

## **Maybank Invest ASEAN: Brighter outlook for key ASEAN markets, spurred by AI boom, supply chain migration and green transition**

Maybank's flagship event, Invest ASEAN, was held from 10-13 June 2024 in Penang for the first time, with the overarching theme "ASEAN Frontiers: The New Trailblazers".

Invest ASEAN featured 60 corporates from ASEAN with a total market capitalisation of USD146 billion and is attended by 145 Malaysian and foreign institutional investors with a total of USD8 trillion in assets under management.

The event kicked off by showcasing Penang as a global semiconductor powerhouse and was followed by two Corporate Days of ASEAN corporate-investor meetings, and a final day visiting landmark property projects and technology players.

The first day's programme, "Penang: Malaysia's High Tech Powerhouse", supported by InvestPenang, was graced by the Chief Minister of Penang, Chow Kon Yeow and Deputy Minister of Investment, Trade and Industry of Malaysia, Liew Chin Tong.

By hosting Invest ASEAN in Penang, Maybank is bringing investors and corporates to witness firsthand the advancements taking place as Malaysia emerges as a beneficiary of the US-China chip war and electronics exports growth.

**Dato' John Chong, Group CEO of Global Banking, Maybank** said, "Based on our engagements with clients at Invest ASEAN, they are showing more optimism in ASEAN especially for Malaysia owing to catalysts such as investments in technology in Penang, renewable energy, Johor-Singapore Special Economic Zone talks, and the reconfiguration of supply chains to ASEAN."

**Michael Oh-Lau, CEO of Maybank Investment Banking Group ("Maybank IBG")** said, "The optimism in ASEAN's prospects is translating into a healthy pipeline of deal activity. As a result of supply chain shifts, we are also seeing interests from companies pursuing the China-plus-one or plus-many strategy to acquire or partner with local companies in ASEAN. With Maybank's presence in all 10 ASEAN markets and China, we are well-placed to facilitate cross-border transactions."

According to Maybank IBG Research, the broadening global electronics demand, spurred by the AI boom, has supported a modest economic recovery in the first half of 2024 and is brightening the second half outlook for the ASEAN-6 markets (Malaysia, Singapore, Thailand, Indonesia, Vietnam and the Philippines). Maybank IBG Research forecasts ASEAN-6 GDP growth recovering to 4.5% in 2024 and 4.7% in 2025 from 4% in 2023.

In Malaysia, the economy is expected to expand at a faster pace of 4.7% this year versus 3.6% last year, on external trade rebound and robust investments, especially foreign direct investments.

This trend is expected to continue as shifts in manufacturing supply chains away from China to ASEAN are showing no signs of abating as a result of the US-China geopolitical rivalry.

Share of US imports from ASEAN has risen to 10% in 2023 from 7.3% in 2018 when tensions started. In contrast, China’s share of US imports has fallen sharply to 14% in 2023 from 21% in 2018.

Another visible trend is that ASEAN companies continue to invest in mitigating ESG (Environmental, Social and Governance) risks. Dato’ Chong said, “At Maybank, we focus on transition finance where we can have the most impact to assist our clients in their sustainability journey. With a transition finance framework in place, one of the first of its kind in ASEAN, we are able to guide brown industries to shift to green.”

Oh-Lau added, “There continues to be growing recognition for sustainable investments in ASEAN. The pipeline of sustainable finance deals is notably in the energy, power and real estate sectors across Malaysia, Thailand, Singapore and Indonesia.”

Maybank Group is expected to meet its 2025 target of mobilising RM80 billion in sustainable finance this year, after cumulatively achieving RM74 billion from 2021 to March 2024.

**ASEAN GDP growth to strengthen in 2024 and 2025**

	2023	2Q23	3Q23	4Q23	1Q24	2024F	2025F
Indonesia	5.0	5.2	4.9	5.0	5.1	5.1	5.2
Malaysia	3.6	2.8	3.1	2.9	4.2	4.7	5.1
Philippines	5.5	4.3	6.0	5.6	5.7	6.0	6.2
Singapore	1.1	0.5	1.0	2.2	2.7	2.4	2.1
Thailand	1.9	1.8	1.4	1.7	1.5	2.4	2.8
Vietnam	5.0	4.3	5.6	6.8	5.0	5.8	6.2
ASEAN-6	4.0	3.6	3.9	4.2	4.3	4.5	4.7
China	5.2	6.3	4.9	5.2	5.3	4.8	4.5
US	2.6	2.4	2.9	3.1	3.0	1.8	1.8
EU	0.5	0.5	0.0	0.2	0.4	0.9	1.4
Global	3.2					2.9	3.0

Source: Bloomberg & CEIC; Maybank IBG Research (For Forecast), EuStat (EU historical data), US quarterly data refers to seasonally adjusted rate

\*\*\*\*\*