

Foreign Direct Investment (FDI) Advisory Service

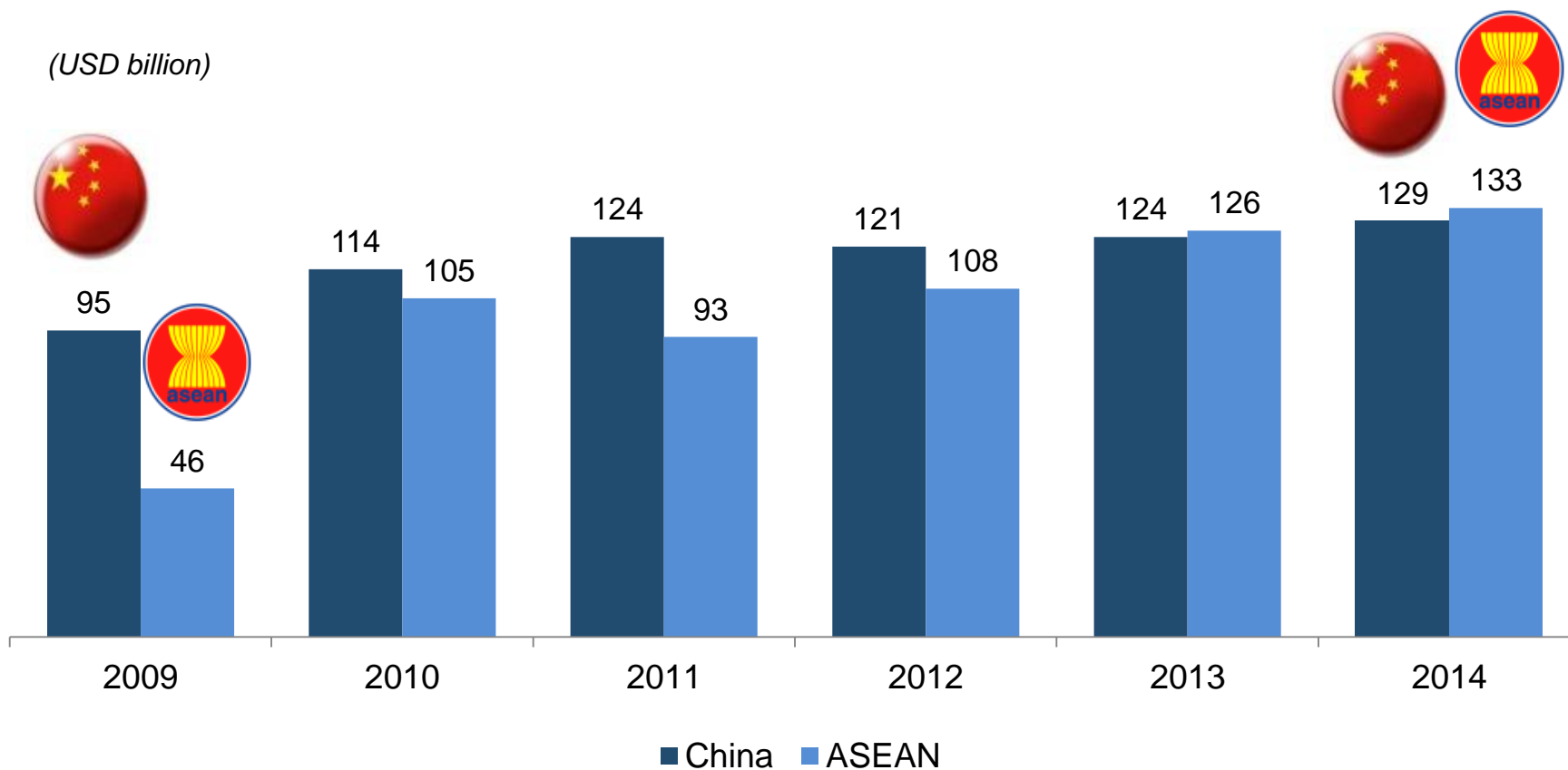
Sam Cheong
Head, Group FDI Advisory

UOB Greater China
Corporate Day
31 August – 1 September 2015

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Megatrends in ASEAN

FDI inflows into ASEAN and China



Key Factors Driving Higher FDI Inflows

Southeast Asia is one of the fastest growing regions in the world



Population:
620 million

Total Trade:
USD2.5 trillion

Total GDP:
USD2.4 trillion

- Stable economic growth ⇒ *Over 5% GDP growth rate over last decade*
- Demographic dividends ⇒ *Driving a sustainable growth story*
- Cost competitiveness ⇒ *For supply chain manufacturing*
- More integrated ASEAN ⇒ *Implementation of AEC*

AEC: Towards a More Integrated ASEAN

Target to launch by end-2015

FOUR PILLARS

KEY FEATURES



ASEAN Opportunities

CONSUMER MARKET

- Rise of the middle-income group
- Diverse in taste and increasingly discerning in their choices
- Build strong brand through “Multi-locals Strategy”

INCREASING TRADE

- Rising intra-ASEAN trade with further trade liberalisation
- Regional trade pact with Regional Comprehensive Economic Partnership (RCEP)
- Tap on government tax incentives for global trading hub

