

Working with the Multilateral Development Banks in Asia

The Advocacy Center

What do the MDBs do?

The 5 MDBs where the U.S. is a shareholder provide **financial and technical assistance** for projects aimed at:

- Accelerating economic growth and social development
- Improving health and education
- Advancing infrastructure development
- Encouraging level playing field, good governance, transparency, and rule of law

Key sectors:

- Infrastructure
- Energy
- ICT
- Education
- Climate Change & Resiliency





Types of MDB Opportunities

Public Sector

- MDBs loan money to sovereign or sub-sovereign entities for development projects.

Private Sector

- MDBs provide financing, equity investments and guarantees to private sector investments in developing countries.
- MDBs fund private sector consultants to advise on development projects implemented by both public and private sectors.

Corporate Procurement

- MDBs procure goods & services for their own internal operations, e.g. IT, construction, financial, office supplies, real estate, etc.

The MDBs in ASEAN

Asian Development Bank

- Known as the “Infrastructure” Bank
- Only lends to low- and middle-income countries, higher income countries are donors and members
- Wants to be known as the leader in climate finance
- Operates in South, East and Central Asia, the Pacific Islands and the Caucasus
- Japan and the U.S. are the largest shareholders
- Emphasis on public sector lending that is implemented by private sector suppliers. Limited direct private sector finance.

World Bank Group

- Goal is lifting people out of poverty and a livable planet
- Only lends to low- and middle-income countries, higher income countries are donors and members
- Leader in health, nutrition, gender and human development
- Known as the “Granddaddy” of the Banks – the largest and most influential globally
- Operates in Asia, Latin America, Eurasia, Africa – separate institutions for middle vs low-income borrowers
- The U.S. is the largest shareholder
- Robust private sector lending and risk mitigation tools: debt and equity financing, investment guarantees, political risk insurance, arbitration tribunal



Why bid on MDB projects?



- A large procurement market



- Opportunities to work globally
- Opportunities to enter developing markets



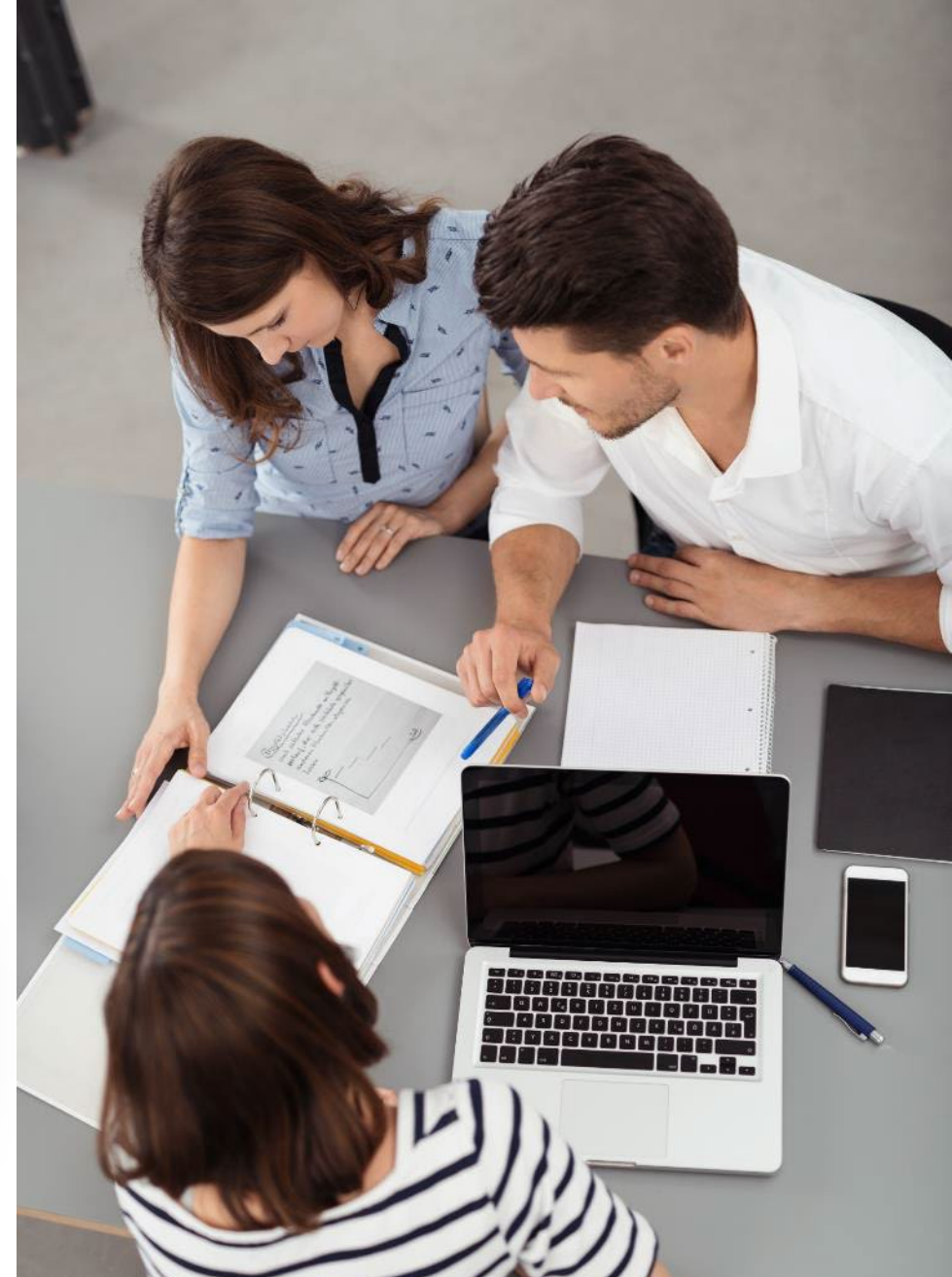
- Equal opportunity & fair treatment
- Certainty of process & high standards of integrity
- High certainty of payment



- Variety of contract sizes
- Opportunities suitable for SMEs to large multinationals



- Wide variety of sectors
- Demand for variety of specializations



Doing Business in ASEAN

World Bank ASEAN Outlook for U.S. Suppliers

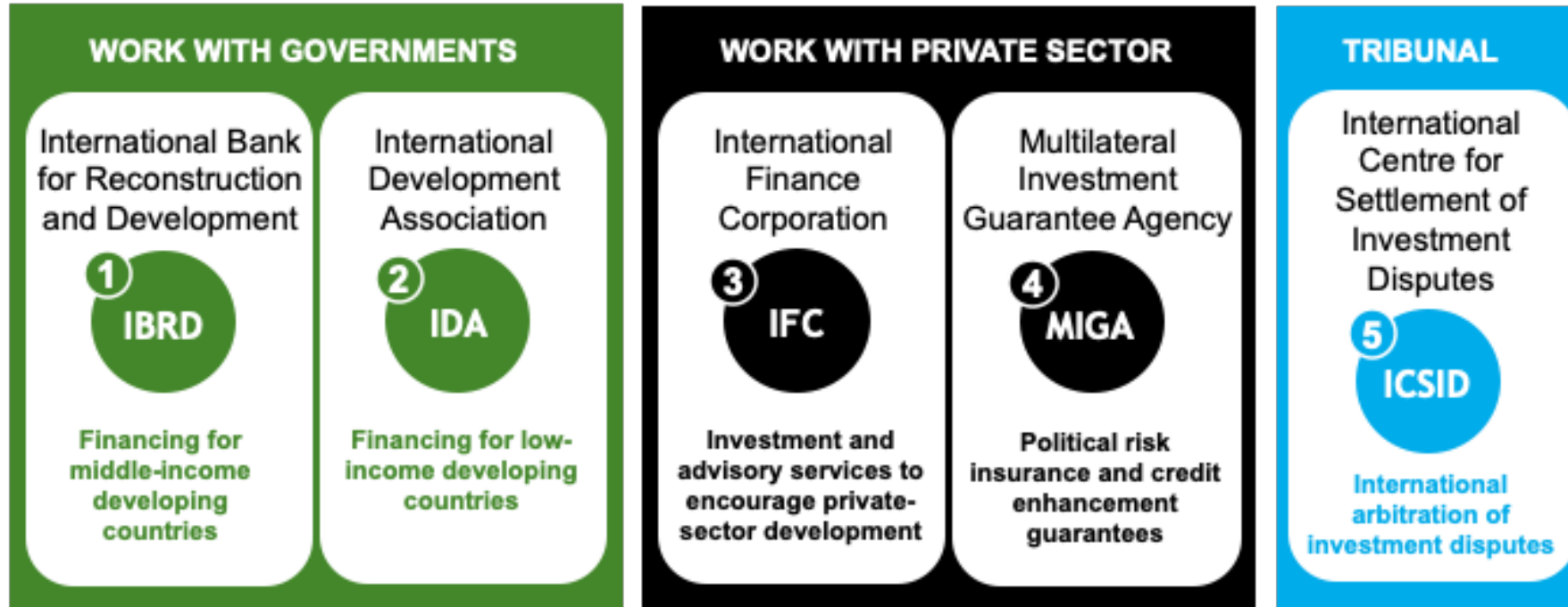


World Bank Group Institutions



WORLD BANK GROUP

- Comprises 5 institutions
- Collectively, all 5 institutions are known as the “*World Bank Group*”



Together **IBRD** and **IDA** are known as the “*World Bank*”

IPF - Investment Project Financing

World Bank Vision



To end extreme poverty
and boost prosperity on a
livable planet.

IPF WHAT DOES IT DO?

Provides IBRD loans, IDA credits
and grants and guarantee financing
to governments

IPF WHAT DOES IT FUND?

Activities that create the physical & social
infrastructure necessary to reduce poverty
and create sustainable development



\$306 billion

total value of active IPF
projects at end of FY23

25,680

projects worldwide
(FY23)

146

countries

Investment Project Financing comprises • loans • credits • grants

IPF funds “eligible expenditures” for the procurement of Goods, Works, Consulting and Non-consulting Services

Global commitments by region

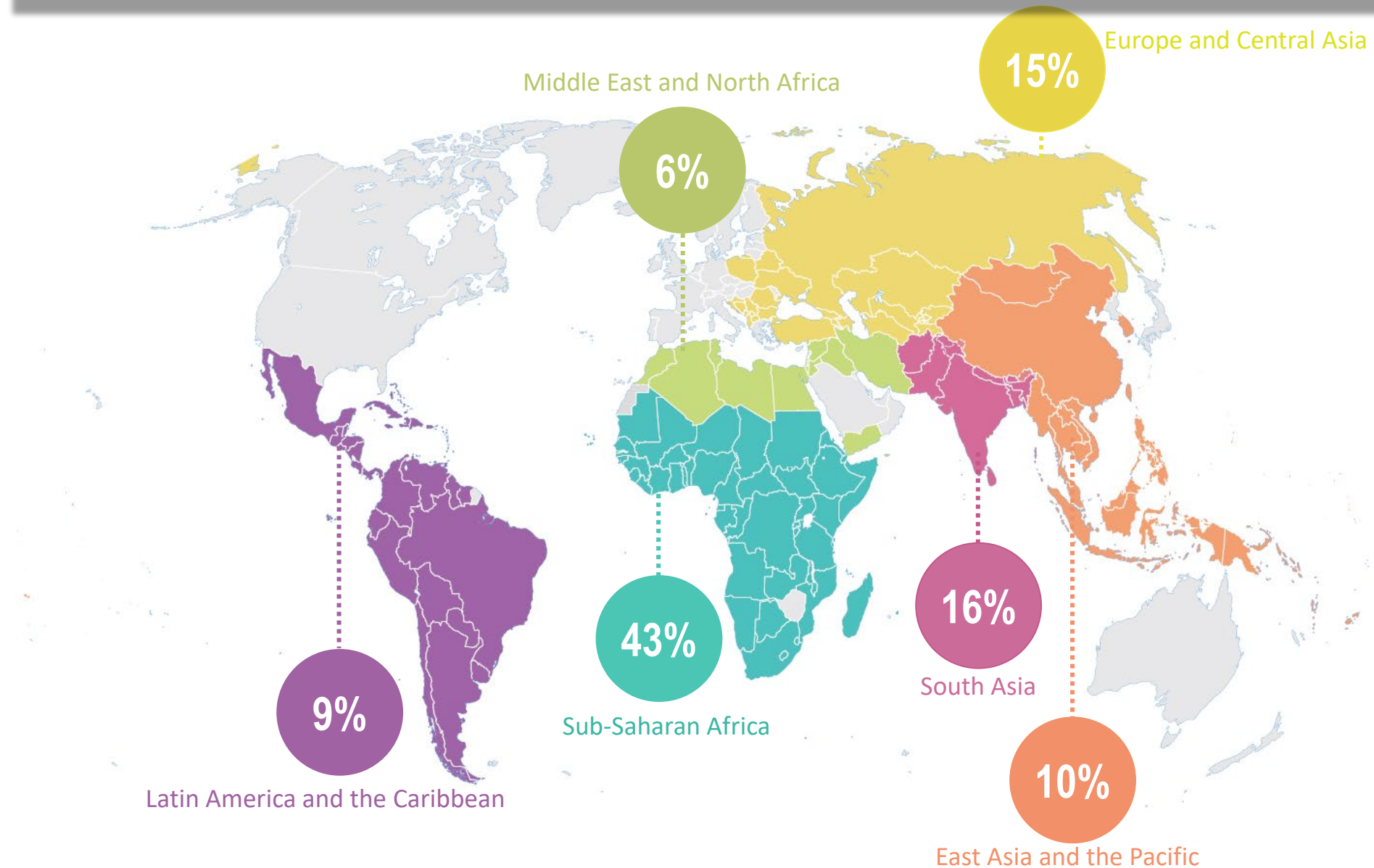
*Disbursement by region as of Dec 31, 2023



