



In collaboration with



**KUALA LUMPUR
HIGH LEVEL DIALOGUE
ON ASEAN ITALY
ECONOMIC RELATIONS**

HIGH LEVEL DIALOGUE ON ASEAN ITALY ECONOMIC RELATIONS

Sixth Edition

Mandarin Oriental Hotel, Kuala Lumpur
Wednesday, July 5 and Thursday, July 6, 2022

LUCA BERNARDINETTI
Chairman & CEO
Mahanakorn Partners Group

Main Partner



Official Carrier



With the Patronage of



Technical Partner



Partner



Junior Partner



With the support of



Strategic Partner



ASEAN Smart Infrastructure for a Sustainable Future

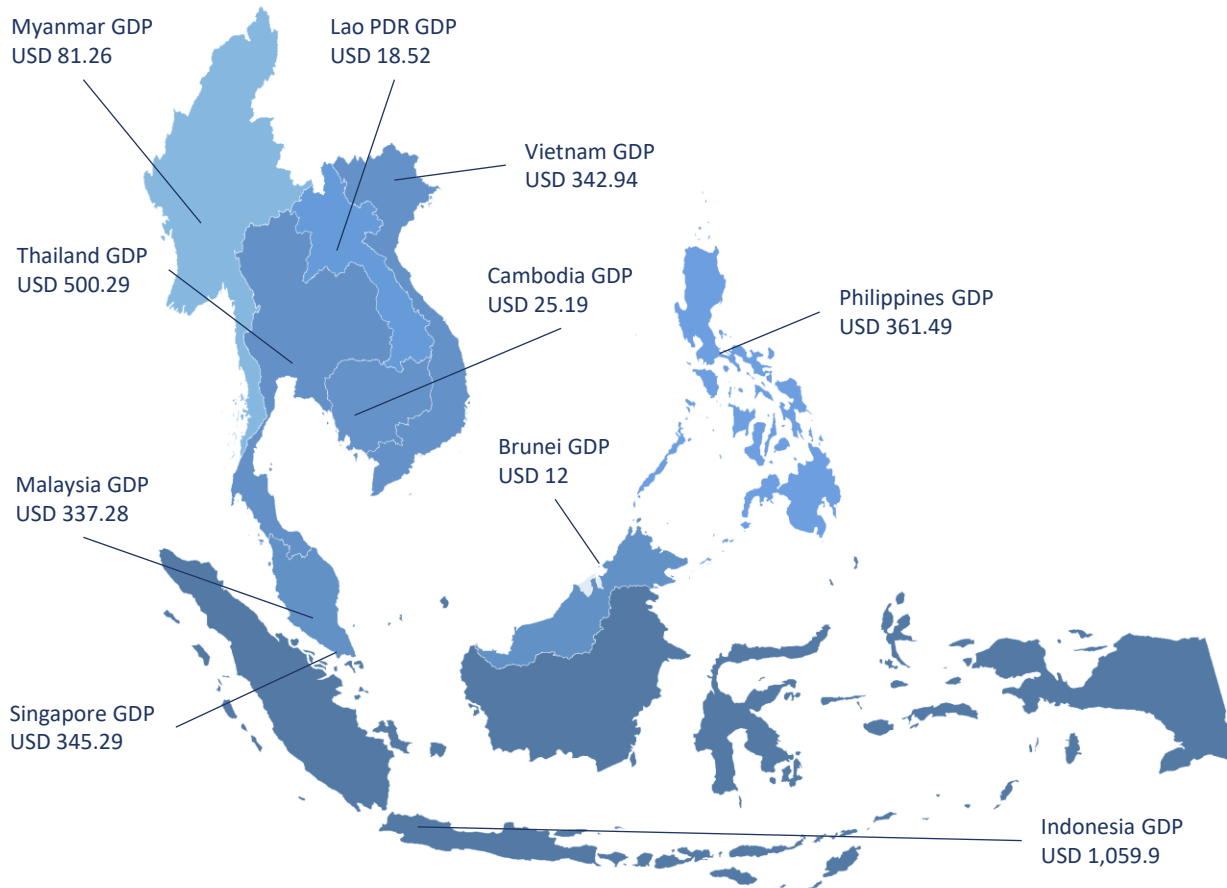
Trends and Opportunities to Attract Italian Investments