VALUE CHAIN

- Integrating with global value chain
- Regional production network to reap industrial strength differential
- “Hub & Spokes Strategy”

Challenges to FDI in ASEAN

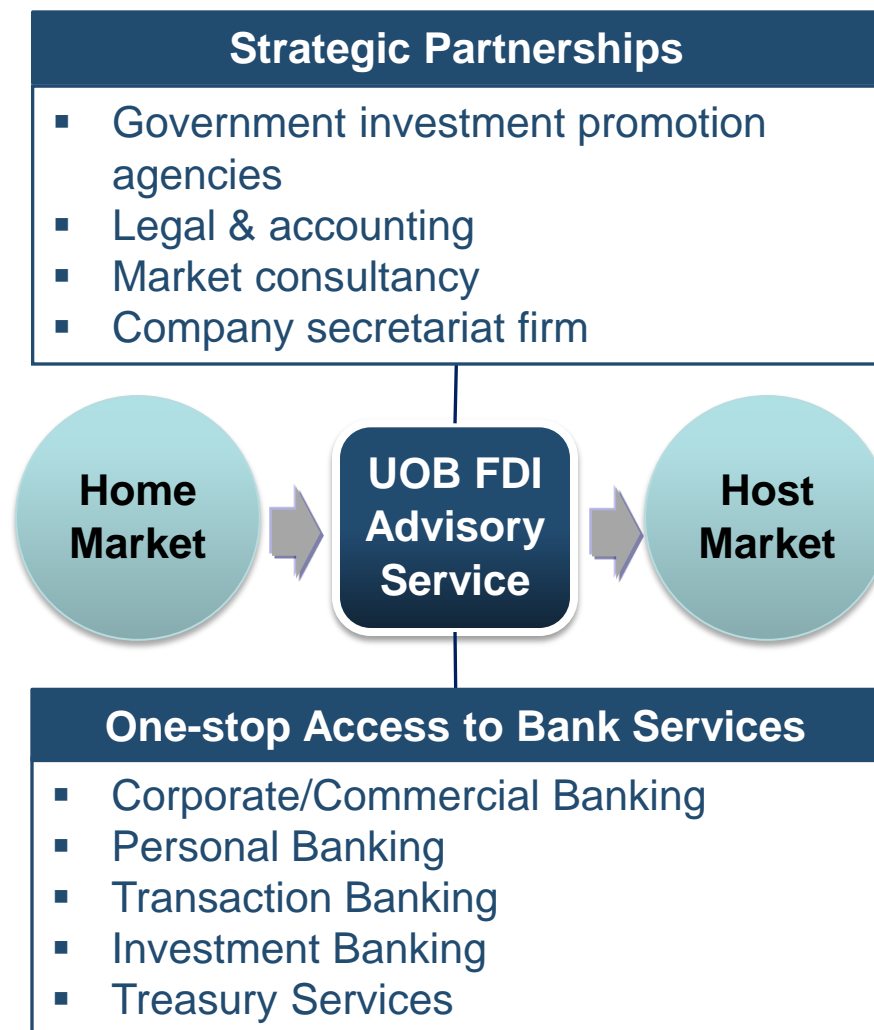
Diversity in Economic Structure and Development Stage

	Ease of Doing Business ¹	Days Taken to Register an Enterprise ²	GDP per Capita (USD'000) ³
Brunei	101	101	39.6
Cambodia	135	104	1
Indonesia	114	48	3.4
Laos	148	92	1.5
Malaysia	18	6	10.4
Myanmar	177	72	0.8
Philippines	95	35	2.7
Singapore	1	2.5	55.1
Thailand	26	27.5	5.6
Vietnam	78	34	1.9

Sources:

1. Doing Business Jun 2014, World Bank
2. Doing Business 2014 – Starting a Business Ranking, World Bank (in calendar days)
3. ASEAN Statistics, Dec 2013

- Launched in October 2011, to ride on increasing **global FDI flows** into the region. FDI into ASEAN (USD133 billion) exceeded FDI into China (USD129 billion) in 2014¹
- Assist foreign companies in expanding and investing across the region, by leveraging UOB's **strategic partnerships** with government investment promotion agencies and professional service providers
- Facilitate cross-border financing by providing **one-stop service** to access full suite of banking products and services

