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HIGH LEVEL DIALOGUE
ON ASEAN ITALY
ECONOMIC RELATIONS

HIGH LEVEL DIALOGUE ON ASEAN ITALY ECONOMIC RELATIONS

Digital Round Tables

3° digital Round Table

Tuesday, November 10, 2020

PRESENTATION BY ALBERTO MARIA MARTINELLI

ASEAN AND EUROPE TECHNOLOGICAL AND INDUSTRIAL SYNERGIES IN SUSTAINABILITY PROJECTS

Alberto Maria Martinelli

ICCS President



About ICCS

Mission: to **strengthen bilateral relations between Italy and Singapore** in collaboration with strategic partners from the two Countries.

Founded in 1993, recognized by Italian Government in 2003

Non-profit private business association member of **ASSOCAMERESTERO** (apex body of over 81 Italian Chambers abroad)

- **200 Members;**
- Annual Turnover **1.3 Mio SGD** or **0.8 Mio EUR** (60% Business Development Services);
- **2 offices; Singapore and Milan;**
- **Over 250 services** to Italian and ASEAN companies in 2019;
- Official Collaboration with: **Fiera Milano, EDB Singapore; Farindustria; POPSO; CEIP; Promos Italia**
- Goals: **1. Network Building, 2. Business Development, 3. Members assistance**

In 2020 ICCS in response to Pandemic Covid crisis started an **E-Commerce** assistance project to enable Italian companies to reach Asian Consumers online (**ItalianGallerySG**).



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Why sustainability?

“I think people often underestimate the **power of consumers.**”

John Elkington



Why Sustainability?


There is no universally agreed definition of **sustainability**. In fact, there are many different viewpoints on this concept and on how it can be achieved.

“Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, we also need social and economic resources”

McGills University

Stakeholders:




1. Clients
2. Employees
3. Investors
4. Local Communities
5. **Regulators**



WHAT GOES IN THE OCEAN GOES IN YOU.

RECENT STUDIES ESTIMATE THAT FISH OFF THE WEST COAST INGEST OVER 12,000 TONS OF PLASTIC A YEAR. FIND OUT HOW YOU CAN HELP TURN THE TIDE ON PLASTIC POLLUTION AT WWW.SURFRIDER.ORG/RAP

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**0% Waste*
100% Way to go**

*We are working on a new bottle that is totally biodegradable and made from wood fiber. Probably the way to go.

Why sustainability?

The United Nations **Sustainable Development Goals (SDGs)**.

The UN predicts that **EUR 4.7 to EUR 6.5 Trillion** will be needed annually to achieve the **SDGs** by 2030.

The current global GDP is **120 Trillions EUR**.

SDGs will reach roughly **5.4% of the global GDP** or if you prefer to compare it to Italy GDP which is 2.1 Trillions EUR GDP, **2 to 3 times Italy annual figures**.



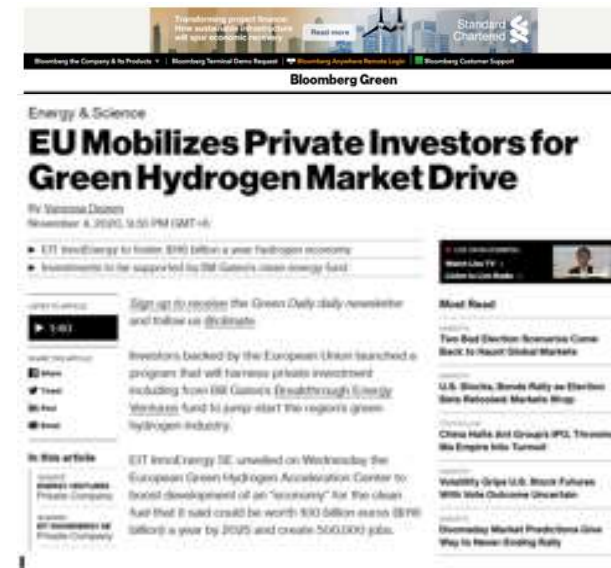
Why sustainability?

