to 2017) to \$5.4B

Chinese Investment into the US and EU Has Plummeted since 2016

Annual Chinese outward foreign direct investment (FDI), billions of dollars



#PIIECharts

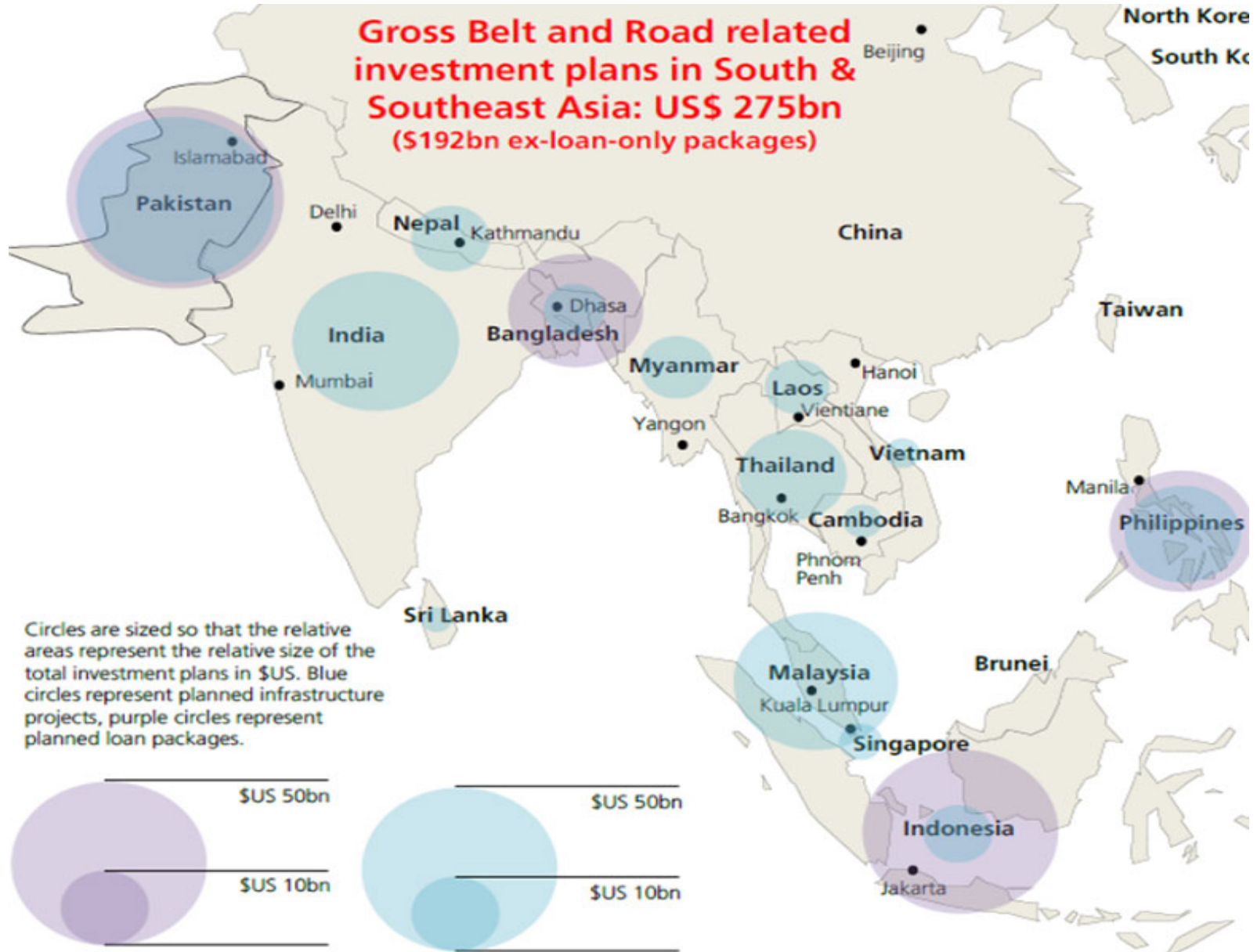
Learn more at [pie.com/research/pie-charts](https://www.pie.com/research/pie-charts)



Note: Shows the combined value of direct investment transactions by mainland Chinese companies, including greenfield projects and acquisitions that result in significant ownership control (>10 percent of equity).

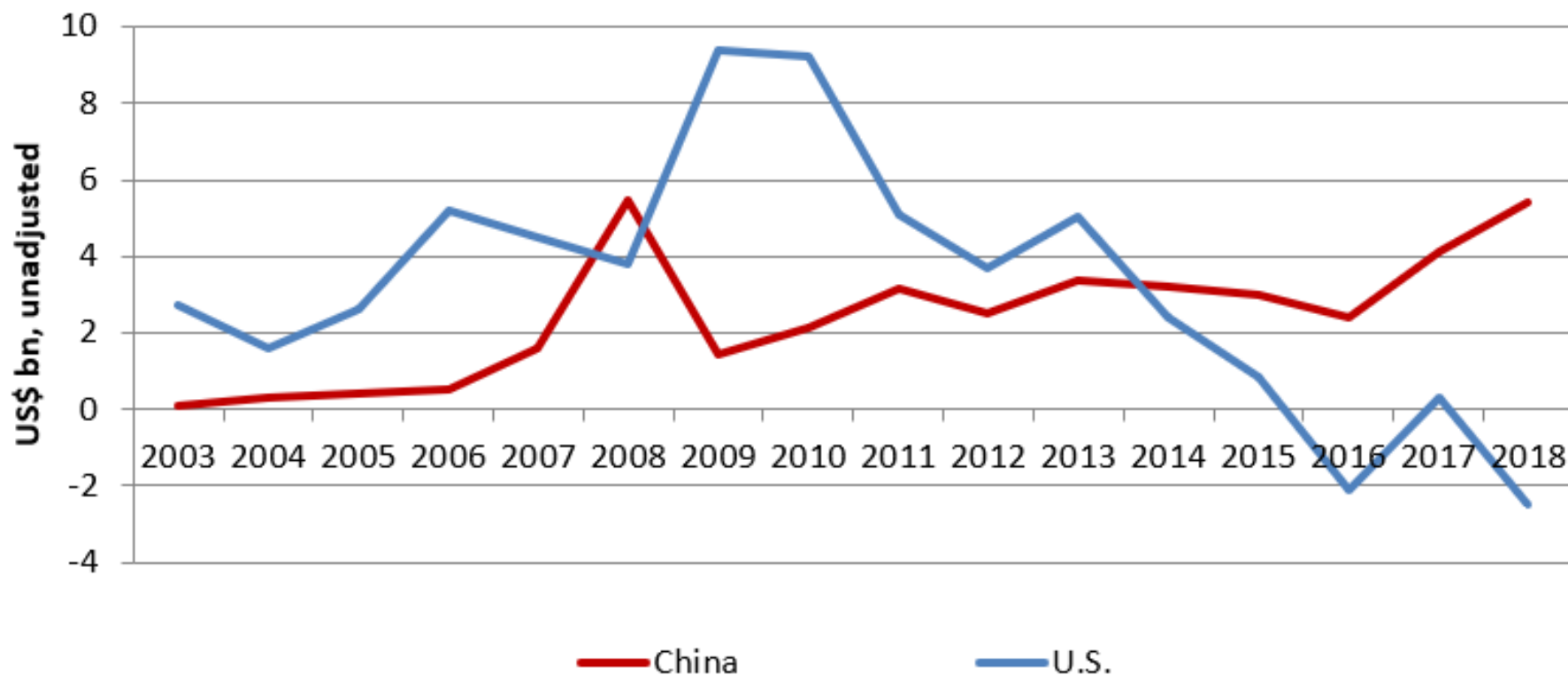
Source: Rhodium Group.

Chinese FDI in SE Asia, S.Asia (2017)



China's Investm. in Africa (2018)

Chinese FDI vs. US FDI to Africa, Flow



Feb 2019

Source: The Statistical Bulletin of China's
Outward Foreign Direct Investment, UNCTAD
Bilateral Debt Statistics

CHINA★AFRICA
RESEARCH INITIATIVE


JOHNS HOPKINS
SCHOOL of ADVANCED
INTERNATIONAL STUDIES

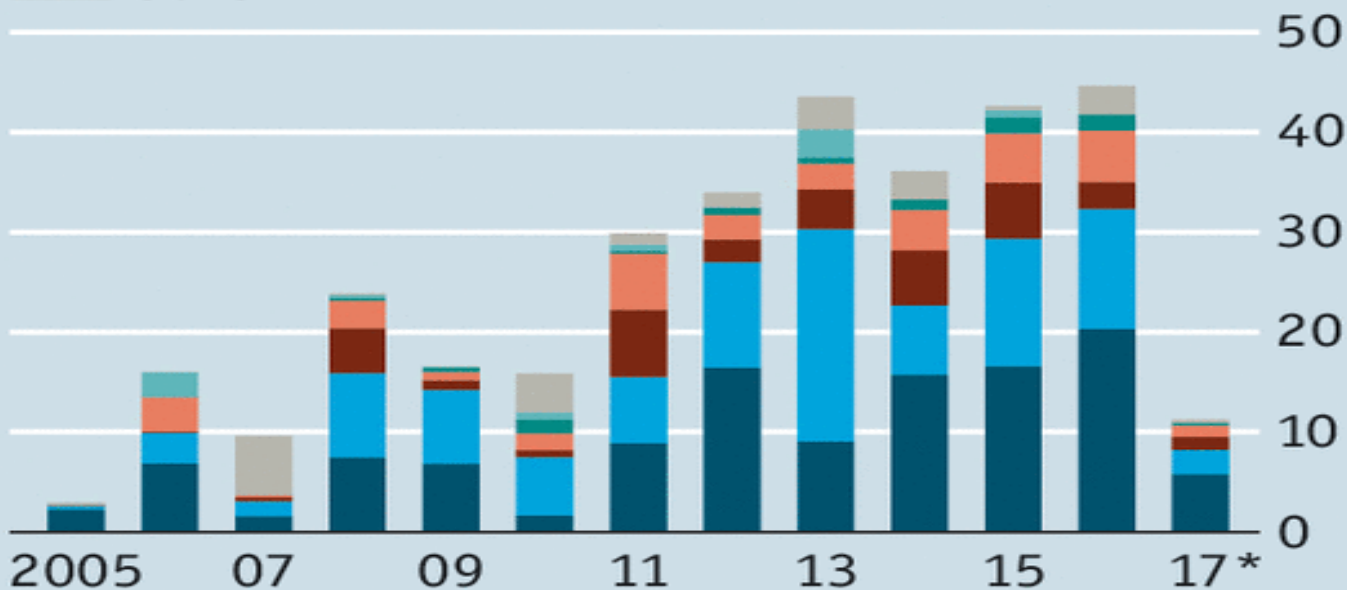
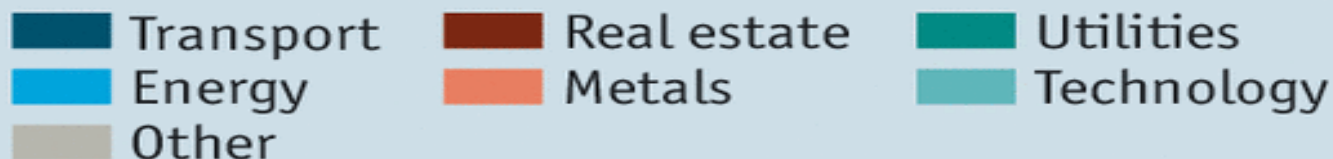
Proprietary: do not share without
written permission

Chinese Investm. In Africa (2017)

Across the board

Chinese investments and contracts in Africa

By sector, \$bn



Source: American Enterprise Institute

*To May

Economist.com

Proprietary: do not share without
written permission

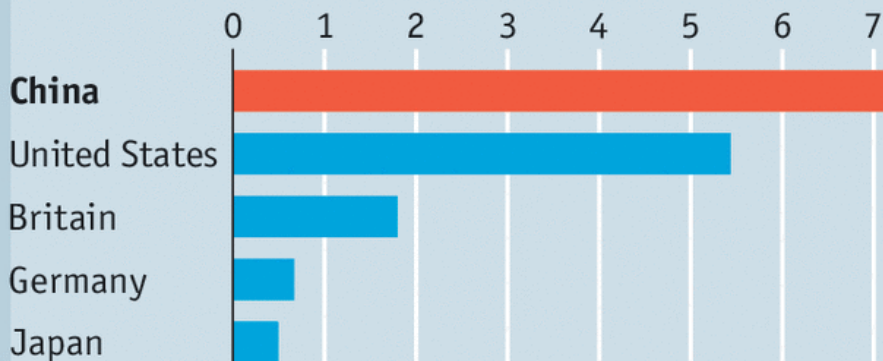
Chinese Investm by Technology (2016, in \$Bn, Fintech, AI, VirR, Ed Tech, Robotics, Autonomous Driving)

A good place to startup

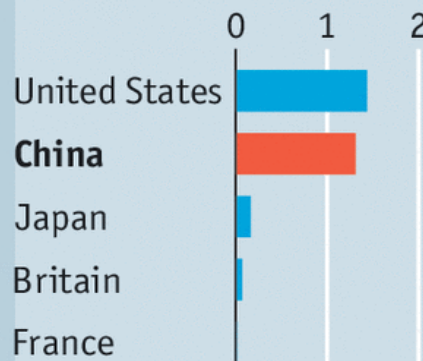
1

Chinese venture-capital investment by technology, 2016, \$bn

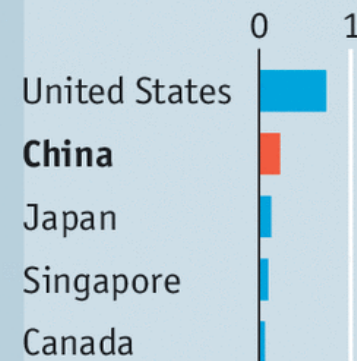
Fintech



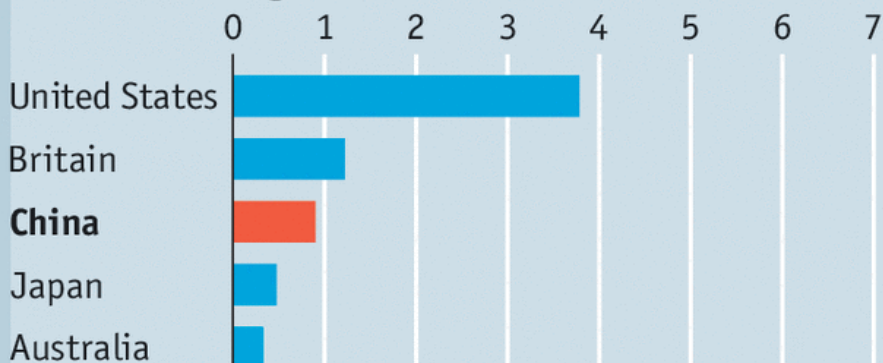
Virtual reality



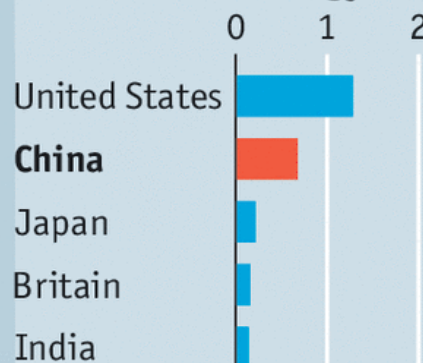
Robotics and drones



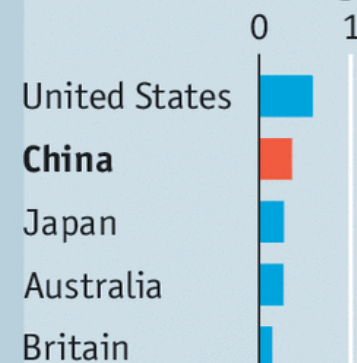
Artificial intelligence



Education technology



Autonomous driving



Source: McKinsey Global Institute

Trade

Proprietary: do not share without
written permission

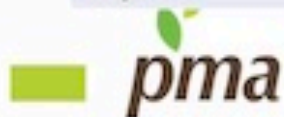
China/India/Japan Proj. mkt Recovry(2020)

Virtual Town Hall

Wednesday, June 17, 2020

How quickly might markets recuperate?

