

WORLD LATVIAN ECONOMICS AND INNOVATIONS FORUM 2016

Asia Pacific Regional Forum

29-30 December 2016, Melbourne, Australia

THE OPPORTUNITY OF ASEAN (Association of Southeast Asian Nations)



PETER McKENNA

Managing Director, Venturenauts

Vice-President, Australia-ASEAN Business Council

ATTRACTIVENESS



Innovation and Resilience

- 12th largest economy in the world –over 25 years economic growth
- 23 million people,
- AAA sovereign risk profile
- GDP more than US\$ 1.2 trillion, economic growth around 3%

Diversity and Growth

- 10 member countries
- 7th largest economy in the world - fast growing
- Over 600 million people, fast expanding middle class
- GDP more than US\$ 2 trillion, economic growth around 5%



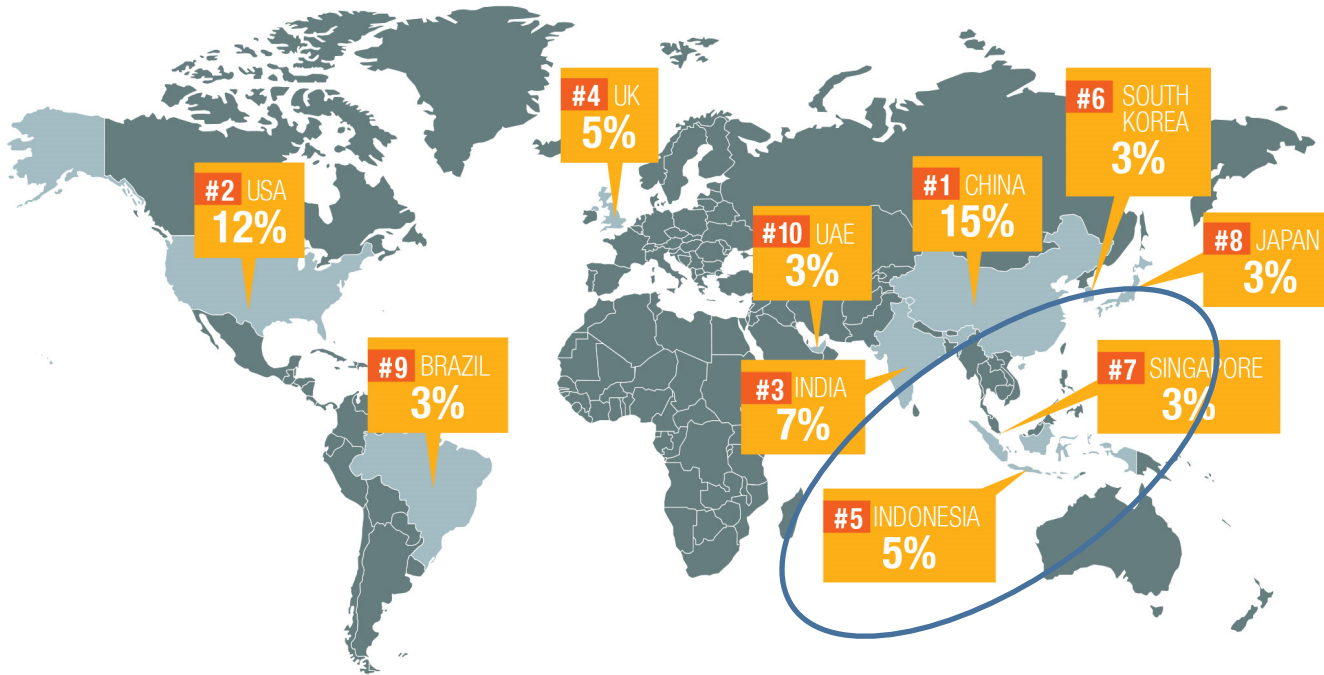
DRIVERS

1. Deepening Economic Integration and Connections
2. Available Young, Large Workforce
3. Fast Growing Consumer Class
4. Rapid Urbanisation
5. Huge Infrastructure Investment Needs
6. Widespread Technology Adoption
7. Productivity Improvement Needs
8. Diminishing Diversity – Customers/Products/Services
9. Cultural Similarities