THE WORLD BANK

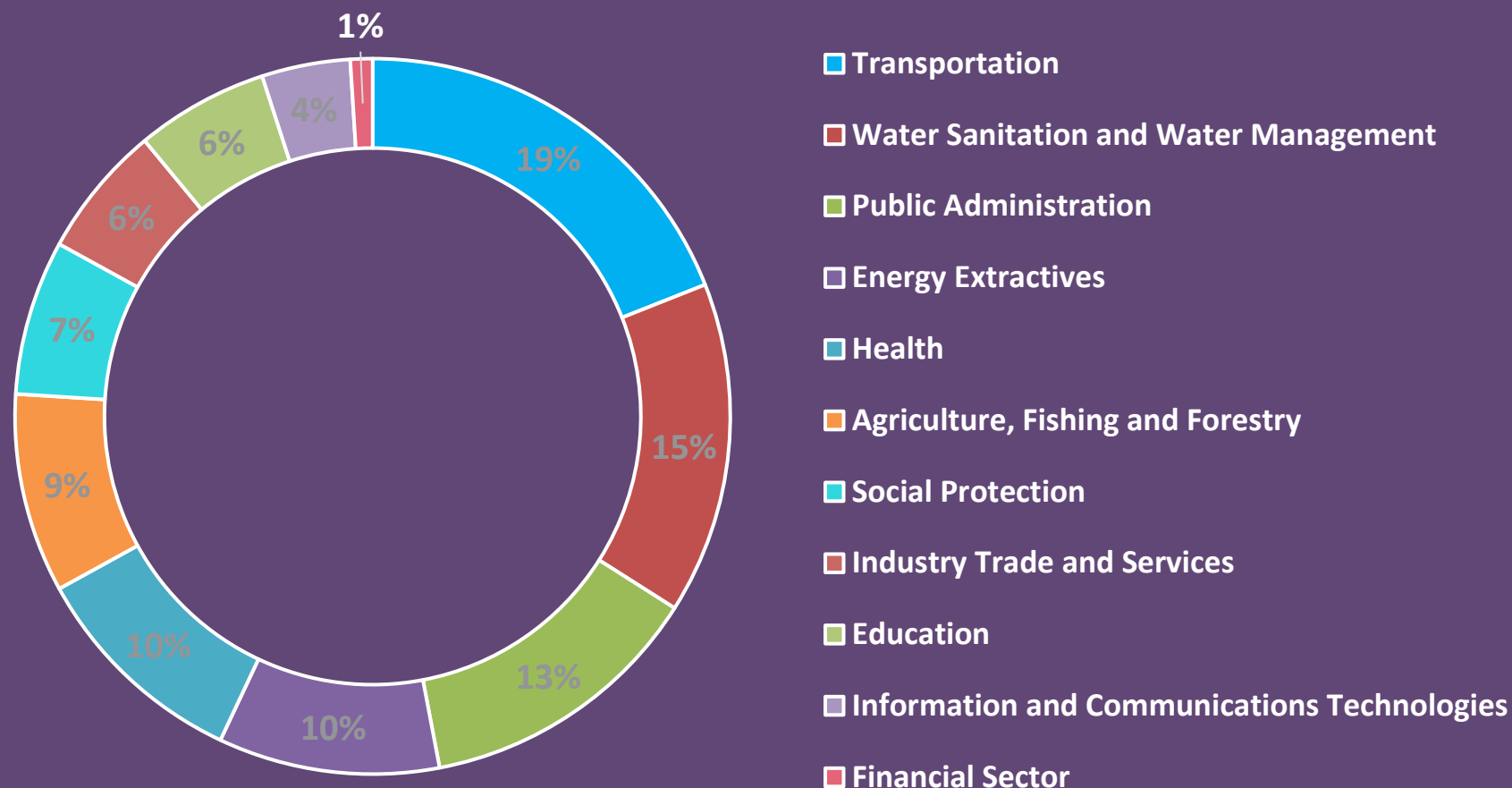
IBRD • IDA | WORLD BANK GROUP

Operations Policy & Country Services



Portfolio - areas of spend worldwide FY18-23

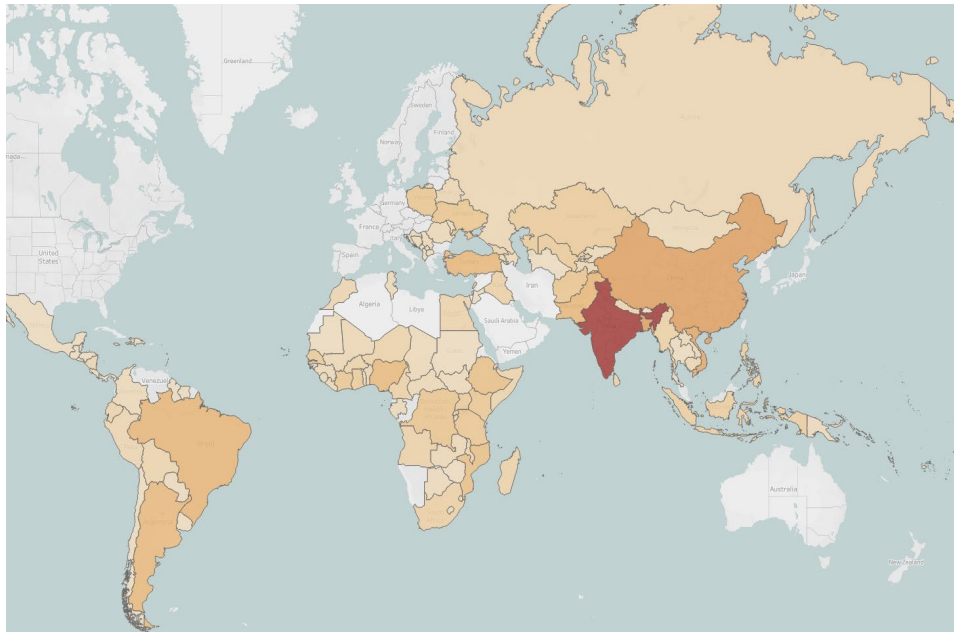
TOTAL SPEND = US\$96.77 Bn



Awarded value by Borrowers

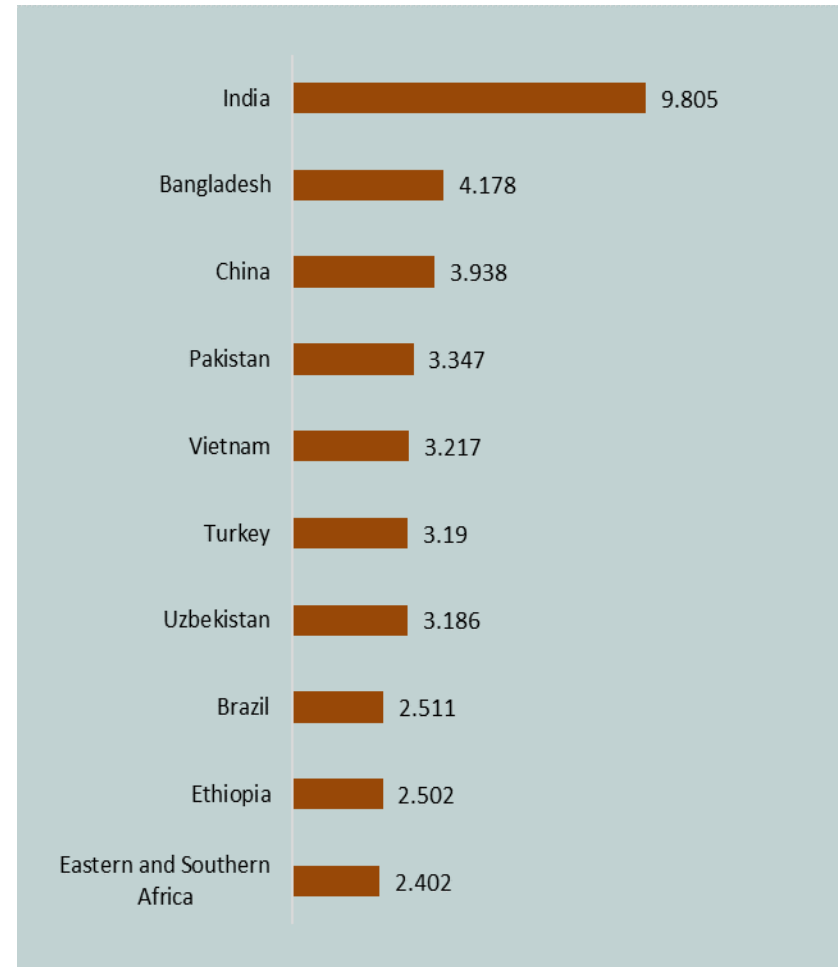
\$ 96.77 billion

FY 18-23



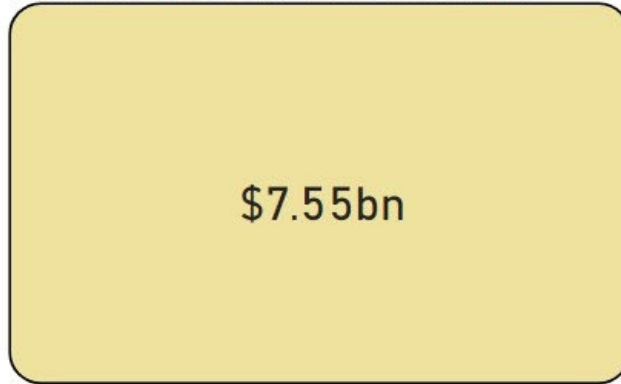
Top 10 Borrowers by awarded value

in USD billion, FY 18-23

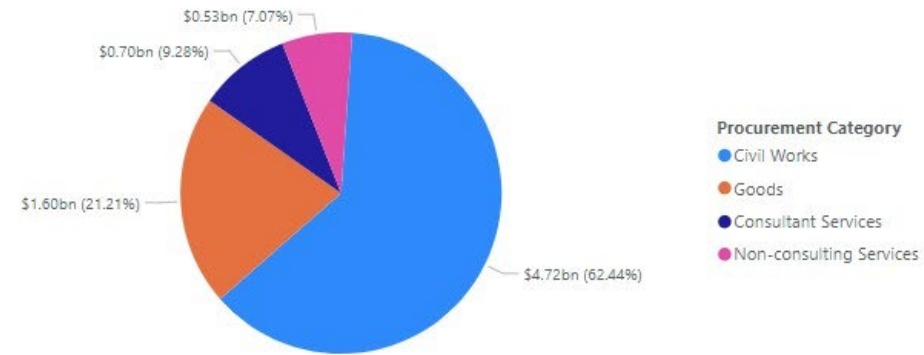


World Bank Contracts Awarded by ASEAN

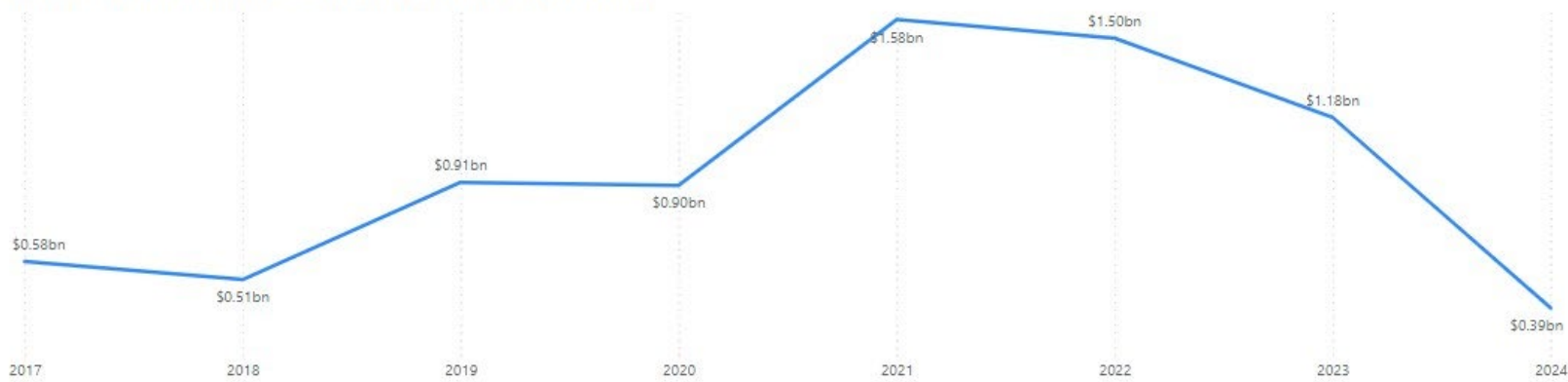
Contracts Awarded (USD) by ASEAN from FY17 to date



Contracts Awarded (USD) by ASEAN from FY17 to date by Procurement Category



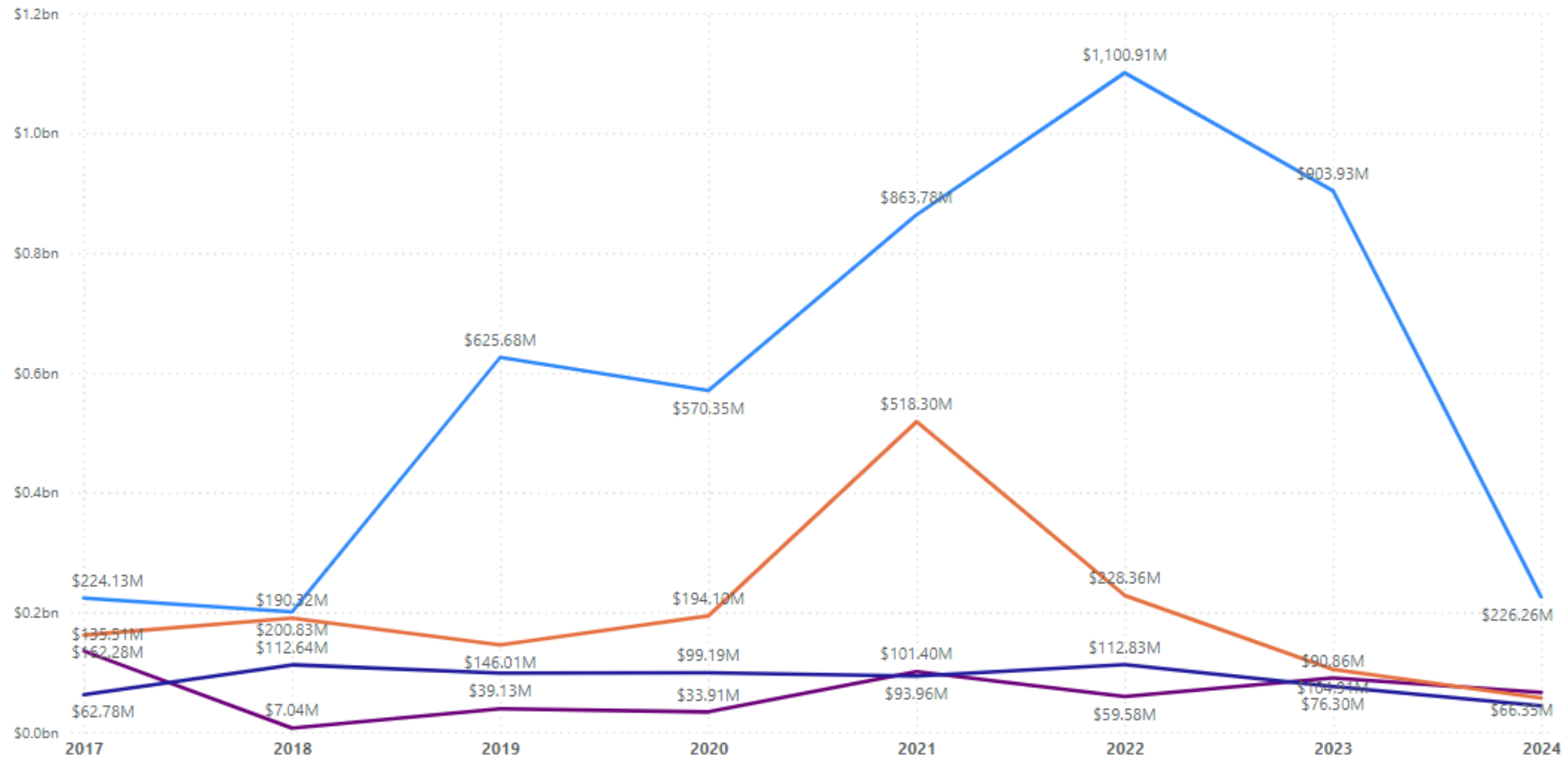
Contracts Awarded (USD) by ASEAN from FY17 to date by Fiscal Year



World Bank Contracts by ASEAN by Procurement Category

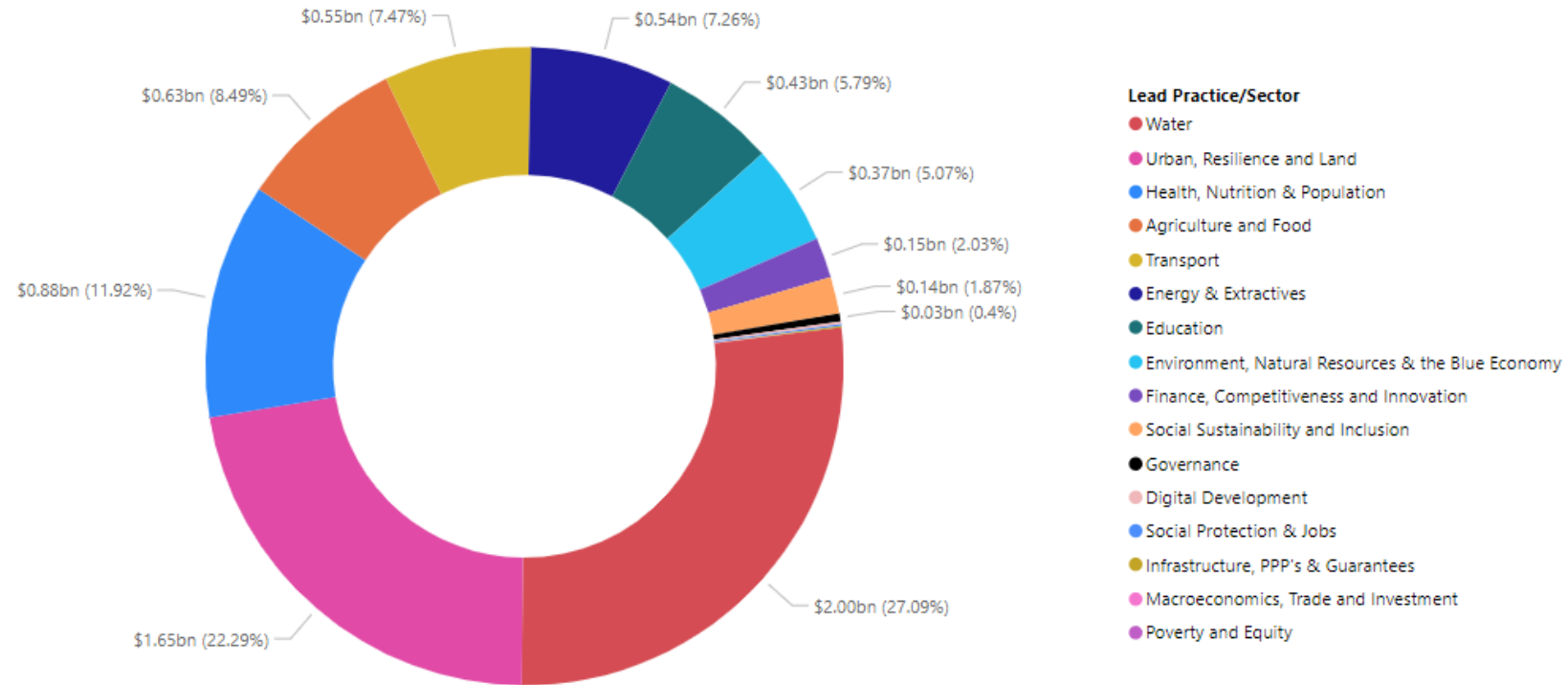
Contracts Awarded (USD) by ASEAN From FY17 to Date by Fiscal Year and Procurement Category

Procurement Category ● Non-consulting Services ● Goods ● Consultant Services ● Civil Works



World Bank Contracts Awarded by ASEAN by Sector

Contracts Awarded (USD) by ASEAN from FY17 to date by Lead Practice/Sector



Top World Bank ASEAN Borrowing Countries

Ranking of ASEAN Borrower Countries from FY17 to date by Contract Awards

Borrower Country	Ranking	Contract Awards (%)	Contract Awards (USD)	# of Contract Awards
Vietnam	1	41.86%	\$3,249,066,031.75	3034
Indonesia	2	23.52%	\$1,825,417,340.39	2223
Philippines	3	17.24%	\$1,338,340,743.53	2797
Myanmar	4	9.38%	\$728,376,602.89	1227
Cambodia	5	7.90%	\$612,981,262.93	2120
Thailand	6	0.09%	\$6,934,640.77	103
Total	1	100.00%	\$7,761,116,622.26	11504

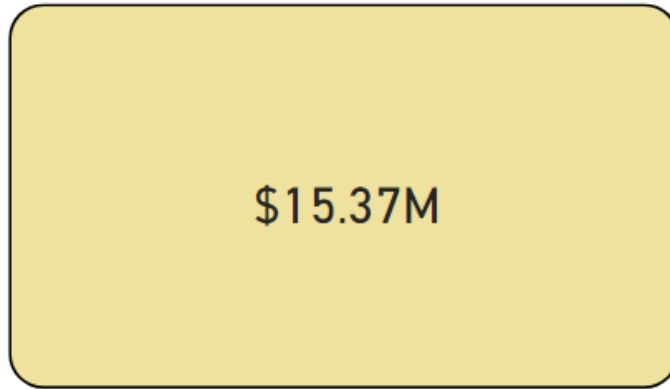
World Bank Top Supplier Countries to ASEAN

Top Supplier Countries (inclusive of the US) from FY17 to date by Contracts Awarded by ASEAN

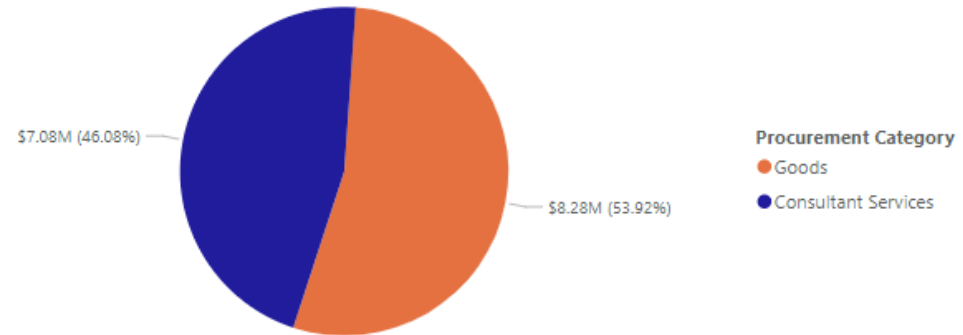
Supplier Country	Ranking	Contract Awards (%)	Contract Awards (USD)	# of Contract Awards
Viet Nam	1	37.01%	\$2,795,034,580.71	2964
Indonesia	2	23.74%	\$1,792,596,670.10	2201
Philippines	3	9.99%	\$754,126,027.70	2758
China	4	6.33%	\$478,136,566.04	93
Switzerland	5	4.92%	\$371,634,581.74	8
Cambodia	6	3.85%	\$290,565,601.70	1977
Myanmar	7	3.70%	\$279,440,880.93	1077
Korea, Republic of	8	1.96%	\$147,972,086.56	34
France	9	1.81%	\$136,911,950.34	15
Spain	10	1.64%	\$123,685,564.71	6
Thailand	11	1.11%	\$84,136,156.44	113
Japan	12	0.93%	\$69,990,883.36	31
India	13	0.48%	\$36,264,058.25	39
Netherlands	14	0.44%	\$33,532,851.42	24
Malaysia	15	0.26%	\$19,693,101.27	5
Germany	16	0.25%	\$18,978,233.74	13
United States	17	0.20%	\$15,365,832.74	29
Total	1	100.00%	\$7,552,079,613.25	11455

World Bank Contracts Awarded to U.S. Suppliers

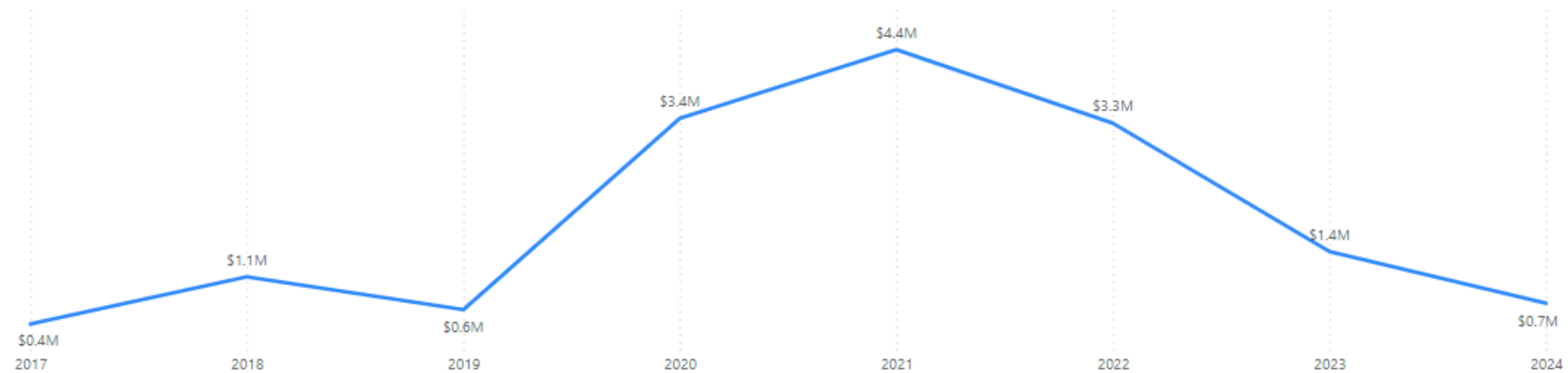
Contracts Awarded (USD) to US-Based Suppliers by ASEAN from FY17 to date



Contracts Awarded (USD) to US-Based Suppliers by ASEAN from FY17 to date by Procurement Category



Contracts Awarded (USD) to US-Based Suppliers by ASEAN from FY17 to date by Fiscal Year



