



Asia House is a centre of expertise on trade, investment and public policy. We drive political, economic and commercial engagement between Asia and Europe.

Weathering the COVID-19 crisis: Advisory services

Advisory services

Asia House is in a unique position to support organisations navigate the business implications of the COVID-19 pandemic.

As a centre of expertise on trade, investment and public policy with a focus on Asia and the Middle East, we provide intelligence on the impact of the pandemic on markets in the region and advise on engaging governments and other stakeholders.

We help organisations gain critical insights from the fast flow of information from markets of interest and develop appropriate responses. We use our extensive network to gather intelligence and help organisations better plan and develop their strategic next steps.

We offer a range of services that can be tailored to suit your needs and market strategies.

COVID-19 issues and support



Assessment of the political and regulatory reactions and restrictions in markets



Analysis of central bank and other fiscal initiatives taken, including sectoral impact



Outlook for international cooperation and collaboration with an impact on trade



Strategy development – for your unique set of challenges



Messaging development – developing your narrative for all your audiences



Strategic engagement support in your key markets

Services

The following is a selection of services that can be tailored to your organisation's requirements.



Twice weekly monitoring reports covering political and regulatory developments in Asia and the Middle East



Intelligence sharing – verbal and written briefings on your key markets, answering the questions you need answering.



Bespoke in-depth country market reports, providing an independent view on what is happening on the ground.



On-going strategic advice – drafting or reviewing engagement strategies and messaging for key markets



Monitoring

The Asia House team provide twice weekly updates to members and clients on developments across the APAC and MENA regions. They are delivered by 9:00 am on Mondays and Thursdays to best inform business planning.

Each issue contains the latest intelligence and information regarding public health impact reduction measures, key economic measures and political reactions.

Each is designed to provide an up-to-date and digestible snapshot of current measures across markets of interest to inform your decision-making.

THAILAND: The Bank of Thailand has forecasted that the economy will contract by 5.4 per cent this year – a 22 year low. Nearly 22 million people have registered for cash handouts as part of the government's economic stimulus package to date.

Public health impact reduction measures: Ban on all incoming passenger flights from 4-6 April; nationwide curfew implemented; several areas announce shutdown, including in Phuket (Thailand's biggest island); ban on entry for all non-resident foreigners; curfew on tourists in Phuket; declaration of a one-month state of emergency; partial lockdown introduced; shutdown of all non-essential businesses in Bangkok; all new visitors entering the country must present a certified health certificate on arrival; transport links within country being suspended; partial shutdown from 22 March; most international flights cancelled.

Economic measures: Stimulus package announced, to be funded by new borrowing and reallocation of existing budget; Bank of Thailand reduces amount banks pay to financial bailout fund to 0.23 per cent of deposits; new set of relief measures to go before economic ministers' meeting today, to be funded by fiscal 2020 budget and royal decree on borrowing; government approves Phase Two of series of financial relief measures; cabinet approves access to financial aid payment to additional six million individuals; stimulus package worth US\$3.6 billion introduced, including cash handouts, soft loans, and tax breaks; introduction of central bank facility to provide liquidity for mutual funds through commercial banks; stimulus package as first phase measure to ease conditions for 14.6 million low-income earners; corporate bond stabilisation fund to be set up.

Confirmed cases: 2,169 // Recovered cases: 793 // Deaths: 23



Market focus

Asia House Advisory produces bespoke market reports that examine and explain the political and economic trends in a country and give insights into what is really going on.

Each of our COVID-19 Country Reports contain in-depth analysis and forecasts of political, policy and economic conditions in a country, to help you understand what is happening now and to gain a picture of how a country will look in the future.

The Asia House team will work with your own team to understand your specific requirements.



Asia-Pacific monthly political and regulatory monitoring: March 2020

Headlines:

- The current global and regional trend in Asia Pacific is government preoccupation with mitigating the impact of COVID-19 on national economies, which have been hugely disrupted by the global impact to and shutdown of supply chains. Many countries have also chosen to delay or adjust election and planned policy change timings.
- Tax policy changes in February and March have been largely folded into stimulus or other packages aimed at mitigating the impact of the COVID-19 pandemic. Such measures usually encompass tax breaks for industries namely tourism and manufacturing that have been worst affected by the lock-down in China.
- Consumer recycling is a growing issue in Asia Pacific, driven by consumer demand. The focus in this area has largely been on sustainability policy and developing circular economy plans to enhance recycling and reuse.
- Looking forward, the EU-Vietnam Economic Partnership Agreement (EPA) is likely to enter into force in summer 2020 and benefit the EU wine industry.

AUSTRALIA

Political overview

Climate and energy policy continue to dominate domestic politics; recent wildfires intensified the domestic debate on global warming and Australia's record high emissions. Businesses in the country are under consumer pressure to be more sustainable in terms of energy, water and resources and to better manage environmental risks.

Regulatory update – taxation

The government (March) dismissed an appeal by BHP over its use of an offshore trading hub, in a significant ruling for other multinationals operating in the country. BHP had appealed a US\$ 87m tax bill related to the company's use of a controversial marketing hub in Singapore to reduce its tax bill. This is a significant tax ruling for other MNCs having set a precedent for those who have also used offshore marketing structures to lower the amount of in-country tax they pay.