Country	2017 produce imports (USD bn)	GNP growth 2020	GNP growth 2021	Return to pre-CoVid levels
USA	\$28	-5.9%	+4.7%	Q4 2021
Germany	\$18	-7.0%	+5.2%	Q3 2021
China	\$12	+1.2	+9.2%	Q4 2020
United Kingdom	\$10.6	-6.5%	+4.0%	Q1 2022
Netherlands	\$9.5	-7.5%	+5.0%	Q3 2021
France	\$9.5	-7.2%	+4.5%	Q3 2021
Canada	\$7.9	-6.2%	+4.2%	Q1 2022
India	\$7.3	+1.9	+7.4%	Q2 2021
Russia	\$6.1	-5.5%	+3.5%	Q2 2022
Japan	\$5.7	+3.0%	+3.0%	Q1 2021



Source: Americas Market Intelligence analysis from IMF, Oanda, WTO data

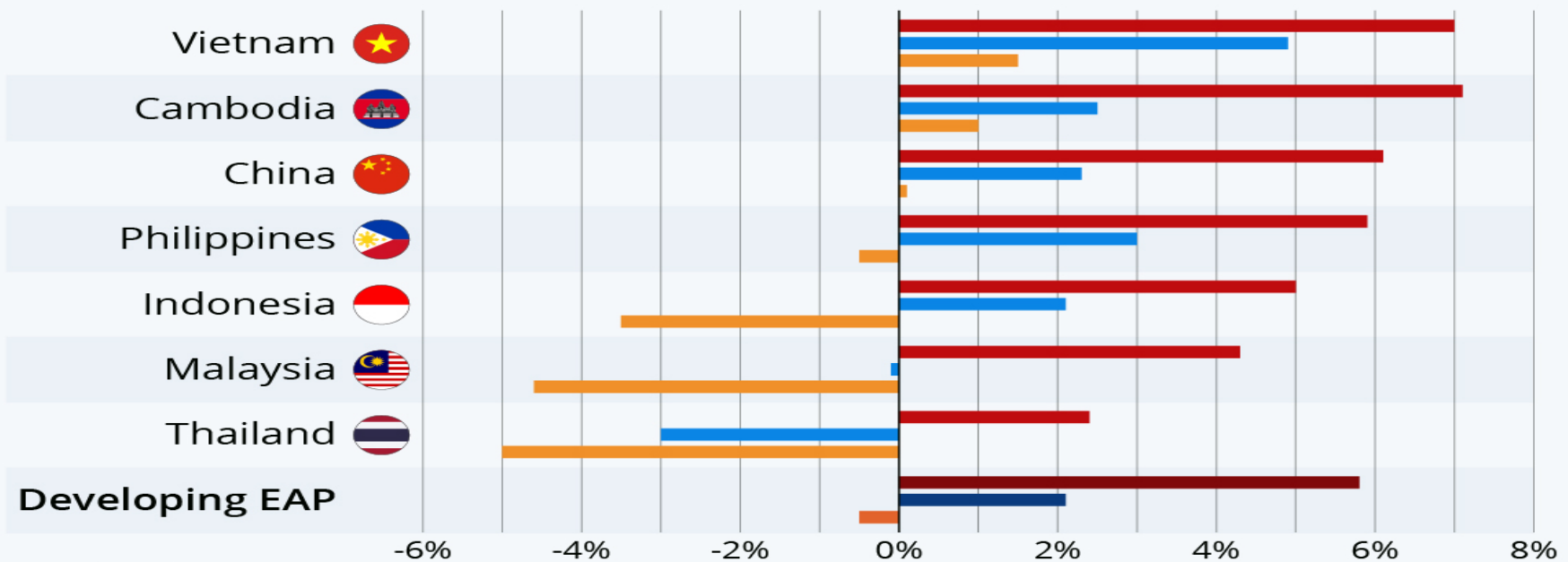
Proprietary: do not share without
written permission

GDP Losses Expected in SE Asia (2020, COVID impact)

Growth Regions in Asia Expected to Suffer GDP Losses

2019 GDP growth and 2020 expected GDP growth for developing countries in East Asia

■ 2019* ■ 2020 baseline scenario ■ 2020 lower case scenario



* estimates

Source: World Bank East Asia and Pacific Economic Update (April 2020)



China's Trade Worldwide (in Bs, 2016, pretradewar)

EU: \$546.8, USA: 519.7, HK&Taiwn: 483, E.Asia: 527.7, Germany: 151.3, Australia: 136.3, Malaysia: 108.2, India: 70.1, Russia: \$69.6



US Tariffs Targeting 10 Industries Prioritized by China in its “Made in China 2025” Plan

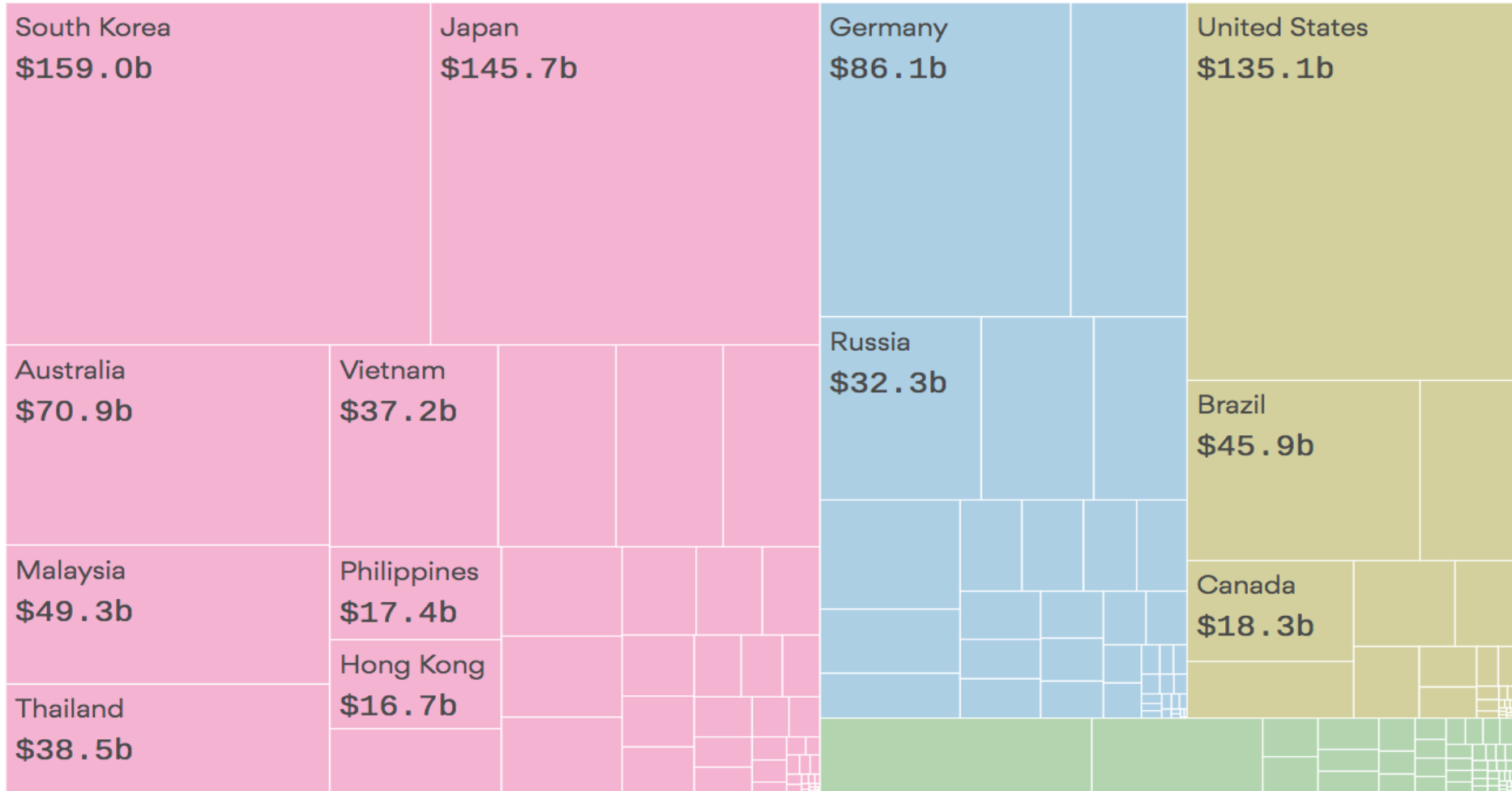
- **IT:** become cyber power; semi-conductors; acquisition of techn. co's.
- **Numerical ctrl tools & robotics:** lots of experts by 2025.
- **Aerospace equipment:** satellite technology; passenger jets.
- **Ocean engineering & high tech ships:** grow strong export sector.
- **Railway equipment:** grow export competitiveness thru BRI projects.
- **Energy saving & new energy vehicles:** combine cleanup air w. winning global recognition for Chinese cars.
- **Power equipment:** energy efficiency; smart grid & smart city technologies.
- **New materials:** leader inventing & commercializing new materials; demo innovation.
- **Medicine & medical devices:** medical device manufacturers start to export; accelerate export.
- **Agricultural machinery:** efficiency enhancement; create platform for exports.

Winners/Losers in US/China Trade War

(Bill Bishop - 2018, in billion)

Origin countries of Chinese imports

- Asia and Oceania (\$703.3b)
- Europe (\$287.0b)
- The Americas (\$255.9b)
- Africa (\$56.8b)



U.S. Imports From China Dropped by \$87 Billion in 2019

Countries/territories with the largest absolute change in goods exports to the U.S. in 2019

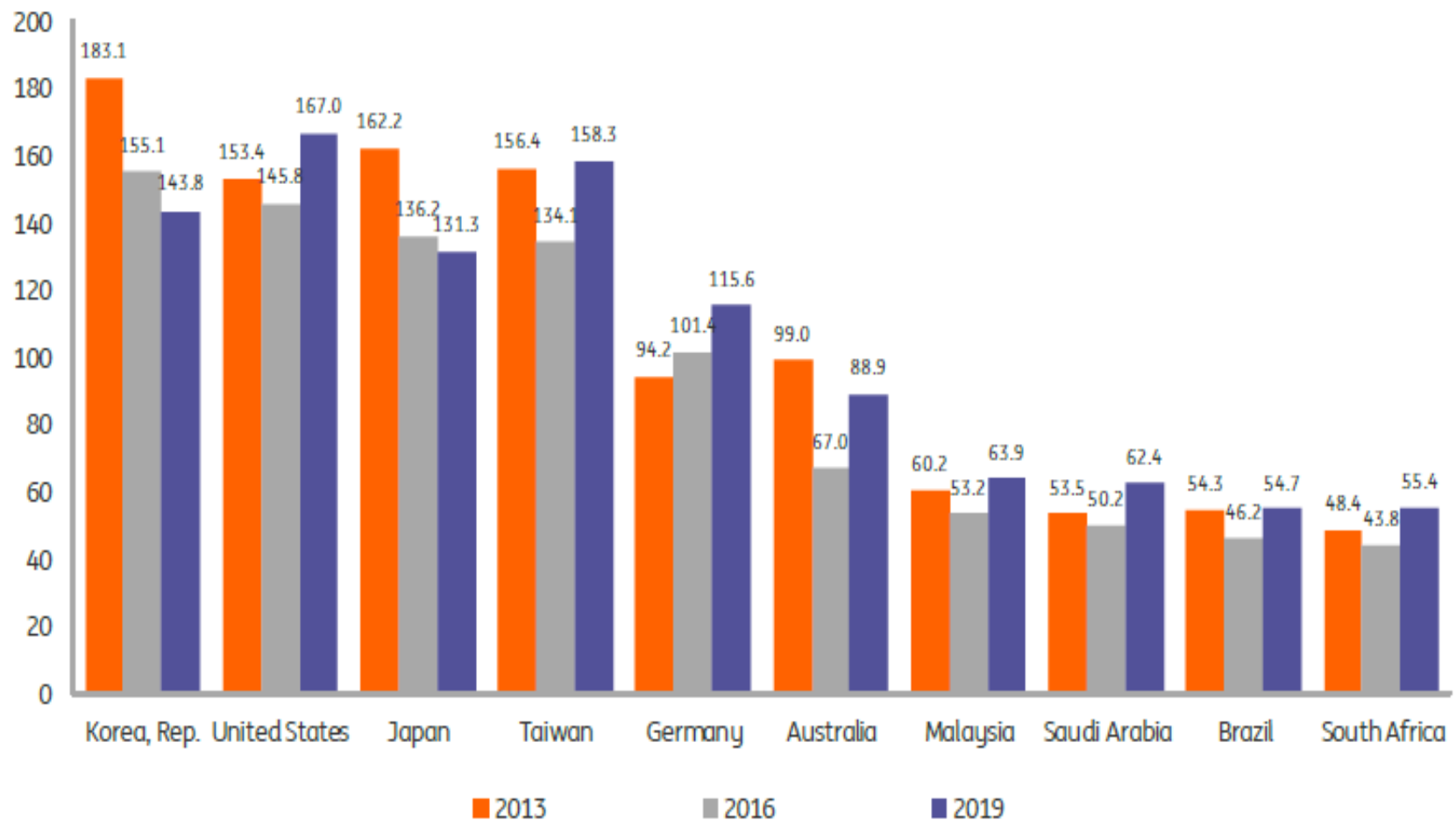


Source: U.S. Census Bureau



China's Top Import Partners (2013 - 2019)

Main origins of imports, 2013-19 (rankings based on 2016 levels; USDbn)



Projected Exports to China (2020 - 2024)