Top Markets for U.S. Suppliers for World Bank Contracts in ASEAN

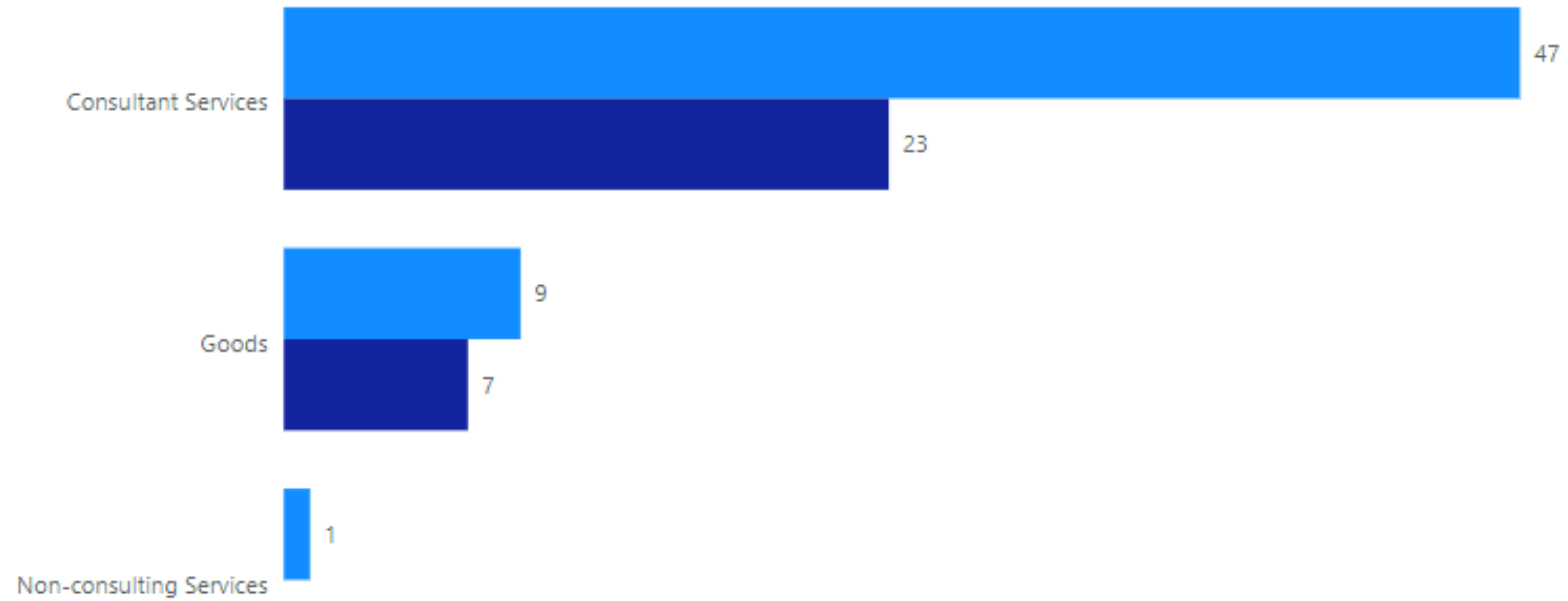
Contracts Awarded to US-based suppliers from FY17 to date by ASEAN

Borrower Country	Ranking	Contract Awards (%)	Contract Awards (USD)	# of Contract Awards
Philippines	1	40.87%	\$6,280,509.90	4
Cambodia	2	21.36%	\$3,281,381.93	9
Myanmar	3	20.64%	\$3,171,648.48	6
Vietnam	4	11.56%	\$1,775,897.72	7
Indonesia	5	5.57%	\$856,394.71	3
Total	1	100.00%	\$15,365,832.74	29

World Bank ASEAN U.S. Bids vs Contracts Won

Participation of US-Based Suppliers in ASEAN: # of Bids/Proposals vs # of Contract Awards

● # of Bids/Proposals from US Suppliers ● # of Contract Awards to US Suppliers



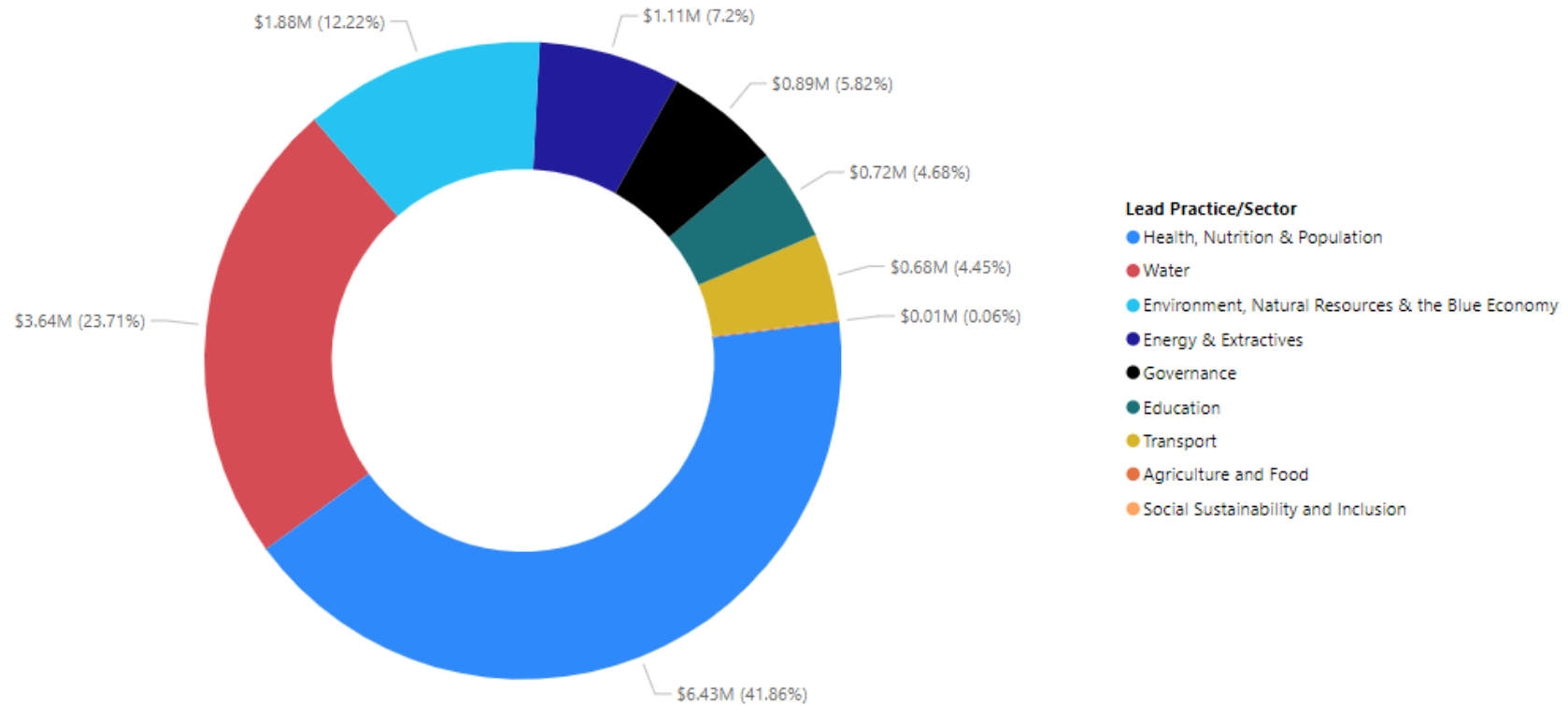
U.S. Supplier Success Rate in World Bank ASEAN

US Suppliers Success Rate (%) in ASEAN

Procurement Category	US Success Rate (%)
Goods	77.78
Consultant Services	48.94
Total	52.63

U.S. Suppliers to World Bank ASEAN By Sector

Contracts Awarded (USD) to US-Based Suppliers by ASEAN from FY17 to date by Lead Practice/Sector



Upcoming World Bank Opportunities in ASEAN - Overview

Estimated Amount (USD) of Upcoming Procurement Opportunities in ASEAN by Procurement Category

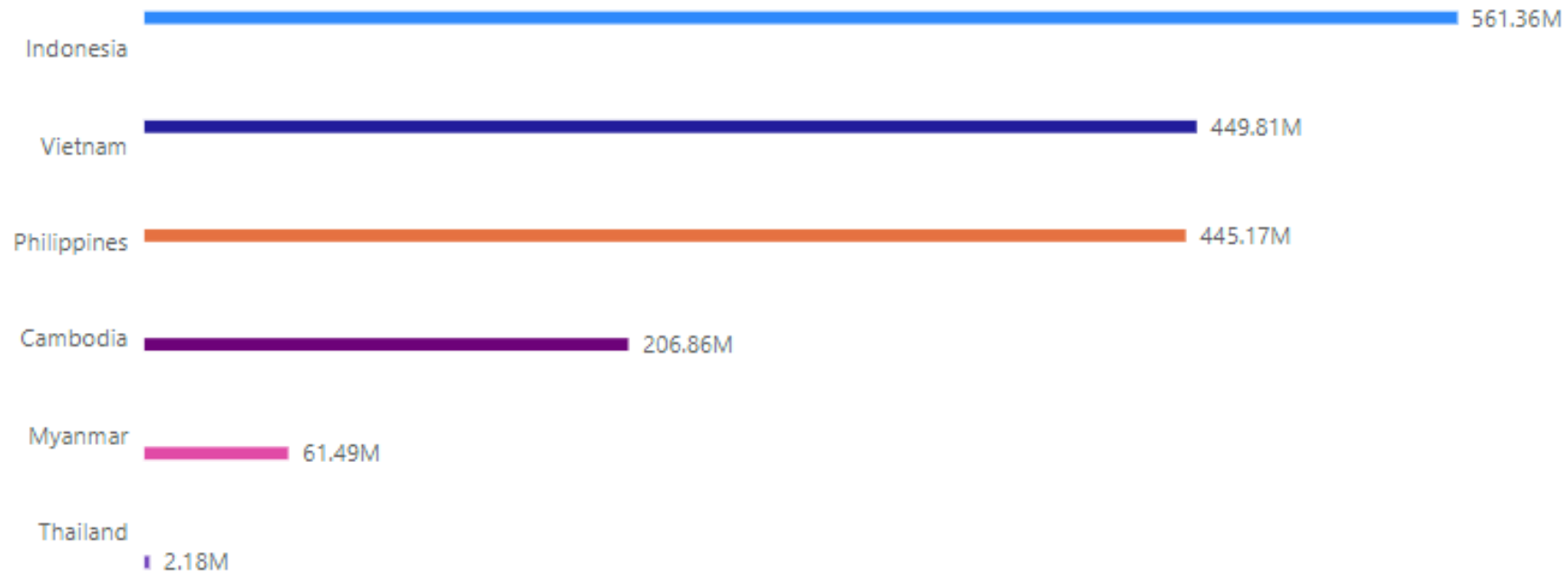
Procurement Category ● Works ● Goods ● Consultant Services ● Non-consulting Services



Upcoming World Bank Procurements in ASEAN by Borrower Country

Estimated Amount (USD) of Upcoming Procurement Opportunities in ASEAN by Borrower Country

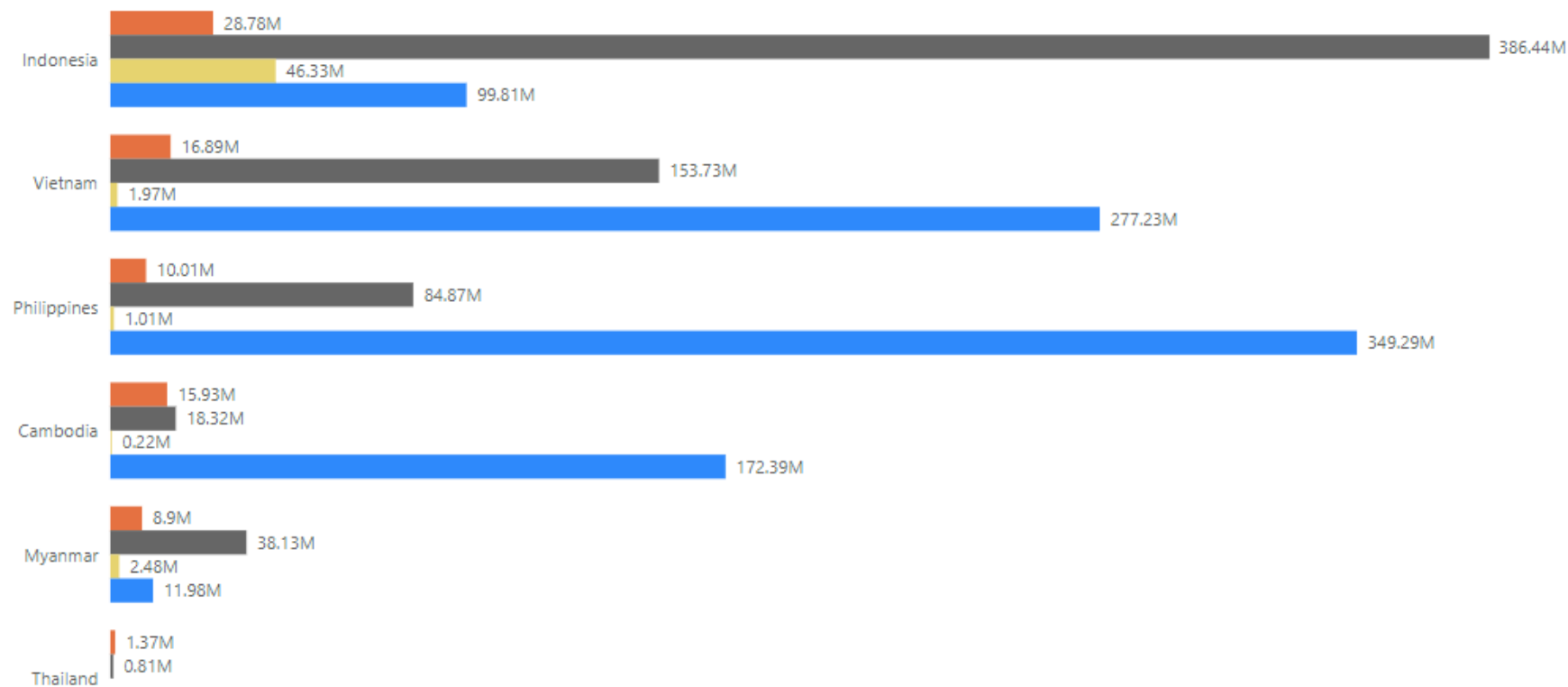
Country ● Indonesia ● Vietnam ● Philippines ● Cambodia ● Myanmar ● Thailand



Upcoming World Bank Procurements by Borrower and Category

Estimated Amount (USD) of Upcoming Procurement Opportunities in ASEAN by Borrower Country and Procurement Category

Procurement Category ● Consultant Services ● Goods ● Non-consulting Services ● Works



Upcoming World Bank ASEAN Procurements by Sector

Estimated Amount (USD) of Upcoming Procurement Opportunities in ASEAN by Segment

Segment	Estimated Amount (USD)	Estimated Amount (%)
Building and Facility Construction and Maintenance Services	\$760,843,733.24	44.06%
Medical Equipment and Accessories and Supplies	\$263,302,210.31	15.25%
Engineering and Research and Technology Based Services	\$254,774,114.30	14.75%
Information Technology Broadcasting and Telecommunications	\$102,498,608.71	5.94%
Building and Construction Machinery and Accessories	\$94,005,876.36	5.44%
Transportation and Storage and Mail Services	\$84,904,050.00	4.92%
Land and Buildings and Structures and Thoroughfares	\$61,504,186.71	3.56%
Education and Training Services	\$54,099,010.32	3.13%
Management and Business Professionals and Administrative Services	\$43,855,883.23	2.54%
Laboratory and Measuring and Observing and Testing Equipment	\$37,089,231.69	2.15%
Power Generation and Distribution Machinery and Accessories	\$28,712,058.33	1.66%
Electrical Systems and Lighting and Components and Accessories and Supplies	\$26,642,785.11	1.54%
Healthcare Services	\$22,364,125.10	1.30%
Defense and Law Enforcement and Security and Safety Equipment and Supplies	\$17,997,426.39	1.04%
Farming and Fishing and Forestry and Wildlife Contracting Services	\$17,289,526.51	1.00%
Public Utilities and Public Sector Related Services	\$11,557,877.40	0.67%
Cleaning Equipment and Supplies	\$10,932,341.04	0.63%
Environmental Services	\$8,509,762.40	0.49%
Industrial Production and Manufacturing Services	\$8,435,169.00	0.49%
Farming and Fishing and Forestry and Wildlife Machinery and Accessories	\$8,118,808.00	0.47%
Politics and Civic Affairs Services	\$7,740,839.35	0.45%
Furniture and Furnishings	\$6,519,118.07	0.38%
Commercial and Military and Private Vehicles and their Accessories and Components	\$6,309,854.45	0.37%
Structures and Building and Construction and Manufacturing Components and Supplies	\$5,748,299.07	0.33%
Mining and Well Drilling Machinery and Accessories	\$5,307,885.16	0.31%
Industrial Manufacturing and Processing Machinery and Accessories	\$4,590,961.00	0.27%
Material Handling and Conditioning and Storage Machinery and their Accessories and Supplies	\$3,921,546.75	0.23%
Travel and Food and Lodging and Entertainment Services	\$3,671,120.00	0.21%
Distribution and Conditioning Systems and Equipment and Components	\$3,447,582.95	0.20%
Editorial and Design and Graphic and Fine Art Services	\$3,191,107.69	0.18%
Financial and Insurance Services	\$3,112,834.42	0.18%
Total	\$1,726,865,656.55	100.00%

Help in identifying opportunities

Guidance for business

[Finding Business Opportunities and Winning Contracts Financed by the World Bank](#)

Alerts

Subscribe to email alerts for procurement notices, project documents and more

<https://alerts.worldbank.org/>

Video: 'How to Bid'

<http://www.worldbank.org/en/news/video/2016/03/30/world-bank-procurement-video>



VIDEO

World Bank Procurement Video: How to bid, finding opportunities, what makes a successful bid



Finding business opportunities and winning contracts financed by the World Bank

October 2021



Procurement-related Complaints

How to complain

January 2017

World Bank Procurement resources

Procurement for Development – overview of World Bank Procurement
<https://www.worldbank.org/en/topic/procurement-for-development>

Procurement for Projects and Programs – Procurement Framework & key documents
<https://www.worldbank.org/en/projects-operations/products-and-services/procurement-projects-programs>

World Bank Development Projects – search World Bank lending portfolio of projects
<https://www.worldbank.org/en/whatwe-do>

World Bank's Procurement Regulations for IPF Borrowers
<https://thedocs.worldbank.org/en/doc/6c0602876d68949e80820507d90a14ed-0290012023/original/Procurement-Regulations-September-2023.pdf>

World Bank Rated Criteria Webpage
<https://projects.worldbank.org/en/projects-operations/products-and-services/brief/rated-criteria>

Standard Procurement Documents templates (SPDs)
<https://projects.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework#SPD>

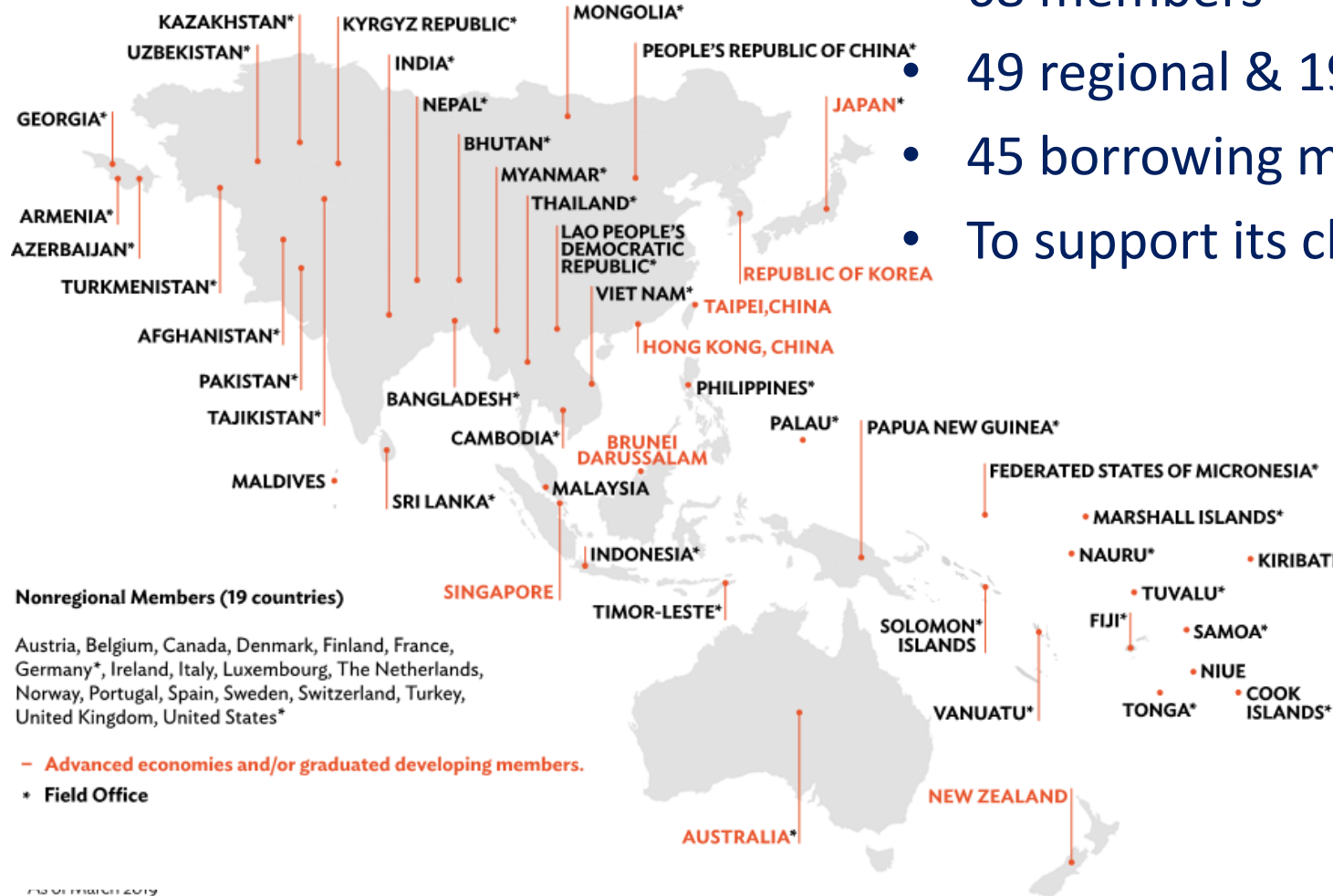
Guidance on Standard Procurement Documents (SPDs)
<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>