Kuala Lumpur, Malaysia, Wednesday, July 6, 2022

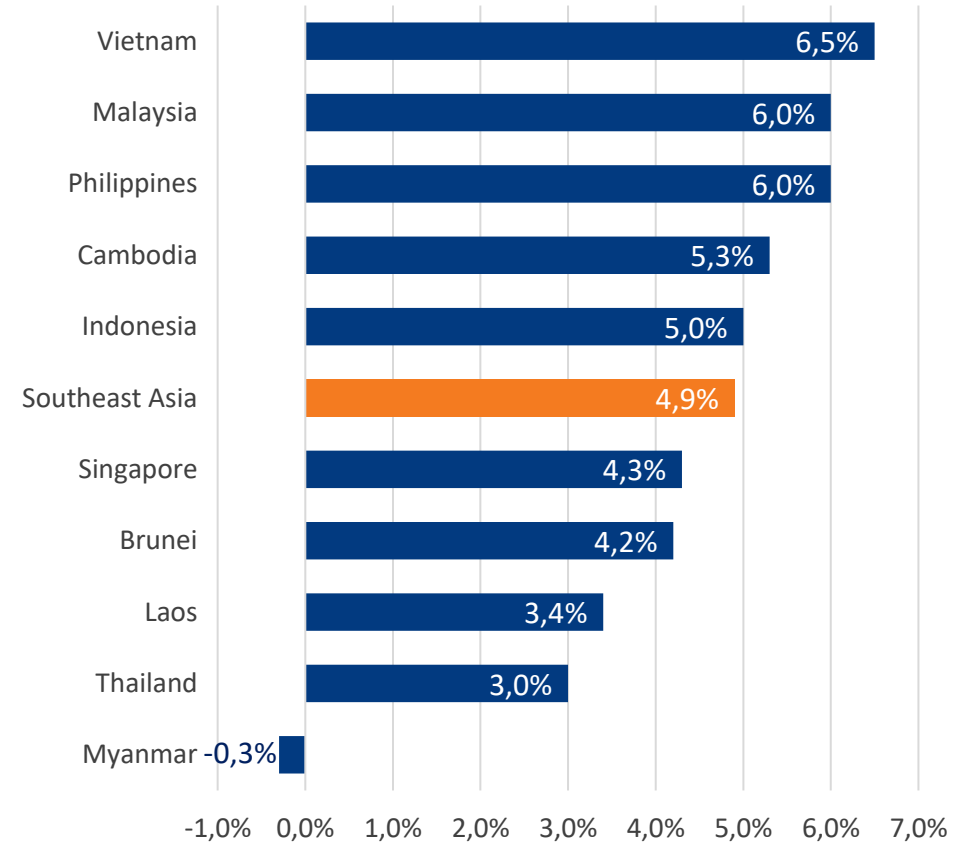


ASEAN Facts & Figures

GDP Nominal
(USD million)