Based on Current Trends – Projected Exports to China

Country/region	Current growth rate (%)	2019 Volume (US\$ billion)	2020 Volume (US\$ billion)	2021 Volume (US\$ billion)	2022 Volume (US\$ billion)	2023 Volume (US\$ billion)	2024 Volume (US\$ billion)
US	-9	179	163	148	135	123	112
EU*	4	215	224	233	243	253	263
ASEAN**	13.8	250	285	324	369	420	478
India	-1.62	8	8	8	8	7	7
Africa	31	100	131	172	225	295	386
Russia	20	56	67	83	99	120	144
Emerging Belt and Road***	3	150	155	160	165	170	175

* Excluding the UK

**Excluding Cambodia, Laos, Myanmar, and Vietnam

***Excluding Russia, EU, and the larger ASEAN nations

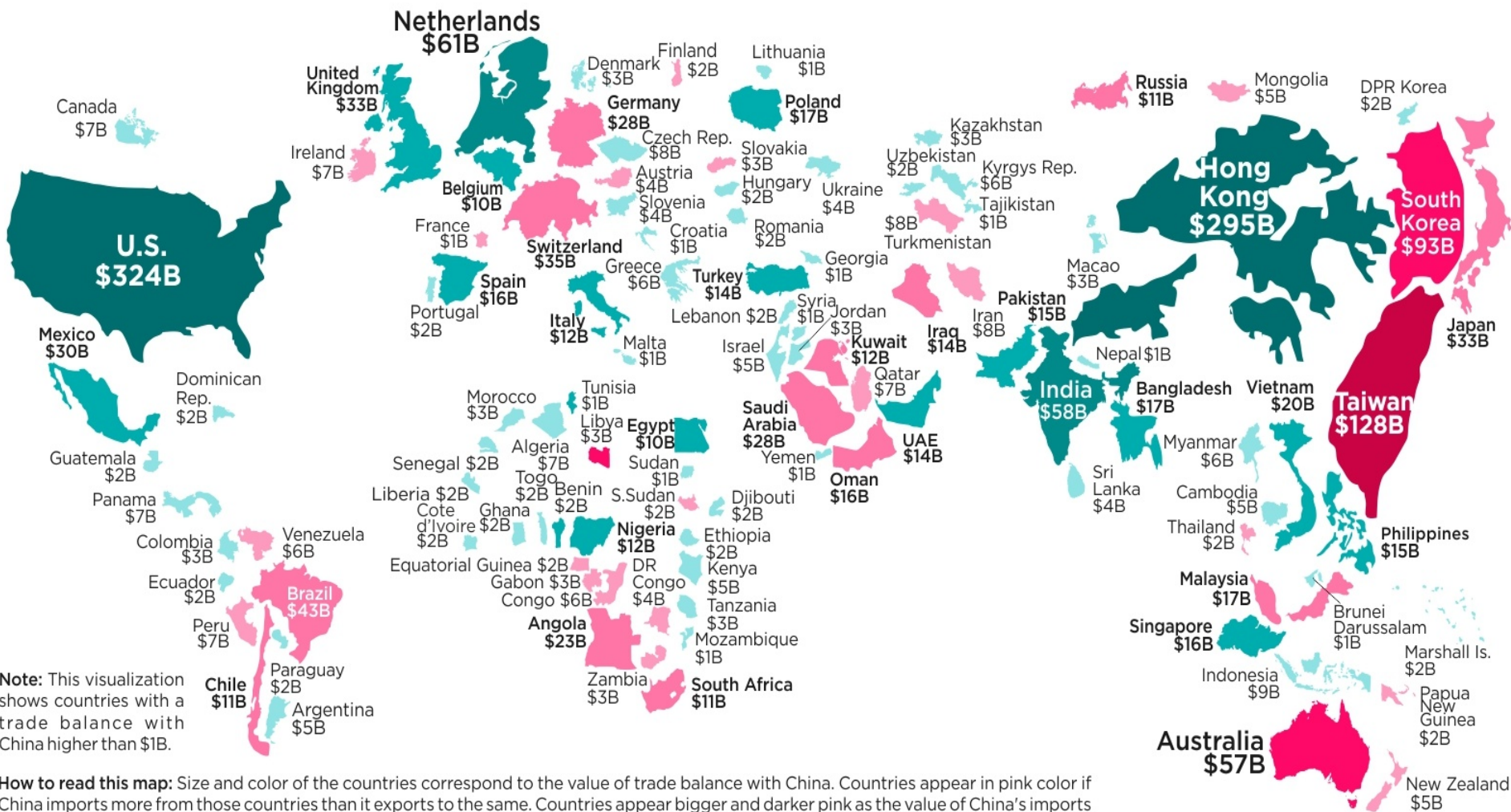
Statistics are sourced from China's MOFCOM, USTR, EU Commission, ASEAN Secretariat, and Dezan Shira's business intelligence unit.

Figures have been rounded up for convenience.

China's Trade Balance

China's Biggest Trade Deficits/Surpluses by Country

China's Trade Deficit (\$) China's Trade Surplus (\$)



Note: This visualization shows countries with a trade balance with China higher than \$1B.

How to read this map: Size and color of the countries correspond to the value of trade balance with China. Countries appear in pink color if China imports more from those countries than it exports to the same. Countries appear bigger and darker pink as the value of China's imports from those countries is higher. E.g. Taiwan. Countries appear in turquoise color if China exports more to those countries than it imports from the same. Countries appear bigger and darker turquoise as the value of China's exports to those countries is higher. E.g. United States.

Article & Sources:
<https://howmuch.net/articles/chinas-exports-imports-trade-balance>
 International Monetary Fund - <https://data.imf.org/>

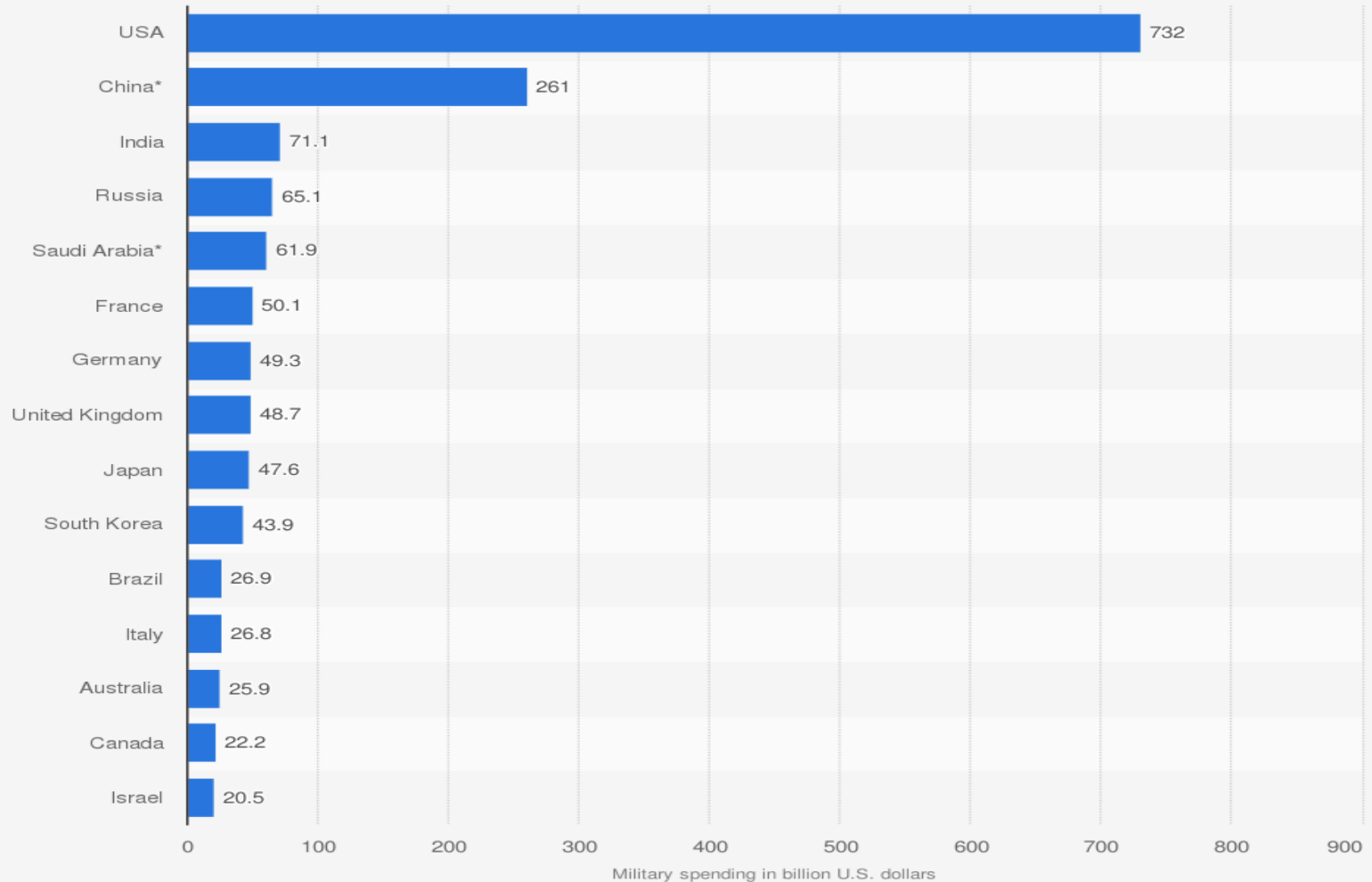
Questions?

Proprietary: do not share without
written permission

Allies, Threats

Military Expenditure in \$bn (2019) (China, India, Japan, S.Korea)

The 15 countries with the highest military spending worldwide in 2019 (in billion U.S. dollars)



Source
SIPRI
© Statista 2020

Additional Information:
Worldwide; 2019

Ally or Threat (Pew Research Ctr, as of 2019)

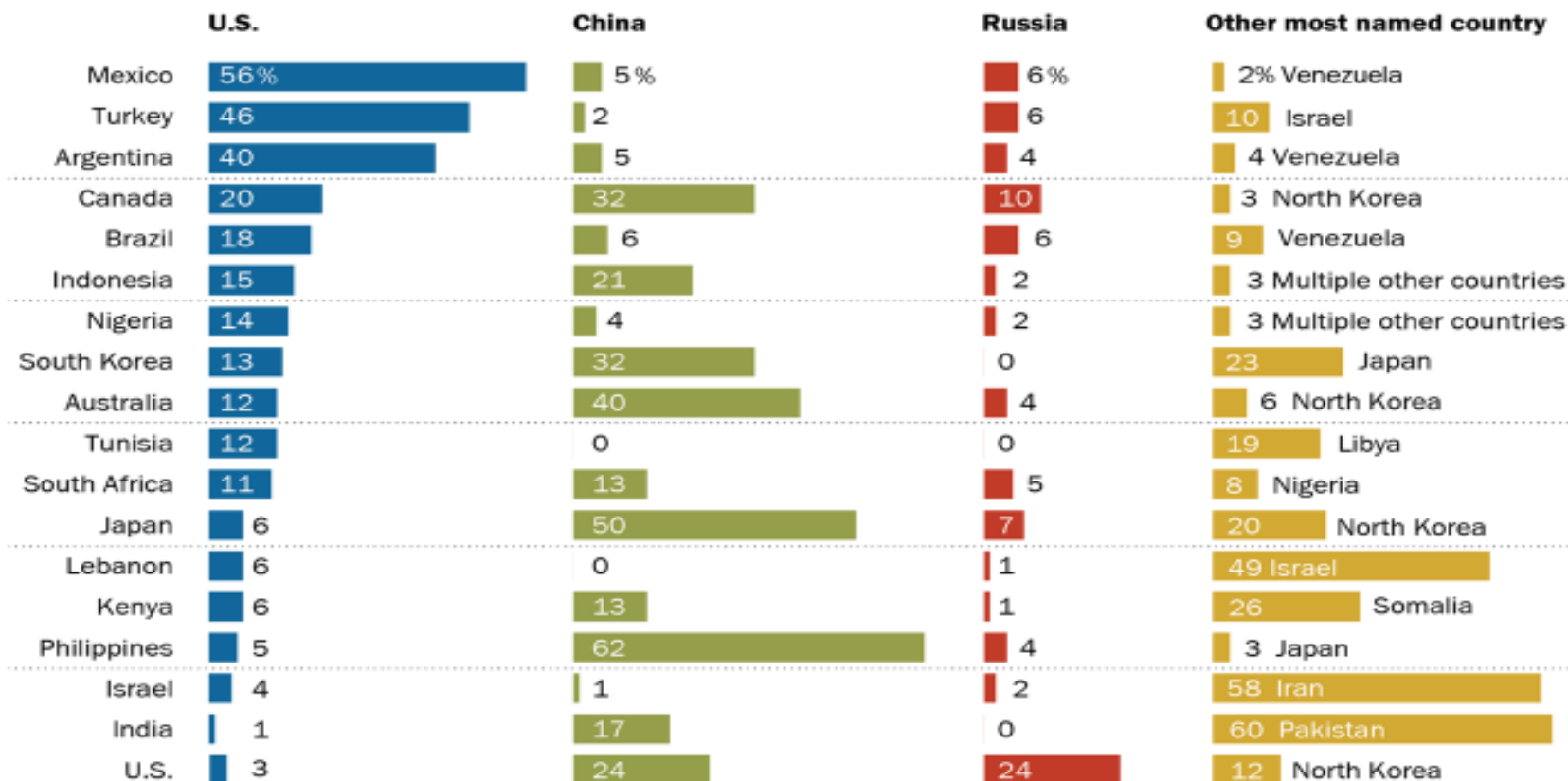
Allies and Threats in Asia				
	Closest allies	%	Biggest threats	%
Bangladesh	India	54	U.S.	72
	China	45	India	47
	U.S.	44	Pakistan	32
China	Russia	46	U.S.	66
	EU	21	Japan	63
	S. Korea	20	Taiwan	18
India	U.S.	46	Pakistan	75
	Russia	43	al Qaeda	32
	Japan	34	China	30
Indonesia	Japan	41	U.S.	63
	Malaysia	36	China	17
	China	24	Russia	13
Japan	U.S.	74	N. Korea	66
	China	26	China	49
	EU	20	U.S.	23
Malaysia	China	39	U.S.	46
	Japan	32	Abu Sayyaf	7
	U.S.	15	N. Korea	6
Pakistan	S. Arabia	60	U.S.	64
	China	58	India	45
	Iran	25	Israel	32
S. Korea	U.S.	75	Japan	70
	China	48	China	64
	EU	29	N. Korea	50

Proprietary: do not share without written permission

Ally or Threat (as of 2019)

Across different countries, both the U.S. and China emerge as key threats

% who say ___ is the country or group that poses the greatest threat to their country in the future