Guidance on how to Complain
<http://www.worldbank.org/en/projects-operations/products-and-services/brief/procurement-new-framework>

ADB Brief Overview

- ADB Strategy 2030: To achieve a prosperous, inclusive, resilient and sustainable Asia and the Pacific, while sustaining efforts to eradicate extreme poverty
- 68 Governors; 12 Board of Directors (Ambassador Chantale Wong)
- U.S. and Japan: largest shareholders

A Brief about ADB



- Founded in 1966, HQ in Philippines
- 68 members
- 49 regional & 19 non-regional;
- 45 borrowing members
- To support its clients, ADB works with:

- *Private sector*
- *NGOs and CBOs*
- *Foundations*
- *Academia /Think Tanks*
- *Donors*
- *Other Intl. Organizations*

Main Instruments: Loan/Grants, Technical Assistance, Equity and Guarantees

Largest Borrowers: India, Philippines, Pakistan, Bangladesh, Indonesia

Key Sectors

1. Transport Sector: \$8 billion
2. Finance: \$7.8 billion
3. Public Sector Management: \$6 billion
4. Energy: \$5 billion
5. Health: \$4 billion
6. Agriculture, Natural Resources, & Rural Development: \$3.9 billion
7. Water, Other Urban Infrastructure & Services: \$2.4 billion
8. Education: \$2.2 billion
9. ICT: \$0.1 billion



Top Recipients (with co-financing)

1. Philippines (\$8.4 billion)
2. Bangladesh (\$6.6 billion)
3. Indonesia (\$5.3 billion)
4. India (\$4.7 billion)
5. Uzbekistan (\$3.1 billion)

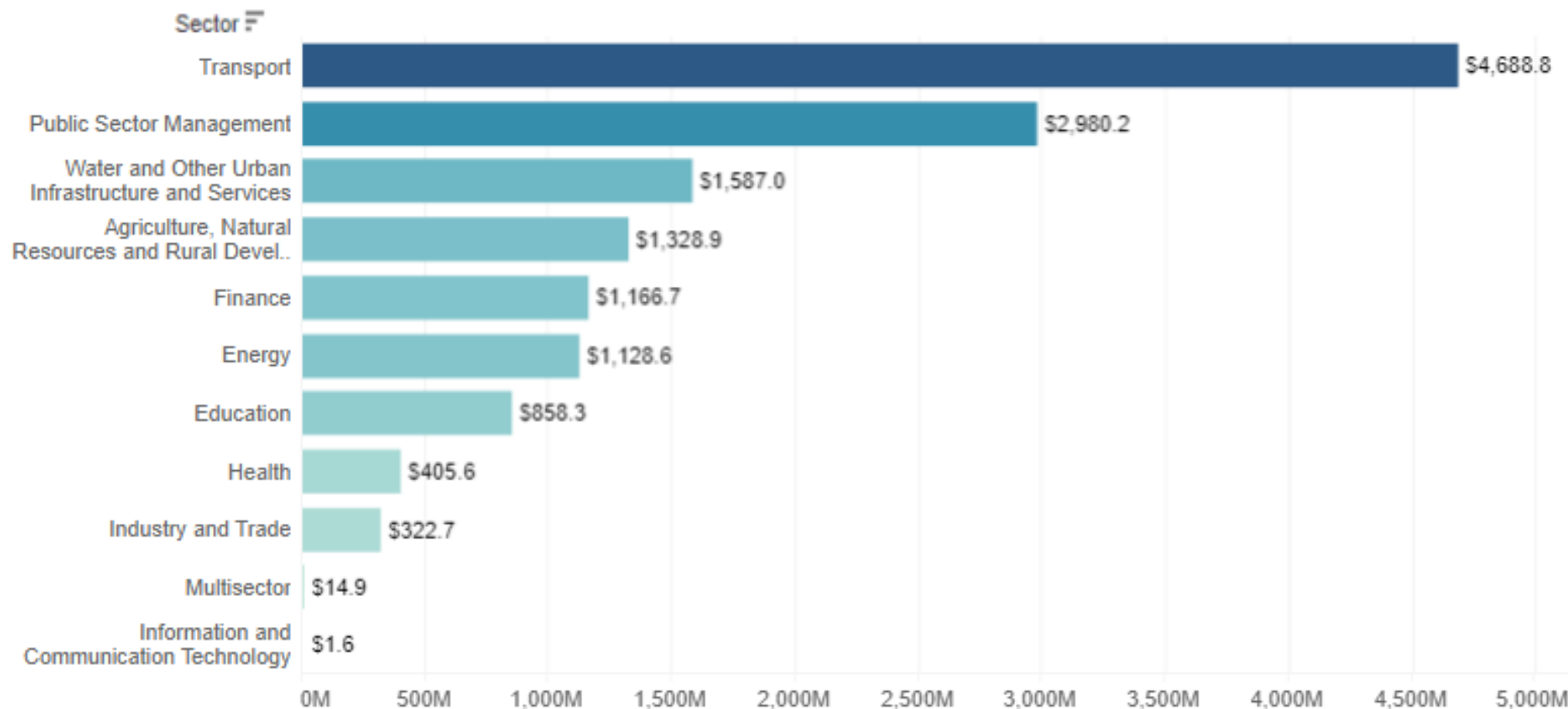


Sample ADB Projects

- Philippines: Bataan–Cavite Interlink Bridge Project - \$3 billion approved loan (<https://www.adb.org/projects/52310-001/main>)
- Bangladesh: 2nd Small and Medium-Sized Enterprises Development Project (Additional Financing) - \$101 million proposed loan and TA (<https://www.adb.org/projects/36200-024/main>)
- Indonesia's **Nusantara as Carbon-Neutral Forest City**: ADB-NNCA MOU to plan & develop
- Indonesia: Citywide Inclusive Sanitation Project - \$420 million approved loan (<https://www.adb.org/projects/54428-001/main>)
- India: Promoting Research and Innovation through Development of Fintech Institute at Gujarat International Finance Tec-City Project - \$23 million approved loan (<https://www.adb.org/projects/56039-001/main>)
- Uzbekistan: Climate-Smart Water Management Improvement Project - \$125 million proposed loan (<https://www.adb.org/projects/54272-001/main>)

Procurement by Sector, 2023

Operational Procurement by Sector, US\$ million





Procurement with US Firms, 2023

Origin of Goods and Services

Consulting Services

- Total: \$537 million
- US awards: \$26 million
- Rank: 7th

Goods & Services

- Total: \$14 billion
- US awards: \$480 million
- Rank: 6th



ADB Events 2024

Pacific Infrastructure Business Opportunities Seminar 2024

May 22-23, Crowne Plaza Hotel, Nadi, Fiji

<https://www.adb.org/news/events/pacific-infrastructure-business-opportunities-seminar>

Asia Clean Energy Forum 2024

June 3-7, ADB HQ, Manila, Philippines

<https://asiacleanenergyforum.adb.org/>

Commercial Service MDB Assistance

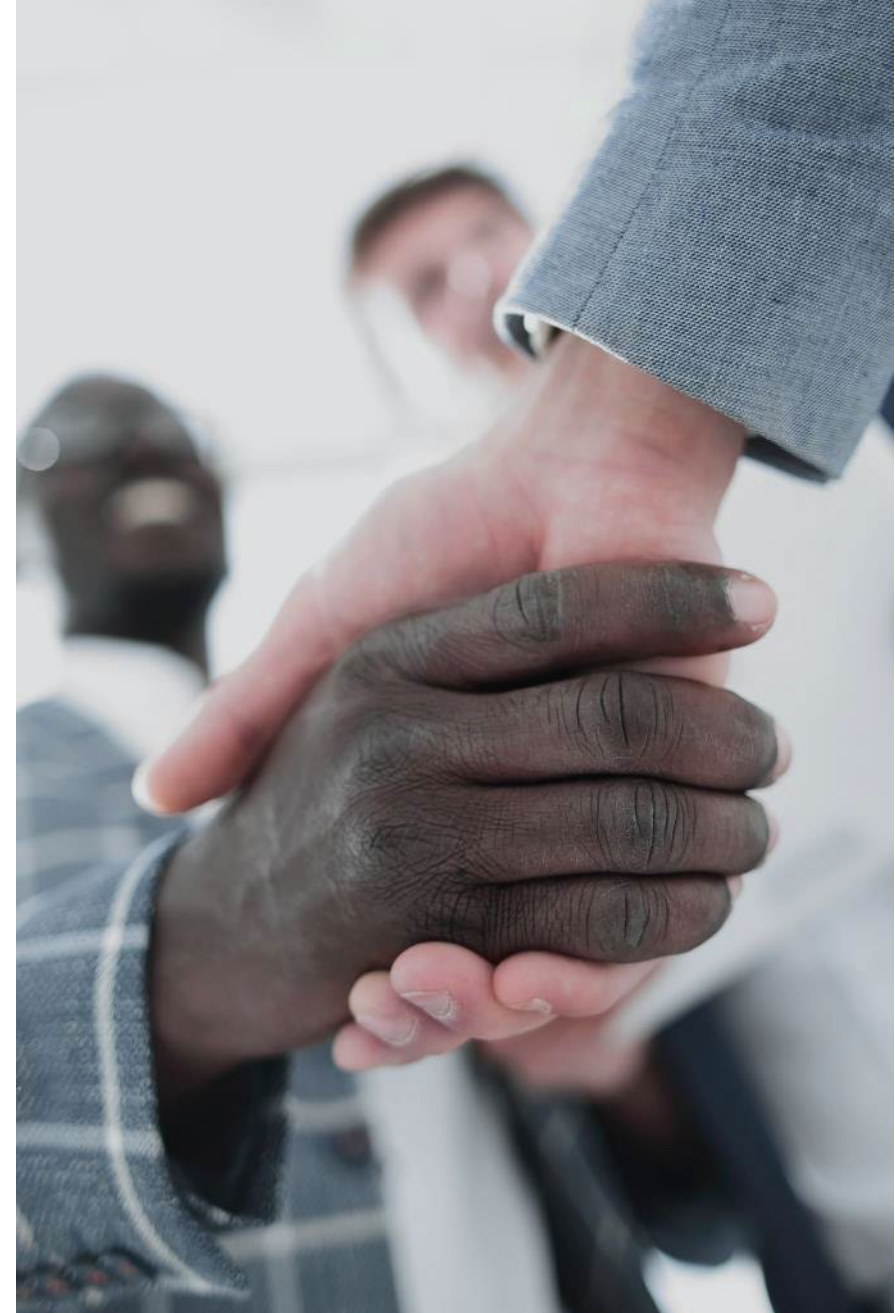
Counseling

Market
Intelligence

Networking

Advocacy

Troubleshooting



DOC MDB Team

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World Bank	Danica Starks (dstarks@worldbank.org) Michael Staunton (Michael.Staunton@trade.gov)
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Asian Development Bank (ADB)	Hanes Roberts (Hanes.Roberts@trade.gov) Michael Mia (Michael.Mia@trade.gov)
European Bank for Reconstruction & Development (EBRD)	Dennis Simmons (Dennis.Simmons@trade.gov) Chrystal Denys (Chrystal.Denys@trade.gov)



EXIM

Solutions to Support Your Export Growth

Getting Paid and Mitigating Risk
Doing Business with ASEAN Conference

MARIEL HUASANGA, *Regional Director – Central Region*

Who We Are

EXIM is a U.S. federal government agency



Established in 1934



Headquartered in Washington, D.C.



12 Regional Offices nationwide

Our Mission: Facilitate U.S. jobs by supporting the growth of U.S. exports

- › Fills gaps and complements private-sector financing
- › Levels the playing field for U.S. companies competing for global sales

OUR FINANCING **Makes the Difference**



Level the playing field
and compete globally



Minimize the risk
of buyer non-payment



Supplement
commercial financing



No company or transaction is too small

EXIM has supported sales of just a few thousand dollars

How Can EXIM Products Assist You?

You Need:

Funds to fulfill orders

Extension of credit
Risk protection
Access to capital

Foreign Buyer Financing

Our Solution:



Working Capital Loan Guarantee



Export Receivables Insurance



Medium and Long Term
Insurance and Loan Guarantee

Eligibility Criteria



- At least 3-year operating history, a positive net worth
- Products shipped from U.S. with more than 50% U.S. content including labor & overhead, but not mark-up.
- Support for exports of all goods and services, except military/defense-related.
- We are open in 180+ countries – review our Country Limitation Schedule

SALES TERMS AS A **Spectrum of Risk**

**Cash in
Advance**

**Letters of
Credit (L/C)**

**Cash Against
Documents**

**Open
Account**

Low Risk

SELLER RISK

High Risk

High Risk

BUYER RISK

Low Risk

How Exporters Get Paid: Risk & Reward



› Cash in Advance

Reward: paid in advance, no risk if order is cancelled, working capital need to eliminated/limited

Risk: might get a reduced size of the order or lose it all together

› Letter of Credit

Reward: limited risk of non-payment if structured properly, working capital is supported by L/C

Risk: structuring the L/C, expensive payment method for your customer, limited sales?

› Open Account

Reward: competitive term to win the sale

Risk: commercial and political risks of non-payment, risk of order cancellation, need to finance the entire transaction



EXPORT CREDIT INSURANCE

An insurance policy covering receivables generated from export sales that protects against nonpayment by foreign buyers.

Policies can cover a single buyer, some of your foreign buyers, or your entire export portfolio

Sales Tool:

- › Be competitive by offering open account credit terms to foreign buyers

Risk Prevention:

- › Protect against nonpayment by foreign buyers due to commercial risks and political risks

Generate Cash Flow:

- › Accounts receivable from export sales may be used as collateral to access working capital

What is Covered?

Commercial Risks:

- ✓ Insolvency
- ✓ Bankruptcy
- ✓ Protracted Default

Political Risks:

- ✓ War, revolution, insurrection
- ✓ Currency transfer risk
- ✓ Cancellation of import or export license

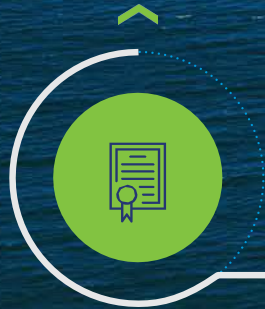
✗ Disputes with the buyer are **not** covered

HOW DOES EXPORT CREDIT INSURANCE WORK?



Step 1:

You identify an international buyer and obtain an Export Credit Insurance policy.



Step 3:

The buyer accepts the deal's terms.



Step 5:

You report shipments and pay premiums on the amount shipped.



Step 2:

You offer credit terms to your foreign buyer.



Step 4:

You ship your product and invoice the buyer.



Step 6:

The buyer pays. If they fail to do so, EXIM pays.





MARIEL HUASANGA

Regional Director – Central Region

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SCHEDULE A CONSULTATION

<https://grow.exim.gov/mariel-huasanga>



Macroeconomic Overview

May 8, 2024

Fort Wayne, Indiana, USA

Carol O. Rogers, Director
Indiana University, Kelley School of Business
Indiana Business Research Center



Size and Growth

Population

Economy

Exports / Imports

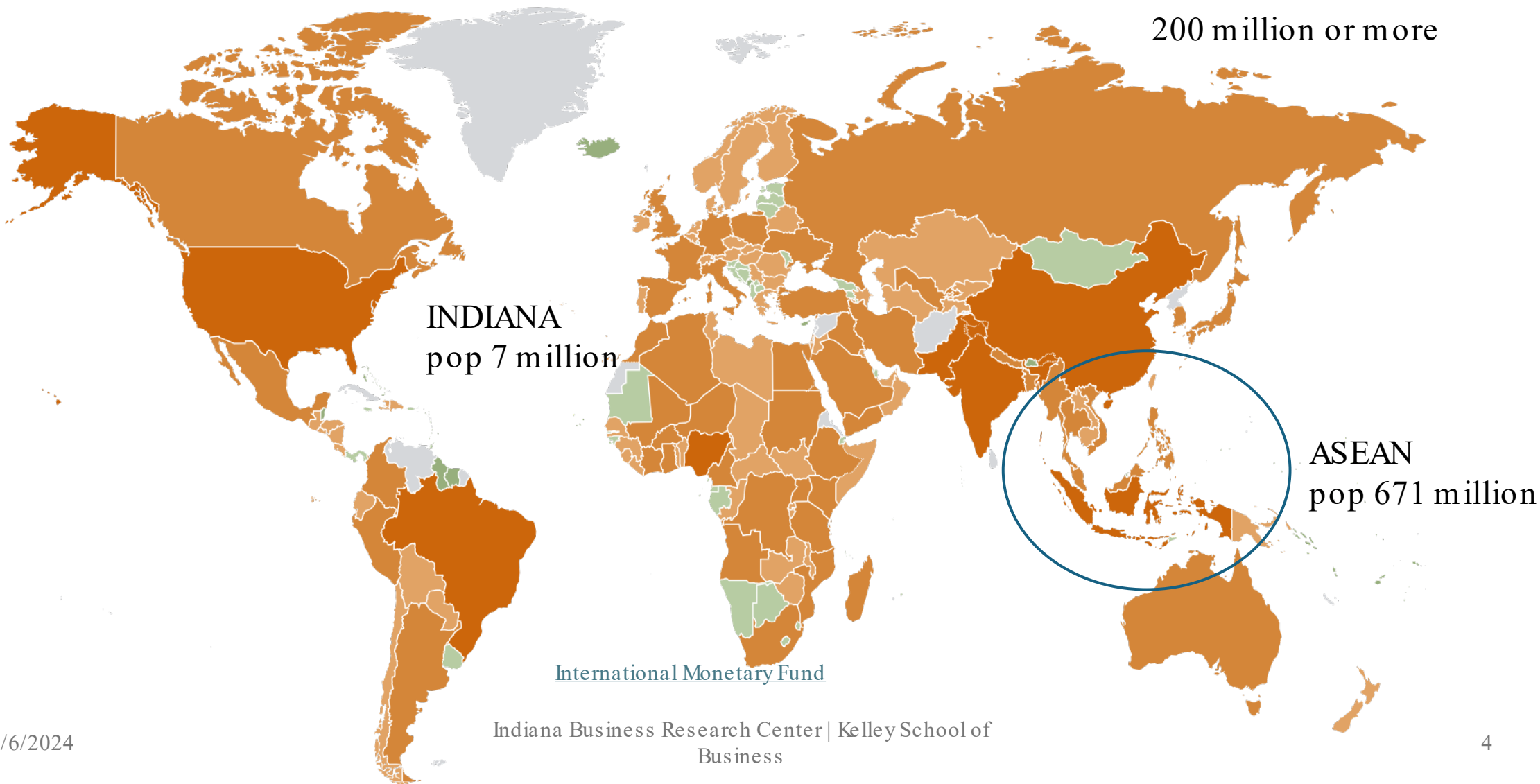


Population Worldwide

MAP (2026)

200 or more 25 - 200 5 - 25 1 - 5 Less than 1 no data

Darkest color =
200 million or more



CONTINENT OF ASIA

Population Density

The world's largest continent, covering 44 million km², is home to 4.6 billion people.
Here's where they live.