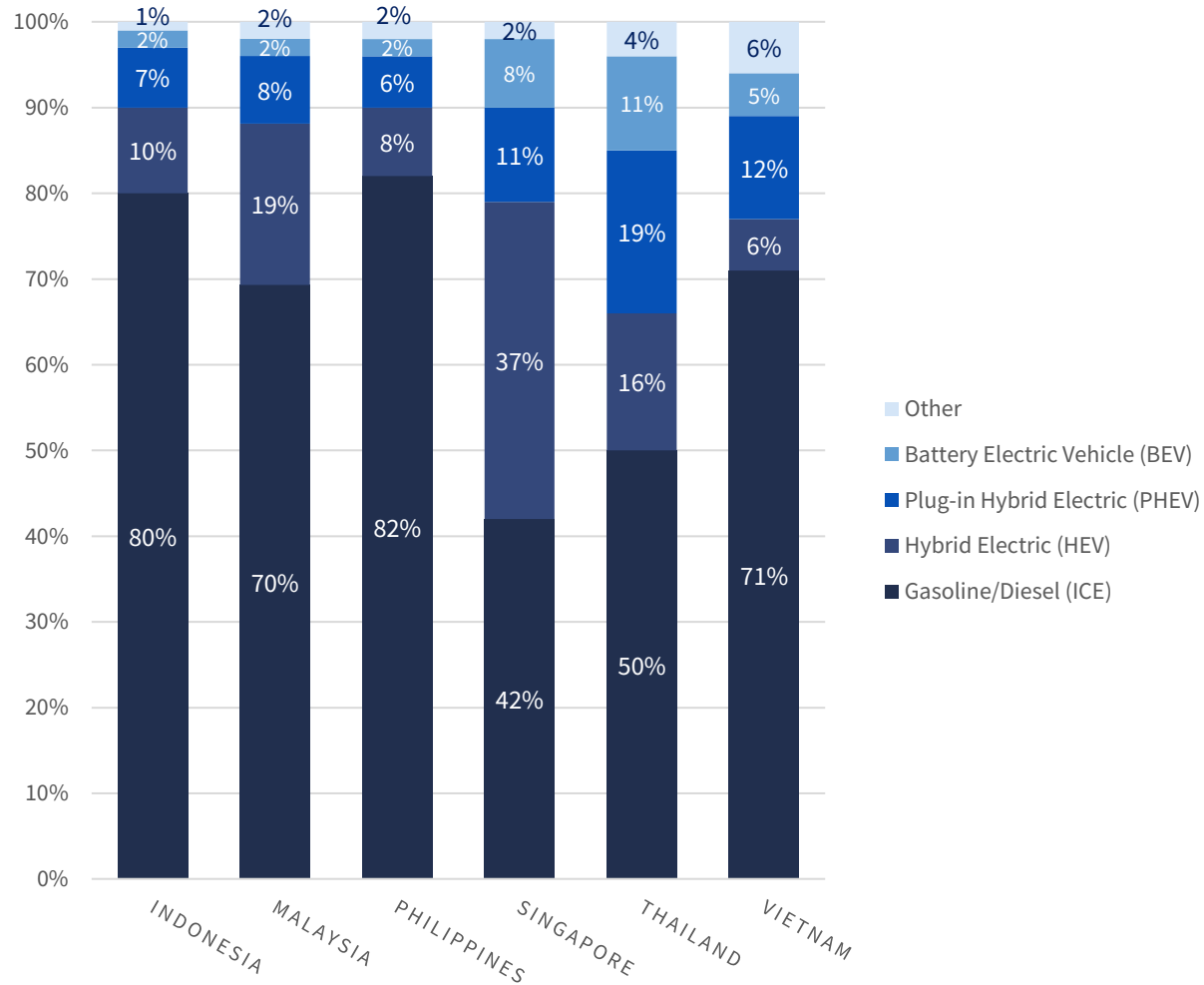
GDP Growth Rate, 2022 forecast



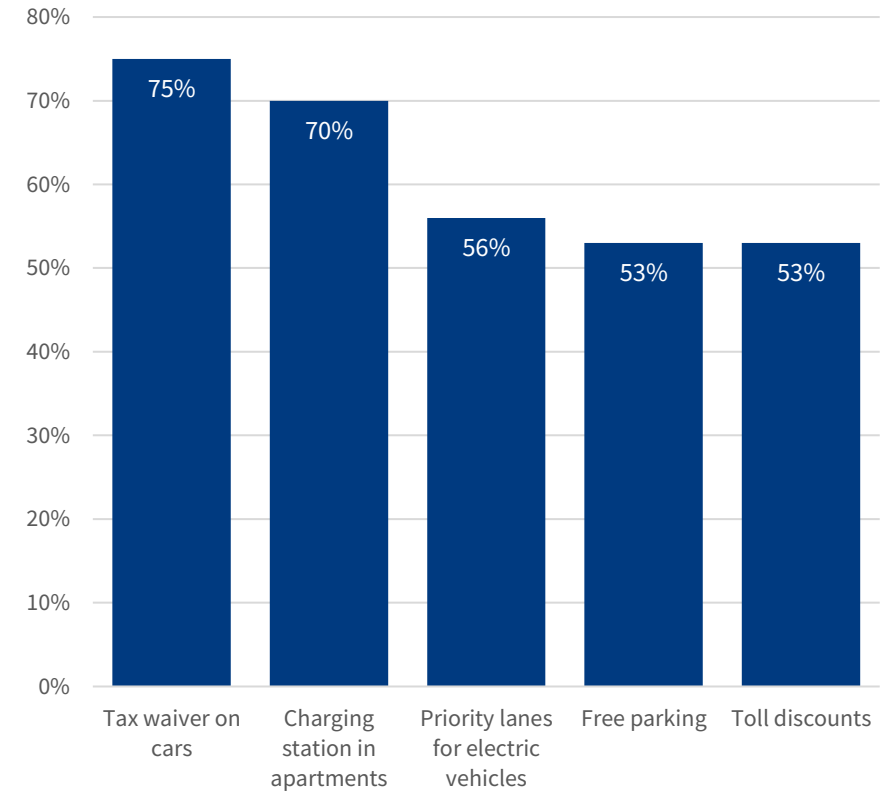
Elaboration on Asian Development Bank's data, 2022.

EV Trends & Incentives in ASEAN

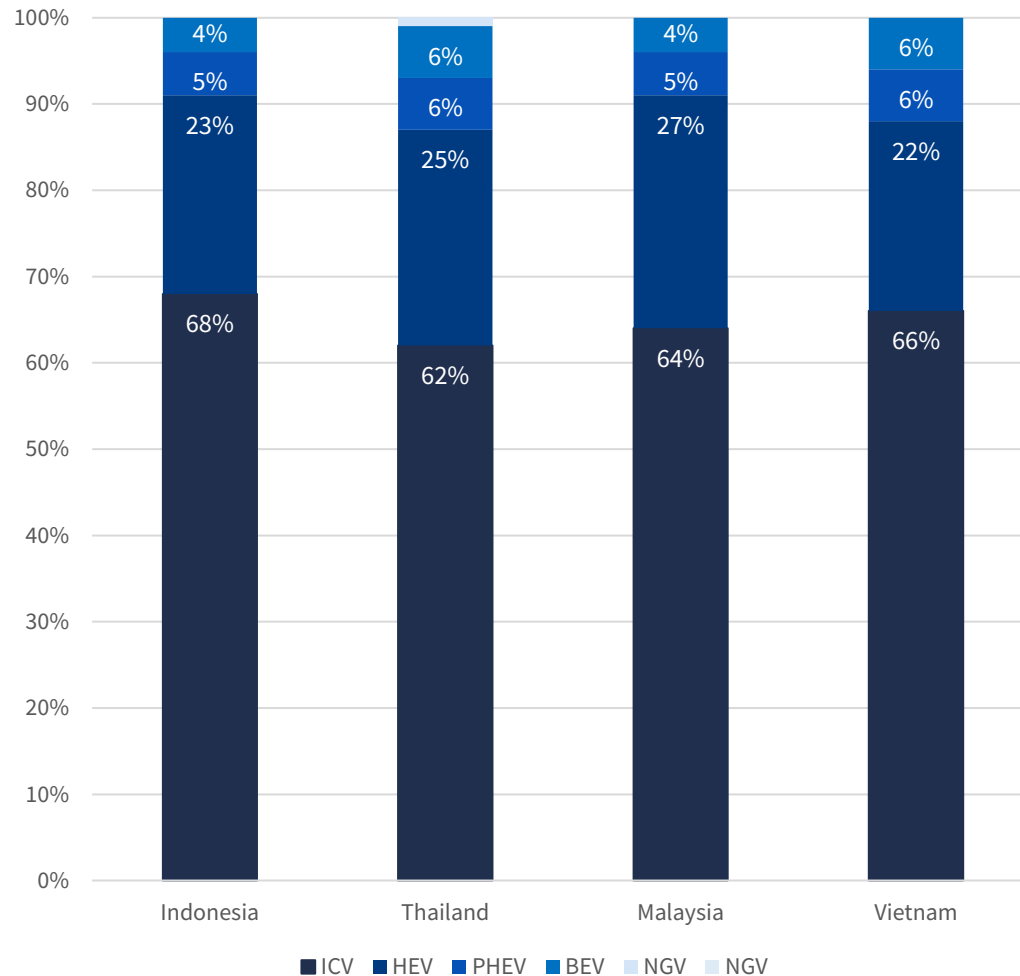
Southeast Asian consumers' powertrain preferences for their next vehicle