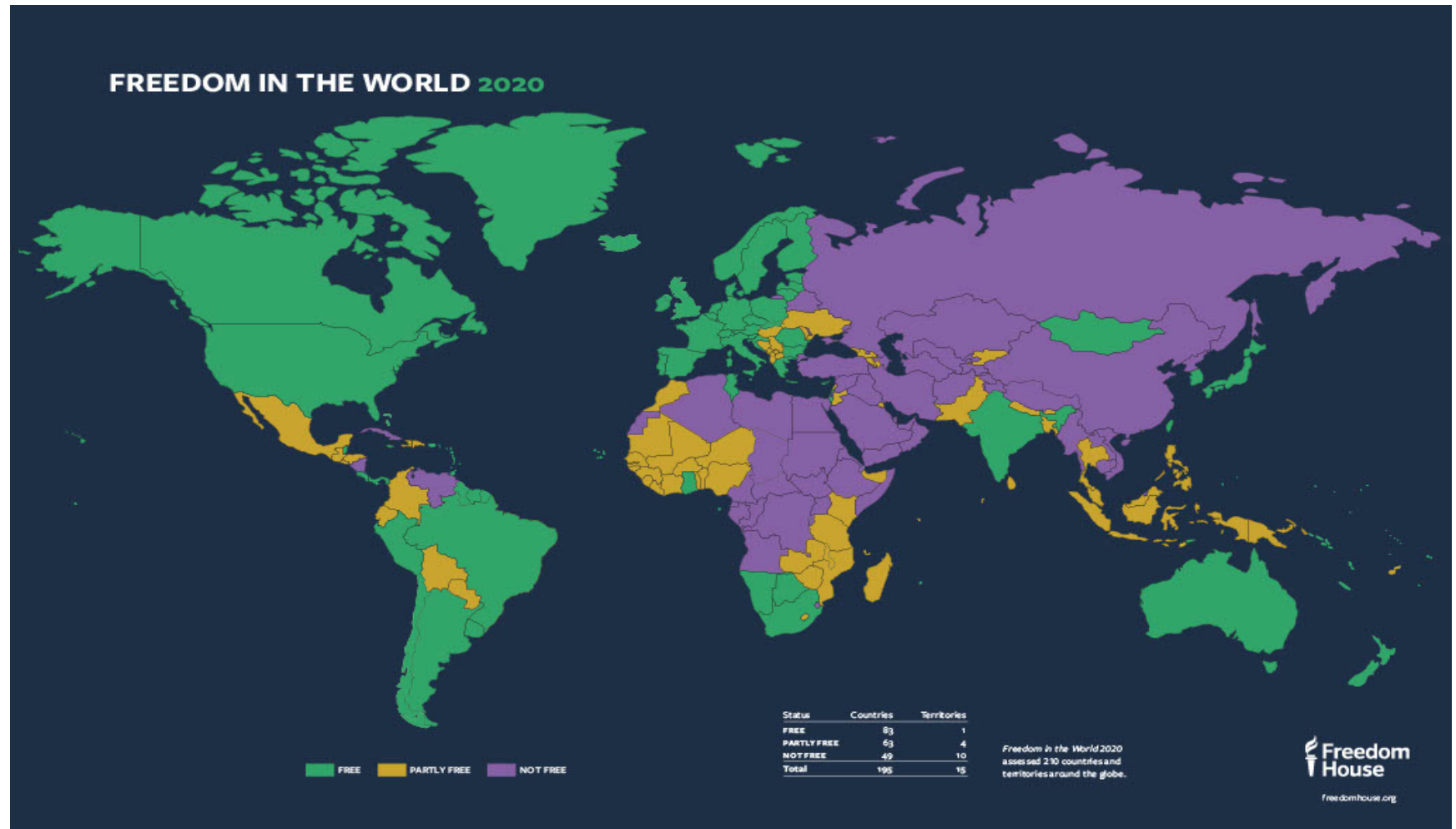
Note: Figures represent results of an open-ended question, where interviewees selected from a precoded list. Other countries named not shown. Source: Spring 2019 Global Attitudes Survey. Q23.

PEW RESEARCH CENTER

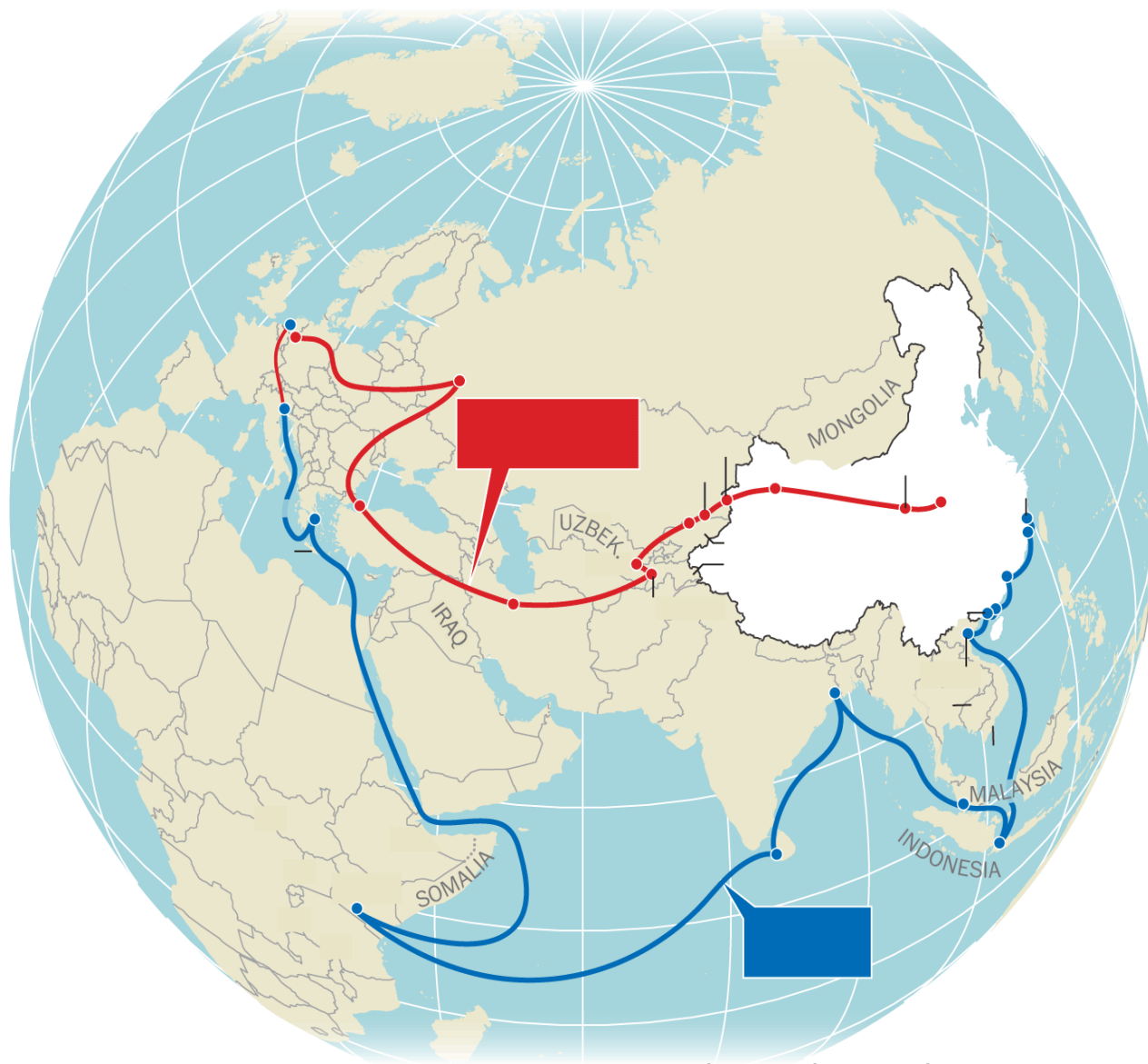
Proprietary: do not share without written permission

2020 Freedom House annual rept: Democracy in retreat around the world for 14th yr in a row

(25 of 41 established democracies are worse off than they were 14 yrs ago, including USA, India, Israel. FH: watchdog grp.)



China's "Foreign Policy": silk roads: a common dev.& prosperity PGM, 2013 - 2020 (138 countries as of 2020)



RED: land silk road economic belt
(Xian, Lanzhou, Urumqi, Kazakhstan, Iran, Turkey, Moscow, Germany)

BLUE: maritime silk road
(fuzhou, Hanoi, Jakarta, Kelang, Kolkata, Colombo, Nairobi, Athens, Venice, Rotterdam)

Proprietary: do not share without written permission

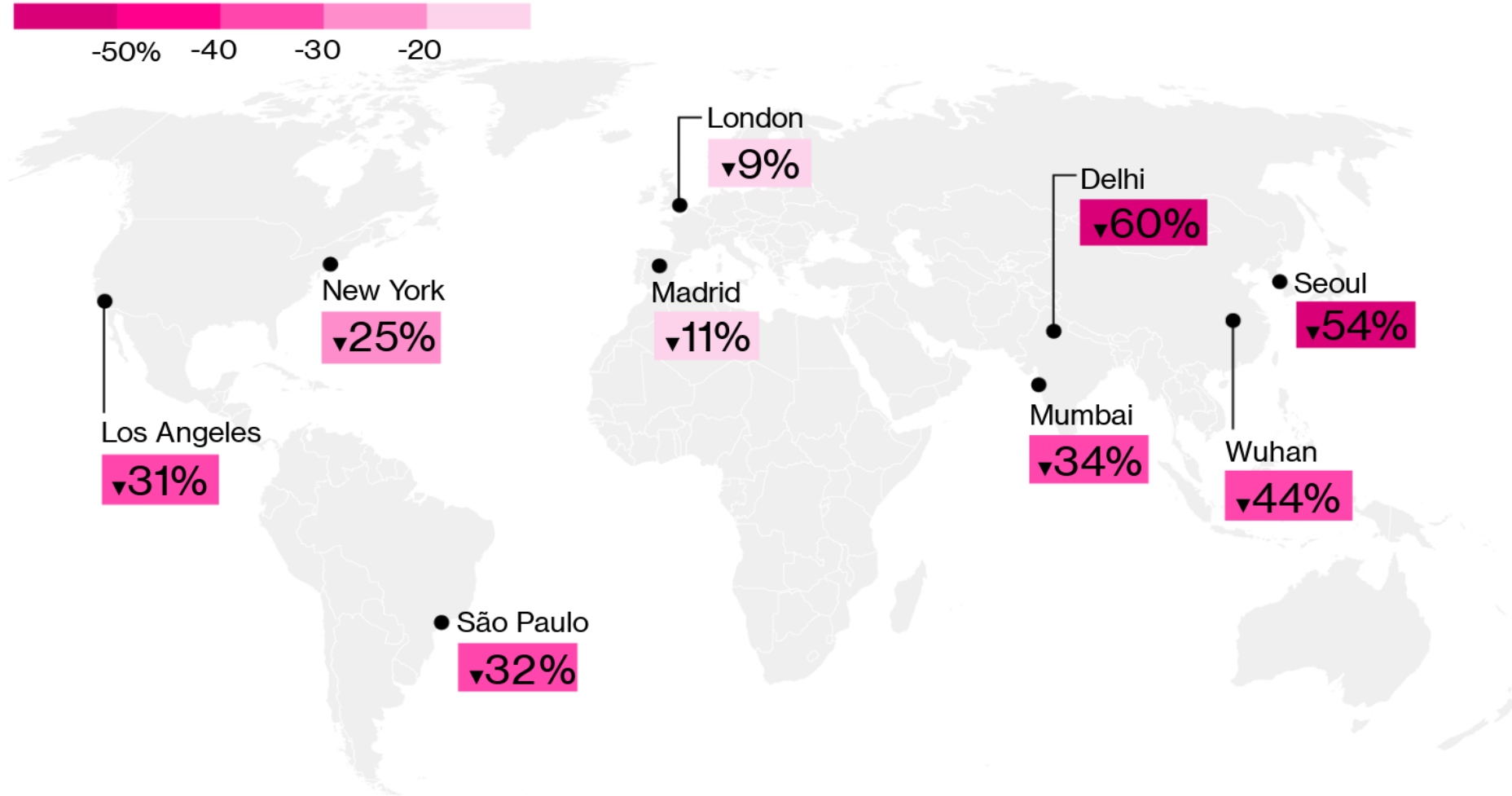
Pollution

Proprietary: do not share without
written permission

Decrease in Pollution during C-19 Lockdown (2020)

Major Cities See Decrease in PM2.5 During Covid-19 Lockdown

Percent change for a three-week period in 2020 compared to same period in 2019



Note: Lockdown dates are from Mar. 23-Apr. 13, except for Seoul (Feb. 26- Mar. 18) and Wuhan (Feb. 3- Feb. 24).

WHO Pollution Survey Results (14 in India, 2018)

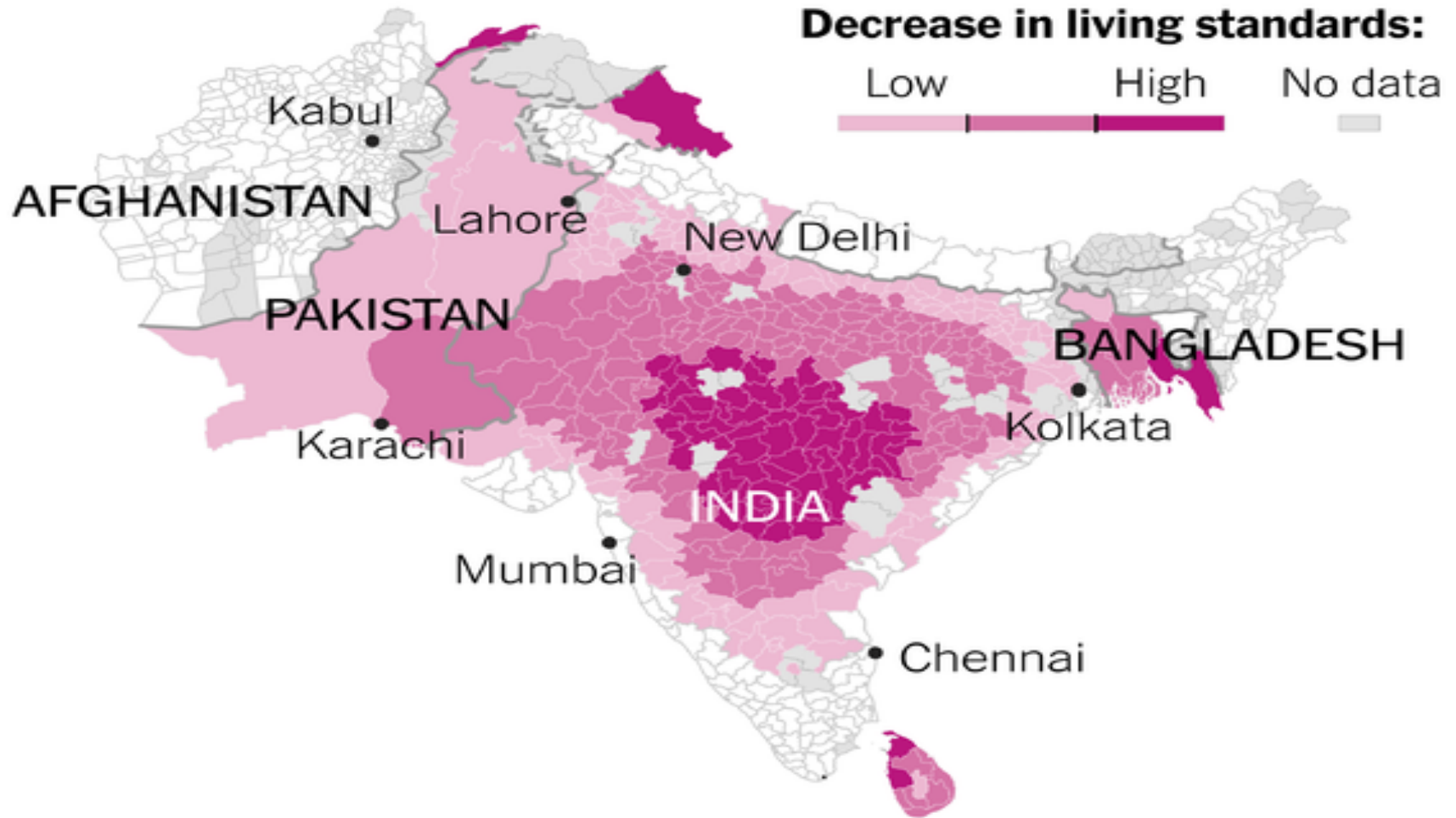
India Has The Most Polluted Cities On Earth