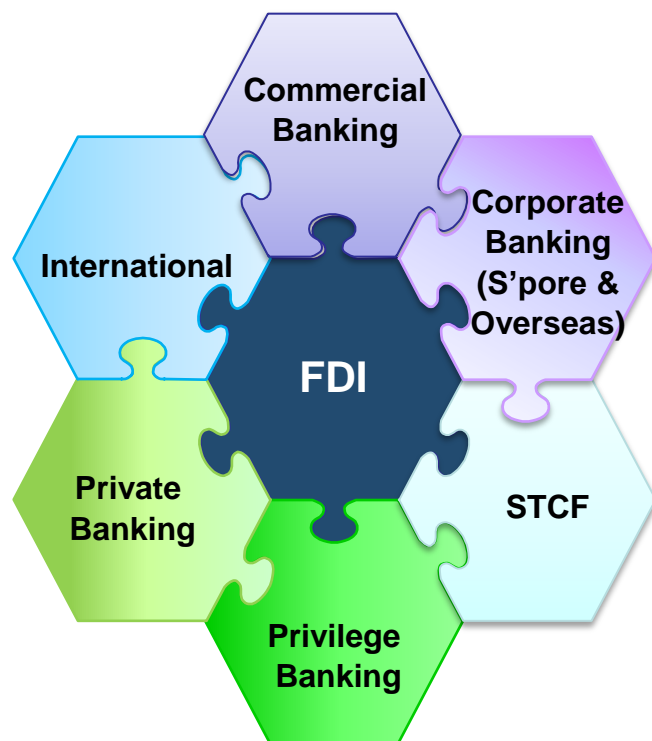


Seamless Access to Banking Services

Leveraging on Internal FDI Ecosystem

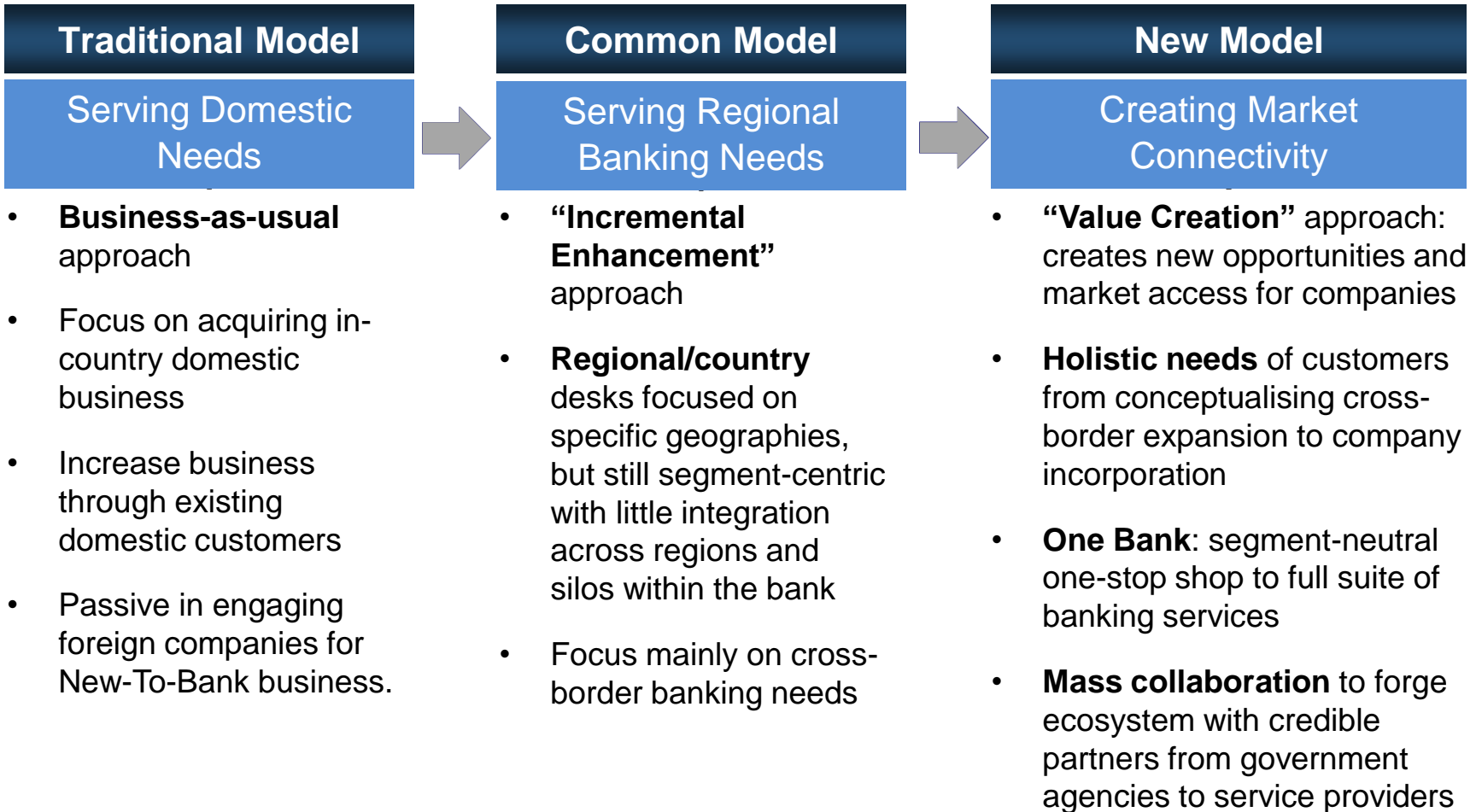
- Galvanize cross-segments/channels to capture FDI business opportunities
- Offering a seamless, integrated, coordinated go-to-market approach

Internal FDI Ecosystem



- Our FDI unit works with all customer segments, while UOB's overseas offices target and facilitate the onboarding of quality FDI into banking franchise
- Establish touch points at each customer segment to refer / receive FDI leads and collaborate on joint events / marketing
- Overseas branches/subsidiaries offer in-country FDI advisory services
- Implemented FDI KPIs in balanced scorecards of Group Wholesale Banking functions to drive business focus