Incentives to Promote Electric Vehicles in Southeast Asia



ASEAN Sales Share by Powertrain



ASEAN transportation experts estimate that

20%

of all vehicles on the road in Southeast Asia will be electric by 2025. This includes 59 million two- and three-wheelers and 8.9 million four-wheel vehicles.

ASEAN Non-Tax Incentives – Regulatory Environment

Malaysia

- ✓ Launched a Low Carbon Cities 2030 Challenge, to increase demand for EVs.

Singapore

- ✓ Implemented trade regulations and FTAs favorable to the manufacture of EVs and EV infrastructure.

Thailand

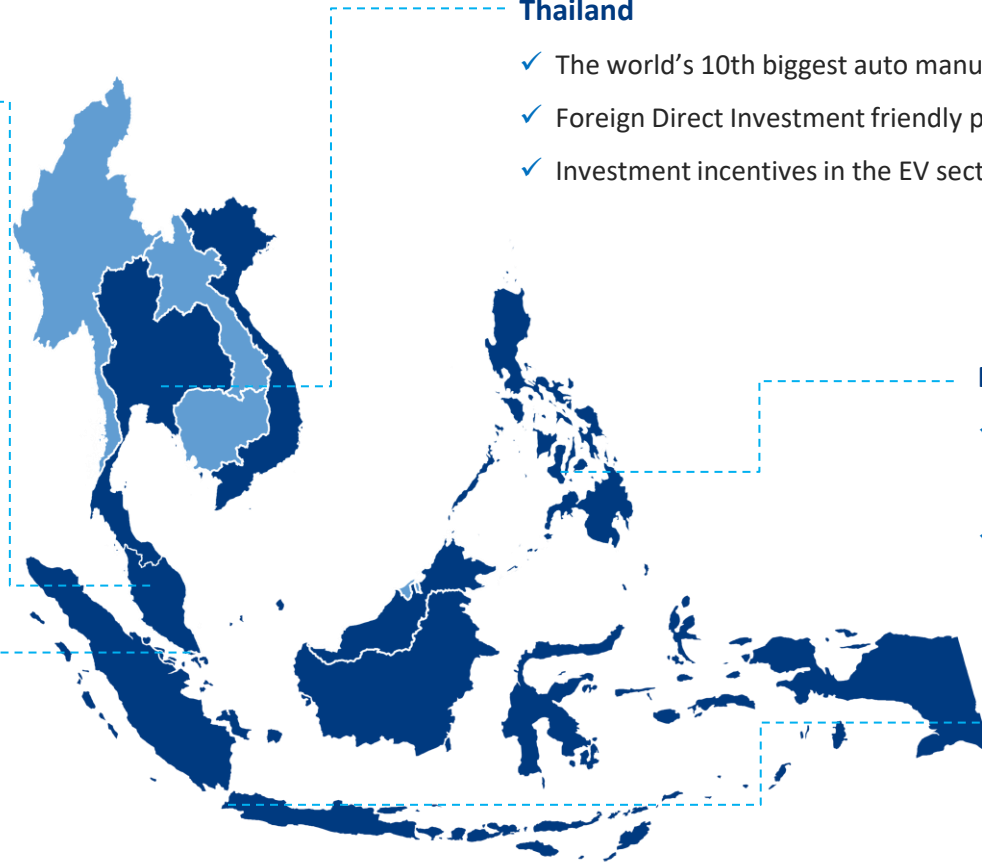
- ✓ The world's 10th biggest auto manufacturer of 2021 and an EV manufacturing hub.
- ✓ Foreign Direct Investment friendly policies.
- ✓ Investment incentives in the EV sector, supply chain, and car buyers.