Average level of particulate matter (PM 2.5) pollution in 2018



India/Pakistan/Bgladesh Hotspots (WB - 2018)

(Unchecked climate crisis in S. Asia: 800M people at risk, hardship of poverty amplified)



Proprietary: do not share without written permission

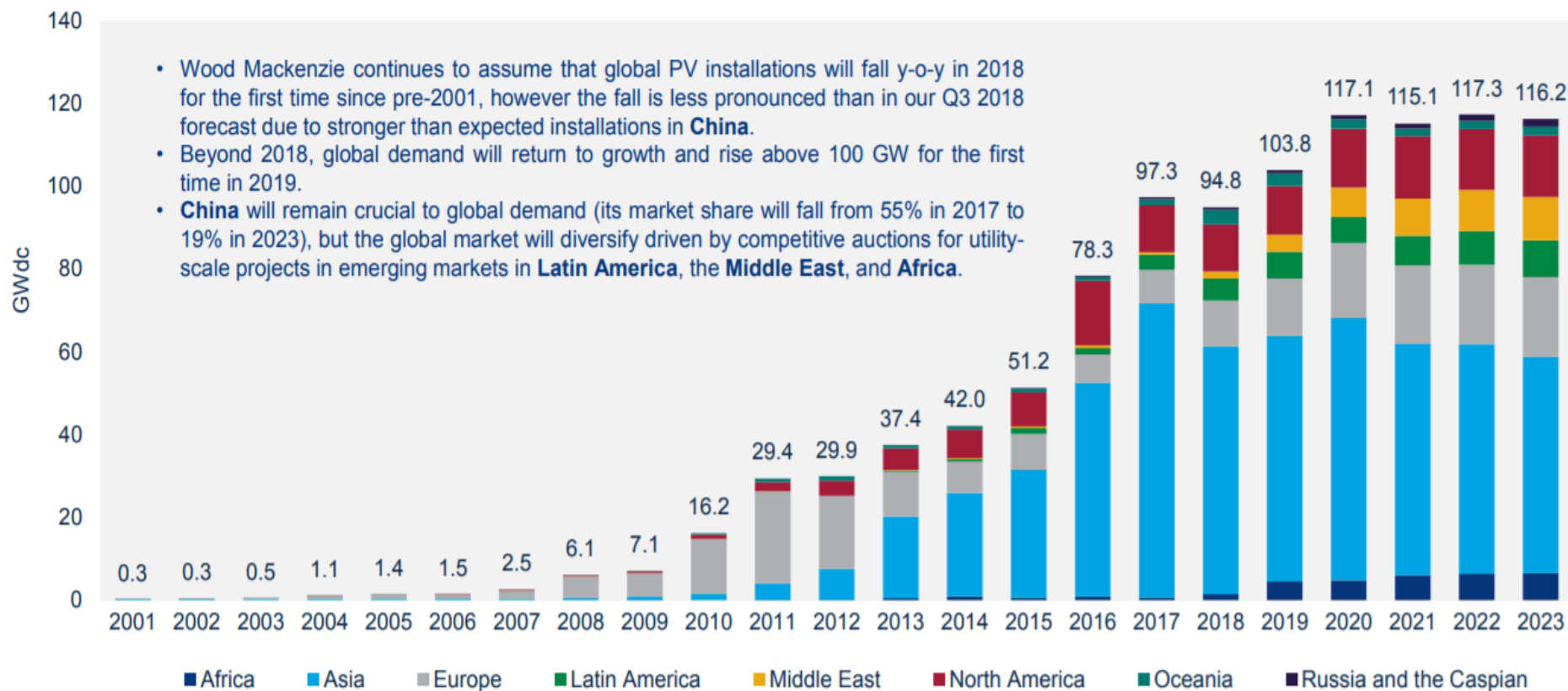
Global Solar PV Installations

(Asia leads global solar use at 115-120 GW in 2020)

After a muted 2018 decline, the global market will breach 100 GW in 2019

Installations will sit at 115-120 GW in early 2020s as emerging markets begin to deliver results

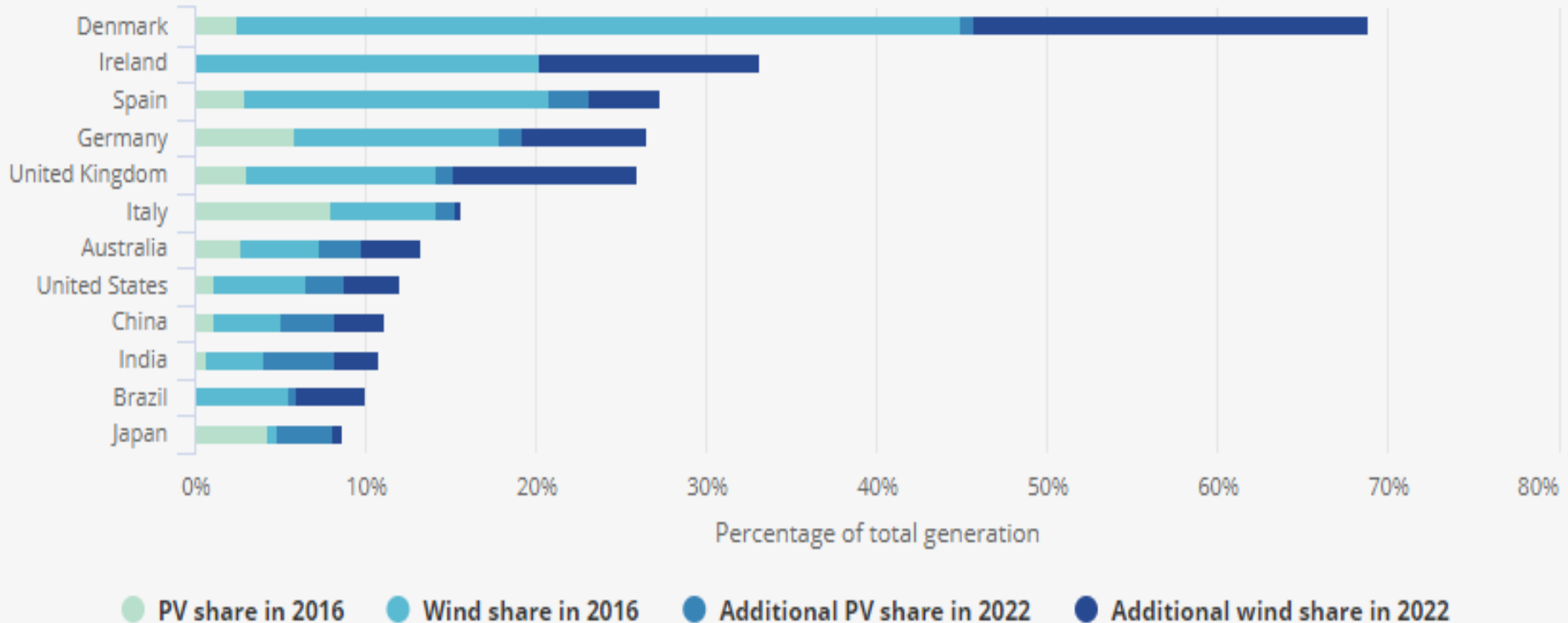
Global solar PV installations



Global RE (solar, wind) Share in Electricity Generation by 2022 (China, India, Japan)

VRE share in annual electricity generation

Selected countries, 2016 - 2022



Renewables 2017, IEA

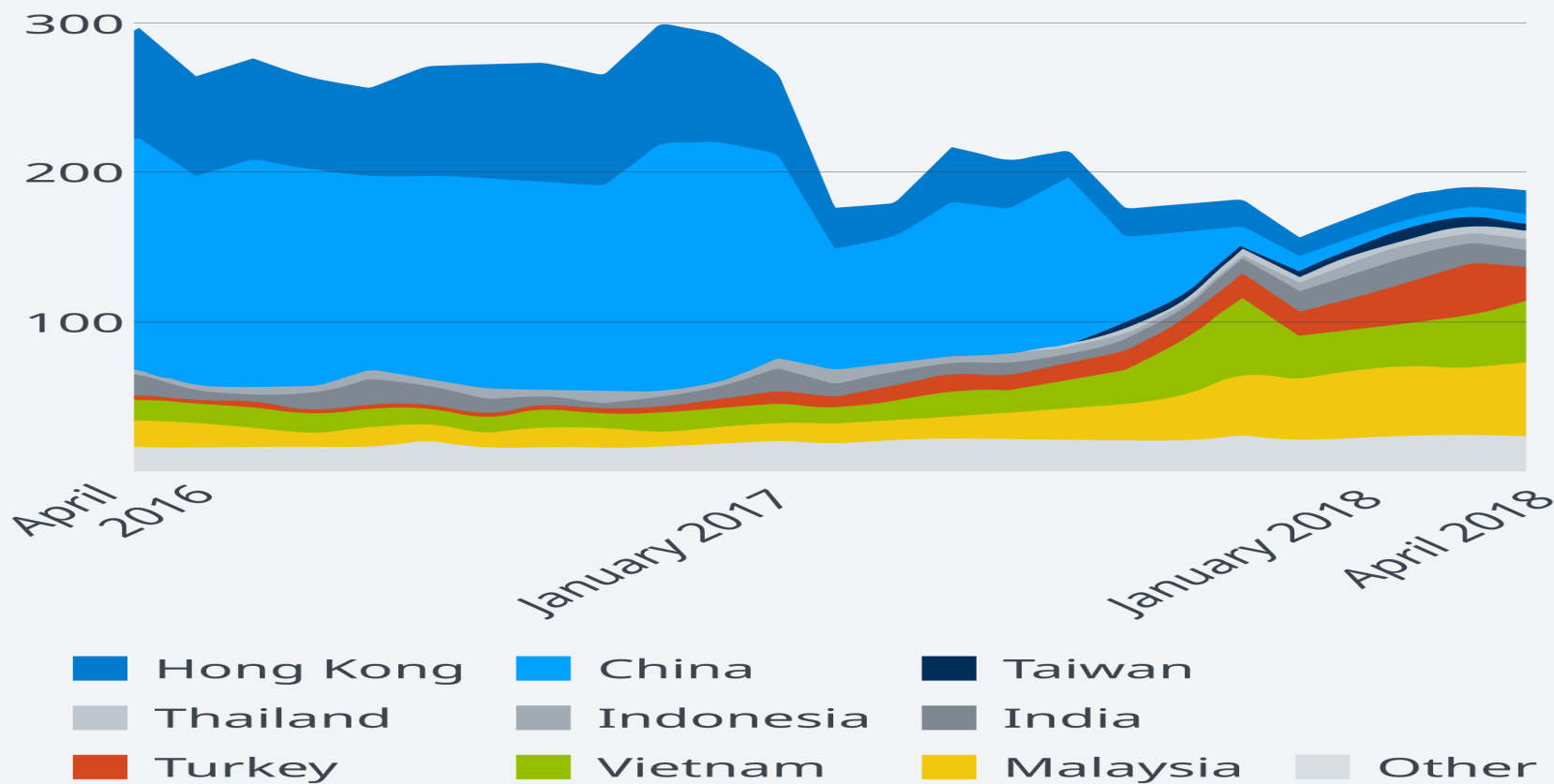
Proprietary: do not share without written permission

Where European plastic waste goes (2018)

(thousand metric tons)

Where European plastic waste goes to rest

Thousand metric tons



Source: Eurostat COMEXT

© DW

Questions?

Proprietary: do not share without
written permission

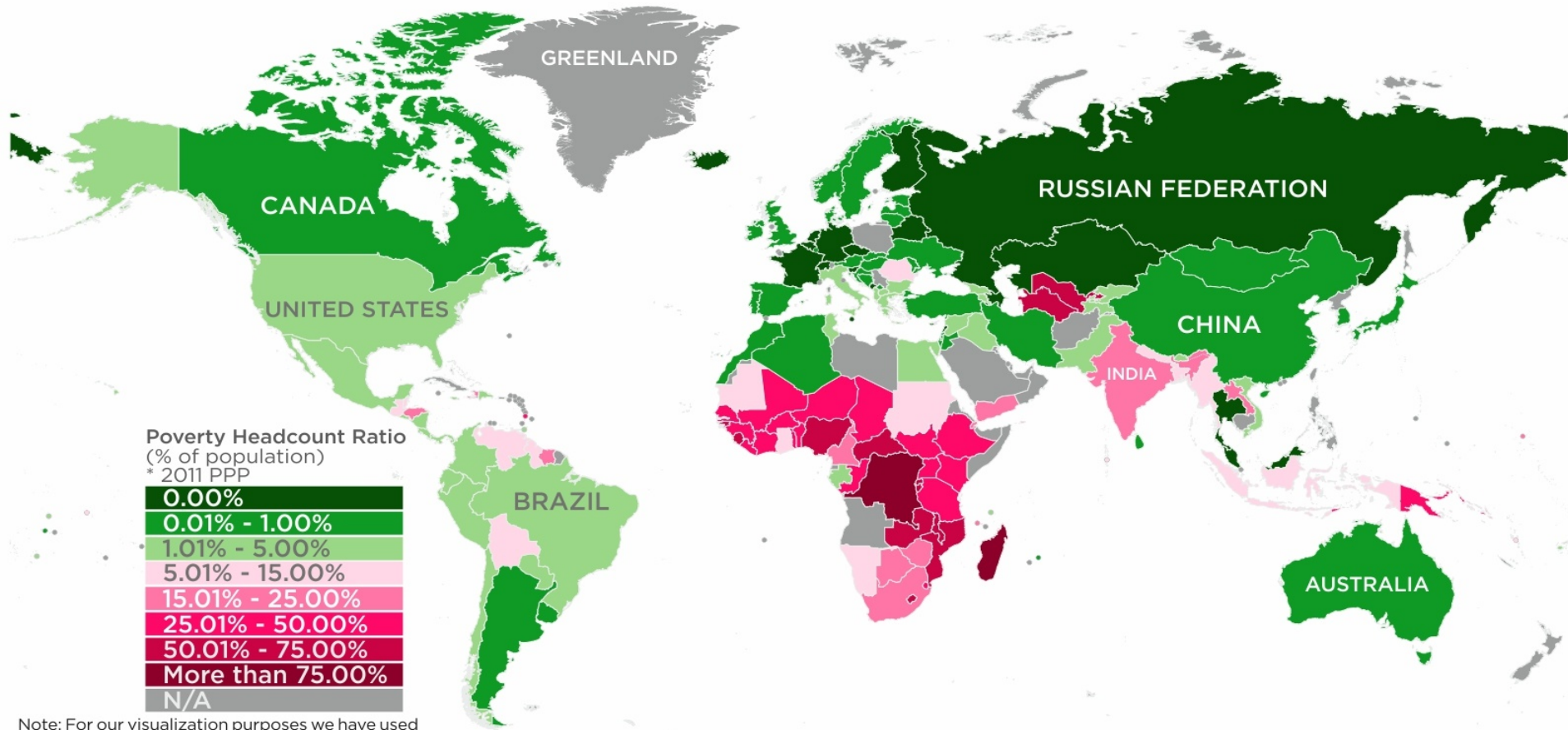
Miscellaneous

Proprietary: do not share without
written permission

Poverty in Asia (2018) – Percent of population living on less than \$1.90 a day: <1% China; 1-5% VN/PKT; 5-15% MM/Indons/Bangladesh; 15-25% India.