Revolutionising Cross-Border Banking



UOB Approach



Global Business Development
(established 2004)



Foreign Direct Investment Advisory
(established 2011)

UOB FDI Centres and Partners' Ecosystem



Myanmar Investment Commission



Business France



Indonesia Investment Coordinating Board



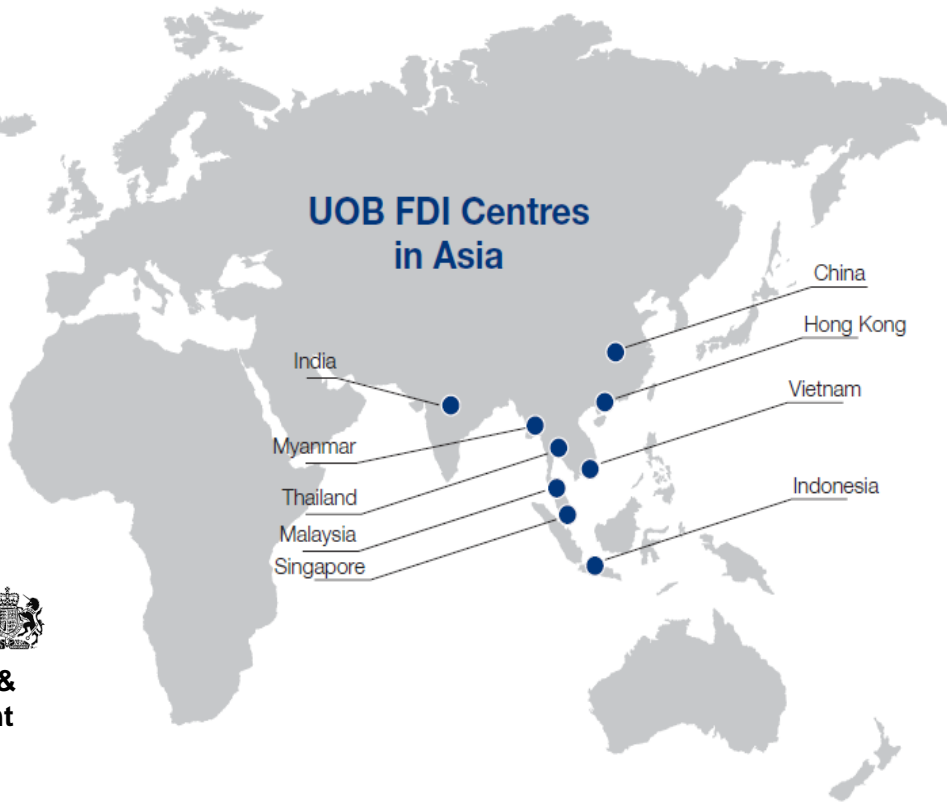
Thailand Board Of Investment



Malaysian Investment Development Authority



UK Trade & Investment



China Council for the Promotion of International Trade



Japan Finance Corporation



Foreign Investment Agency of Vietnam



Investment Promotion Centre South Vietnam



International Enterprise Singapore



Singapore Economic Development Board

RAJAH & TANN ASIA
RHTLaw TaylorWessing
International Capabilities Delivered Locally

WONG PARTNERSHIP

KELVIN CHITIA PARTNERSHIP

ZaidIbrahim&CO

TKQ TAN KOH QUAN PARTNERSHIP

RSM Chio Lim
Audit • Tax • Advisory

TMF GROUP

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MAZARS

SGX SINGAPORE EXCHANGE

SINGAPORE BUSINESS FEDERATION
Apex Business Chamber

FROST & SULLIVAN

UOB & CCPIT Helping Chinese Firms to Expand



UOB: 1st bank in Southeast Asia to sign an MOU in 2012 with CCPIT¹ to help Chinese companies expand abroad

- 2-year MOU renewed in 2014



UOB inks deal with China govt body to push trade

MOU also aims to boost South-east Asia, China foreign investment

By MAGDALEN NG

UNITED Overseas Bank (UOB) will collaborate with a Chinese government organisation to help increase foreign investment and trade between China and South-east Asia.

It is the council's first such collaboration with a South-east Asian bank.

The council is the equivalent of Singapore's trade promotion agency, IE Singapore. CCPIT vice-chairman Zhang Wei told a briefing here in Mandar-

panies can tap on the bank's extensive regional network." He added that efforts will focus on the commodities and energy, infrastructure construction, information technology and manufacturing sectors.

Dr Zhang said he hopes that more Chinese companies can be listed in Singapore.

CCPIT will help UOB customers expand into Chinese cities such as Tianjin, Jiangsu and Jinan as well as the major centres of

Asia by providing cross-border banking services such as trade financing, loans, investments and deposits.

UOB and CCPIT have been working together since 1971, when the Singapore bank led a trade mission to China. The bank has seen keen interest from China.