UE: The European Commission presented today its plan to reduce **EU greenhouse gas emissions** by at least 55% by 2030, compared to 1990 levels.

This level of ambition for the next decade will put the EU on a balanced pathway to reaching climate neutrality **by 2050**.

1 Trillion EUR 10 years plan.

(17th September 2020)



Why sustainability?

German Climate Change policy package: German Chancellor Angela Merkel announces **54 Billion EUR** package of measures for tackling climate change. The deal would boost the country's contribution to fighting global warming. Europe's biggest economy aims to cut its greenhouse emissions by 55% by **2030** compared with 1990 levels. (20th September 2020)

The New York Times Election 2020: The races. And their impact on you. Subscribe for €0.50 a week. Ends soon. [View offer](#)

Germany Unveils \$60 Billion Climate Package



A wind turbine in front of a coal-fired power plant near Niederhausen, Germany. Once a global leader in climate action, the country has scaled back its emissions in recent years. via Paul Bender/Agence France Presse - Getty Images


By Melissa Eddy
Sept. 20, 2020

BERLIN — Chancellor Angela Merkel's government on Friday agreed to support a \$60 billion package of climate policies aimed at getting Germany back on track to meet its goal of reducing greenhouse gas emissions by 2030.

South China Morning Post News Comment Update More US-China Relations

Climate change: Xi Jinping makes bold pledge for China to be carbon neutral by 2060

- President announces new emissions goals in video address to UN General Assembly just after Donald Trump warns Beijing for "unpaid pollution"
- Observer calls it a well-calculated move aimed at compressing China's climate ambitions with the climate reaction of the US



President Xi Jinping for the first time announced China's long-term goal to reach carbon emissions net zero by 2060 on Tuesday — less than a year after his US counterpart Donald Trump threatened Beijing for "unpaid pollution."

Xi told the United Nations General Assembly that China would make up its remaining emissions target under the Paris climate agreement, that it aimed to hit peak emissions before 2030, and to achieve carbon neutrality before 2060.

"The Paris Agreement... outlines the instrument under the table to protect the earth, our shared homeland, and all nations must make decisive steps to honour this."

Source: The Epoch Times

China Carbon Tax Policy: Mr. Xi's pledge to reach “**carbon neutrality**” — meaning China's net carbon emissions will reach zero — by **2060** (23rd September 2020).

This of course will have a considerable impact in the ASEAN Region and will lead to further green technology enhancement.

Why sustainability?

ASEAN cities have to strive to go beyond environmental performance and move towards achieving **environmental sustainability**.

ASEAN commitments to ensure that cities/urban areas in ASEAN are **environmentally sustainable while meeting the social and economic needs of the people** are outlined in the ASCC Blueprint 2025.

<https://environment.asean.org/>

ASEAN is accountable for roughly **20 Mio** tonnes of plastic waste per year (global production roughly **350 Mio** tonnes per year, out of which **100 Mio** ends up in the ocean).

<https://southeastasiaglobe.com/community-waste-management-indonesia>



Sustainability and ASEAN challenges

ASEAN from a sustainability perspective related to environment is a very complex and sensitive region:

1. **Population, 655 Million** population (9% of the world population), 50% working age (between 20-50 years old), expected to reach **741 million people by 2035** and **785 million by 2050**.
2. **Economics, 11'000 EUR GDP pro Capita** (with growing purchase power), 5th largest economy in the world, **2.5 Trillion EUR**
3. Current trends, ASEAN Mobile connectivity 130% (users have more than 1 sim card), shape a strong **digital influence** South East Asia accommodates -digit growth **e-commerce** which is worth **32 Billion EUR** today (**85 Billion EUR by 2025**) and which explains that ASEAN is home to **10 Unicorn Start Ups** so far
4. **Urbanisation**, the current urban population accounts for about **47%** of the total population and it is expected **to reach 63% by 2050**, implying enormous pressure on housing, infrastructure, food supply, waste management, logistics and mobility.
5. **Forest** ASEAN has a total forest cover of 211,172,000 ha (2012), and a total protected area of 432,563,000 ha, which accounts for **14% of the total land area** (2014). ASEAN region is home to around 60% of the worlds tropical peatlands and 42% of the worlds mangrove forests (Taman Negara Rainforest 130 Million year old Malaysian rain Forest)
6. **Water** the region had a total capacity of over **5 billion** cubic meters of internal renewable water resources.
7. **Biodiversity**, while occupying only 3% of the worlds total land area, the region represents around **80% of global biological diversity**.

8. <https://environment.asean.org/>



Sustainability and ASEAN opportunities: Packaging

Packaging is an indispensable part of retail, logistics and the consumer goods industry.

It contains, protects, preserves and transports products from producers to consumers .

Common packaging materials include **plastic, paper and board, metals, glass and wood.**

1. The **packaging** market has increased between 2014 and 2018 by an estimated 7.06% in Indonesia, 5.57% in Thailand, 4.2% in Singapore, 3.61% in Malaysia and 3.31% in the Philippines (not only for domestic consumption but also for export markets)
2. Singapore (60%), Malaysia (52%) and Thailand (51%) are among the world's top **online markets** with the highest penetration rates for online shopping
3. A typical **E-COMMERCE** parcel may use up to 7 types of packaging materials: paper waybills, envelopes, cardboard, plastic bags, woven bags, tape and buffer materials like bubble wrap, and Styrofoam
4. **Indonesia**, the annual plastic consumption has risen to 17 kg per capita, with **FOOD PACKAGING** accounting for 70% of it.
5. **Plastic pro capita consumption; Malaysia** 35 kg per capita **Thailand**, 40 kg per capita (Packaging accounts for 48% of Thailand's plastic consumption), **Philippines**, 8 kg per capita



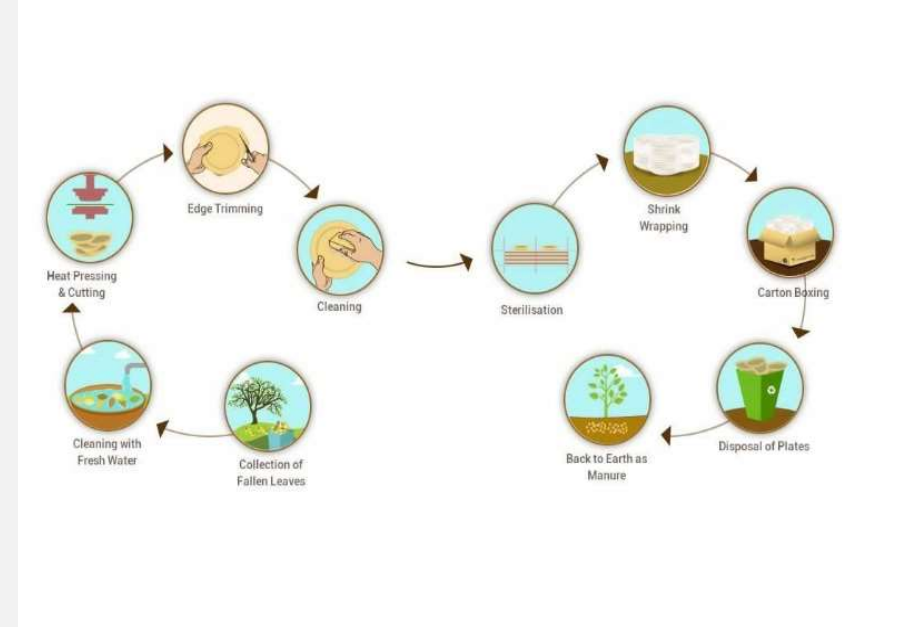
Sustainability and ASEAN opportunities: Packaging

The current ASEAN packaging industry is a **5.5 Billions EUR** business finding and alternative to plastic usage offers concrete opportunities:

1. **Cardboard packaging**, growing manufacturing business in ASEAN (healthcare items, tobacco products, household care, and electrical goods), the booming online retail market (**E-commerce**) further increases the demand, through e.g. online grocery shopping and added secondary packaging for handling and shipping.

