

TEN
IDEAS
FOR
2010[What Worsening Climate Change Means for Asia](#)[The Rise of Asia's Clean Technology Tigers](#)[Preventing Asset Bubbles](#)[Asian Auto & IT Industries Get Stronger](#)[Industrial Overcapacity in China](#)[Pandemic Disease Control in Asia](#)[Revaluation Pressure on Asian Currencies](#)[New Media and Pressures on China's Great Firewall](#)[How China Will—and Won't—Set the Global Economic Agenda](#)[Simmering Ethnic and Political Conflicts](#)[Member News](#)**What Worsening Climate Change Means for Asia**

Asia is home to 1.3 billion people who are vulnerable to climate change. Storms and floods, concentrated in India, South Asia, Southeast Asia, and China, heighten risks of large-scale migration, conflicts, food shortages, and disease. In particular, coastal megacities such as Bangkok, Jakarta, Manila, Mumbai, and Shanghai face increasing vulnerability to flooding and storm surges. To tackle this pressing issue, governments should have a comprehensive policy framework, incentives for private sector action, elimination of market distortions, and ample financial resources. Read [more](#).

Preventing Asset Bubbles

The continuation of loose monetary policies and a build-up of global liquidity create the risk of speculative capital inflows into Asia in 2010. The concern about asset bubbles forming is now focused on the luxury property sector, notably in major cities in China, Korea, and parts of Southeast Asia. Read more about [the risk of asset bubbles in Hong Kong](#) and [the Korean property market](#).

Industrial Overcapacity in China

Massive stimulus-funded expansion in China is worsening industrial overcapacity, leading to a loss of economic resources, non-performing loans, and environmental problems, as well as reducing corporate profits that can be reinvested in innovation. China's \$586 billion economic stimulus in early 2009 is worsening overcapacity in industries such as steel, cement, refining, chemicals, wind energy, and plastics. The key solution involves transforming the old investment- and export-oriented growth model into one led by services and increased domestic private consumption. Read more about [China's current overcapacity](#).

Revaluation Pressure on Asian Currencies

The weaker U.S. dollar continues to put strong upward pressure on Asian currencies. However, as long as China does not make a move, other Asian governments will be hesitant to appreciate their currencies for fear of erosion of trade competitiveness. Ultimately, though, China and other Asian exporters will need to let their currencies appreciate if they are to move up the value chain in various industries and boost domestic consumption. Read [more](#).

How China Will—and Won't—Set the Global Economic Agenda

The United States and China will be the major powers setting the global economic agenda in trade, currency, and climate change and the rest of the world will look to them to provide leadership in making concrete commitments. In 2009, the huge stimulus plans launched by China were decisive factors reversing the global economic downturn. In addition, with China moving onto the front lines in several major global political gatherings such as the G20 meeting in London and the UN Copenhagen climate change conference, China's growing role will be a big trend to watch in 2010. But China, still preoccupied with domestic issues, will remain a reluctant pacesetter. Read [more](#).

The Rise of Asia's Clean Technology Tigers

Asia, particularly China, is set to become a leader in the green economy. China has topped the United States in clean energy spending since 2008. In production capacity of solar, wind power, and nuclear, Asia's clean technology tigers – China, Japan, and South Korea – are ahead of the United States. Strong policies to move toward a lower-carbon economy will give rise to sizable business opportunities. Read [more](#).

Asian Auto & IT Industries Get Stronger

Asian manufacturers are expected to outperform many of their American and European rivals in both the automobile and the information technology (IT) industries in 2010, driven by products such as smartphones and electric cars. In two of the hottest IT categories, smartphones and netbooks, Asian companies are moving beyond manufacturing and taking a significant role in developing new product categories. As major American and European car makers have suffered from the economic downturn, Asian car manufacturers are moving to the forefront of the electric car revolution. Honda, Hyundai, Toyota, Nissan, Mitsubishi, as well as BYD, Tata, and Subaru plan to introduce their electric models in 2010. Read more about the [auto](#) and [IT](#) industries in Asia.

Pandemic Disease Control in Asia

Asian governments will become more conscious about the implications of pandemics as Asia sees the second outbreak of H1-N1 (swine flu), a potential avian flu outbreak and increasing HIV/AIDS cases (to reach 10 million in Asia this year). Pandemics including influenza, HIV/AIDS, tuberculosis, and malaria are a permanent burden on the healthcare system. Asian governments will likely spend more on healthcare

investments to reduce the impact of pandemics. Key challenges of controlling pandemics include lack of preventive measures, regional collaboration, and government funding on essential health resources such as vaccines, infrastructure, personnel, equipment, and surveillance. Read [more](#).

New Media and Pressures on China's Great Firewall

China's online population surged 31% to 220 million in 2009. Yet, the power of various forms of new media may undermine the Chinese central government's control. An example of how Chinese use this medium to pressure the government was seen when Deng Yujiao, who killed a government official after he tried to rape her, was freed after the online Chinese population rallied in support. China will find it increasingly difficult to balance the power of online grassroots activity with government policies. Read [more](#).

Simmering Ethnic and Political Conflicts

General elections scheduled in Burma, Philippines, and Sri Lanka may heighten tensions in these troubled countries. Other ongoing issues range from the potential of any regional-or national-level protest movements in China such as ethnic tensions in Tibet and Xinjiang to the growing strength of Naxalite rebels in India. Read [more](#).

MEMBER NEWS

- ◇ Philips' [Gerard Kleisterlee](#) was voted third place in Volkskrant's 2009 ranking of the most influential Dutch person.
- ◇ CIMB's [Nazir Razak](#) was named by *Asiamoney* as Malaysia's best executive in 2009.
- ◇ At the 8th CNBC Asia Business Leader Awards, COFCO's [Frank Ning](#) was awarded the Asia Business Leader of the Year.
- ◇ Esquel Group's [Marjorie Yang](#) was appointed as the Hong Kong Polytechnic University's Council Chairman with effect from January 1, 2010.
- ◇ Hang Lung's [Ronnie Chan](#) spoke in an interview with Bloomberg about the real estate market in the United States, Hong Kong, and China.