ISTANBUL, TÜRKİYE
2,523 people/km²

KARACHI, PAKISTAN
24,000 people/km²

The Himalayas are the source of ten major rivers, providing fresh water to 1.3 billion people residing within its watershed.

MUMBAI, INDIA
28,195 people/km²

BEIJING, CHINA
4,600 people/km²

While Beijing's average density seems low for China's third largest city, several districts have more than 20,000 people/km².

JAKARTA, INDONESIA
14,464 people/km²

MANILA, PHILIPPINES
42,857 people/km²

The Philippines is home to the top three most densely populated cities in the world.

TOKYO, JAPAN
6,225 people/km²

Tokyo is the world's largest urban area, with nearly 40 million inhabitants.

JAKARTA, INDONESIA
14,464 people/km²

MANILA, PHILIPPINES
42,857 people/km²

The Philippines is home to the top three most densely populated cities in the world.

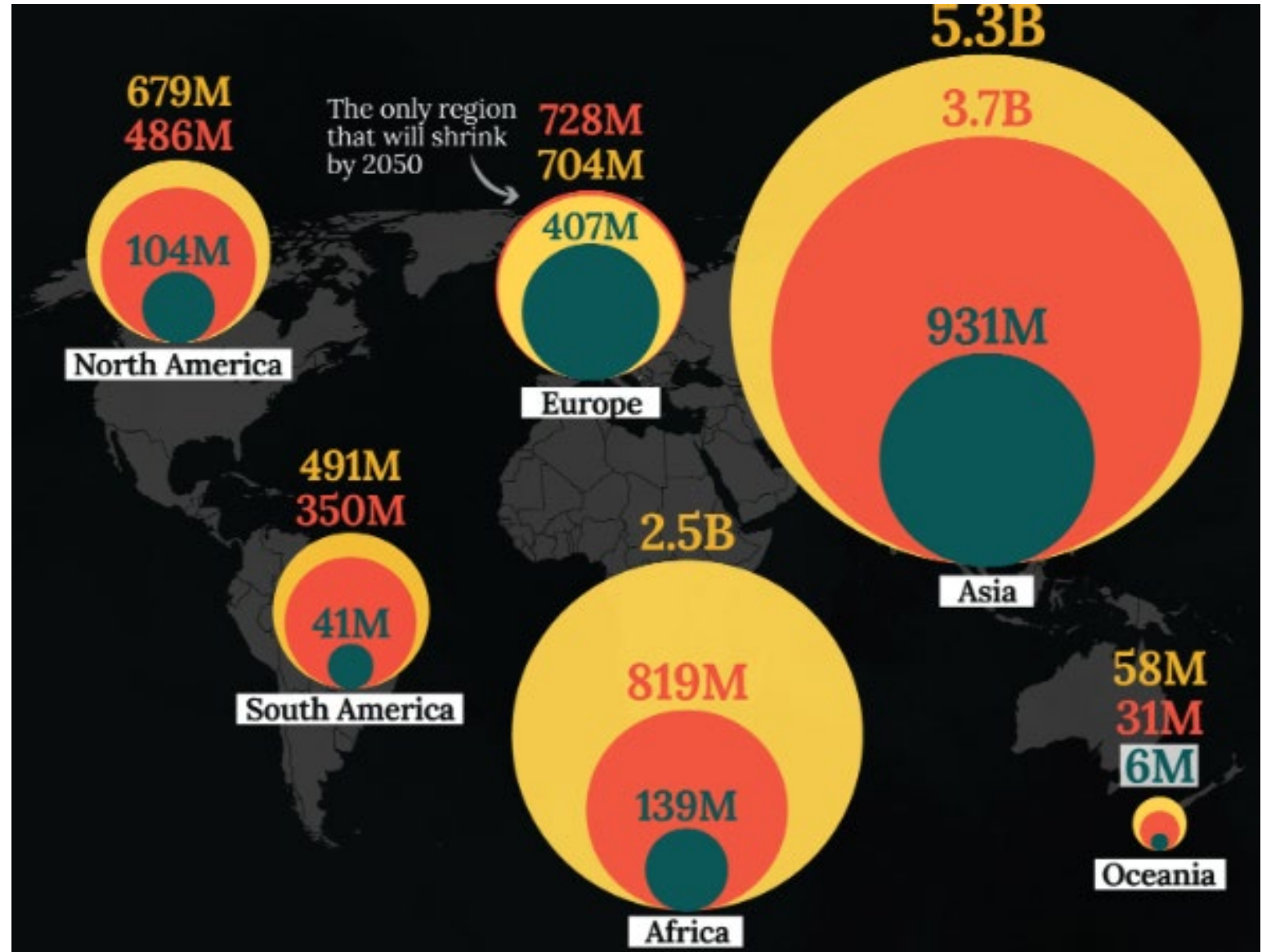
SOURCES: WORLD POPULATION REVIEW, USGS, UN, WORLDPOP

SOURCES: WORLD POPULATION REVIEW, USGS, UN, WORLDPOP

World Population

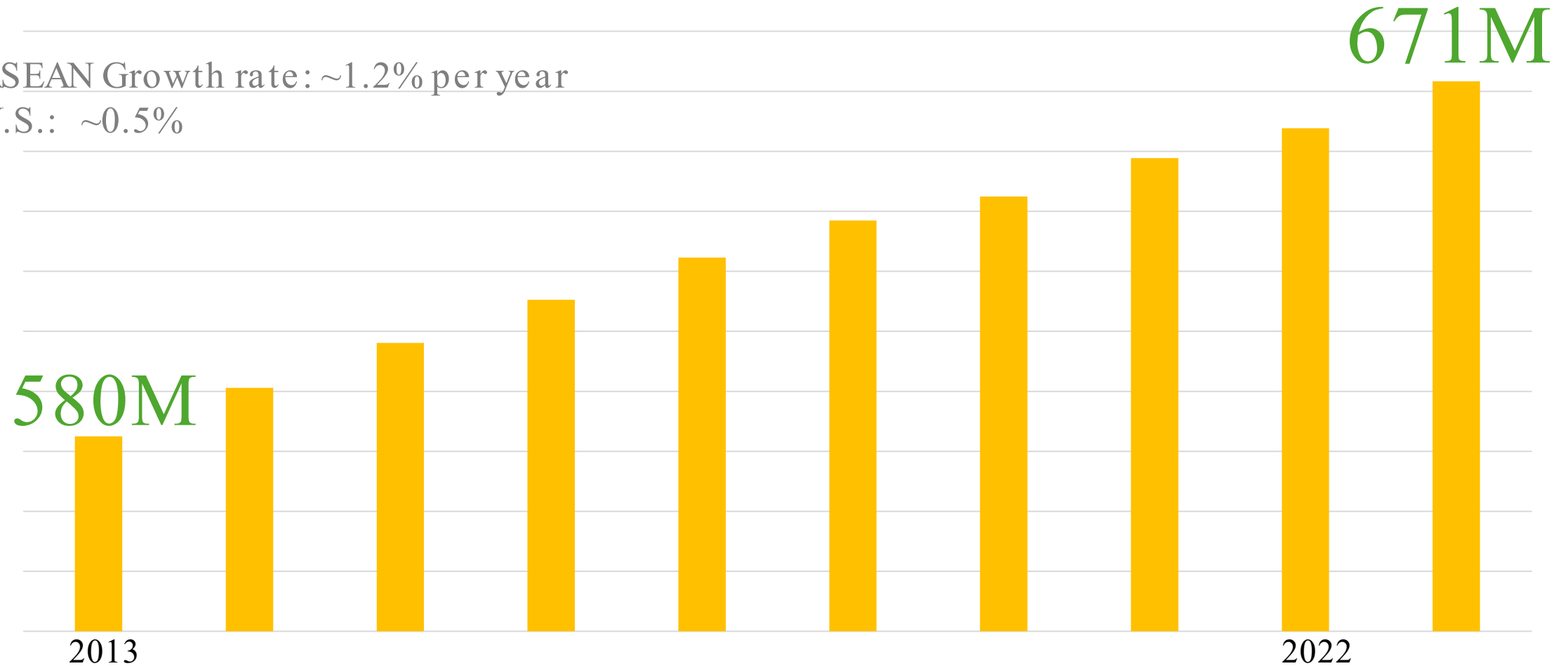


Market
size
matters



ASEAN is 2x size of U.S. Population

ASEAN Growth rate: ~1.2% per year
U.S.: ~0.5%

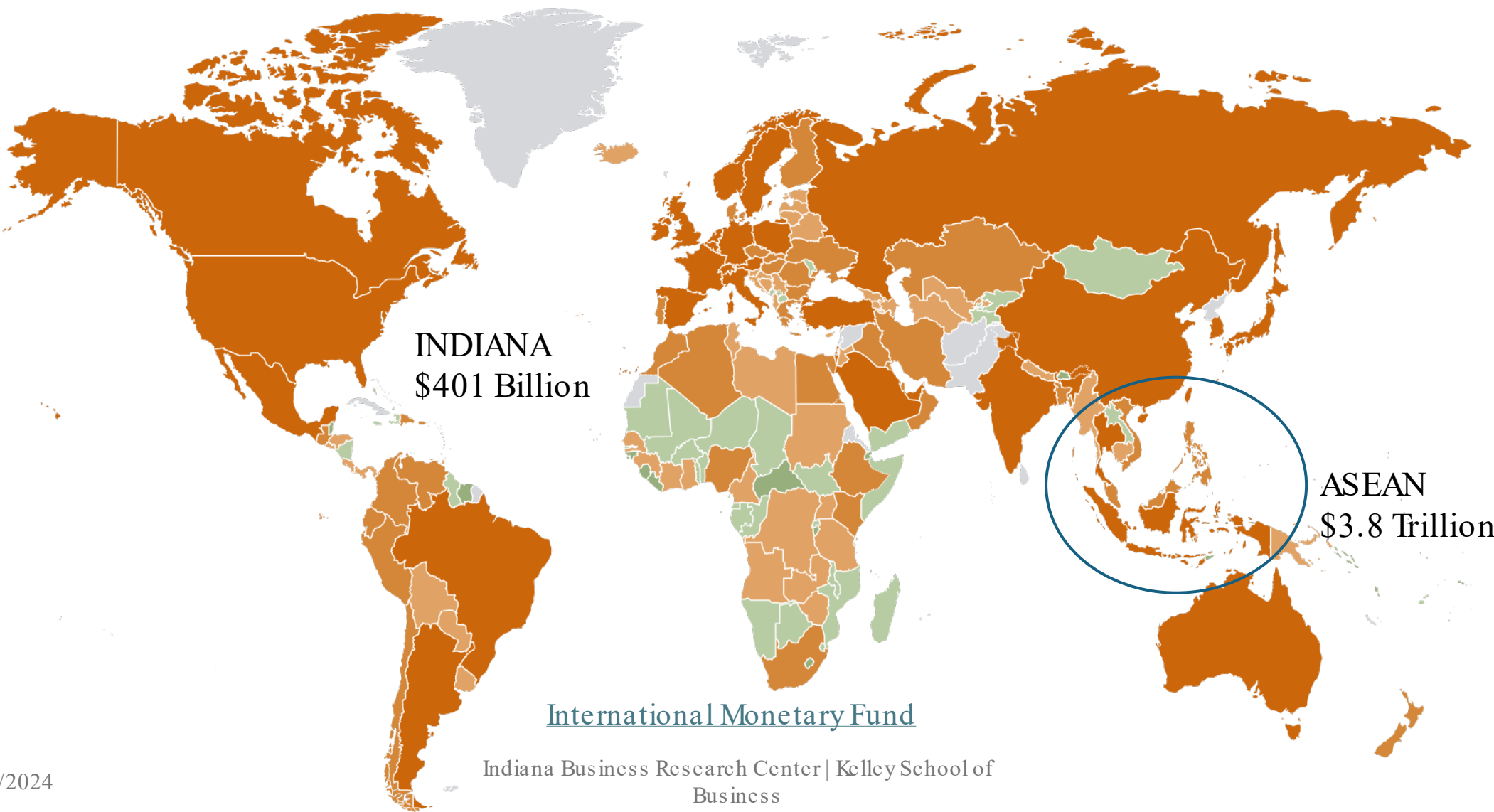


Economies Worldwide

GDP in billions of Dollars (US)

MAP (2024)

● 500 or more ● 100 - 500 ● 25 - 100 ● 5 - 25 ● under 5 ● no data



IMF Economic Growth Rates

MAP (2026)

6% or more 3% - 6% 0% - 3% -3% - 0 less than -3% no data



LIST (2026)

Country

Region

Analytical group

Analytical group ▼

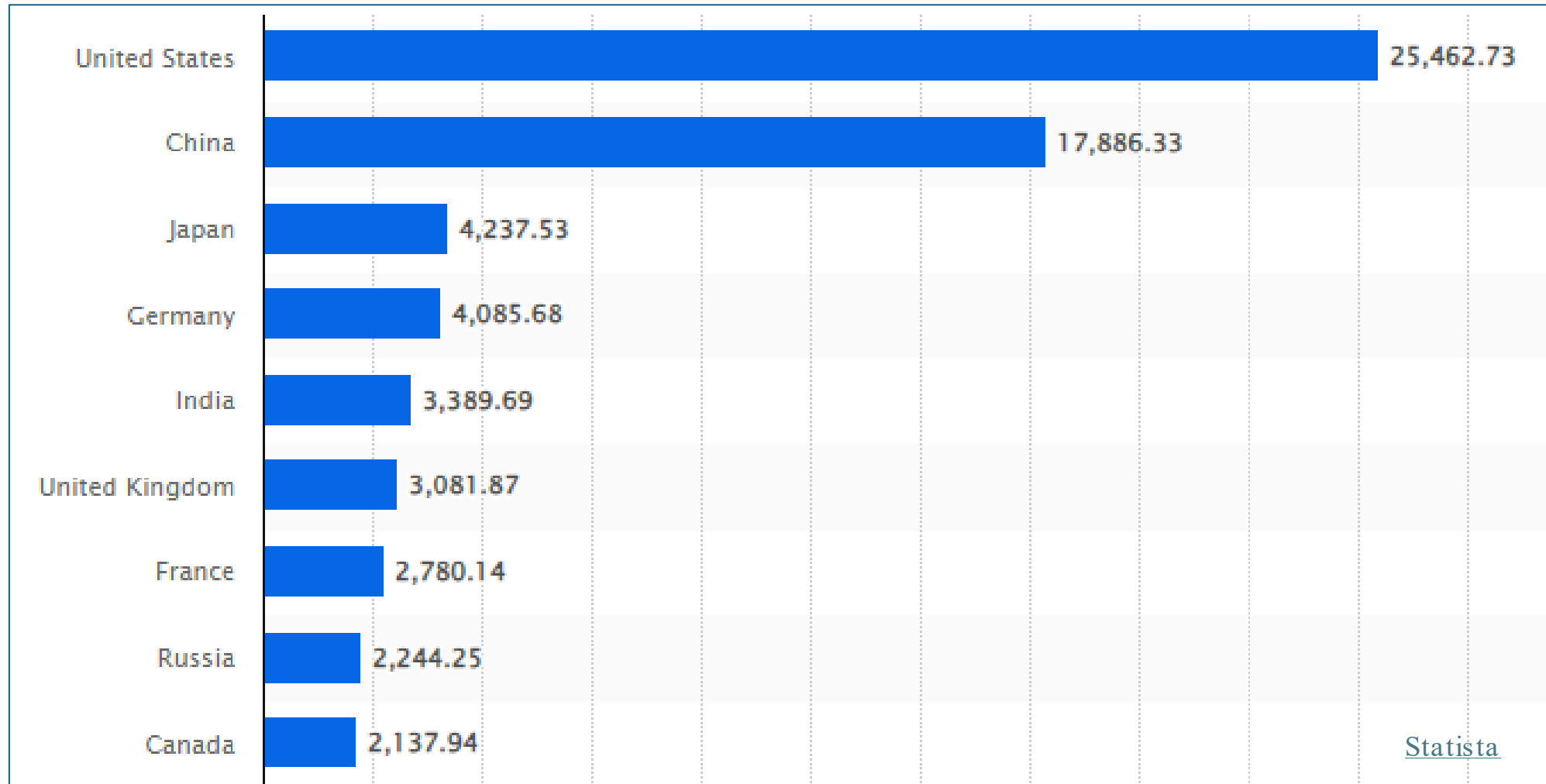
Value

Advanced economies	1.8
ASEAN-5	4.6
Emerging and Developing Asia	4.7
Emerging and Developing Europe	2.6
Emerging market and developing economies	4.1
Euro area	1.4
European Union	1.7
Latin America and the Caribbean	2.7
Major advanced economies (G7)	1.6
Middle East and Central Asia	3.8
Other advanced economies	2.2
Sub-Saharan Africa	4
World	3.2

International Monetary Fund

ASEAN is a \$3.8 Trillion Economy

World's Largest Economies (GDP)



GDP Per Capita by 2026

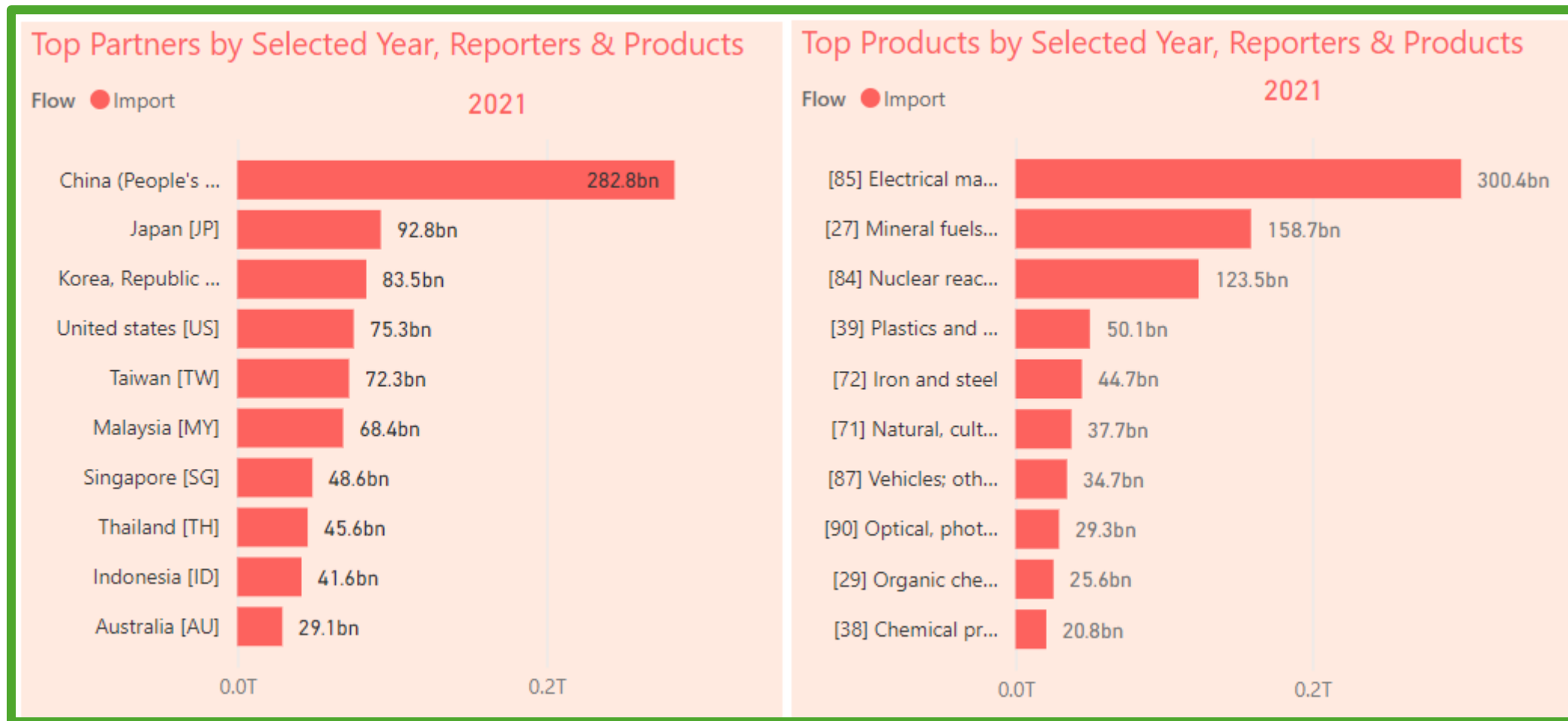
2-year growth of at least \$1,000

2024*	
• Brunei Darussalam	35,813.1
• Cambodia	2,036.99
• Indonesia	5,509.13
• Laos	1,833.94
• Malaysia	13,913.2
• Myanmar	1,454.26
• Philippines	4,168.99
• Singapore	91,727.95
• Thailand	7,731.3
• Vietnam	4,636.37