Philippines

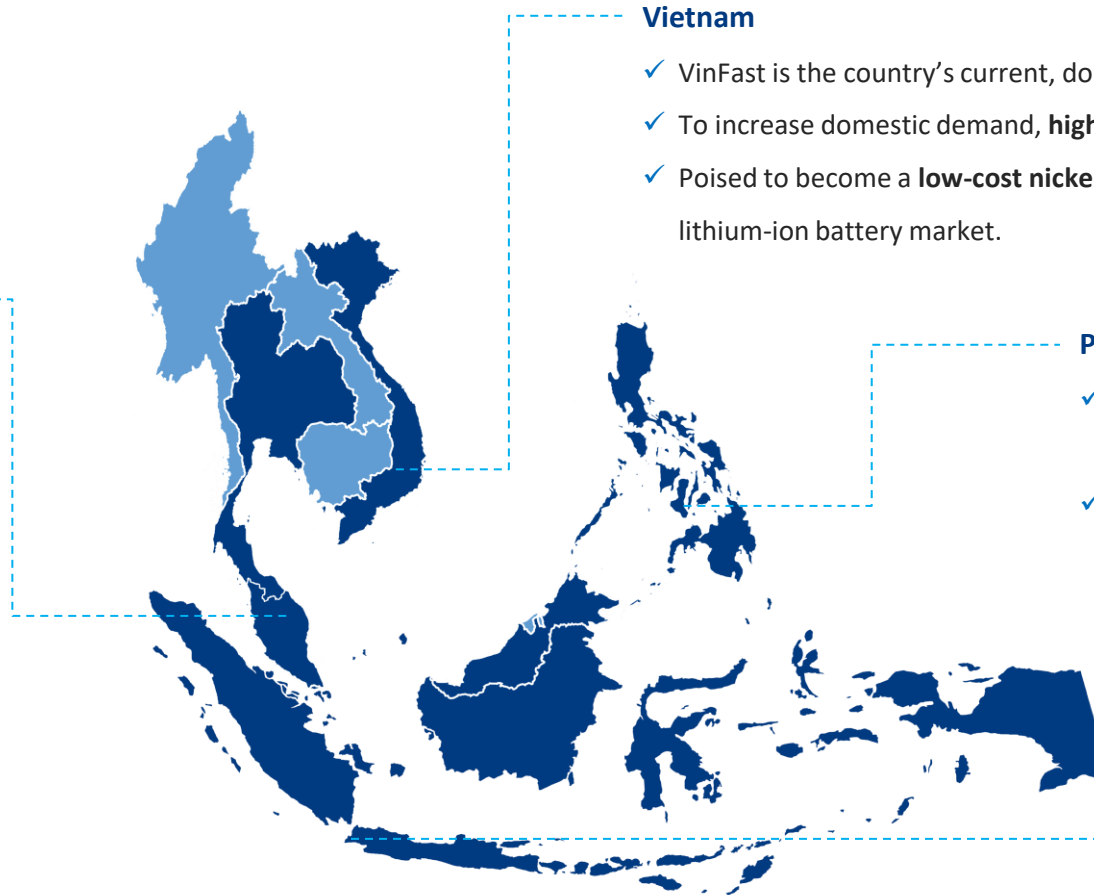
- ✓ Enacted laws facilitating the purchase of EVs.
- ✓ Issued a Public Utility Vehicle (PUV) modernization plan.

Indonesia

- ✓ Increased loan accessibility for EV purchasers.
- ✓ Plans to remove down payment for EV purchases



ASEAN Non-Tax Incentives – Supply Chain Opportunities



Malaysia

- ✓ National Automotive Policy 2020: leveraged its copper reserves to increase the **manufacture of lithium-ion batteries** and battery packs.
- ✓ Shift towards EV production and plans are in place to build Malaysia's **first electric bus assembly plant**.

Vietnam

- ✓ VinFast is the country's current, dominating **EV manufacturer**.
- ✓ To increase domestic demand, **high discounts** are offered on VinFast's EVs.
- ✓ Poised to become a **low-cost nickel sulphate supplier** in the region's EV lithium-ion battery market.

Philippines

- ✓ Owns **5% of global nickel** and **4% of global cobalt** reserves.
- ✓ Plans to increase participation in the **EV battery production chain**.

Indonesia

- ✓ Established regulations to **halt the export of unprocessed nickel ore** to support domestic EV battery manufacture.
- ✓ Ride-hailing operators are adopting EVs, and public transport operators are planning to **procure EV buses**.