People Living in Extreme Poverty

Percentage of Population Living on less than \$1.90 a day*



Note: For our visualization purposes we have used data for the latest available year in each country.

Article & Sources:

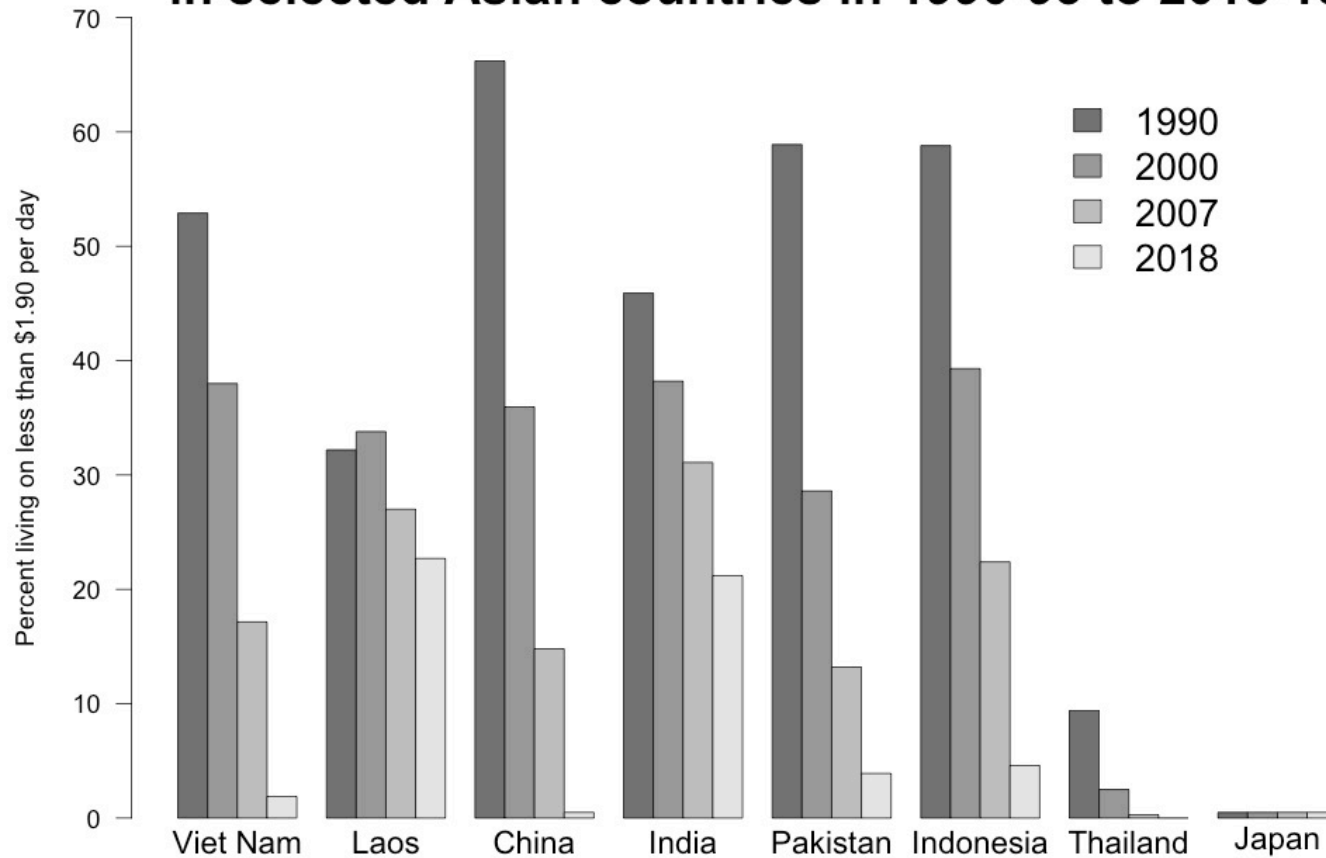
<https://howmuch.net/articles/people-living-in-extreme-poverty-2018>

The World Bank - <http://www.worldbank.org>

howmuch net

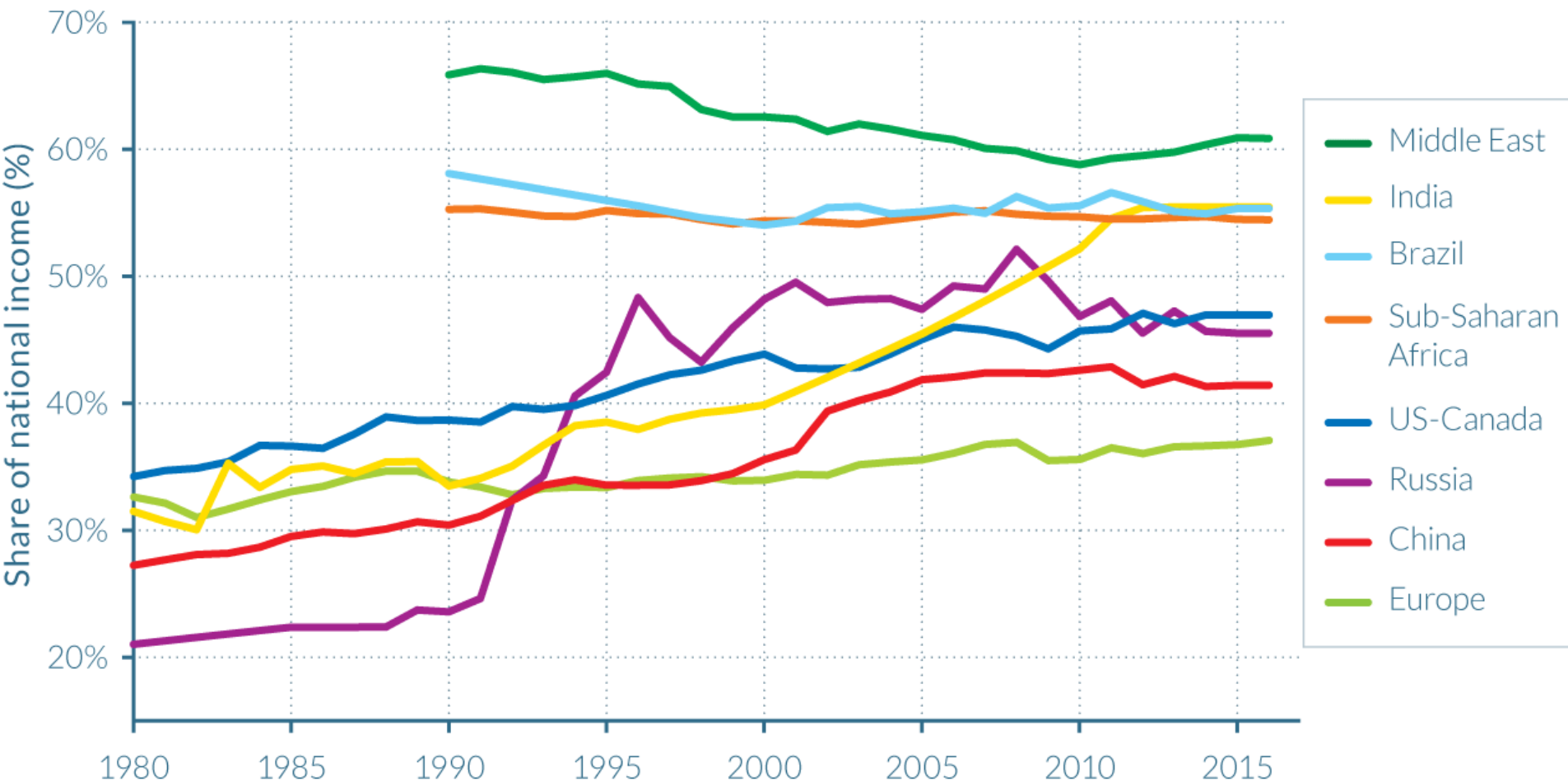
Proprietary: do not share without written permission

Extent of extreme poverty in selected Asian countries in 1990-93 to 2015-18



Source: World Bank DataBank export 2020-08-12

Income Inequality (2016) – 55% of nat. income received by top 10% earners in India, against 31% in 1980.



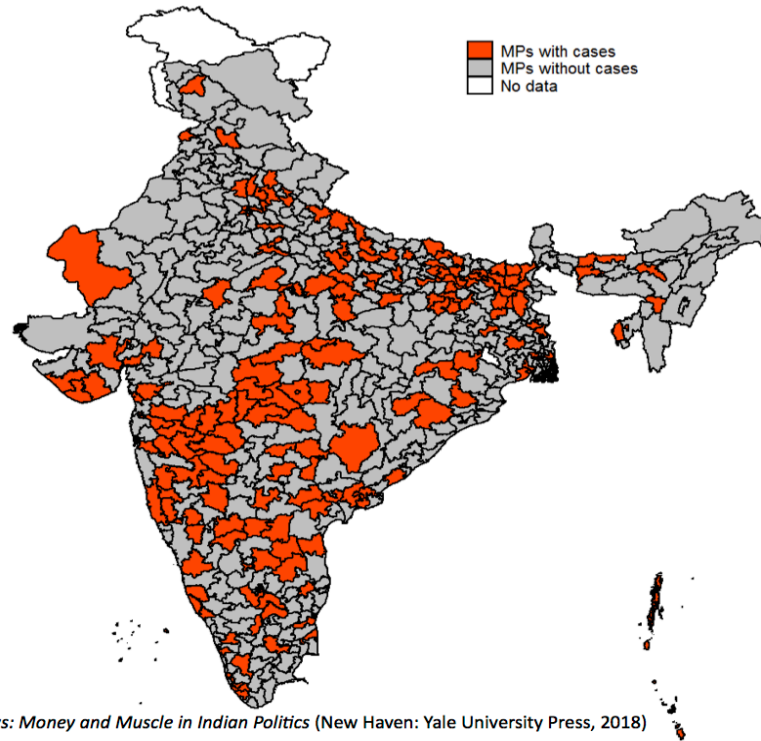
Source: WID.world (2017). See wir2018.wid.world/methodology.html for data series and notes.

In 2016, 55% of national income was received by the Top 10% earners in India, against 31% in 1980.

Proprietary: do not share without
written permission

Crime-Politics in India (2018)

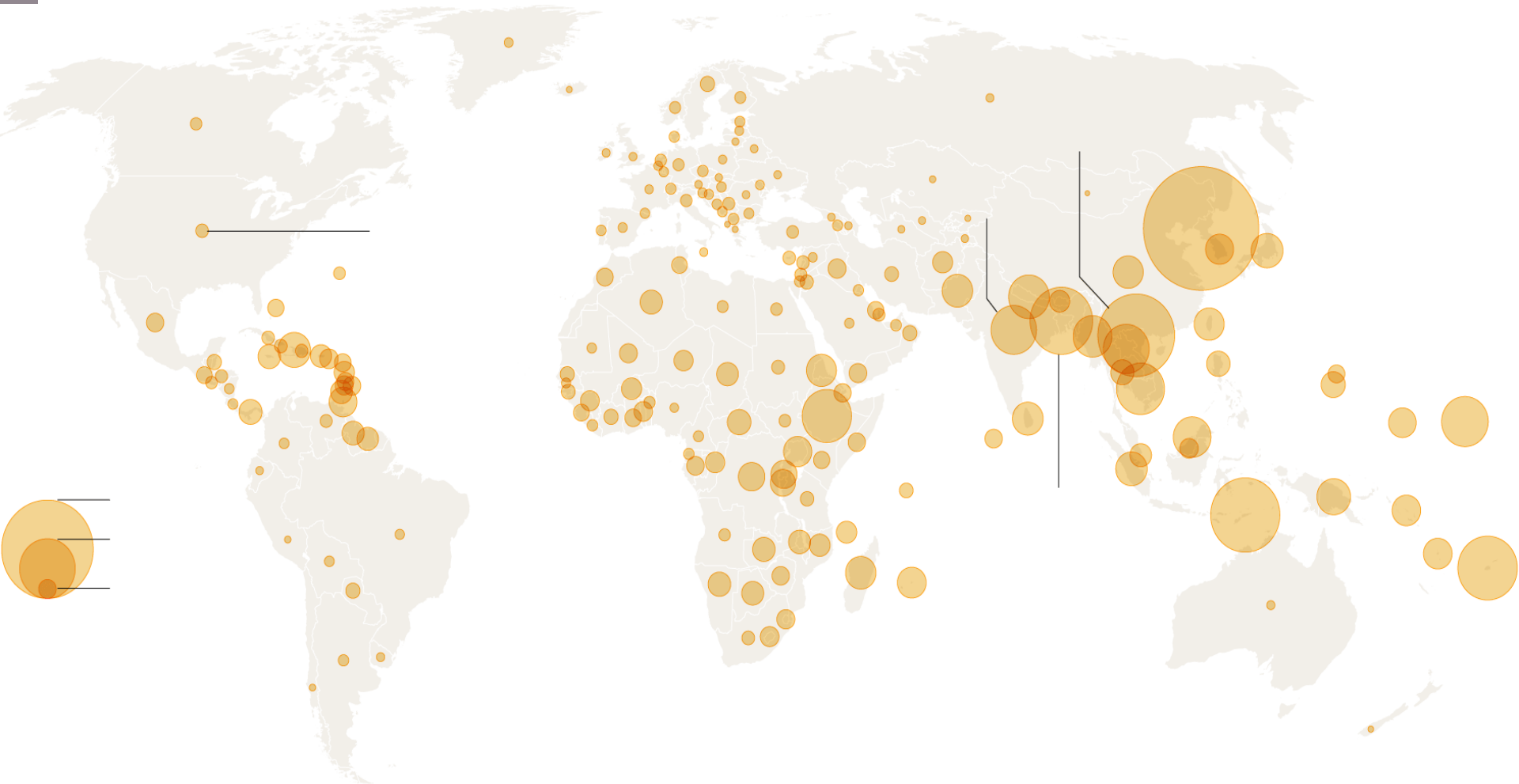
The crime-politics nexus is widespread, found in virtually all parts of the country