2026*	
• Brunei Darussalam	38,049.92
• Cambodia	2,330.01
• Indonesia	6,336.51
• Laos	2,005.25
• Malaysia	15,690.92
• Myanmar	1,597.76
• Philippines	4,926.27
• Singapore	99,984.45
• Thailand	8,718
• Vietnam	5,429.04

ASEAN Import Numbers

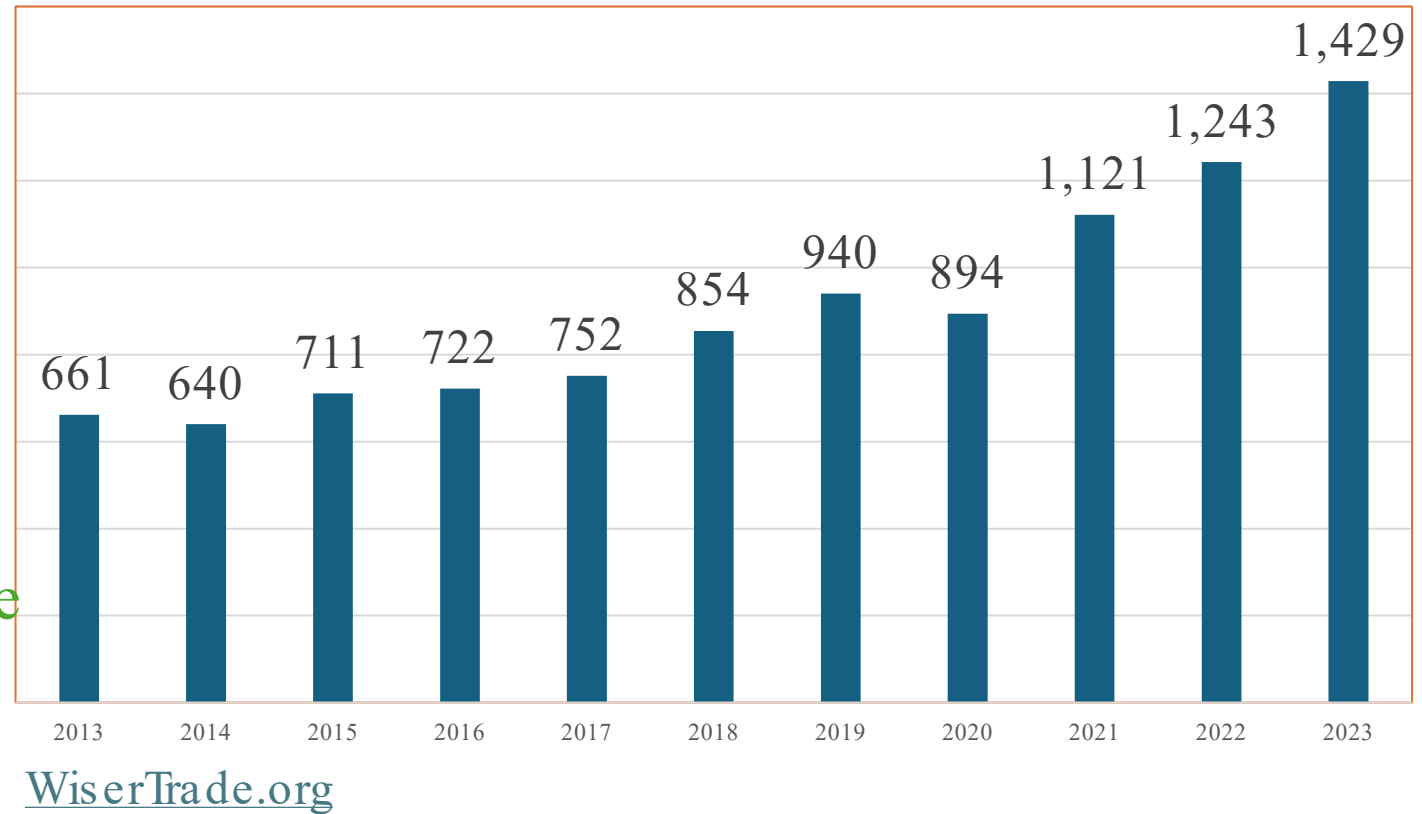


[ASEANstats](#)

The ACSS is a partnership between and among the national statistical systems of the ASEAN Member States (AMSS), the ASEAN Community Councils, and the ASEAN Secretariat.

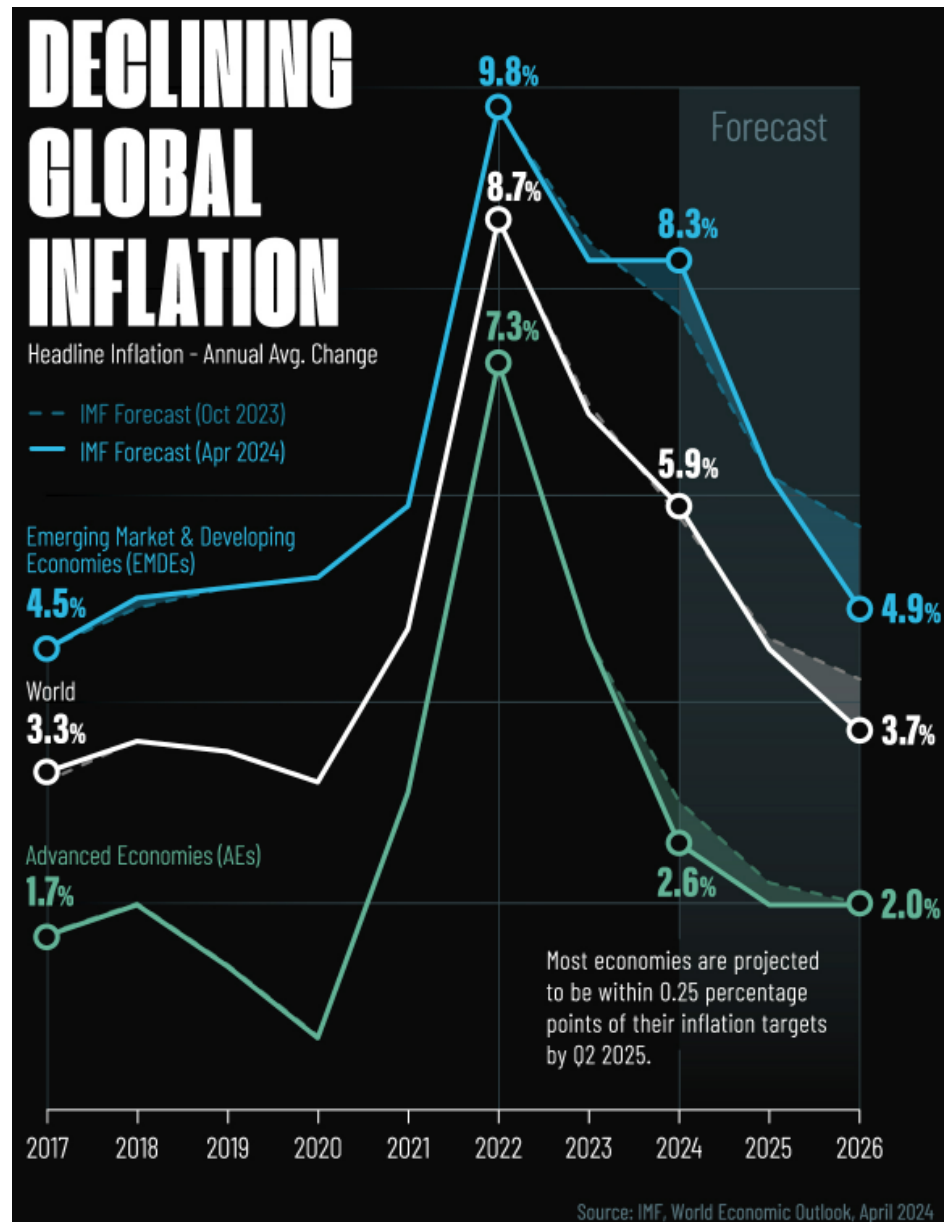
Indiana Exports (\$) to ASEAN Countries

- Doubled+ since 2013
- 11% growth '21 to '22
- 15% growth '22 to '23
- Jan-Mar 2024 is running 7% higher than same time last year



Top 10 IN Exports to ASEAN Countries

Commodities	2023/2024
Electric Machinery; Sound Equip; TV Equip; Parts	\$69m
Pharmaceutical Products	\$38m
Industrial Machinery, including Computers	\$38m
Food Industry Residues & Waste; Prep Animal Feed	\$28m
Aircraft, Spacecraft, and Parts	\$26m
Optic, Photo, Medical or Surgical Instruments	\$22m
Plastics	\$11m
Organic Chemicals	\$9m
Albuminoidal Subst; Modified Starch; Glue; Enzymes	\$9m
Miscellaneous Chemical Products	\$7m



Can ASEAN Replace China?

Yoon Jae Lee

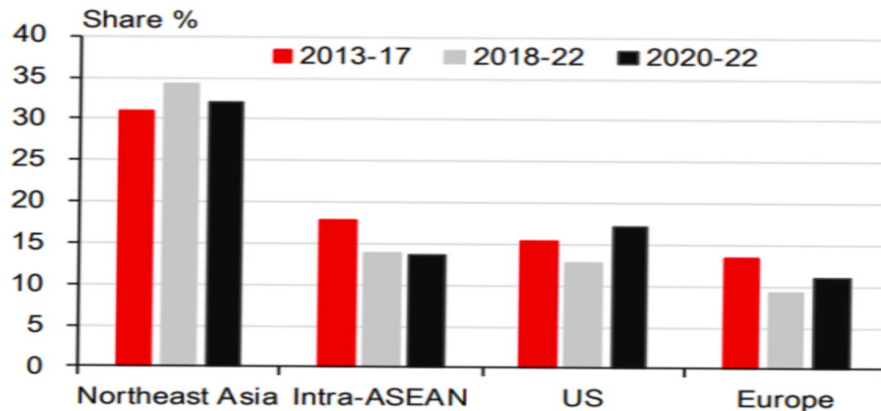
SVP, Multinational Corporate Banking

- US Technology Investment Restrictions
- Foreign Direct Investment: US vs ASEAN
- Vietnam as a Rising Star?
- PNC Multinational Corporate Banking

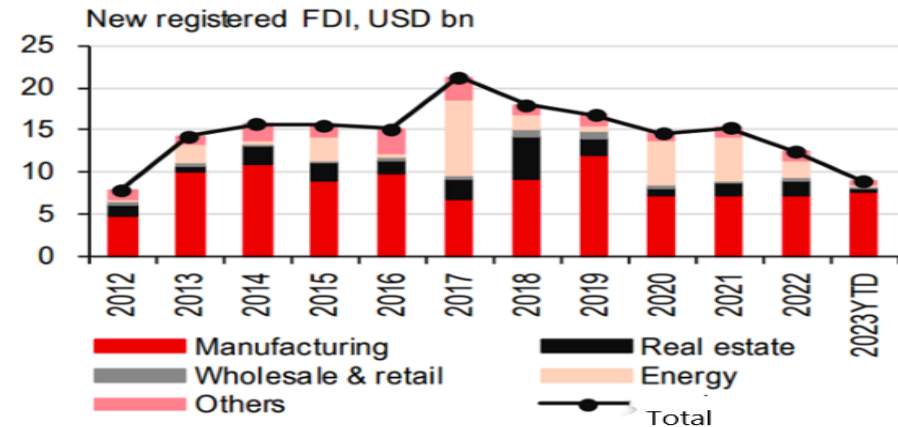
- As a result of US investment restrictions and sanctions
- Experts say these restrictions: “strangled venture capital and reduced foreign direct investment inflows into China while hurting technological advancement”
- Important Considerations:
 - Regulations are imposed only on certain technologies that pose a threat to national security
 - The United States blocked China's access to key technologies and stopped subsidies to American companies producing advanced semiconductors in China
 - A new investment screening mechanism, which requires reporting to the US Treasury about investments in China, is the first step to curtailing FDI to China

- US FDI totaled \$8BN in 2022, the lowest since 2005
- US Venture Capital Investment in China decreased from \$19BN in 2018 to \$1BN in 2022
- Why has investment decreased so much?
 - Geopolitical tensions between US and China
 - COVID lockdowns
- A solution could be found to allow companies to serve the Chinese market without conflicting against US regulations (For example: foreign companies which have less than 25% shares held by Chinese companies are allowed under US regulations)

- \$12BN over the last 5 years
- US investment in ASEAN has increased from 14% to 17% over the last 3 years
- Singapore, Vietnam, Malaysia have benefitted the most
(*Singapore accounts for over 65% of US investments)
- The US invests most heavily in manufacturing and financial industries

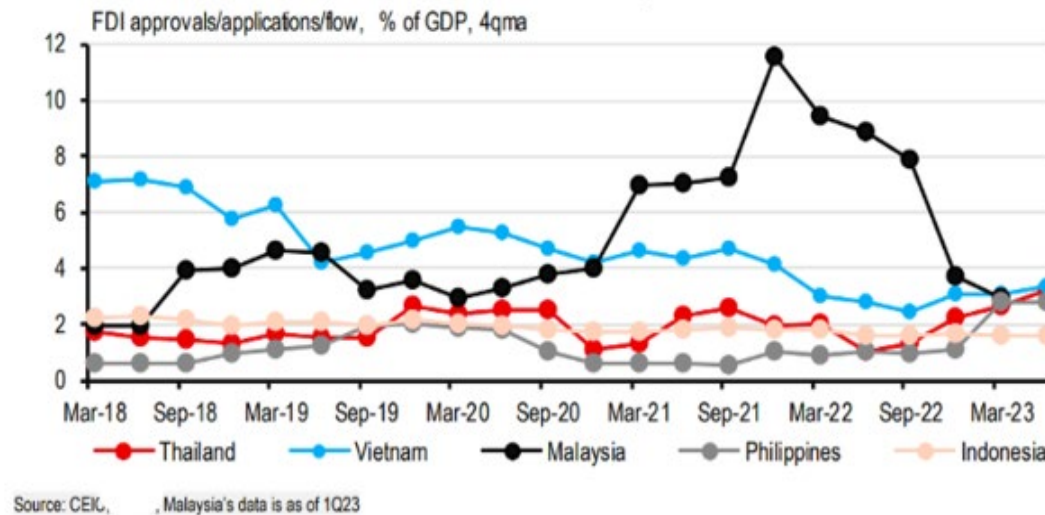


Source: ASEAN Stats.



Source: CEIC.

- Vietnam has been dubbed a “rising star” in the global manufacturing supply chain
- The country has quickly elevated its position by developing into an important electronics assembly hub
- This is the direct result of FDI
 - Samsung invested \$18BN in the last 2 years
 - Apple is in the process of expanding their Vietnamese operations
 - LG has invested \$4BN since 2022
 - Sharp has invested \$2BN since 2022



PNC Multinational Corporate Banking

Delivering International Expertise Locally



We work exclusively with local teams to support international companies operating in the US to help navigate the complexities of your cross-border business.



Expertise:
We deeply understand complexities of managing a multinational business

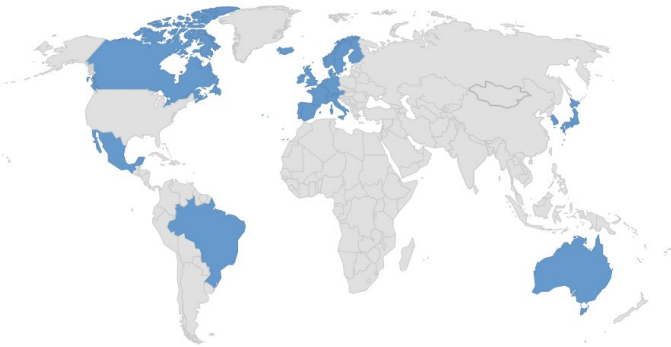
Support:
We work in tandem with local teams to enhance the relationship through all aspects of your financing and banking needs

Connectivity:
We stay connected by actively participating in professional networks, panels, and chambers of commerce

Supporting Your US Operations

1,000+
Relationships

25
HQ Countries



Market Leading Products and Services



Financing Solutions
Global Participations
US and Canadian Facilities



US & Canadian Cash Management
Accounts Receivable, Accounts Payable
Solutions, and Merchant Services



Foreign Exchange
Spot Trades, Hedging, and FX Netting



Supporting Your Employees in the US
Organizational Financial Wellness
Early Wage Access

Dedicated South Korean Coverage

Multinational Corporate Banking



Yoon Jae Lee – Senior Vice President



Dedicated coverage of Korean companies in the US. 12+ years of international corporate banking experience working with South Korea.

Former International Banker at BBVA USA.
International Relationship Manager at Comerica Bank.
Relationship Manager at Korea Development Bank.

Served in the Republic of Korea Air Force as a First Lieutenant – Security Police Officer.

MBA – Finance from Spring Arbor University
Bachelor’s – Economics from Korea University

South Korea Portfolio Highlights

50 Clients

16+ Industries

\$350MM+
Loan Commitments to US Subsidiaries

Industry Highlights

OEM & Tier 1 Automotive Suppliers

Lead and Joint Lead roles in syndicated credit facilities
Leading Treasury Management capabilities in the Automotive sector

Food & Beverage

Dedicated industry coverage team

Technology

Dedicated industry coverage team

Chemicals

Dedicated industry coverage team

Select Deals with South Korean Clients

HYUNDAI
TRANSYS

- Multiple Credit Facilities
- Treasury Management
- P-Card



Dongwon

- Line of Credit
- Full TM services
- P-Card



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Doing Business in ASEAN: Philippines