In May, it reported that loans to Chinese companies operating outside of China, mainly within South-east Asia, had increased six-



UOB chief executive Wee Ee Cheong (right) presenting a set of Orchid series notes to Dr Zhang Wei, vice-chairman of the China Council for the Promotion of International Trade, after the signing of a memorandum of understanding. PHOTO: MARK CHEONG FOR THE STRAITS TIMES

He said: "China is named the 'factory of the world', and many large American and European mul-

tain comparatively strong, and we continue to see intra-regional trade and income levels rise.



1. CCPIT: China Council for the Promotion of International Trade

UOB in deal to boost FDI, trade between Vietnam and Asean

MOU is Vietnam Foreign Investment Agency's first such tie-up with a bank

By Lee U-Wen

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Singapore

UNITED Overseas Bank (UOB) and Vietnam's Foreign Investment Agency (FIA) have sealed a deal to boost foreign direct investments (FDI) and trade between Vietnam and South-east Asia.

The memorandum of understanding (MOU) was signed last Friday during Singapore Trade and Industry Minister Lim Hng Kiang's two-day visit to Hue, the capital of Thua Thien-Hue Province in Vietnam.

Mr Lim witnessed the signing together with his Vietnamese counterpart, Planning and Investment Minister Bui Quang Vinh. The agreement was one of two MOUs inked during the 11th Singapore-Vietnam Connectivity Ministerial Meeting that was chaired by both ministers.

This MOU is the FIA's first such collaboration with a bank. The agency, which comes under the Ministry of Planning and Investment, supports FDI into Vietnam, as well as Vietnamese companies that venture abroad.

The MOU will facilitate investments into Vietnam via UOB's FDI advisory unit in Ho Chi Minh City.

The unit provides a dedicated service to companies expanding into and out of Vietnam by offering access to the Singapore bank's suite of banking solutions, network and strategic partners.

In a statement, UOB said that the FIA will help the bank's customers who want to expand into key investment destinations in Vietnam, including Ho Chi Minh City and Hanoi, as well as fast-developing cities like Da Nang, Phu Quoc, Can Tho and Hai Phong.



Mr Do Nhat Hoang (left), director of Vietnam's Foreign Investment Agency, and UOB's Mr Thng signing the MOU in Hue watched by Mr Bui (back row, second from left) and Mr Lim (back row, centre). PHOTO: UOB

Both the FIA and UOB will host trade delegations, provide business referrals and organise industry referrals for firms interested in expanding in Vietnam.

"Today, rising incomes, especially among the middle class, have led to increased spending power, changing consumption patterns and higher expectations," said UOB Vietnam's executive director Thng Tien Tat.

"Vietnam's growing urban population is creating business opportunities for Asian enterprises, especially those in the manufacturing, agriculture, tourism and oil and gas sectors."

According to latest data from

Singapore's Ministry of Trade and Industry (MTI), bilateral trade between the Republic and Vietnam has increased by nearly 70 per cent in the last five years, reaching S\$20.4 billion in 2014. Vietnam is Singapore's 13th-largest trading partner.

As at last year, Singapore is the third-largest investor in Vietnam with a total investment of US\$32.7 billion.

Among the major Singapore companies in Vietnam are Keppel Land, UOL Group, Ascott Group, CapitaLand, SembCorp Industrial Parks, Mapletree Investments, Banyan Tree, Ascendas and NOL Group.

The other agreement, a memoran-

dum of cooperation on cruise tourism, was signed between the Singapore Tourism Board and Vietnam's National Tourism Agency.

MTI said this deal would further enable South-east Asia to tap the potential of over two million cruise passengers travelling on some 980 Asia-to-Asia cruise products in 2015.

Singapore and Vietnam will conduct activities such as cruise workshops and encourage the exchange of information on regional cruise tourism developments.

"(The agreement) is also a significant step towards Asean realising its full potential as the world's next cruising region," MTI added.

- UOB: 1st bank to sign MOU in April 2015 with Vietnam's Foreign Investment Agency (FIA), the designated agency which supports FDI into Vietnam and Vietnamese companies venturing overseas
- UOB FDI Advisory Unit working with FIA to help Vietnamese and Southeast Asian companies seize regional opportunities

UOB & Amata Support Firms' Expansion in Southeast Asia

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UOB (Thai), Amata to provide stronger support to firms expanding in SE-Asia

By Chan Yi Wen yiwenc@sph.com.sg @ChanYiWenBT

MORE

UOB Asset Management awarded RQFII licence and 1.2b yuan RQFII quota

Housing glut to worsen before tapering from 2017: UOB report

Bankers serving SMEs to go back to school

UOB partners SMU to offer programme for small business bankers

UOB sets up new renminbi solutions unit

UOB sets up cross-border yuan solutions unit



From left to right: Mr Peter Foo Moo Tan, UOB (Thai)'s Chief Executive Officer; Mr Wee Ee Cheong, UOB Group's Deputy Chairman and Chief Executive Officer; Mr Vikrom Kromadit, Amata Corporation's Chief Executive Officer; and Mr Viboon Kromadit, Amata's Director and Chief Marketing Officer.