Source: Milan Vaishnav, *When Crime Pays: Money and Muscle in Indian Politics* (New Haven: Yale University Press, 2018)

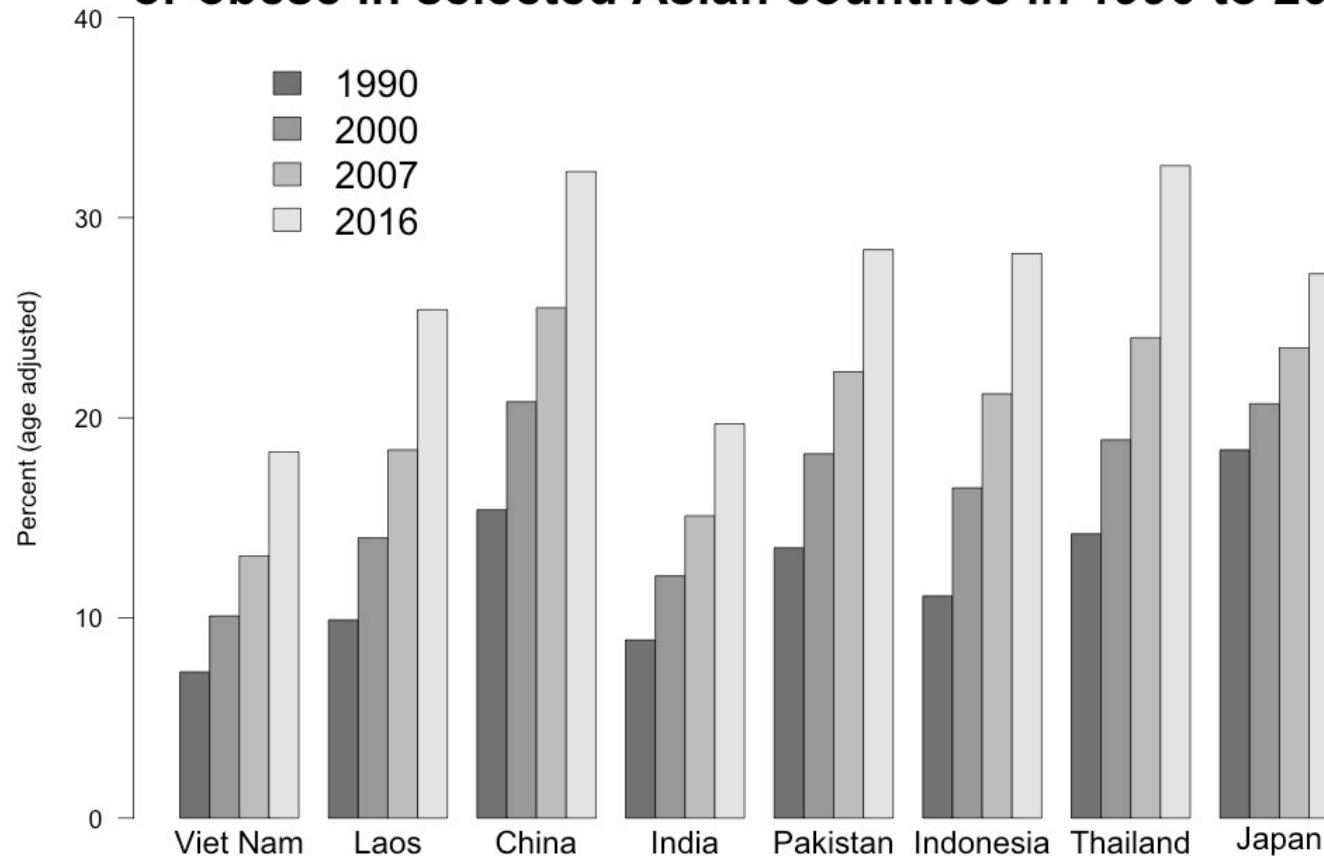
Proprietary: do not share without
written permission

Obesity in Asia (2018) - 20/60/100 adults w. diabetes for every 100 who are overweight. India, S.Asia, SE Asia: # w. diabetes much higher relative to # overweight. Data: U. of Washington Study.



Proprietary: do not share without
written permission

Percent of adults aged 25 years and over overweight or obese in selected Asian countries in 1990 to 2016

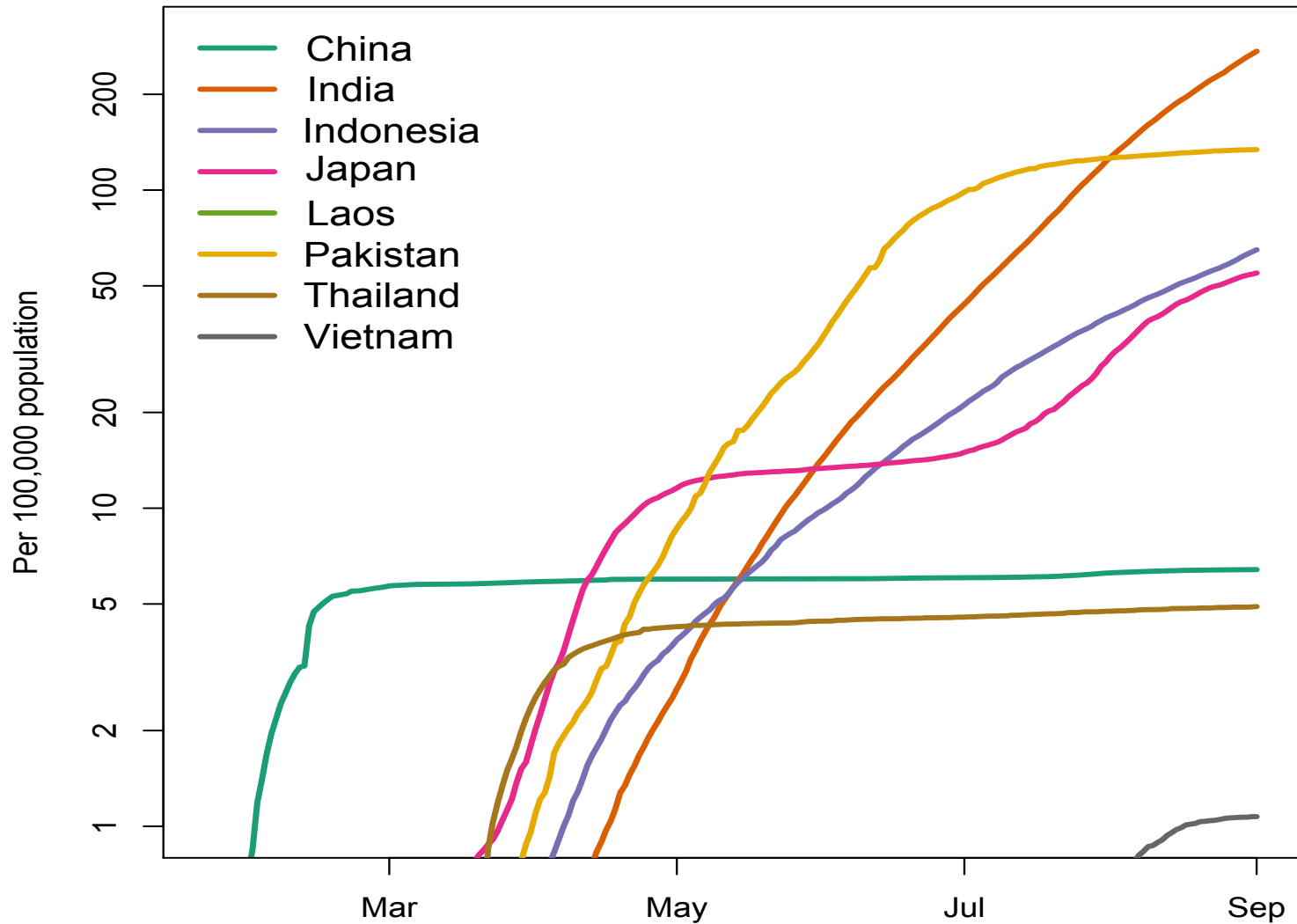


Overweight is percentage of adults ages 18 and over whose Body Mass Index (BMI) is more than 25 kg/m².

Source: World Bank DataBank export 2020-08-12

COVID in Asia

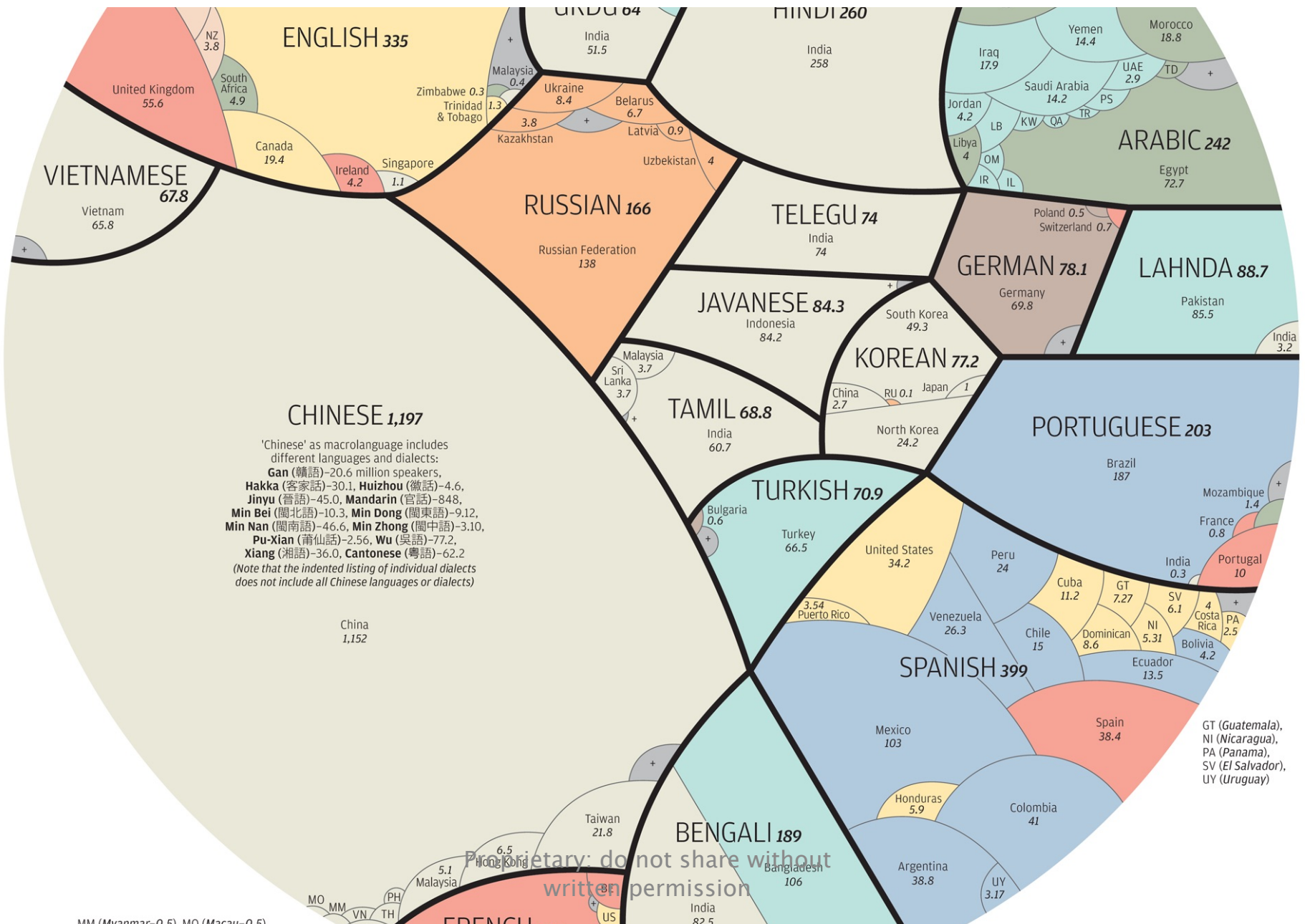
Cumulative number of covid19 cases



Month in 2020

Proprietary: do not share without written permission

A World of Languages



CHINESE 1,197

'Chinese' as macrolanguage includes different languages and dialects:
Gan (贛語)-20.6 million speakers,
Hakka (客家話)-30.1, **Huizhou** (徽話)-4.6,
Jinyu (晉語)-45.0, **Mandarin** (官話)-848,
Min Bei (閩北語)-10.3, **Min Dong** (閩東語)-9.12,
Min Nan (閩南語)-46.6, **Min Zhong** (閩中語)-3.10,
Pu-Xian (莆仙話)-2.56, **Wu** (吳語)-77.2,
Xiang (湘語)-36.0, **Cantonese** (粵語)-62.2
(Note that the indented listing of individual dialects does not include all Chinese languages or dialects)