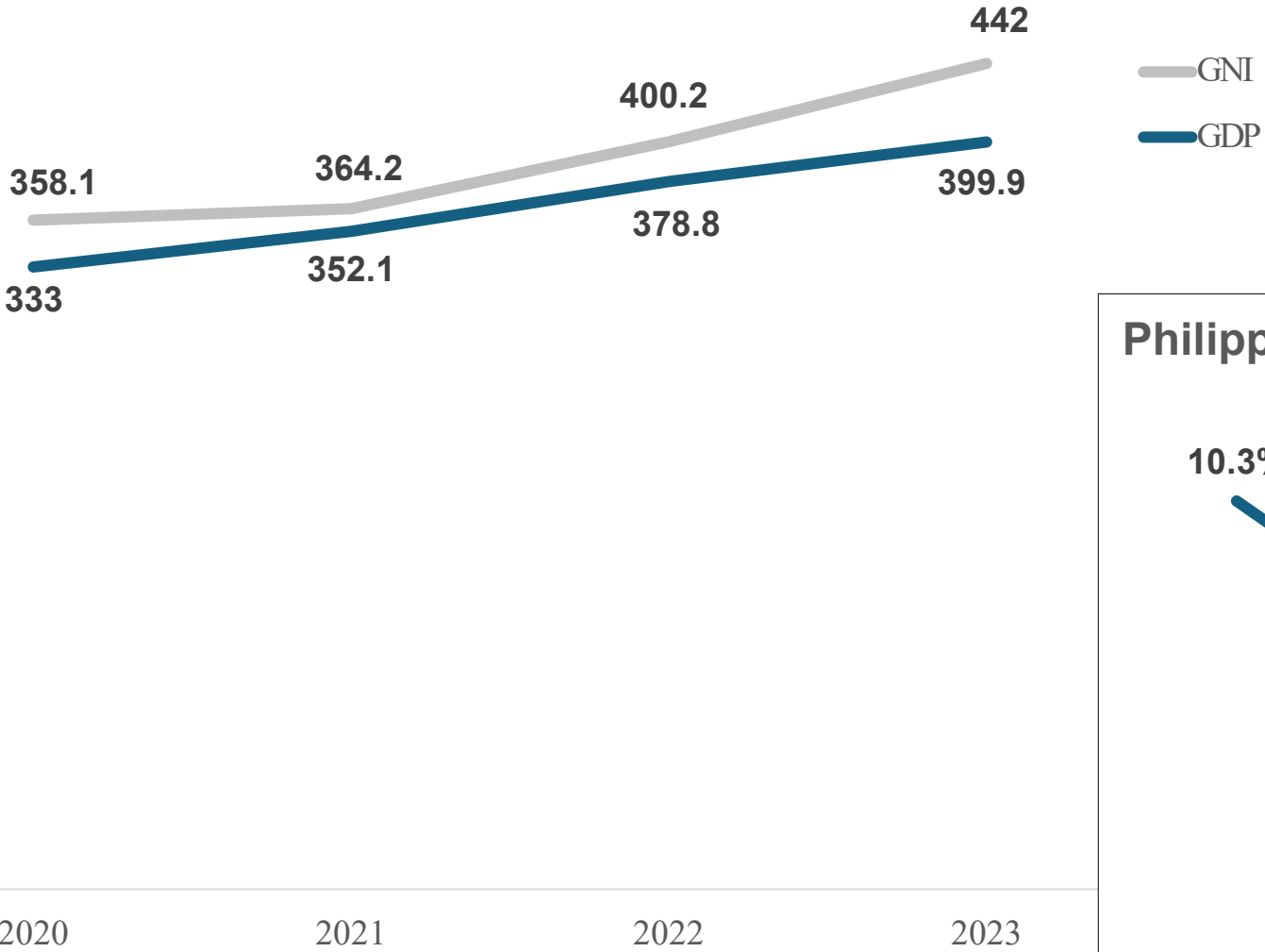
Asian Pacific Heritage Month

Philippines

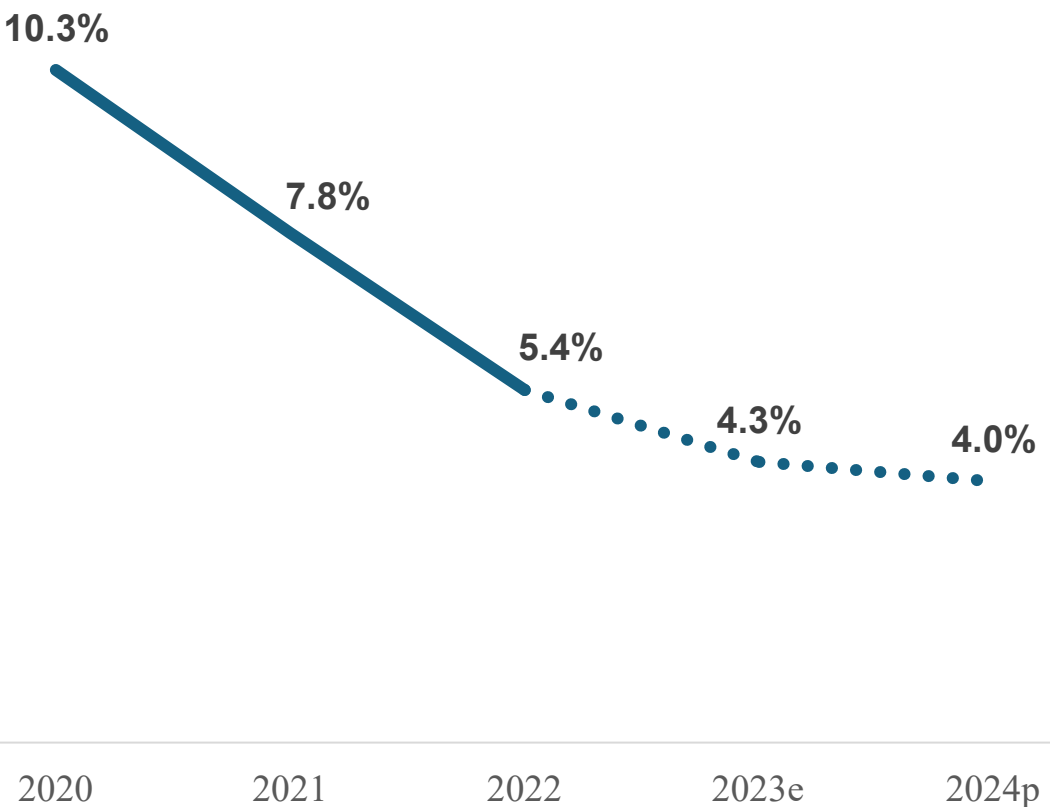
- 7,500 islands
- 113 million Filipinos
- 80% Roman Catholic
- Values: Hard work, Hospitality, Resilience, Pakikisama (get along with everyone)
- Natural Disasters



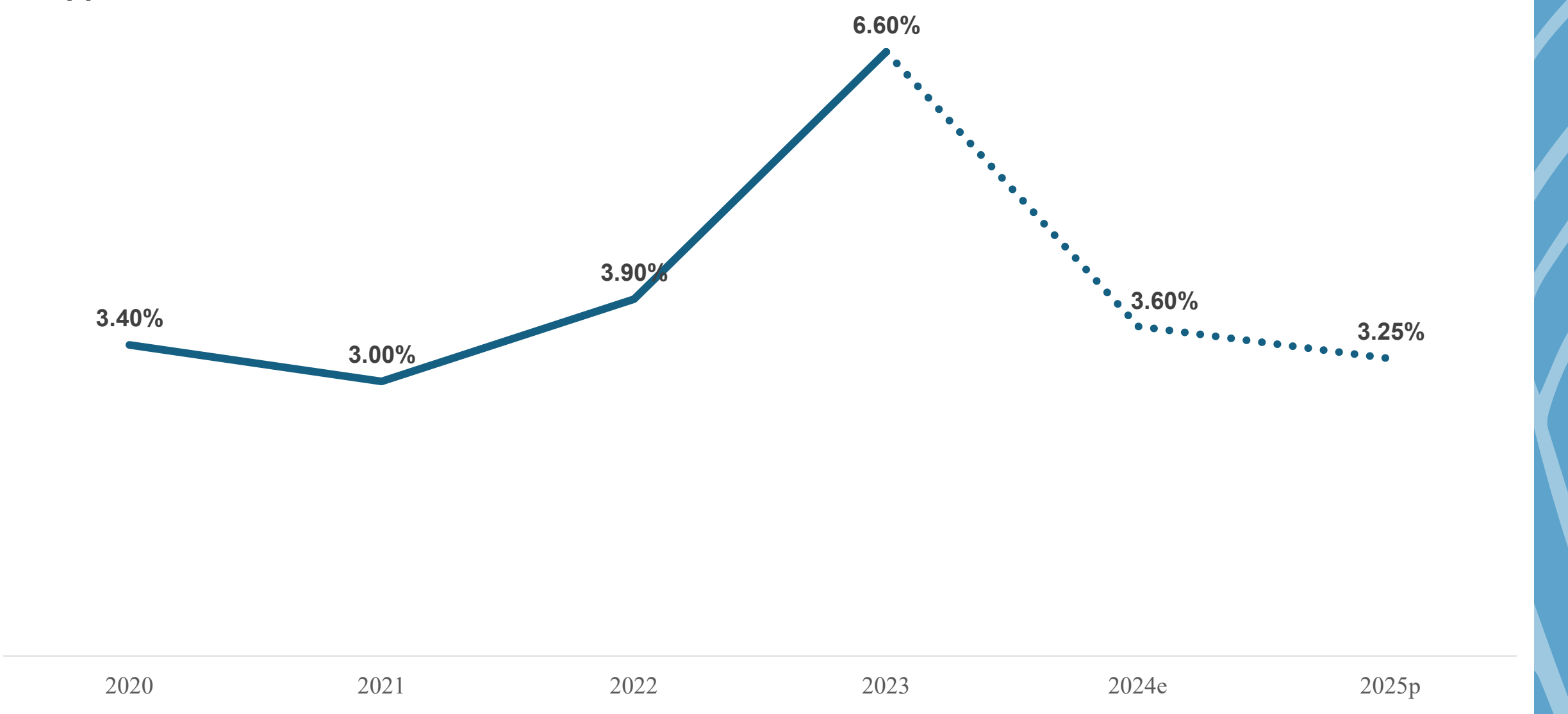
Philippines GDP and GNI (USD, Billions, 2018 dollars)



Philippine Unemployment Rate



Philippines Inflation



Challenges

External


- Global growth
- Geopolitical issues
- Commodity prices
- South China Sea

Internal

- Infrastructure
- Natural disasters
- Electricity prices
- Health system
- Wages



Philippine Development Plan 2023-2028

- **Digital transformation of government.**
 - **Servicification to build ecosystems around economic clusters.**
 - **Enhanced connectivity through infrastructure improvement.**
 - **Greater collaboration between national and local governments.**
 - **Partnerships with the private sector.**
- 

Top Ten Imports

Electrical machinery and equipment

Mineral fuels, including oil

Vehicles

Iron and steel

Plastics and plastic articles

Medical equipment

Miscellaneous manufactured articles

Food industry waste

Machines and appliances like boilers

Cereals

(Source: <https://www.philippinesimportdata.com/blogs/what-are-the-top-ten-import-products-of-the-philippines>)



Thank you!

Dr. Frank Wadsworth
Indiana University Columbus
fwadswo@iu.edu
(812) 348-7327

Doing Business in ASEAN, May 8, 2024



Vietnam Market

Anh Tran @ Indiana University

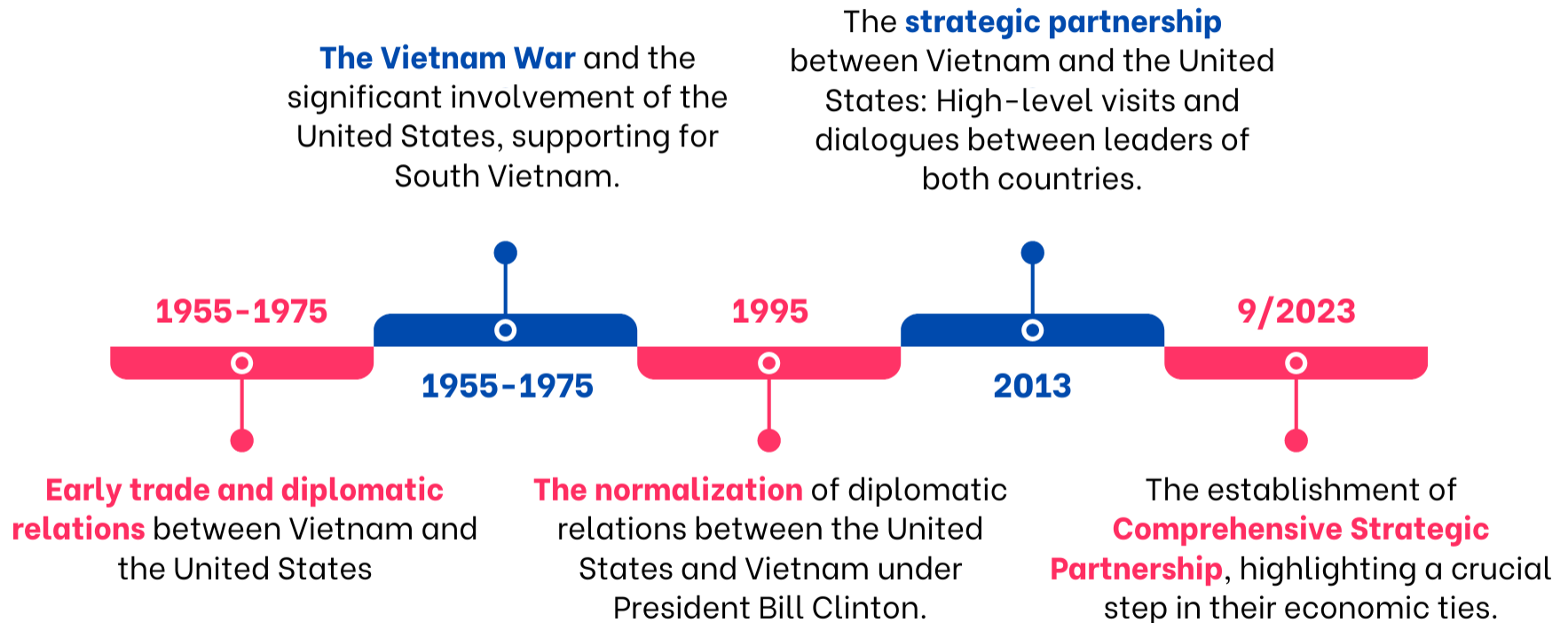
Brief overview

- Socialist Republic of Vietnam
- Population: 100 million
- Capital city: Hanoi
- Business center: Ho Chi Minh City
- GDP/capita: U\$ 4,200





THE US-VN RELATIONSHIP HISTORY



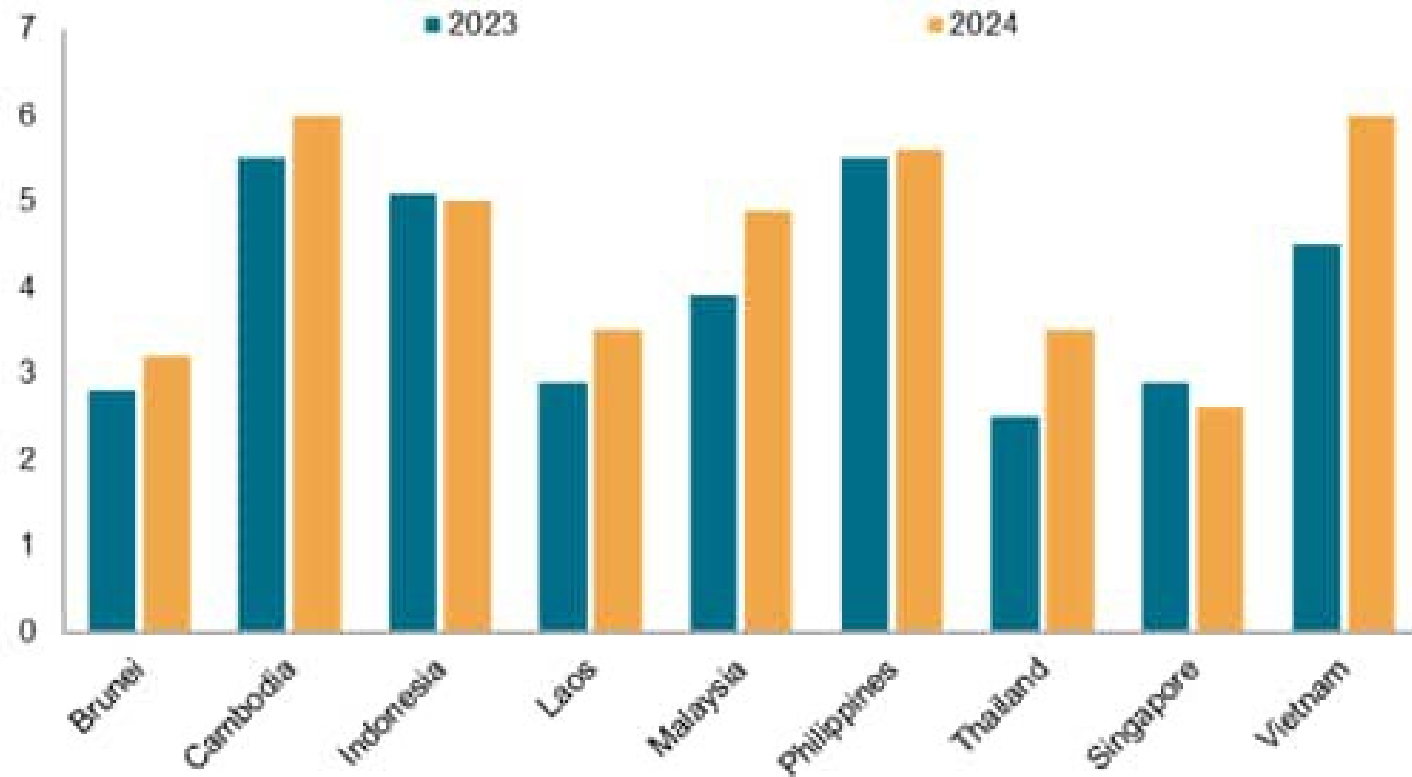
Attitude toward capitalism

- Pew Research Center:
"most people are better off in a free-market economy even though some people are rich and some are poor."
- That's capitalism in a nutshell
- 45 countries in 2014
- The global median is 65%
- United States 70%
- Almost all Vietnamese people (95%) support capitalism
- No other country in the poll cracked 90%.





ASEAN GDP growth forecasts



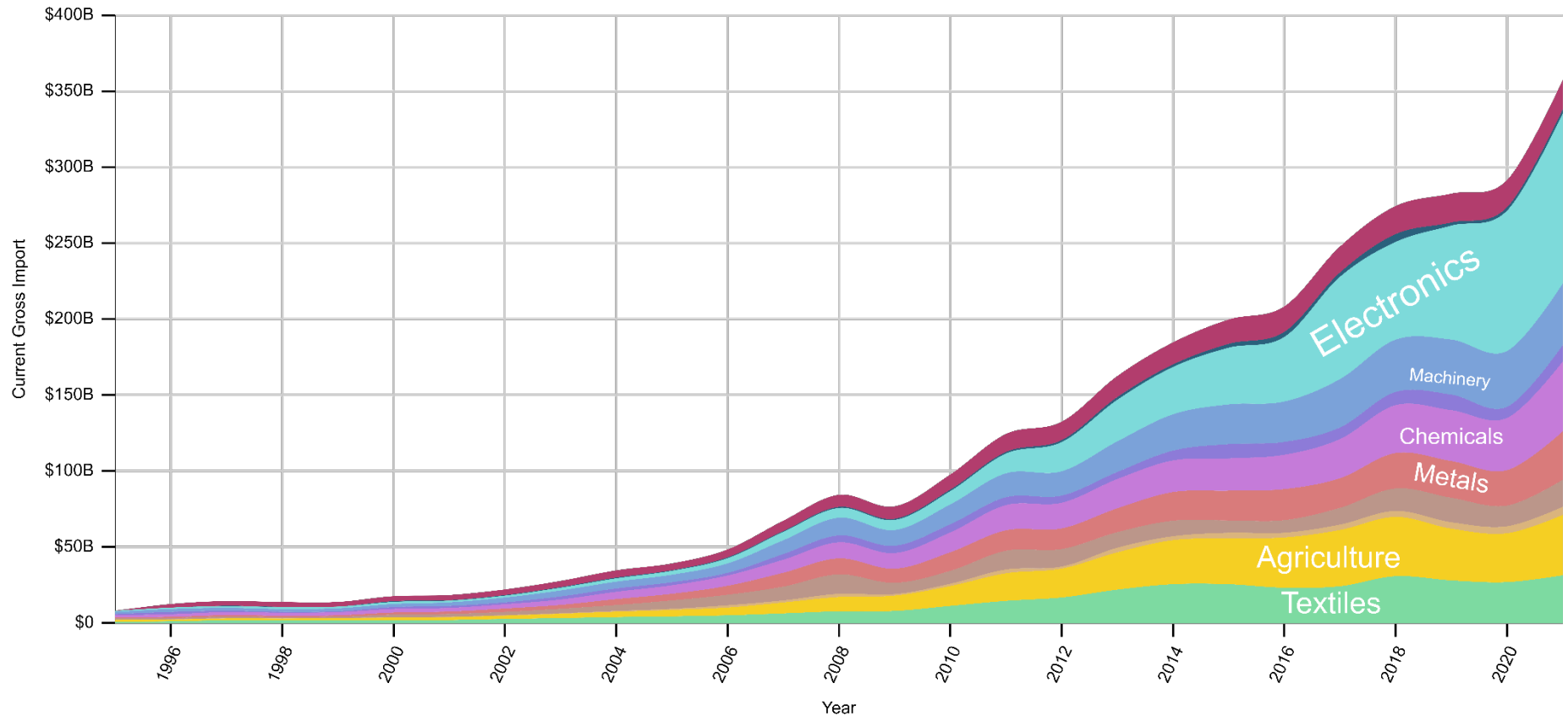
Data compiled January 2024.

Annual % change in real terms.

Source: S&P Global Market Intelligence.