MAY 13, 2015 4:00 PM

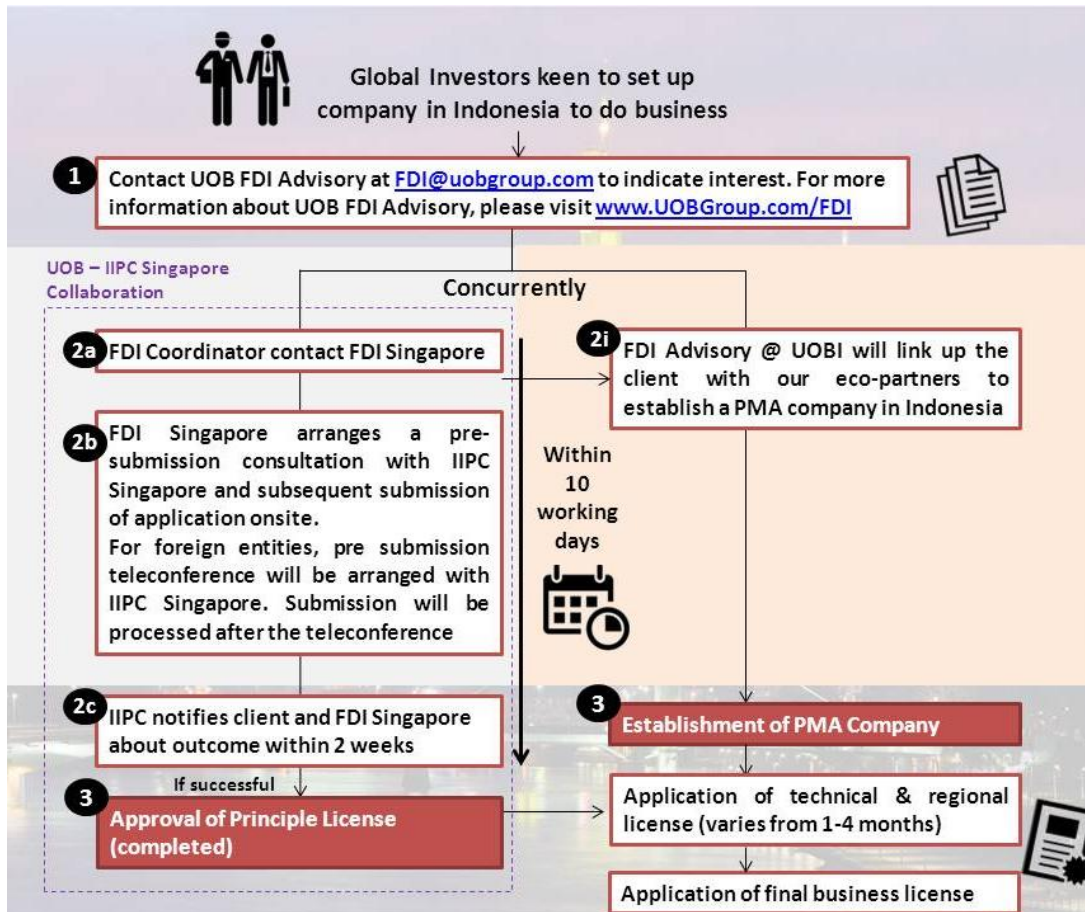
UNITED Overseas Bank (Thai) has signed a memorandum of understanding (MOU) with Amata Corporation, Thailand's largest listed conglomerate in the industrial estate sector, aimed at providing stronger support to companies that plan to expand their businesses in South-east Asia, UOB Group announced on Wednesday.

Under the MOU, UOB's wholesale banking customers and Amata's customers will be able to have access to business referrals through each other's network.

- Amata and UOB will support the growing and diverse needs of clients in Amata's industrial estates as they increase their investments and trade in Southeast Asia
- Amata is Thailand's largest listed conglomerate in the industrial estate sector, with more than 5000ha of industrial estate; it has two industrial estates in Chonburi and Rayong in Thailand, and another in Vietnam

‘Through Train Service’ for Quicker Application of Indonesia Principle Licence

FDI Advisory launched ‘through train service’ with IIPC¹ in Singapore to help foreign companies obtain an Indonesia principle licence within 10 working days



Process to apply for Principle Licence through UOB-IIPC “through train service”



Formal launch of ‘through train service’

“The UOB-IIPC Singapore ‘through train’ service, the first in the market, has greatly eased my anxiety in applying for the principle license for my company’s investment in Indonesia without having to leave the country. We have truly benefitted from the passionate, patient and personal one-stop service from the UOB FDI Advisory team.”

–VP Marketing of a UOB FDI’s customer

1. IIPC: Indonesian Investment Promotion Centre

Outreach and Marketing Activities

- Organise national-level symposiums jointly with government agencies, trade bodies and business associations
- Organise group seminars and joint customer events for business owners

UOB FDI ASEAN Series

Niche seminars focusing on particular countries, their investment hotspots and key industries to attract and facilitate FDIs into those countries

FDI ASEAN Series – Malaysia | 2 Oct 2014



FDI ASEAN Series – Indonesia | 14 Jan 2015



Regional FDI Conferences / Symposiums

Large-scale investment conferences/symposiums focusing on ASEAN trends and topics

ASEAN Conference in Singapore | 20 May 2015



FDI Symposium in Myanmar | 25 Feb 2014



Extend Market Outreach Via Online Channels

Launch of UOB FDI's Website

Enable 24x7 online reach and access
Available in English and Chinese
Supported by EDB, IES and CCPIT¹

About UOB FDI Advisory



Established in 2011, the UOB FDI Advisory provides companies looking to solve regional operations in Asia with customized banking, consultancy services. UOB works with government agencies, business associations, and professional service providers to provide these seamless and integrated services.