ASEAN Non-Tax Incentives – Charging Networks

Malaysia

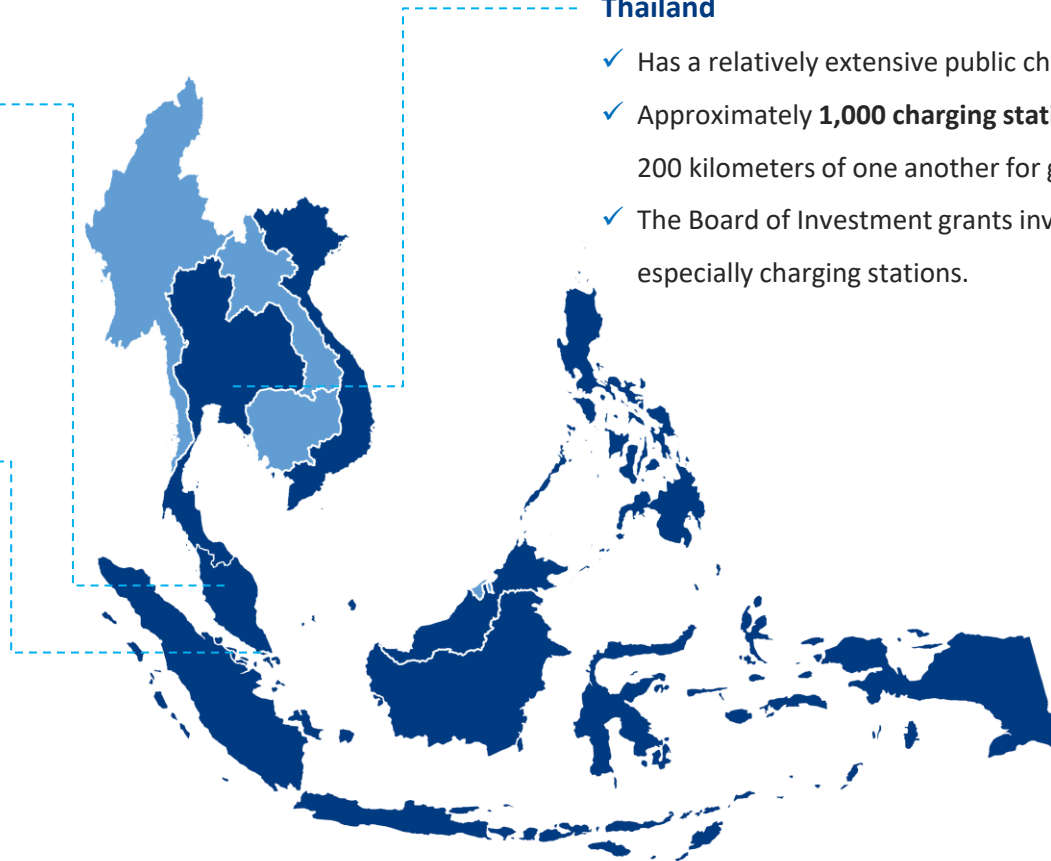
- ✓ Plans to construct **25,000 public** charging stations and **100,000 private** charging stations by 2030.

Singapore

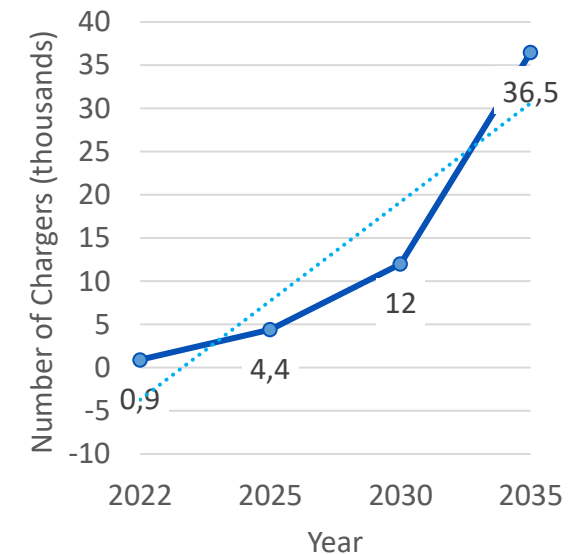
- ✓ Approximately **1,800 public charging stations** currently in use.
- ✓ Plans to construct **60,000 additional** charging stations by 2030.
- ✓ Earmarked **SGD 30 million** to fund EV initiatives between 2021 and 2025.
Plans to increase the number of private charging stations.

Thailand

- ✓ Has a relatively extensive public charging network.
- ✓ Approximately **1,000 charging stations** in use throughout the country, installed within 200 kilometers of one another for greater coverage.
- ✓ The Board of Investment grants investment incentives for **EV-related infrastructure**, especially charging stations.



Thailand's Public Fast Chargers



Tax Incentives in ASEAN

Malaysia

- ✓ Preparing to introduce various tax breaks on the duties and road tax on EVs.
- ✓ **100% exemption** from import and excise duties as well as zero road tax for Completely Built Unit (CBU) electric cars until December 31, 2023.
- ✓ **100% exemption** from import duties on Completely Knocked Down Unit (CKD) electric cars until December 31, 2025.

Singapore

- ✓ Decreased Additional Registration Fee (ARF). The minimum ARF will be lowered to 0 SGD.
- ✓ The EV Early Adopter Incentive (EEAI) entitles the buyer to an ARF **rebate of 45%**, capped at SGD20,000.
- ✓ A Vehicle Emission Scheme (VES) Rebates is in place:
 - Rebates are calculated according to the car's eco-friendliness.
 - Most EVs receive the highest tax benefits (total rebate of SGD 25,000).