The demand for corrugated cardboard in 2021 is expected to increase by 22.1% in Indonesia, 19.6% in Thailand, 12.7% in Malaysia, 10.1% in the Philippines, and 1.6% in Singapore compared to 2016.

1. **Metal packaging**, increasing consumers preference for processed and packaged food and beverage products as well as personal hygiene and cleaning products (beverages account 65% of the global metal packaging market).
2. **Glass packaging**, lowest forecast growth rate by 2020 compared to other packaging, associated with luxury goods such as alcoholic beverages and perfumes (global glass packaging market is 54 billion EUR business).
3. **Wooden Packaging**, It is usually used as industrial packaging and for secondary or tertiary packaging such as pallets and light wooden packaging (therefore associated with corresponding growth in manufacturing activities and **logistic**)



Sustainability and ASEAN opportunities: Tech and vertical farming

The Asian continent as a whole produces 60% of the world's food from around 23% of the world's agricultural land. In Southeast Asia, **16%** of land is used for agricultural purposes.

ASEAN Agriculture is a **260 Billions EUR** Business employing **104.3 Millions** people

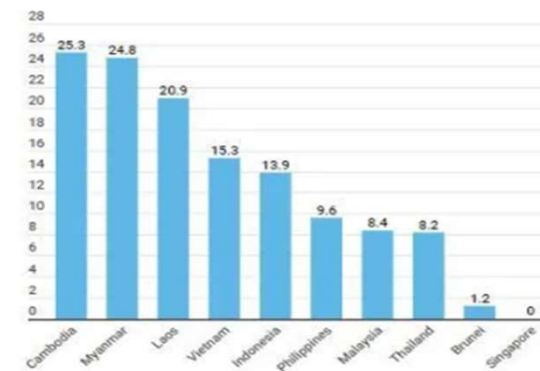
Major agricultural productions

- a. Paddy
- b. Maize
- c. Soybean
- d. Sugarcane
- e. Rice
- f. Livestock and Poultry

Increasing populations, climate change, rising levels of prosperity and urbanisation constitute **major challenges** for most of the **ASEAN** countries and require innovative solutions.

ASEAN Today

Agriculture as a % of gross domestic product (GDP)



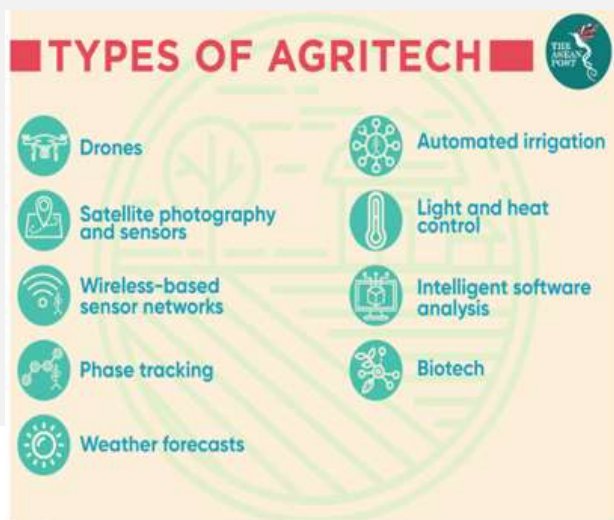
Sustainability and ASEAN opportunities: Tech and vertical farming

Food security is a major challenge in Asia. The nature of the challenge is also changing due to the region's expanding middle class that will consume more food, which will require **more land, energy and water**.