Download brochure



UOB FDI Centres in Asia

We offer our dedicated services across major markets in Asia to better facilitate your business expansion throughout the region.



China
Hong Kong
India
Indonesia
Malaysia
Mauritius
Thailand
Vietnam

Our Partners

UOB FDI Advisory works with the following government economic development agencies:



www.UOBGroup.com/FDI



Launched by
Singapore Minister
Grace Fu at China-
ASEAN Expo 2014 in
Nanning, China

Launch of “Doing Business in ASEAN” Advisory Portal and Guide Book

Useful resources for foreign companies
operating in ASEAN



“Doing Business in
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www.BusinessInASEAN.com

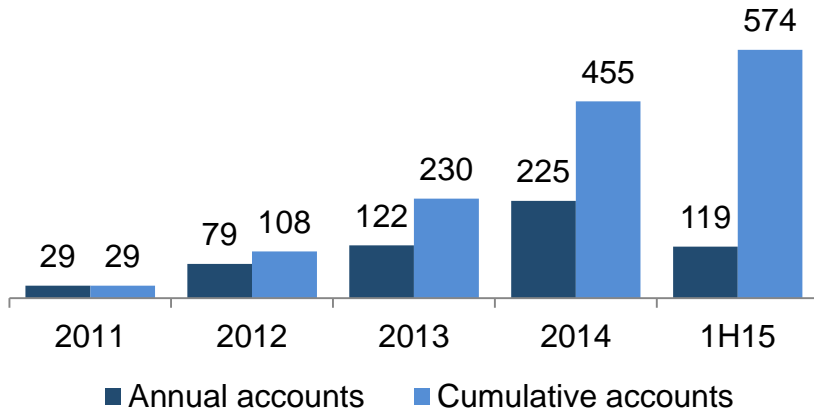
Joint development with FDI ecosystem
partners to leverage partners' expertise in
banking, legal, tax and accounting matters

1. EDB: Economic Development Board of Singapore; IES: International Enterprise Singapore; CCPIT: China Council for the Promotion of International Trade

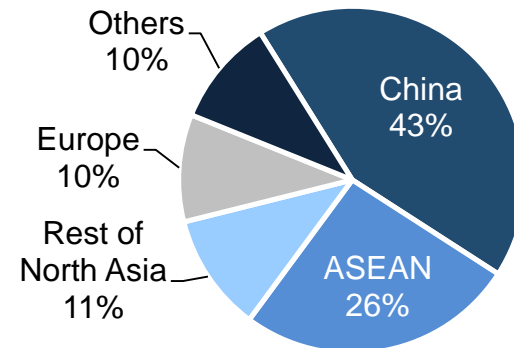
Performance of UOB FDI Advisory

From inception to date¹, the UOB FDI Advisory team has engaged more than 1,000 foreign companies globally, with 56% of them becoming UOB customers

Number of FDI Accounts Acquired



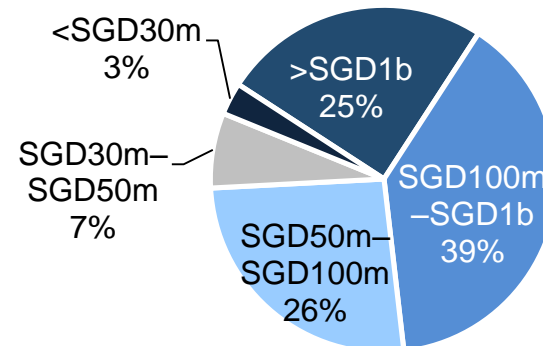
Region of Origin



Top 5 Industries

Trading	16%
Natural Resources / Mining / Metals	11%
Consumer Products/Services	11%
Chemical / Petroleum	7%
Agriculture / Commodities	6%

Group Turnover Profile



1. As of 30 June 2015

UOB FDI's Breakthrough Successes

UOB sees surge in number of firms investing in Southeast Asia

United Overseas Bank's Foreign Direct Investment Advisory Unit expects its number of clients to grow by at least 30 per cent this year.

POSTED: 19 May 2015 17:39



SINGAPORE: The Foreign Direct Investment (FDI) Advisory Unit set up by United Overseas Bank (UOB) saw its number of clients double to around 500 last year, as companies from Europe and China stepped up their investments in Southeast Asia.

And UOB expects the number to grow by at least 30 per cent this year, it said in a business update on Tuesday (19 May).

"Our customers tell us that they believe in the long-term economic prosperity of the region. As a result, the demand for cross-border banking expertise in Southeast Asia has led to our FDI client base doubling in the last year," said Sam Cheong, Executive Director and Head of the Group FDI Advisory Unit.