Thailand

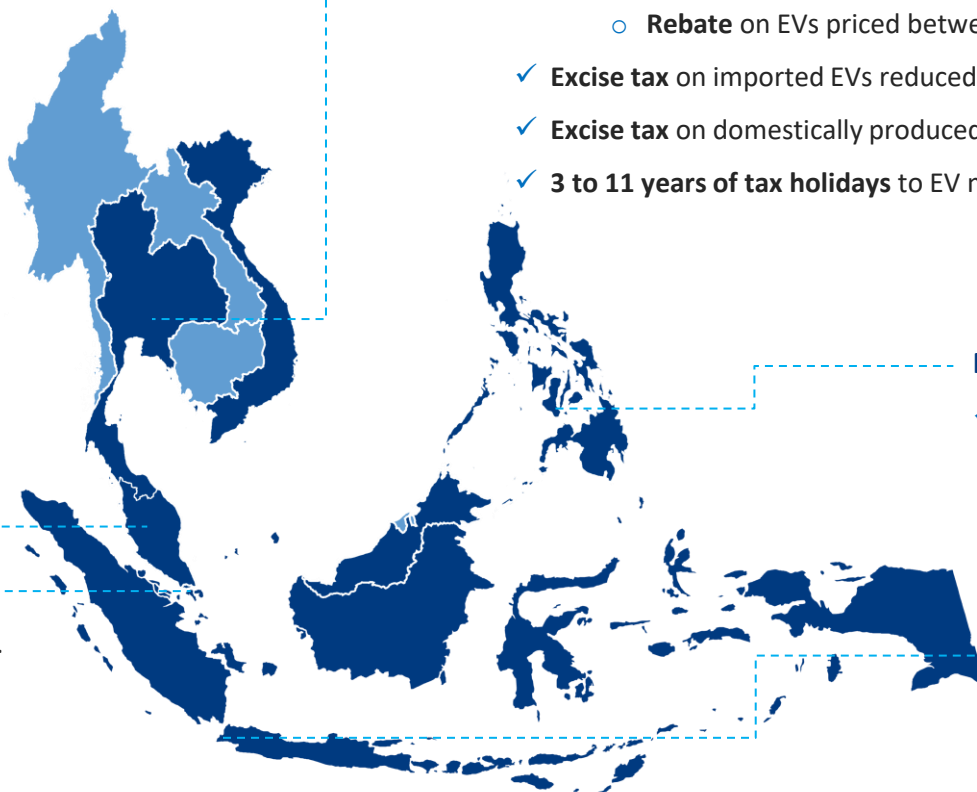
- ✓ Import duty on CBU EV batteries reduced during 2022-2023.
 - **Rebate** on EVs priced above THB 2 million = **40%**.
 - **Rebate** on EVs priced between THB 2 and 7 million = **20%**.
- ✓ **Excise tax** on imported EVs reduced from 8% to **2%**.
- ✓ **Excise tax** on domestically produced EVs reduced from 10-30% to **2-10%**.
- ✓ **3 to 11 years of tax holidays** to EV manufacturers.

Philippines

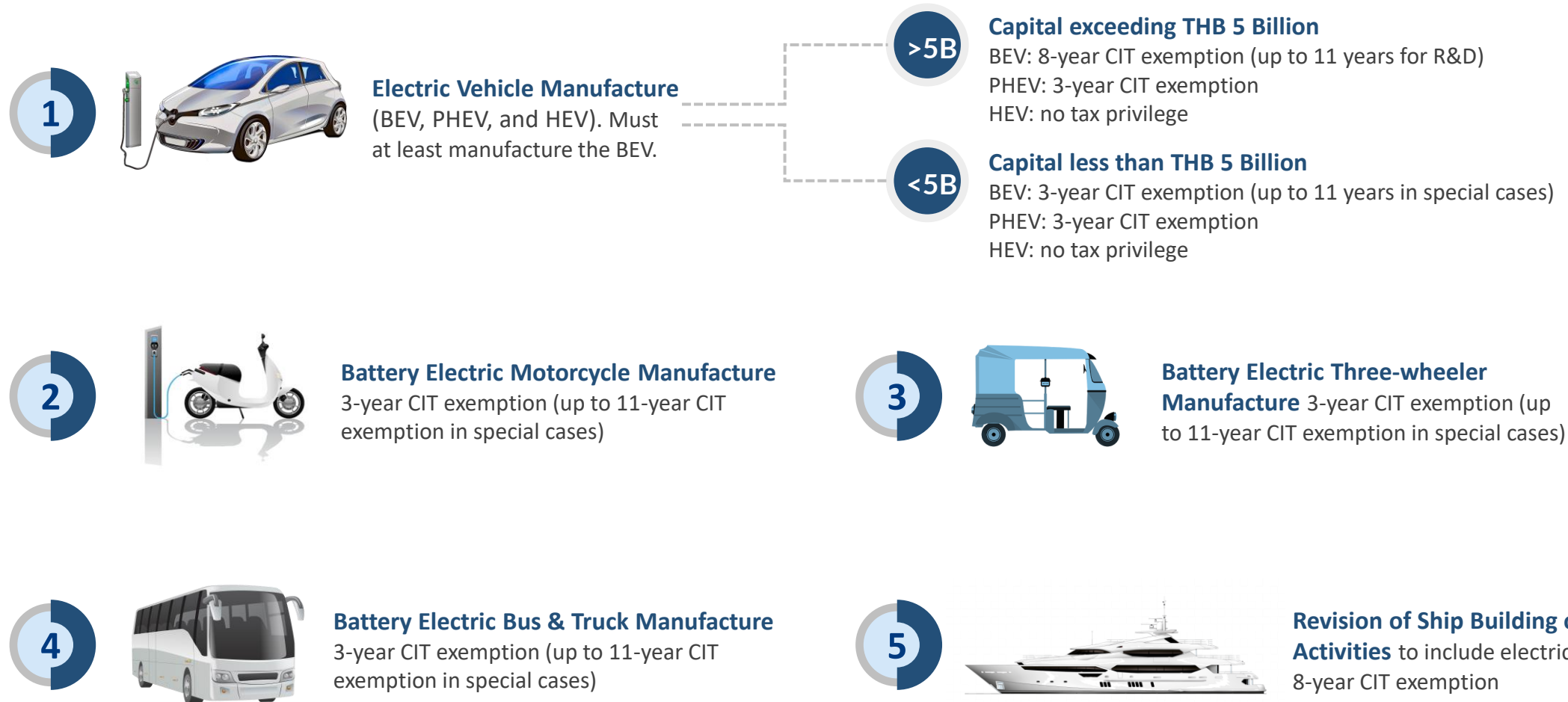
- ✓ EVs will be **exempt from excise tax** under the Tax Reform for Acceleration and Inclusion Act (TRAIN).