In light of the COVID-19 spread, the federal government is preparing a second economic package that will exceed US\$50bn. The government is also planning tax relief measures in the form of payment deferrals and faster access to goods and services tax refunds.

Regulatory update – consumer recycling

CHINA

Political overview

China postpones National People's Congress amid the COVID-19 outbreak. In an unprecedented move, China postponed the National People's Congress (NPC) – its annual parliamentary meeting – due to be held in March 2020 as authorities struggled to contain the COVID-19 outbreak. Key economic and legislation targets are usually unveiled at the gathering. In 2020, the domestic economy and its stability will take centre stage in China. For President Xi Jinping, easing US-China trade tensions at a time of weakening Chinese economy is good news, particularly as he has pledged to eliminate poverty by 2020. Increased economic stability, confidence and growth are important for achieving this goal.

Regulatory update – taxation

The initial US-China trade deal halts new tariff increases on US distilled spirits but further breakthrough is unlikely. The highly anticipated US-China 'Phase One' deal – signed in January 2020 – halted new tariff increases on US distilled spirits, including American whiskey, gin, liqueurs and cordials, and brandy. The deal signalled a modest de-escalation of the trade conflict between the two and came at the time of weakening Chinese economy. Although the 'Phase One' deal averts new tariffs, the promised tariff reductions on US spirits products (imposed in 2018), including American whiskey, rum, gin, vodka, liqueurs and cordials and brandy, will also not take place until there is 'Phase Two' deal. This means companies and consumers will continue to pay more than they did pre-trade war. Subsequent 'Phase Two' negotiations were anything but certain already before the spread of the COVID-19 outbreak. Now tensions over the COVID-19 outbreak are placing further strain on already-fractional US-China relations, making it unlikely we will see any softening of trade positions in 2020.

INDONESIA

Political overview

The Indonesian PDI-P government's priorities remain infrastructure and human capital development. President Joko "Jokowi" Widodo's key challenges are attracting FDI in critical infrastructure, utilities, information technology, and other sectors. Widodo has this month focused his efforts on pushing through a landmark Omnibus bill on job creation. The proposed bill seeks to consolidate and liberalise Indonesia's labour regulations. However, the bill has been met with widespread opposition from labour unions, environmental and human rights activists. These groups have traditionally formed much of Widodo's support base and are now likely to stage large-scale anti-government protests.

Regulatory update – taxation

In response to the COVID-19 outbreak, the government has pledged more than US\$ 700m as part of a stimulus package to support consumer spending and tourism. Indonesia is set to delay import duties and corporate income tax payments for six months while also expediting the repayment of unpaid taxes in new fiscal measures to shield the economy. A six-month tax break for employees, manufacturers, and importers is planned from April as part of a second fiscal stimulus to help support the economy. A suspension of employee income tax and monthly income tax for entrepreneurs in manufacturing will also be implemented for the next six months. Though this will likely go some way to ease pressure for businesses affected by the coronavirus, it is unlikely to fully alleviate industry pressure and needs for raw materials, as 20 to 50% of supply comes from China.

Regulatory update – consumer recycling

As the second largest plastic polluter globally, Indonesia is announcing wide-ranging targets to cut plastics use. The government has announced a five-point plan to tackle plastic pollution including measures to: reduce and substitute plastic usage; redesign plastic products and packaging with reuse and recycling in mind; double plastic waste collection to 80% by 2025; double the current recycling capacity; and expand safe waste disposal facilities. Announced in January 2020, the plan has been well received by environmental groups. However, progress meeting the targets is likely to be

Intelligence sharing

Asia House Advisory leverages its network across the region and its team of associated advisors to advise clients and provide insights and intelligence.

Asia House can support you with fortnightly or monthly briefings from our senior team and our advisors on the ground to inform you on the situation. These sessions provide an opportunity to dig deep on issues, discuss potential strategic responses, and identify follow-up work for further research.

In each instance, the Asia House team will work with your own team to understand your specific requirements.





Strategic engagement advice

Asia House works with organisations to identify the key decision-makers and power brokers in government and the private sector to gain an informed view on their attitudes and influences ahead of engagement.

At this time, it is more crucial than ever that stakeholder engagement strategies and messages are sensitively and appropriately tailored.

We can provide practical recommendations and support on approaching, engaging and managing government and stakeholder relationships, as well as reviewing or drafting bespoke messaging.



Why Asia House?

- **Our network** – we speak to the right people at every level by leveraging Asia House’s extensive network of senior policymakers and business leaders. Asia House Advisory works with a network of advisors on the ground in our key markets.
- **Our knowledge** – our team and extended network of advisors have in-depth experience and knowledge of operating in Asia and Europe across multiple sectors.
- **Our expertise** – we provide impartial, accurate and pragmatic advice on a range of issues across policymaking, market opportunities, political risk and stakeholder engagement.
- **Our independence** – we take our independence seriously. Asia House is not funded by any governments and we pride ourselves on our neutrality, objectivity and discretion.

Our team has a long and successful track record of helping organisations understand and manage crises, and to emerge stronger and more resilient.

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