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Vietnam: a fast-growing market



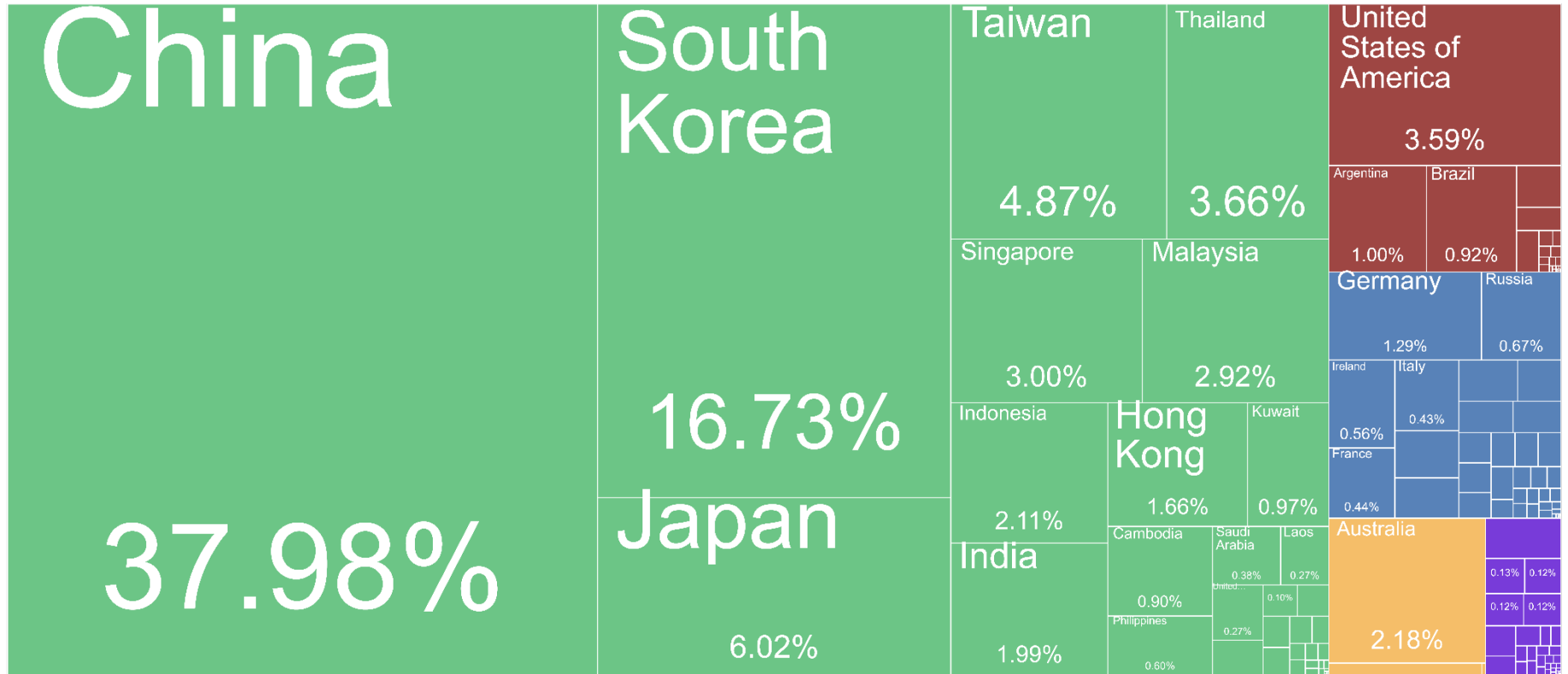
‘Secrets’ of Vietnam’s growth

- Entrepreneurial culture
- Value education
- Gradualism
two-track reform



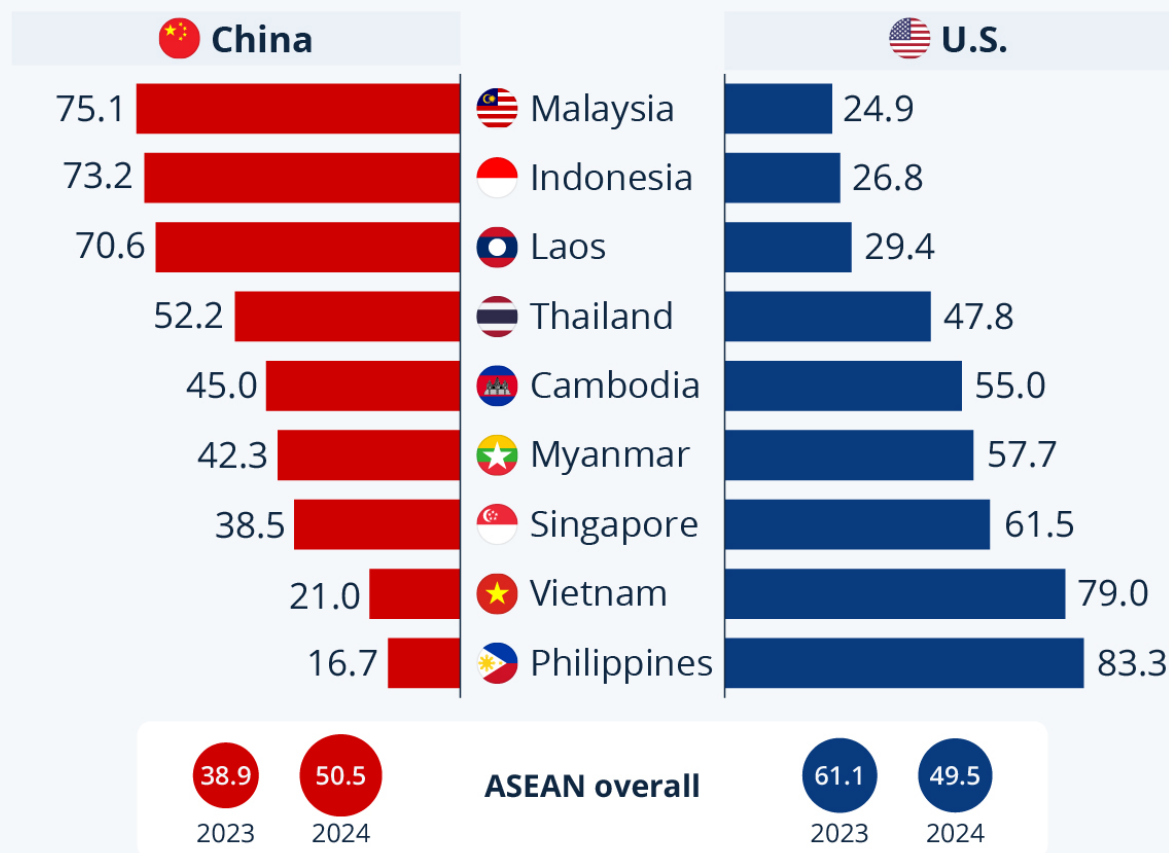
Where does Vietnam import from?

\$338B



Southeast Asia's Preferred Ally Switches in Favor of China

"If ASEAN countries were forced to align themselves with one strategic rival, which should they choose?"*



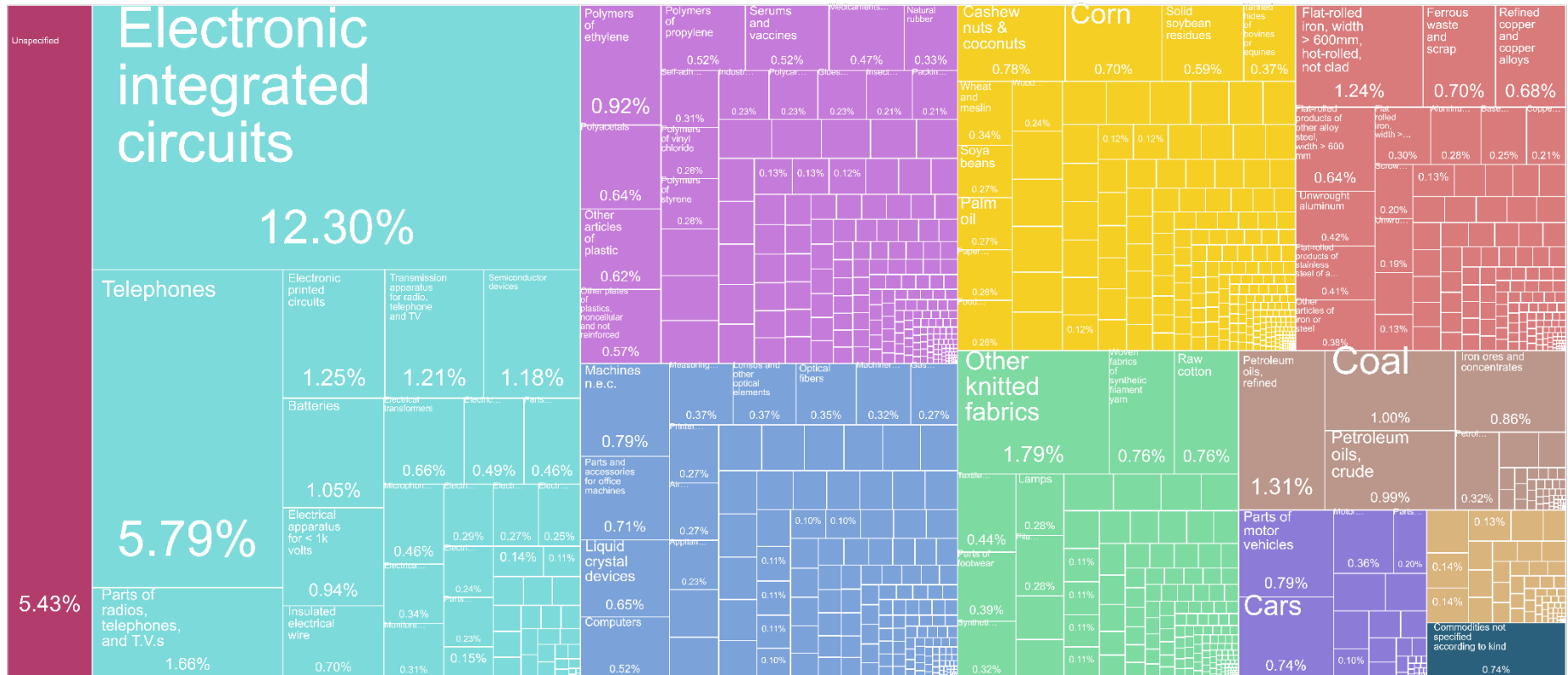
* In percent of respondents

Source: The State of Southeast Asia 2024 by the ASEAN Studies Centre



What products does Vietnam import?

\$357B





Anti-corruption campaign



International Trade

Risk Management and Getting Paid

Presented by: Patrick Crago – PNC International Treasury Advisor



What is a Letter of Credit?



A Letter of Credit is a bank's written promise to make payment to the Beneficiary (Exporter) if documents are presented in compliance with the terms and conditions specified in the Letter of Credit.



Commercial Letters of Credit

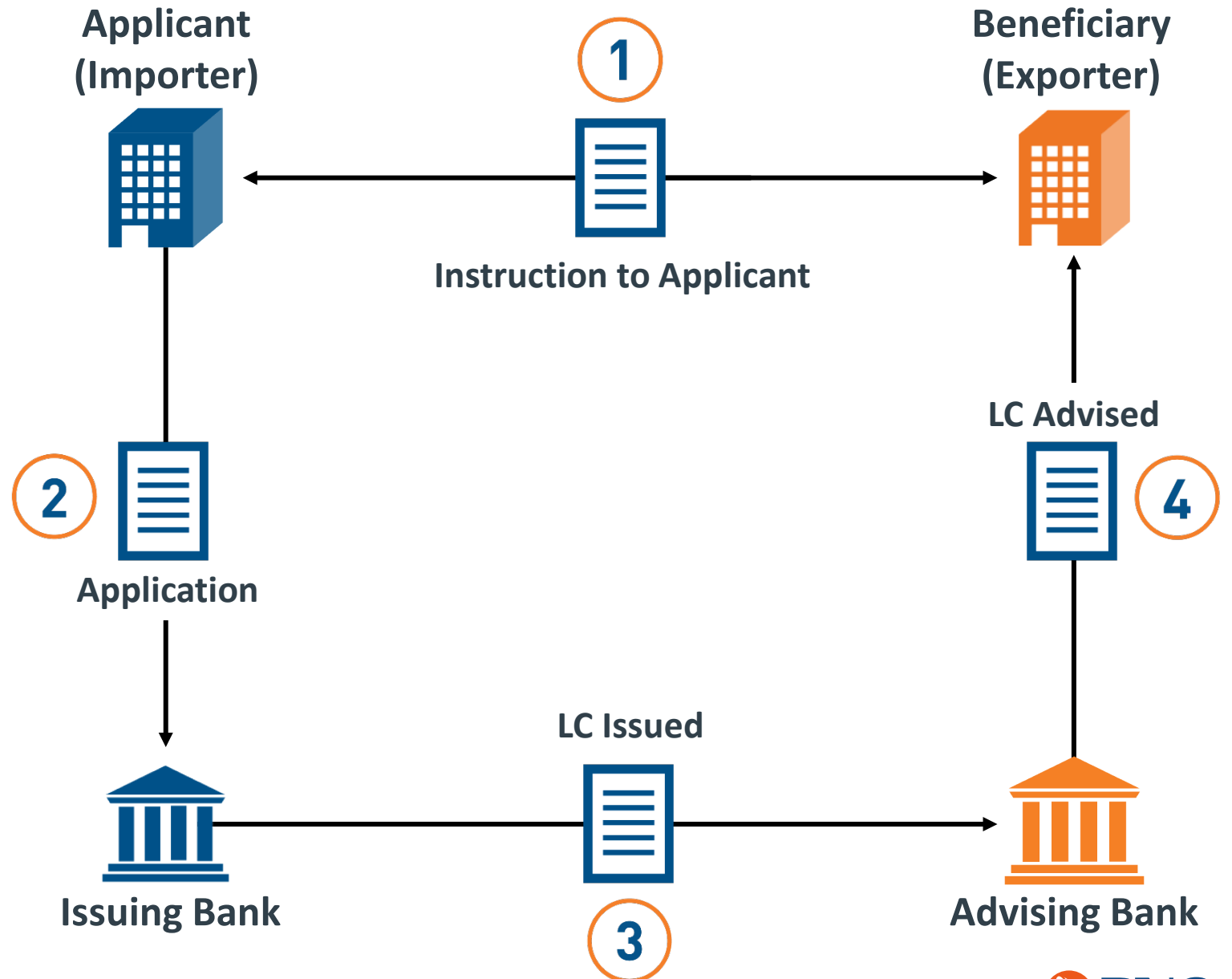
- Primary payment instrument.
- Facilitates the payment for goods or services in a trade transaction.



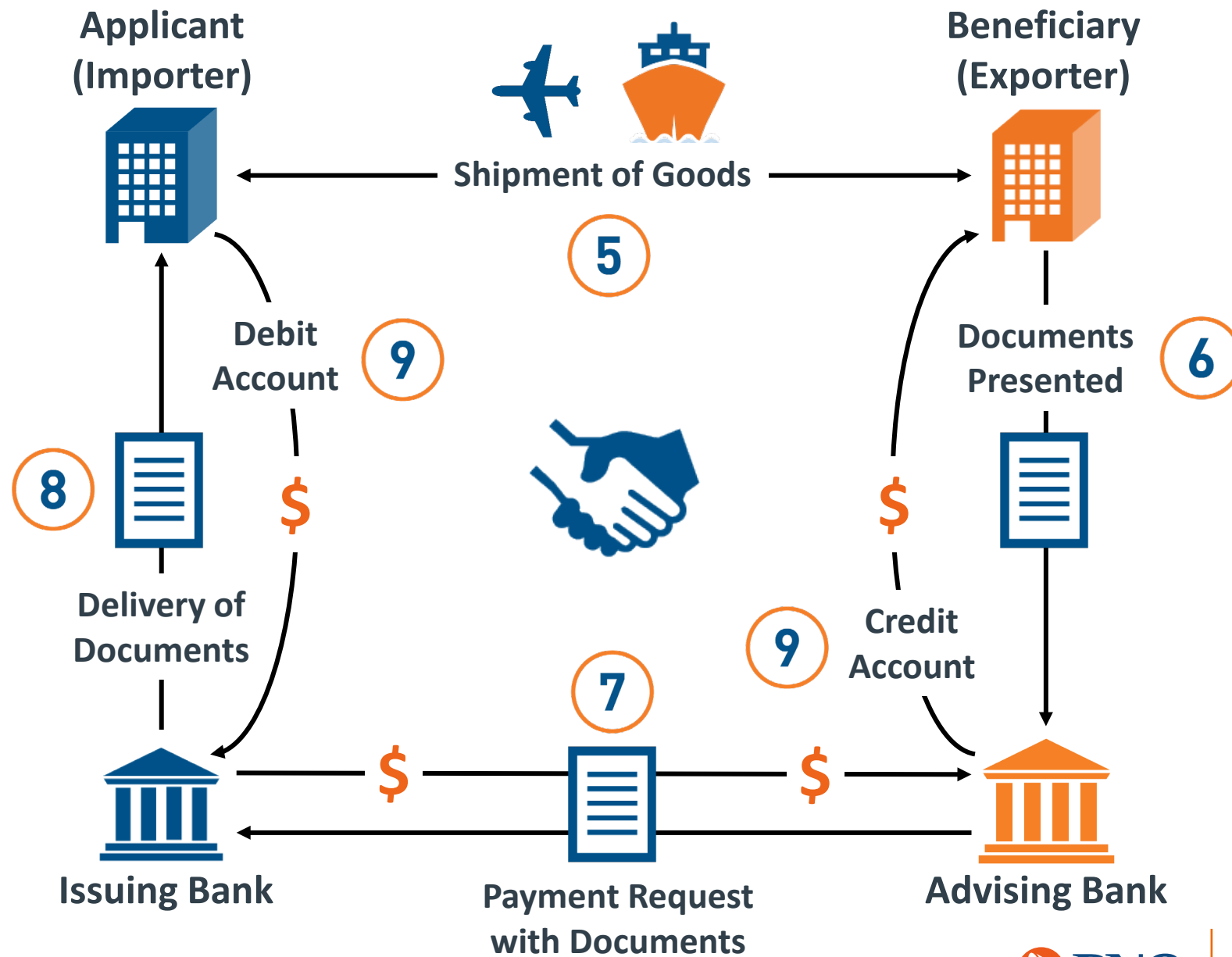
Standby Letters of Credit

- Passive payment instrument.
- Serves as a backup payment method if the Applicant (Importer) fails to fulfill their obligation.

How Does a Letter of Credit Work?



How Does a Letter of Credit Work?



Red Flags



Become familiar with the red flags of fraudulent trade transactions.



- Pressure to act immediately.
- Use of language such as: Callable, Divisible, Cash Backed, Without Protest, Objection, or Notification.
- Complex structures involving multiple intermediaries or those where disclosure of the parties involved in the transaction are not clear.
- Promise of huge profits.
- Ever changing transaction structure.

How to Mitigate Risk While Doing Business With ASEAN Countries



Companies expand overseas to increase their customer base and grow their business, but with expanded business opportunity come expanded risks.



Credit



Country

Regulatory



Political



Economic



Supply Chain



Your awareness of these risks will help protect your business.

How to Mitigate Risk While Doing Business With ASEAN Countries

Country	Country Risk (Economic)	Banking Sector Risk (Credit)	Legal & Regulatory Risk	Political Risk	Supply Chain Risk
Brunei	Medium-Low	Medium-Low	Medium-Low	Medium-Low	Low
Cambodia	Medium-High	High	Very High	High	Medium-High
Indonesia	Medium	Medium-Low	Medium-High	Medium	Medium-Low
Laos	Medium-High	Medium-Low	Medium-High	Medium	Medium-Low
Malaysia	High	Medium-Low	Very High	High	Very High
Myanmar	High	Medium-Low	Very High	High	Very High
Philippines	Medium-High	Medium-Low	Medium-High	Medium-High	High
Singapore	Low	Medium-High	Low	Low	Low
Thailand	Medium-High	Medium	Medium-High	Medium	Medium-High
Vietnam	Medium-High	Medium	Medium-High	Medium-High	Medium

Source: AON Risk Maps (May 1, 2024)

How to Mitigate Risk While Doing Business With ASEAN Countries

Country	Overall Country Risk
Myanmar	High
Cambodia	Medium-High
Philippines	Medium-High
Laos	Medium
Thailand	Medium
Vietnam	Medium
Brunei	Medium-Low
Indonesia	Medium-Low
Malaysia	Medium-Low
Singapore	Low



Understanding the associated risks with the countries your company is doing business with is a key factor to your success.



Source: AON Risk Maps (May 1, 2024)

How to Mitigate Risk While Doing Business With ASEAN Countries

Companies expand overseas to increase their customer base and grow their business, but with expanded business opportunity come expanded risks.

Confirmations

Confirmation of a Letter of Credit is an additional step taken by a bank (“Confirming Bank”) to add its own payment obligation to the Letter of Credit issued by the Applicant’s Bank (Importer).

Benefits

- Enhanced Payment Security.
- Mitigation of Political or Economic Risk associated with International Trade Transactions.

Discounting

Discounting of a Commercial Letter of Credit is a non-recourse financial arrangement where the Beneficiary (Exporter) of a Letter of Credit receives early payment.

Benefits

- More favorable payment terms for the Buyer (Importer).
- Quicker access to Working Capital.

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