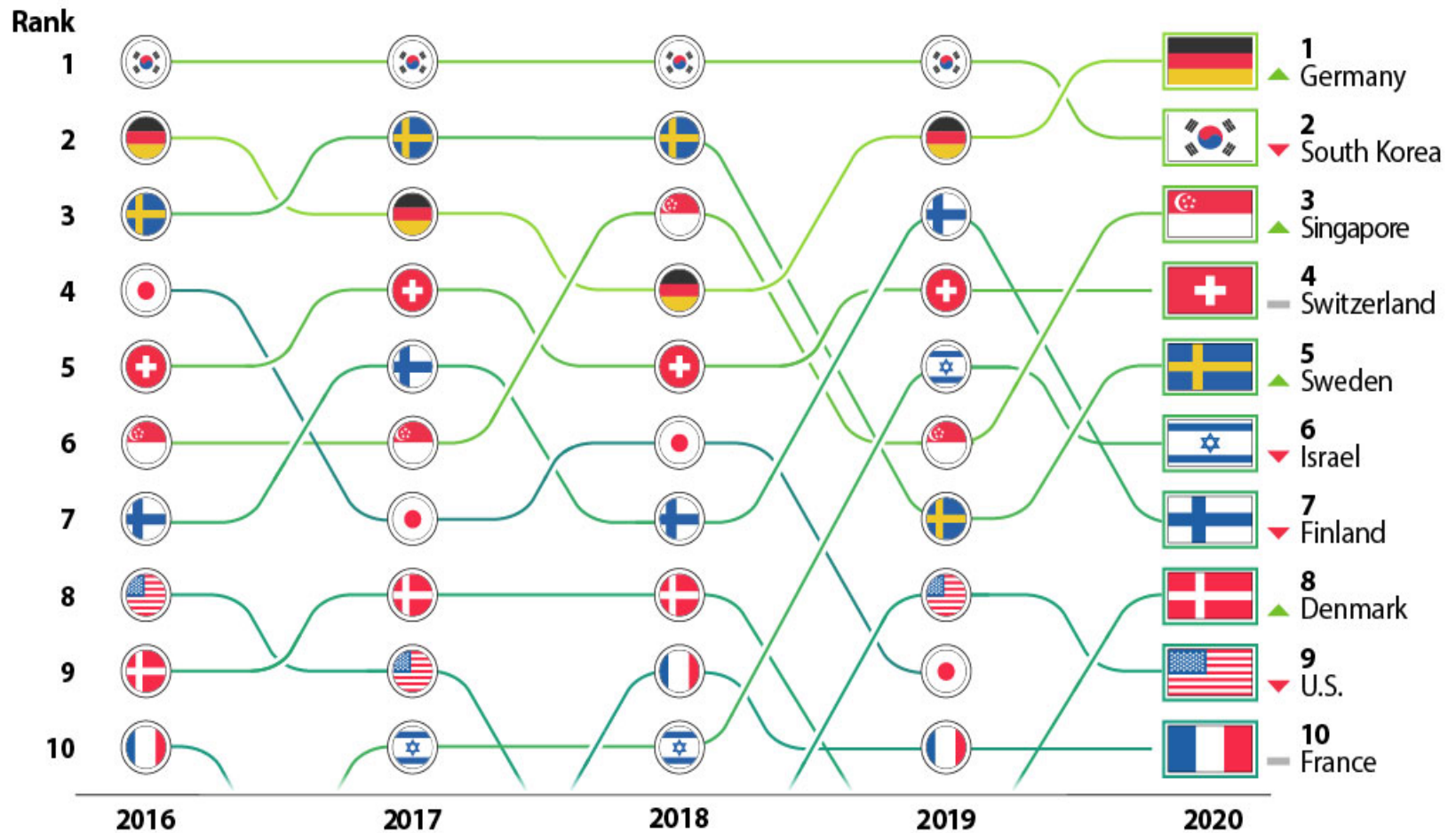
China
1,152

Proprietary: do not share without written permission

GT (Guatemala), NI (Nicaragua), PA (Panama), SV (El Salvador), UY (Uruguay)

S. Korea, SIN in top10 - 2016-2020

WORLD'S MOST INNOVATIVE ECONOMIES 2016-2020



Proprietary: do not share without written permission

Global Innovation Index - 2018

WHICH ASIAN COUNTRIES ARE THE MOST INNOVATIVE?

Singapore, South Korea and Japan are the most innovative countries in Asia while as Pakistan and Bangladesh are the least innovative.

(The numbers show Asian ranking)

MOST INNOVATIVE COUNTRIES



INNOVATIVE COUNTRIES



LEAST INNOVATIVE COUNTRIES



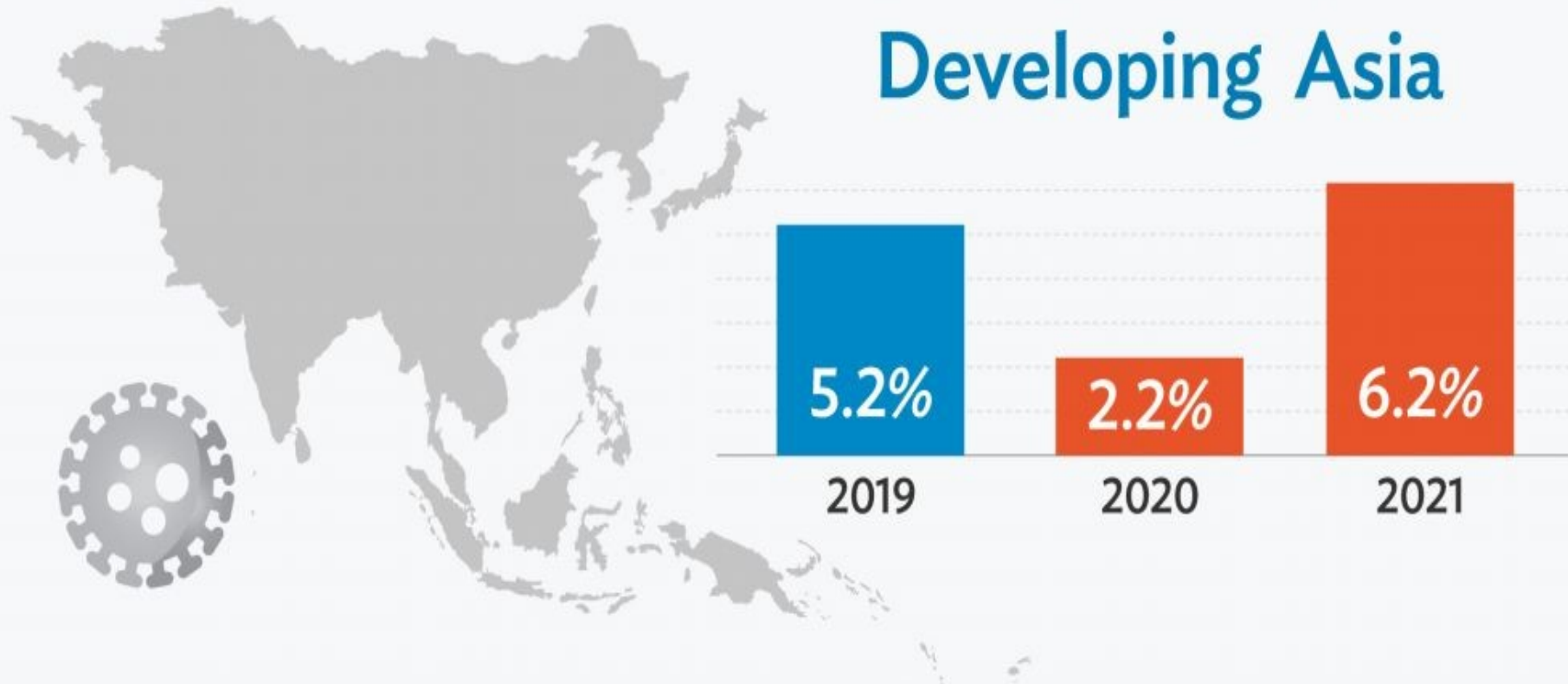
Compiled by: ANN/DataLEADS

Source: Global Innovation Index, 2018

Proprietary: do not share without written permission

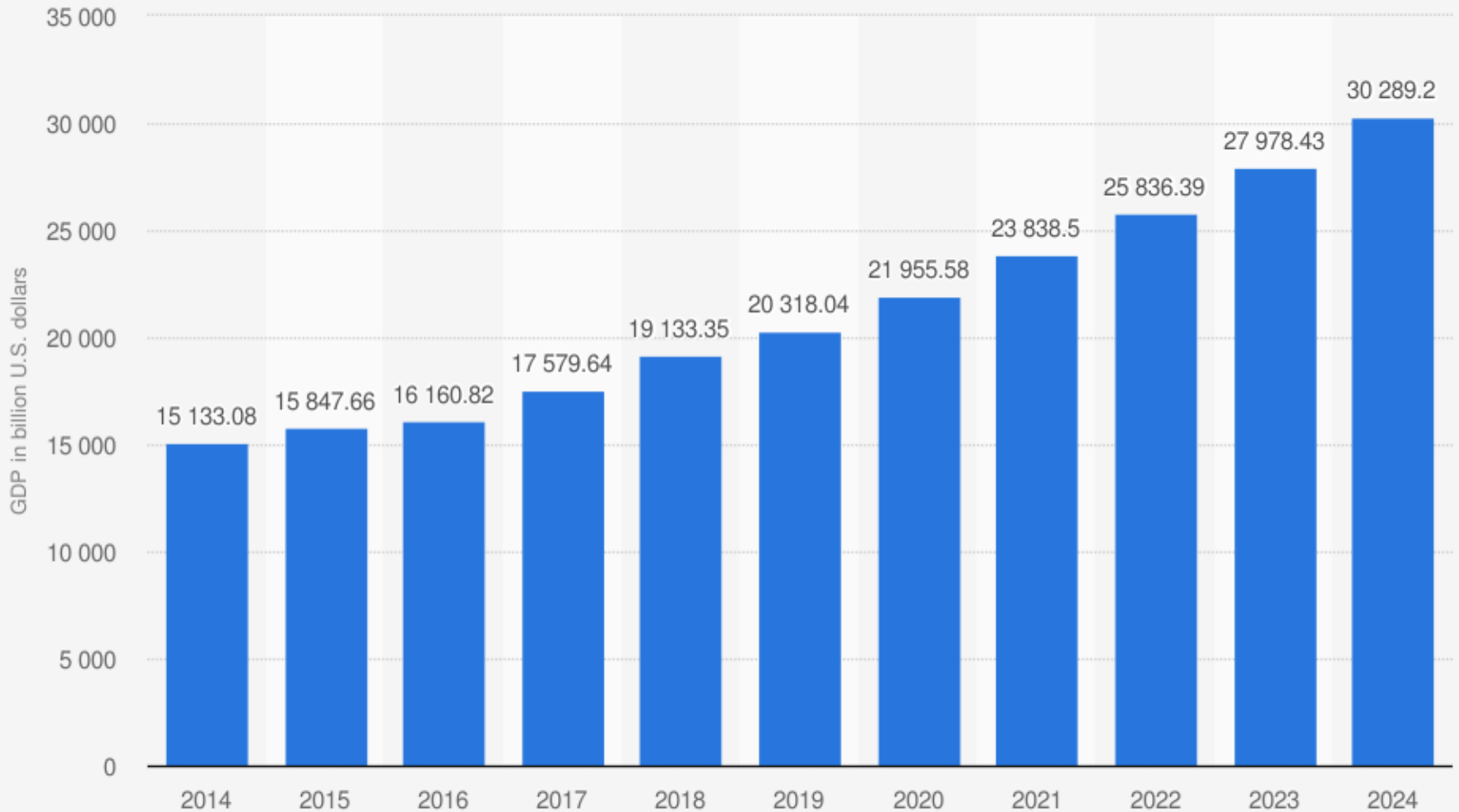
Asian Dev Bank Forecast (Dev.Asia includes: China, India, SE Asia, South Asia)

GDP Growth Forecasts



Proprietary: do not share without
written permission

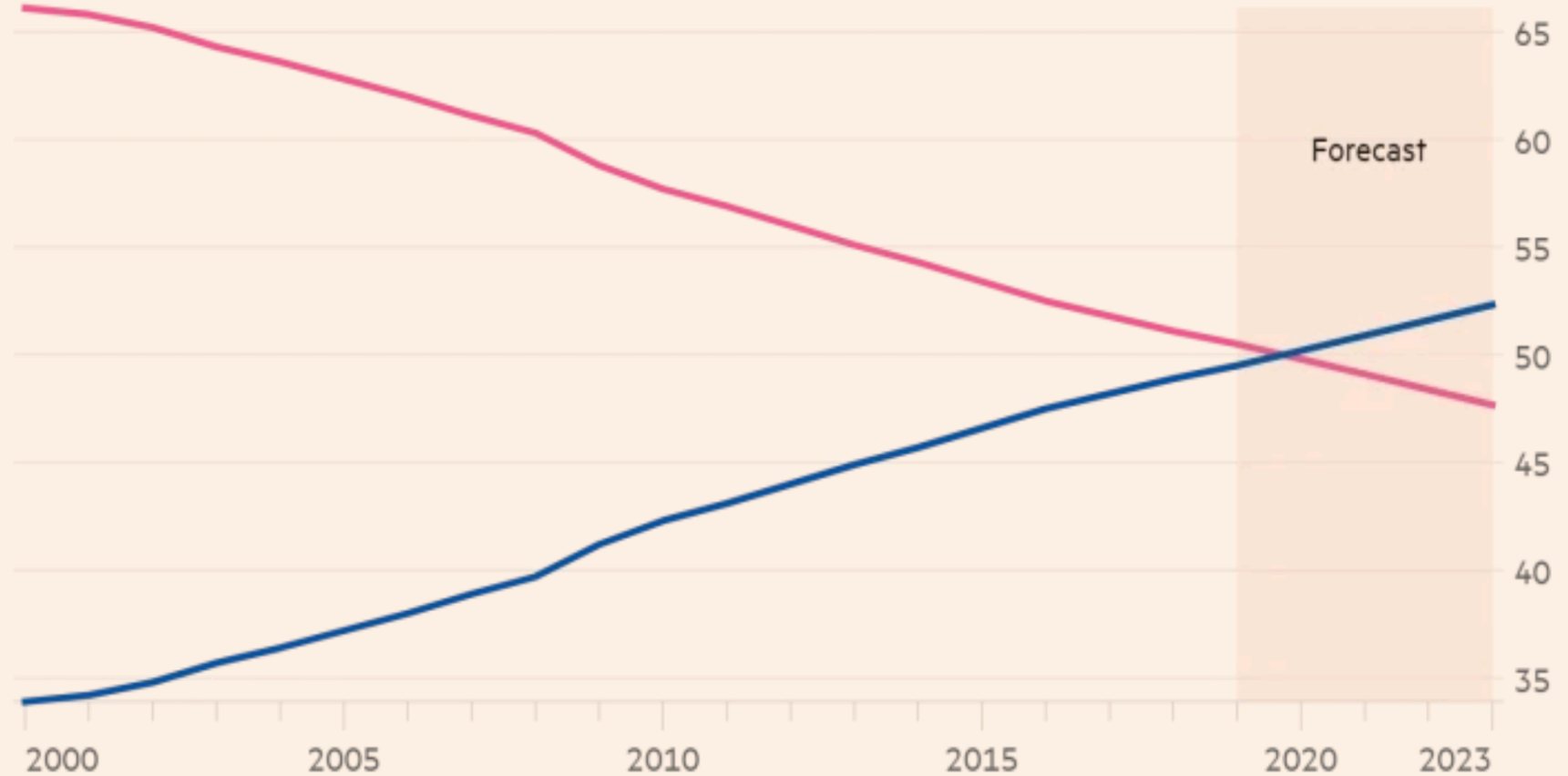
Emerging and developing Asia: Gross domestic product (GDP) from 2014 to 2024 (in billion U.S. dollars)



The Asian century is about to begin

Share of world GDP at PPP \$

— Asia — Rest of the world



Unctad definition of Asia

Sources: IMF, @valentinaromei

© FT

UNDERSTANDING ASIA

END of OVERVIEW

Questions?

Proprietary: do not share without
written permission