

ASEAN's own "Arab Spring"

In the wake of the Arab Spring revolution which started in the Middle East in late 2010, there was fear that the wave would sweep across many emerging market countries. Several ASEAN countries were due for elections in 2011 and the outcome of these elections would define the type of political change likely to take place in Asia.

First to seek a fresh mandate from their people was Singapore in May. The powerhouse economy had just registered record GDP growth of 14.5% in 2010 but was facing growing pains with inflation, huge influx of foreigners competing for jobs, spiraling property prices, overcrowding of public transport, etc. The ruling party, People's Action Party which has been in power since 1965, returned with the lowest majority of 60% in history losing 6 opposition seats from 2 in the last elections. As a result of this poor showing, the country's founding father Lee Kuan Yew surprised by stepping down from government cabinet – a step many could not have imagined as he is, in many people's minds, Singapore. Already many long standing policies are being reviewed and major changes are expected to take place.

Thailand was next to face the polls in early July. The incumbent Democrats coalition government, backed by the ruling elites, was pitted against seasoned political parties including Puea Thai Party headed by Yingluck Shinawatra, sister of the ousted Prime Minister Thaksin Shinawatra. While the outcome had been expected to be close, Puea Thai secured a majority win thrusting Yingluck Shinawatra, which until 2 months ago was a political unknown, to be Thailand's first woman prime minister. The army respected the mandate of the people by staying in their barracks. If this result is anything to go by, Thai politics can expect the unexpected in the coming months.

Malaysia, which is expected to go to the polls within a year will also be facing political challenges. The current prime minister Najib Tun Razak, who was appointed after the ruling Barisan Nasional (ruling since 1973) lost one third of the parliamentary seats in the 2008, has yet to face the electorate as leader of the ruling party. During his short term, he had tried to build a more moderate image through the 1 Malaysia campaign which emphasised ethnic harmony, national unity, and efficient governance. Already the signs are that the opposition parties are no push over. In early July, Bersih, an umbrella group of 62 non-government organizations and opposition parties mobilised tens of thousands for a rally march in the capital which evoked the police to use tear gas and water cannons and also arrested some 1,600 people before the rally was broken up. If this is anything to go by, the coming election will be hotly contested and further inroads by the opposition cannot be ruled out.

Indonesia and Philippines both had their presidential elections in the last 2 years so there will not be any political confrontation in the near term. However, this is not to say that the governments can rest on their laurels and not respond to changing expectations.

ASEAN is a disparate group of nations with different languages, religions, democracies making it difficult for countries within ASEAN to exert great influence on each other. Some countries have continued to enjoy strong economic growth which help lower unemployment and allow the governments to tackle problems such as inflation, rising food prices, high property prices etc. Others still continue to be stuck in developing country status. Within the region, countries such as Philippines and Thailand are much further down the democracy path while countries such as Myanmar are still taking baby steps, if any, towards democracy.

However, these factors cannot insulate them from the major political changes taking place globally. ASEAN's young population have embraced technology and are using the social media network to organise and share information virally bypassing the government controlled media channels. ASEAN governments know that they have to proactively move towards democracy as there is no turning back the clock.

Given the above, it's no wonder that ASEAN is undergoing its own "Arab Spring".

OWW divests its stake in Beijing Evercare



Funds managed by OWW have divested their 16% stake in **Beijing Evercare**. OWW made the investment in the company in 2008.

Beijing Evercare was established in 2001 and is one of largest privately-owned medical aesthetic groups in China. Evercare owns and operates close to 10 private medical aesthetic centres in Beijing, Tianjin, Qingdao, Jinan, Harbin and Shanghai. Evercare provides surgical and non-surgical medical aesthetic treatments including aesthetic surgery, laser treatment, injection, anti-aging treatment, hair re-grow and transplant and weight management.

Despite the global financial crisis, the company expanded its medical centre network within Beijing and Shanghai with revenue doubling to RMB220 million in 2010. The stake was sold to several Chinese investment funds which specialised in healthcare investment.

Cross Border Online Shopping: The New Rage

Cross border online shopping is the new rage as savvy online shoppers get access to luxury and other goods at the cheapest prices previously available only through premium shopping outlets or overseas shopping trips. In recognition of the growing online shopping trend, payment gateways and logistics players have been building a whole gamut of online shopping clubs, blog shops and cross border shopping portals to propel their core businesses and satisfy the crave for “value for money” online purchases.

OWW investee, **comGateway** has successfully launched its cross border shopping and shipping services jointly with major financial institutions such as Visa, American Express, PayPal, multiple banks and shipping partners such as DHL.

Paypal launched HopShopGo together with comGateway, for consumers across the region. HopShopGo is a one-stop online shopping site that enables consumers to conveniently shop at over 300,000 US online retailers with an integrated PayPal account. PayPal established its international HQ in Singapore in March last year to drive PayPal’s business across Asia Pacific. PayPal’s total payment volume in the region was nearly US\$9 billion last year, an increase of 45 per cent year-on-year, while its cross-border payment volume in the region was nearly US\$6 billion last year, an increase of 38 per cent. According to Mr Irani, who is PayPal’s VP and GM for Asia Pacific, “The US is the No 1 online shopping destination for Singaporeans as six out of every 10 local PayPal transactions are used to purchase US products. That is why HopShopGo has been a big success in Singapore.” “Apart from taking care of consumers’ payment and shipping needs - typically the two biggest barriers for online and overseas shopping - consumers who shop at HopShopGo also get to enjoy PayPal’s Buyer Protection and special shipping fees.”

Competitors such as Vpost and Clout Shoppe offered by Singapore Post are pushing similar services as cross border online shopping becomes the new social norm.

About OWW

OWW Capital Partners Pte Ltd (“OWW”) (www.oww.com.sg), formerly known as OCBC, Wearnes & Walden Management (Singapore) Pte Ltd, was established by OCBC Bank, WBL Corporation and Walden International in 1991. In October 2006, the management team of OWW acquired WBL Corporation’s interests and the company assumed its current name.

OWW focuses on expansion stage companies in the enterprise and consumer services sectors within the South East Asia and North Asia regions.

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