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New report finds top countries with BRI opportunities within ASEAN and South Asia, Singapore emerges second

<i>Date</i>	15 August 2019
<i>Contact</i>	Natalie Choo Mobile: +65 8722 7545 E-mail: natalie.yl.choo@pwc.com Irene Kew Mobile: +65 9190 2089 E-mail: irene.kew@sbf.org.sg

Singapore, 15 August 2019 – Singapore tied for second place with 57% of organisations seeing Belt and Road Initiative (BRI) opportunities in both Singapore and Indonesia, just behind Vietnam (1st, 66%). Myanmar and Malaysia (tied for 4th) made up the other two countries in the top five with both coming in at 50%.

These and other insights were found in a new report launched today, jointly produced by Singapore Business Federation (SBF) and PwC Singapore. The report titled “*Delving into the BRI: How Regional Players Plan to Leverage BRI Business Opportunities*”, is the second of its kind and surveyed senior representatives from public and private organisations with a presence in ASEAN and South Asia. The report was released today at the fifth Singapore Business Regional Forum, an annual flagship event of the SBF..

Mr S.S. Teo, Chairman, SBF said:

“The BRI holds opportunities not just for Singapore’s big corporations, but its smaller firms as well. Our companies are well-positioned to provide legal, financial and other professional services, as well as good partnership with Chinese firms.

“Through initiatives like BRI Connect and the Singapore Regional Business Forum, SBF has been helping Singapore firms connect with partners in Singapore, the region and beyond, to open doors to new opportunities. We hope more of our companies will tap these platforms and team up with larger companies, both local and foreign, when they venture overseas.”

Sectors of opportunity

When looking at the sectors of opportunity, respondents showed greater interest to participate in economic infrastructure developments that support trade and industrialisation. The top sector was smart cities / urban development at 43%, followed closely by industrial estates and SEZs (Special Economic Zones) at 41%.

Thirty-nine percent of respondents indicated that they were interested in ICT (information and communications technology), roads, and ports. With the

strong interest in developing economies such as Vietnam and Myanmar, which are becoming increasingly urbanised, it is no surprise that there are more opportunities in these infrastructure. They are critical for creating an ecosystem which supports logistics and trade activities along BRI countries.

Ms Jennifer Tay, Partner specialising in Capital Projects & Infrastructure, PwC Singapore said:

“Infrastructure development plans are typically done with the ecosystem in mind and will include considerations such as transportation, power, utilisation, banking, housing and education, to name a few. It will also require the balancing of commercial, operational and demand risks among different infrastructure. For example, without a strong logistics and transport backbone, industrial parks will not be able to attract investors, at the same time, investors in logistics and transport need to be able to forecast the demand for these infrastructure.”

Collaborating on BRI opportunities

The report also found that three in four respondents (75%) saw opportunities to partner with governments in ASEAN and South Asia. Most of the top governments that respondents chose to work with were those from countries which are preferred investment destinations such as Vietnam, Singapore and Indonesia (reference table 1). This reflects the respondents’ recognition that collaborating with governments is key for the successful implementation of BRI projects.

Table 1

Country	Seen as preferred government partners (page 15, figure 15 in the report)	Seen as countries with BRI opportunities (page 8, figure 7 in the report)
Vietnam	64% (tied for 1st)	66% (1st)
Indonesia	64% (tied for 1st)	57% (tied for 2nd)
Singapore	64%(tied for 1st)	57% (tied for 2nd)
Thailand	64% (tied for 1st)	48% (6th)

When asked about their preferred third-country governments to partner, a majority indicated that they would partner with China (86%), an expected finding given China's strong backing for the BRI. What was interesting was that respondents also indicated that they would like to partner with western governments such as the US (43%), the UK (36%) and Germany (29%). This suggests that market participants hope to see more involvement in BRI from western countries.

Ms Jennifer Tay, Partner specialising in Capital Projects & Infrastructure, PwC Singapore said:

“The involvement of third party countries with the right experience, expertise and resources provide the developing ASEAN and South Asian countries the necessary support in infrastructure development. Given the infrastructure gap in ASEAN and South Asia, cross-border collaboration will be essential in driving development in ASEAN and South Asia. ”

Risks in BRI project involvement

The report found that political risk emerged as the top risk identified by respondents (75%). Given the close relationship between infrastructure and geopolitics, this result is not unexpected. The recent political changes in the region have seen several interruptions in many infrastructure projects. One example would be the East Coast Rail Link which was suspended temporarily due to a political shift. Other risks associated with BRI projects include financial risk (68%) and governance (64%).

Mr S.S. Teo, Chairman, SBF said:

“Singapore has been an early and strong supporter of the BRI, particularly in four key areas: infrastructure connectivity, financial connectivity, third party market collaboration and cross-border commercial dispute resolution.

“The BRI brings opportunities that cuts across multiple sectors. Bringing together local and international firms across the value chain to develop, finance and execute projects enables our companies to tap opportunities in the region. Our companies can leverage the strength of the Singapore brand, widely recognised for trust, the rule of law and our financial system.”

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About the report

This report, “Delving into the BRI: How Regional Players Plan to Leverage BRI Business Opportunities” is jointly produced by the Singapore Business Federation and PwC Singapore, and it was written to be published in conjunction with the Singapore Regional Business Forum and Singapore Regional Infrastructure Summit which will be held on 15 and 16 August 2019 respectively.

The analysis and findings are based on the results of a by-invitation only survey conducted in June and July 2019. Respondents were senior representatives of companies and organisations involved in the regional infrastructure ranging from financial and professional services, oil and gas to manufacturing and construction from across the region.

For the full report, visit www.srbf.com.sg.

About Singapore Business Federation (SFB)

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between businesses and government in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking. For more information, please visit our website: www.sbf.org.sg

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Contacts



Siew Ling Ong

Press Contact

Manager, Brand and Communications

siew.ling.ong@pwc.com



Candy Li

Press Contact

Team Lead - Brand & Communications

candy.yt.li@pwc.com



Verlynn Heng

Press Contact

Senior Associate

Brand & Communications

verlynn.wy.heng@pwc.com

81251483