Without an increase in supply, the growing demand and strain on resources will push up food prices, and the above risks potentially damage the region's food security: inflation rates in ASEAN is on average 2.9% (ranging from 9.1 percent inflation in Myanmar to 1.26 percent deflation in Brunei), mainly driven by housing and food costs.

A total of **360 Mio EUR** was invested into Southeast Asian agro food tech start-ups in 2019, across 99 deals.

Enterprise Singapore recently invested S\$90 million (US\$66.3 million) into Singapore-based agri tech start-ups. Other companies have also moved into the space.



Source: Virvoux

The screenshot shows the homepage of THE ASEAN POST website. The main article is titled "Light bulb moment for next generation agriculture" by Sayed Azam-Ali, dated 29 January 2020. The article features a photograph of a vertical farming setup with various green plants growing in white hydroponic towers. A caption below the photo reads: "This photo shows high value, nutritious and diverse crops being grown on rooftops. (Photo courtesy of Crops For the Future Research Centre)". To the right of the main article is a "TODAY'S STORIES" section with several headlines, including "Jack Ma's Ant Group Stopped In Its Tracks", "Trump Erupts As Biden Closes In On US...", "Myanmar Opposition Up Anti-Rohingya Rhetoric", "How ASEAN Consumer Trends Could Change By...", "The US Election Nightmare", and "How Contagious Are Kids With COVID?". The website header includes navigation links for Home, Geopolitics, Spotlight, Energy, Markets, Technology, Environment, and Opinion, along with social media icons for Facebook, Twitter, and YouTube.

Sustainability and ASEAN opportunities: EV mobility

Vehicles (2 and 4 wheels) ASEAN 2019 statistics

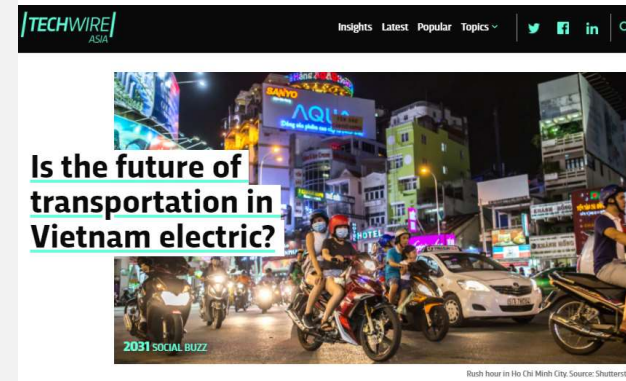
1. **3.6 Millions** Car vehicle sales (passenger and commercial); EU 15.15 Mio, 80.6 Mio Worldwide
2. **14.5 Millions** Motorcycles sales (moto and scooters); EU 1.26 Mio, 60.1 Mio Worldwide

NB: sales in Southeast Asia is set to outpace all other regions in the world, plus **40%** by 2040.

The region's annual new investment in passenger electric vehicles will grow to **5 Billion EUR by 2030** and it is estimated it will need another **425 Mio EUR** in new charging infrastructure as service providers support electrification needs (infrastructure challenge)

Some Southeast Asian countries have already made a head-start in encouraging the use of EVs.:

- **Thailand** Industry Minister Suriya Jungrungreangkit said by 2030 the country would produce at least **750,000 electric vehicles a year** (30% of its total automobile manufacturing)
- **Vietnam's** first car manufacturer, VinFast is also planning to release EV's of its own, **250,000 electric scooters a year** production and release its own electric car **by 2021**.
- **Indonesia** sets an ambitious target on the adoption of electric vehicles with **2.1 million e-motorcycles** and **400,000 e-cars** (20% of all locally manufactured cars) **by 2025**.



By Joe Devanesan | 2 October, 2020

- Can electric vehicles break a country where motorcycles are the transportation mode of choice?
- Traffic congestion is one of the most common sights in Southeast Asia's urban centers, and Vietnam's major cities are no different.
- Media reports suggest that vehicle sales in Southeast Asia are set to outpace every other region in the world soon, with vehicle ownership expected to grow by more than 40% across the region by 2040.



