

IN THIS ISSUE

[Member News](#)[Myanmar: Lifting of Sanctions, Pending FDI Bill Offer](#)[Reasons for Cautious Optimism](#)[Rising Tensions in the East China Sea](#)[India Pushes Through Major Reforms](#)[Upcoming Forum Dates](#)**Member News**

- ✧ Kris Gopalakrishnan of Infosys Ltd. discussed business values with [The Guardian](#) and was interviewed about the company's outlook and growth strategy by [Business Week](#). He also spoke about the IT sector with [The Hindu](#).
- ✧ [Nazir Razak](#) of CIMB Group was profiled in *Financial Review*.
- ✧ Ayala Corp's [Jaime Zobel de Ayala](#) discussed the Filipino economy in an interview with Rappler.
- ✧ [Penny Pritzker](#) of PSP Capital Partners was the recipient of the Woodrow Wilson Award for Public Service.
- ✧ [Ronnie C. Chan](#) of Hang Lung Properties Ltd. discussed Europe's sovereign debt crisis in his keynote address at the Real Estate Investment World Asia conference.
- ✧ KKR's [Henry Kravis](#) was profiled in *Business Week*.

To send us member news, or for member news questions, please click [here](#).

Myanmar: Lifting of Sanctions, Pending FDI Bill Offer Reasons for Cautious Optimism

Myanmar's ongoing transformation passed a new milestone with President Thein Sein's visit to the United States, the first by the country's president since 1966. The trip included a speech at the United Nations General Assembly and a private meeting with President Obama. At the [Asia Society](#) in New York, Thein Sein reaffirmed Myanmar's commitment to unprecedented and irreversible political and economic reforms. His speech was underscored by the government's recent push to loosen foreign direct investment laws. The [new FDI rules](#), awaiting further revisions in Parliament, would allow foreign companies to invest in politically sensitive sectors such as mining and agriculture, and acquire up to 50% ownership in joint ventures. The Obama administration has reciprocated by pledging to gradually lift sanctions on Burmese goods. [Nalin Viboonchart](#) of the Bangkok Post urges foreign firms to invest in building the country's physical and social infrastructure before rushing into business activity.

Rising Tensions in the East China Sea

Tensions in the East China Sea over the Senkaku Islands (known as the Diaoyu in China) intensified with the outbreak of violent demonstrations across the mainland targeting Japanese citizens and businesses. Shares of Nissan, Honda, and Toyota plunged on news that the Japanese auto giants would [scale-back production](#) at some Chinese plants. In response, the [Philippines](#) began courting Japan in hopes of attracting some of its Chinese operations. The rupture in relations has come at an inauspicious time for both countries; each is experiencing slowing growth and a period of [political transition](#). In such a climate, the Senkaku dispute risks billions of dollars more in lost trade and business, according to an editorial in the [Japan Times](#).

India Pushes Through Major Reforms

Protesters in India are pushing back against Prime Minister Manmohan Singh's recent [policy initiatives](#), which hike diesel prices, cap subsidized cooking gas cylinders, and allow foreign direct investment in India's retail, aviation, and broadcasting sectors. The government argues that the reforms are urgently needed to curb inflation and stave off a credit downgrade to junk status. Fears that Indian firms could be overwhelmed by foreign competition have already compelled some members of the ruling coalition to defect and join a countrywide strike led by India's primary opposition party. In addition, businesses worry that the unpredictability of government policy coupled with limitations in infrastructure and human capital will weigh down India's potential growth, argues [Dhirendra Kumar](#), CEO of Value Research.

Upcoming Forum Dates

2012 Autumn Forum: Bangkok, October 18-20
(optional excursion to Myanmar, October 15-17)
2013 Spring Forum: Langkawi, March 21-23
2013 Autumn Forum: Kyoto, September 12-14

Not interested anymore? [Unsubscribe](#)

ASIA BUSINESS COUNCIL www.AsiaBusinessCouncil.org