FOCUS

ASEAN COUNTRIES IN TOP 10

MOST IMPORTANT NEW COUNTRY FOR YOUR COMPANY



FASTEST GROWING ECONOMIES

Real GDP growth (2015-20F) – IMF Projections		
Rank	Country	Growth (per cent)
1	Bhutan	8.3
2	Côte d'Ivoire	7.9
3	Myanmar	7.7
4	India	7.5
5	Ethiopia	7.4
6	Lao P.D.R.	7.3
7	Mozambique	7.0
8	Cambodia	6.9
9	Rwanda	6.9
10	Senegal	6.9
11	Bangladesh	6.8
12	Tanzania	6.8
13	Djibouti	6.7
14	Vietnam	6.3
15	Niger	6.3
16	China	6.3
17	Panama	6.2
18	Philippines	6.2
19	Kenya	6.2
20	Uzbekistan	6.1
27	Indonesia	5.4
34	Brunei	5.1
42	Malaysia	4.8
105	Thailand	3.1
117	Australia	2.8
137	Singapore	2.3

Source: Australia-ASEAN Business Relations 2016 Mark Thirlwell Austrade

DIVERSITY

GLOBAL COMPETITIVENESS ²					
Stage of Development					
Rank (out of 148 economies)	Factor-Driven Economy – focus on: • Institutions • Infrastructure • Macroeconomic environment • Health and primary education	Transition	Efficiency-Driven Economy – focus on: • Higher education and training • Goods market efficiency • Labor market efficiency • Financial market efficiency • Technological readiness • Market size	Transition	Innovation Driven Economy – focus on: • Business sophistication • Innovation
	Per Capita Income (US\$) < \$2,000	Per Capita Income (US\$) \$2,000 - \$2,999	Per Capita Income (US\$) \$3,000 - \$8,000	Per Capita Income (US\$) \$9,000 - \$16,999	Per Capita Income (US\$) > \$17,000

EASE OF DOING BUSINESS Rank³
(out of 189 economies)

Singapore
Malaysia
Brunei Dar.
Thailand
Indonesia
Philippines
Vietnam
Lao PDR
Cambodia
Myanmar

2					2013 (\$51,162) 2030
24				2013 (\$10,304)	2030
26		2013 (\$41,703)		2030	
37			2013 (\$5,678)		2030
38			2013 (\$3,592)	2030	
59		2013 (\$2,614)		2030	
70	2013 (\$1,528)			2030	
81	2013 (\$1,446)		2030		
88	2013 (\$934)		2030		
139	2013 (\$835)		2030		

1
6
59
18
120
108
99
159
137
182

Venturenauts analysis using:

- 2014 ADB Institute – ASEAN 2030: Toward a Borderless Economic Community
- 2014 World Economic Forum - The Global Competitiveness Report
- 2014 World Bank Group – Doing Business Report

CONSIDERATIONS

COUNTRY CONSIDERATIONS

Usual suspects like:

- Political/country risk
- Corruption
- Rule of law
- Protection of IP
- Foreign ownership

REGIONAL CONSIDERATIONS

- Regional cooperation and drive
- Economic diversity
- Development gaps

MARKET CONSIDERATIONS (must establish arrangement to):

1. Find and build relationships with local partners
2. Access and understand local:
 - Regulatory and policy requirements
 - Industry and market specific data
3. Understand and adapt to local cultures and business practices
4. Access and utilize relevant FTAs
5. Understand local/regional business environments and adapt business models to suit (local/regional – no ‘cut and paste’)

Invitation

AUSTRALIA-ASEAN BUSINESS COUNCIL

australia-aseanbc.org



Australia-ASEAN
Business Council

Advancing Australia-ASEAN Business

Invitation

GLOBAL VIRTUAL INTERNSHIPS

venturenavts.com/global-virtual-internships

GLOBAL GROWTH PARTNERSHIP

USA • CHINA • AUSTRALIA • ASEAN



**Institute for Global
Student Success®**

Academic • Professional • Social

A STRATEGIC ALLIANCE



Venturenauts

Accelerating Business Opportunities

THANK YOU



Peter McKenna
Managing Director

peter@venturenauts.com

+61 487 395 510