Further business opportunities in sustainability

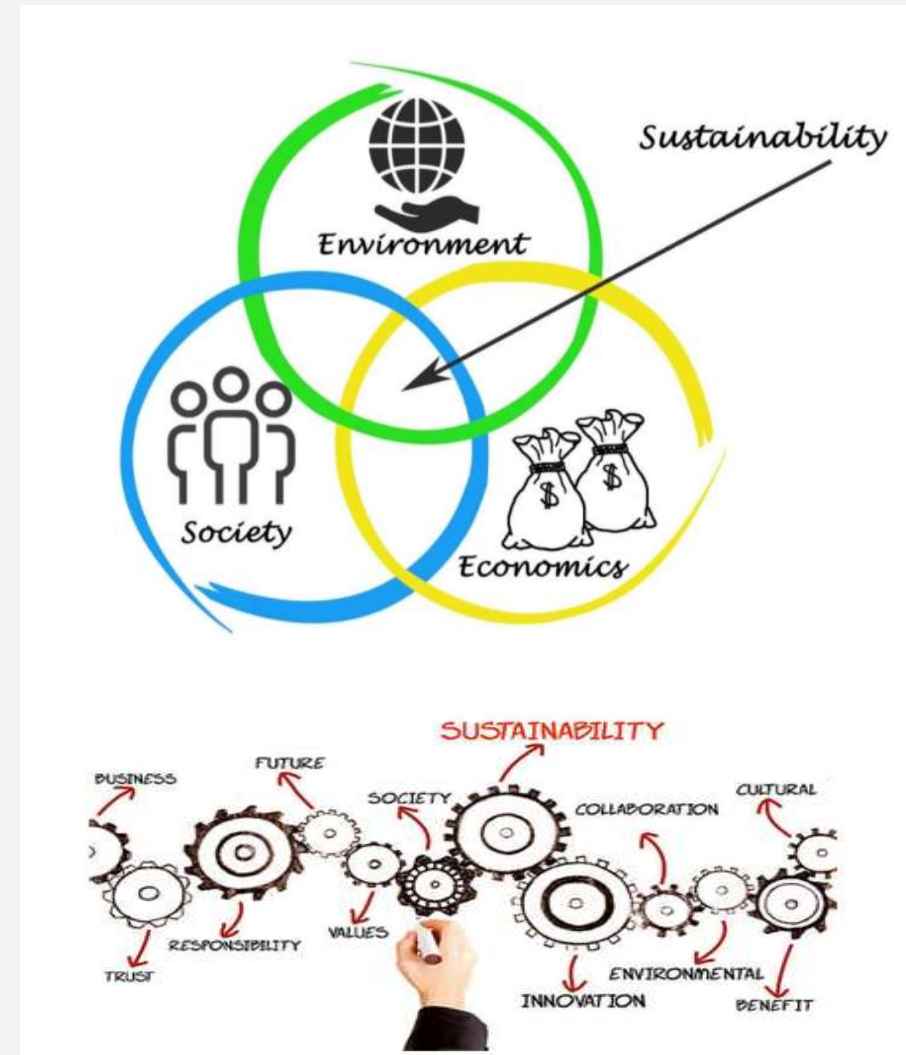
ICCS is happy to share further information related to:

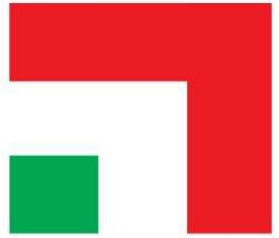
- **Sustainable and energy efficient constructions** (materials, design, home automation)
- **Infrastructure**
- **Renewable energies** (supply, design and engineering)
- **Sustainable nutrition**
- **Green Finance**

Please contact **ICCS MD Giacomo Marabiso** to leverage on the Network of Chambers and Business Associations in ASEAN

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