

Member NewsTrade Emerges as a Proxy Arena for Competition between China and the U.S.Japanese Election Offers Uncertain Choice on the EconomyAs China's Old Guard Makes Way for New Leadership, Need for Reform RemainsVietnam's Slowing Growth Reveals Larger Structural ProblemsUpcoming Forum Dates

DECEMBER 2012

Member News

- ✧ Siam Cement Group's [Kan Trakulhoon](#) spoke to CNBC about his company's expansion plans.
- ✧ Kris Gopalakrishnan of Infosys Ltd. discussed the inaugural World Economic Forum on India in the [Business Standard](#) and the growth potential for the Indian IT sector in the [Economic Times](#). He also shared his views on President Obama's reelection in an interview with [CNBC](#).
- ✧ [Dominic Barton](#) of McKinsey & Co. penned an article on youth unemployment and job skills in the [Telegraph](#).
- ✧ [Anand Mahindra](#) of Mahindra & Mahindra Ltd. discussed privatizing education in an interview with the [Economic Times](#).
- ✧ KKR's [Henry Kravis](#) and his Partnership for New York City Fund were profiled in [Bloomberg Businessweek](#).
- ✧ [Jaime Augusto Zobel de Ayala](#) of Ayala Corp. shared his views on inclusive growth and economic inequality at an Asian Development Bank Forum.
- ✧ Francis Yeoh of YTL Group of Companies spoke about his [management philosophy](#), as well as his firm's [restructuring plans](#) and [overseas acquisitions](#) in interviews with [The Star](#).

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

Trade Emerges as a Proxy Arena for Competition between China and the U.S.

On his first overseas trip since winning re-election, U.S. President Barack Obama visited three Southeast Asian nations – Thailand, Myanmar, and Cambodia – to emphasize his administration's Asian pivot. While in Cambodia, Mr. Obama took part in the East Asian Summit where negotiations began on the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement widely characterized as a Beijing-endorsed alternative to the U.S.'s own Trans-Pacific Partnership (TPP). Competition for regional influence has led the world's two largest economies to push competing trade agreements which test the loyalties of countries caught in the middle, writes [Stephen Grenville](#) of the Lowy Institute of International Policy. Taking a closer look at the TPP, trade specialist [Greg Rushford](#) argues that its protectionist provisions, as well as the Obama administration's equivocation in selling the agreement, risk ceding the trade advantage to China and the RCEP.

Japanese Election Offers Uncertain Choice on the Economy

The lead-up to Japan's general election on December 16th is taking place against a backdrop of worsening economic news: the economy shrank 0.9 percent between July and September alone, while in October exports fell for the fifth consecutive month on continued fallout from the East China Sea dispute. Proposing bold government stimulus, opposition leader Shinzo Abe, head of the LDP, pledged to turn the economy around if elected. Having rotated through six different governments in as many years, Japan's economy has languished in tandem with its dysfunctional political system. [Elisabeth Dellinger](#) of [Investor's Business Daily](#) argues that a combination of resolute leadership and staying power is needed to push through new economic policies, something she says none of Japan's prospective leaders seem to offer. [Martin Mittelstaedt](#) of the [Globe and Mail](#) takes the contrarian position that Mr. Abe's proposals might just work.

As China's Old Guard Makes Way for New Leadership, Need for Reform Remains

China's fifth generation of leadership, installed this past month, will face no shortage of economic and political challenges as the country experiences complications with its traditional growth model. [Hu Shuli](#) of [Caixin](#) argues that Beijing should seize the initiative for much-needed restructuring while economic circumstances are still in its favor. In a more bearish outlook, [Michael Pettis](#) of the Carnegie Endowment writes that Chinese growth projections of 7.5 - 8.5 percent grossly under-estimate the consequences of unbalanced, investment-driven growth; he offers up Japan's credit-fueled growth in the late 1980s - and the subsequent two-decade-long slump - as a potential analogue for China's rebalancing.

Vietnam's Slowing Growth Reveals Larger Structural Problems

Vietnam's 2012 growth forecast was lowered to 5.2 percent last month. Its lagging economic performance has increased intra-party squabbling within the country's Communist leadership, with Prime Minister Nguyen Tan Dung facing an unprecedented call for his resignation in Vietnam's parliament. The legislative body has grown more assertive, having recently passed a measure that would subject top leadership to yearly confidence votes. Beyond the political infighting in Hanoi, Vietnam faces numerous obstacles to growth; the cumulative effects of inflation, bad debt, uncompetitive SOEs, and neglect of much-needed investment in public services. Facing steep regional competition, Vietnam will continue to struggle under the weight of its own structural problems, writes [Ben Bland of Foreign Policy magazine](#).

Upcoming Forum Dates

2013 Spring Forum: Langkawi, March 21-23
 2013 Autumn Forum: Kyoto, September 12-14
 2014 Spring Forum: Mumbai, February 20-22

Not interested anymore? [Unsubscribe](#)

ASIA BUSINESS COUNCIL www.AsiaBusinessCouncil.org