UOB said 43 per cent of its FDI clients come from China, with Southeast Asia accounting for 26 per cent and Europe another 10 per cent.

It added that large European multinational companies have become increasingly interested in Southeast Asia, and are using Singapore as a springboard to neighbouring countries such as Indonesia, Vietnam and Malaysia.

UOB's FDI Advisory Units has offices in mainland China, Hong Kong, India, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

- CNA/eg

Global tech firms 'eye opportunities' in S-E Asia

By Jacques Woo | The Straits Times | Thursday, May 21, 2015



Photo: UOB
UOB's Sam Cheong says the bank's customers believe in the long-term economic prosperity of the region.

EXPANDING into the fast-growing South-east Asian market looks to be the next step for more technology firms across the globe, according to UOB.

Mr Sam Cheong, the head of the bank's foreign direct investment advisory unit, told The Straits Times yesterday that the aim of these firms is to "tap on opportunities among the (region's) young population".

They are poised to join businesses from agriculture and commodities, chemical and petroleum, consumer products, natural resources and trading, which accounted for most of the funds coming into the region last year via the UOB unit.

The bank noted that its client numbers doubled last year, adding that it has helped around 500 businesses expand into the region since the unit started four years ago.

The bulk of the growth came from an increase in corporate investment from China, ASEAN and Europe.

UOB's S-E Asia strategy pays off

By Slow Li Sen
lisensph.com.sg
@SlowLiSenBT

Singapore
UNITED Overseas Bank's (UOB) South-east Asia strategy is paying off as the region's strong economic fundamentals attract more investments and increasing intra-regional trade flows.

Unlike its bigger rivals which have bought banks in Hong Kong and Taiwan, UOB has opted to focus on Asean. The smallest of the three Singapore banks by market capitalisation, UOB has the largest presence in South-east Asia, with 484 branches and representative offices across the region. DBS Group Holdings has 135 while OCBC Bank has 443.

As at Sept 30 2014, 86 per cent (or S\$170 billion) of the bank's customer loans comes from its key South-east Asian markets - Singapore, Malaysia, Thailand and Indonesia - said a bank spokeswoman. Last year, South-east Asia loans were S\$159 billion.

UOB's support of businesses investing and expanding in Asia has seen it double its cross-border corporate loans in the period between June 2011 and December 2013, she added.

The bank's Asean-focused strategy is being recognised. UOB said on Tuesday that it is the only Singapore bank to win the Most Admired Asean Enterprise for Asean Centricity award at the Asean Business Awards 2014.

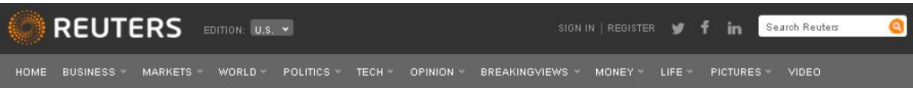
Organised by the Asean Business Advisory Council, the awards recognise enterprises that have contributed to the growth and development of South-east Asia.

In 2000, 33 per cent of goods made in South-east Asia were traded within Asia. By 2020, UOB forecasts that this will rise to 61 per cent. The rise in intra-regional trade is creating new investment opportunities for South-east Asian companies.

Myanmar has emerged as one of the key destinations to benefit from increased investment. According to the UOB Asian Enterprise Survey 2014, one in four Asian enterprises is looking to invest in the country.

UOB chief executive Wee Ee Cheong said that more of UOB's customers are seeking opportunities in Myanmar because of the country's large population of 60 million, untapped natural resources and strategic geographic position bordering China, India and South-east Asia.

"Currently, a large proportion of foreign direct investment going into Myanmar is from South-east Asia," he said. "Just as we have helped many of our customers invest in industries that are necessary to support South-east Asia's economic growth, we will continue in our efforts to drive strategic and long-term investments that will benefit the people and businesses of Myanmar," Mr Wee said.



Industries | Tue Feb 18, 2014 6:24pm EST

Related: FINANCIALS

SINGAPORE PRESS-UOB doubles its Asia cross-border loans - Business Times



United Overseas Bank Ltd has doubled its number of cross-border loans to businesses since setting up its first foreign direct investment (FDI) advisory unit here in June 2011.

The group said yesterday that its FDI advisory units are "a fast-growing business". It has nine units across Asia and its cross-border loans run into double-digit billions. The bank said it hit its target of doubling cross-border business lending last December - six months ahead of the scheduled three years.

Loans to Chinese companies expanding across Asia through Singapore make up at least half the FDI flows facilitated by the bank.

TRENDING ON REUTERS

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- 2 [Iran, big powers clinch landmark nuclear deal](#)
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Most Admired ASEAN Enterprise for ASEAN Centricity 2014

Awarded by the ASEAN Business Advisory Council (ASEAN-BAC) to recognise the outstanding enterprises in the ASEAN business community

Awards and Accolades



Banking Award 2015

The Hong Kong Business Awards aims to encourage and sustain the region's entrepreneurial spirit and recognise excellent standards of corporate management and governance

Questions & Answers

THANK YOU