Indonesia

- ✓ **Imports** of vehicles from other ASEAN countries, China, and South Korea are **tariff exempt**.
- ✓ The finalization of a new EV policy with **fiscal incentives** is in process.

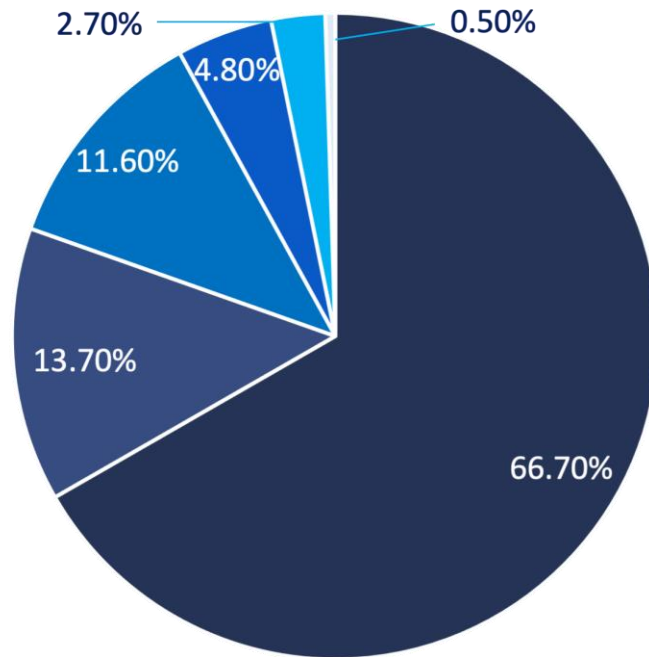


Investment Incentives for EV Production in Thailand



Additional FDI Promotion and Facilitation Policies

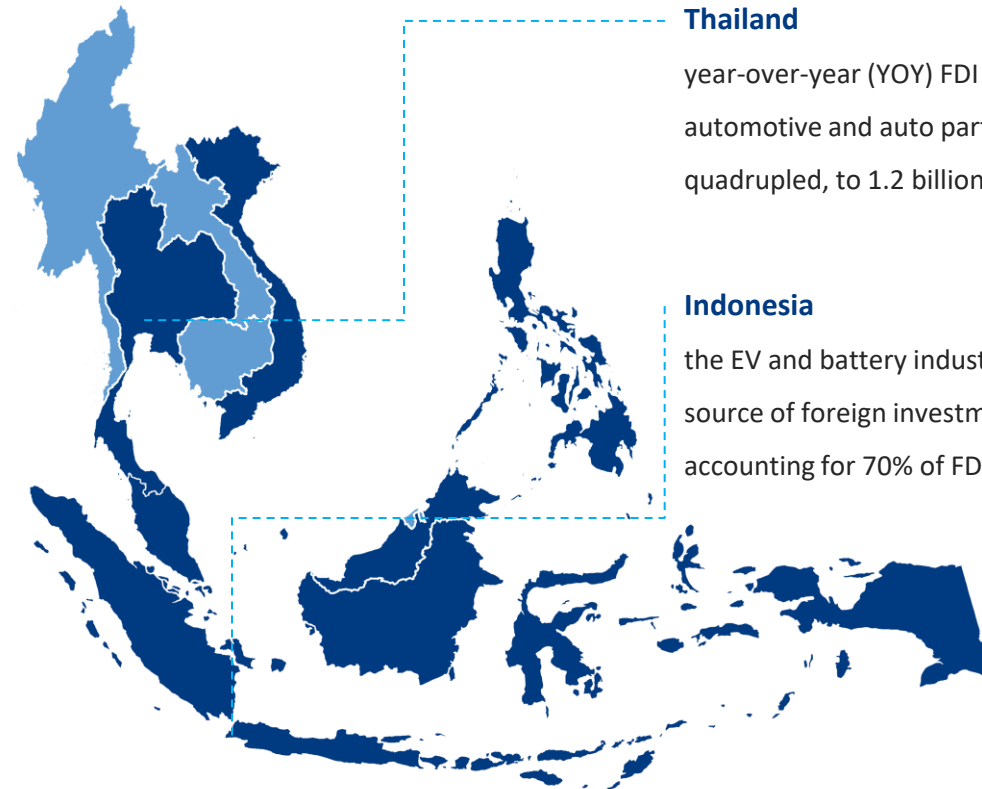
ASEAN FDI Inflow Recipients



■ Singapore ■ Indonesia ■ Vietnam ■ Philippines ■ Cambodia ■ Others

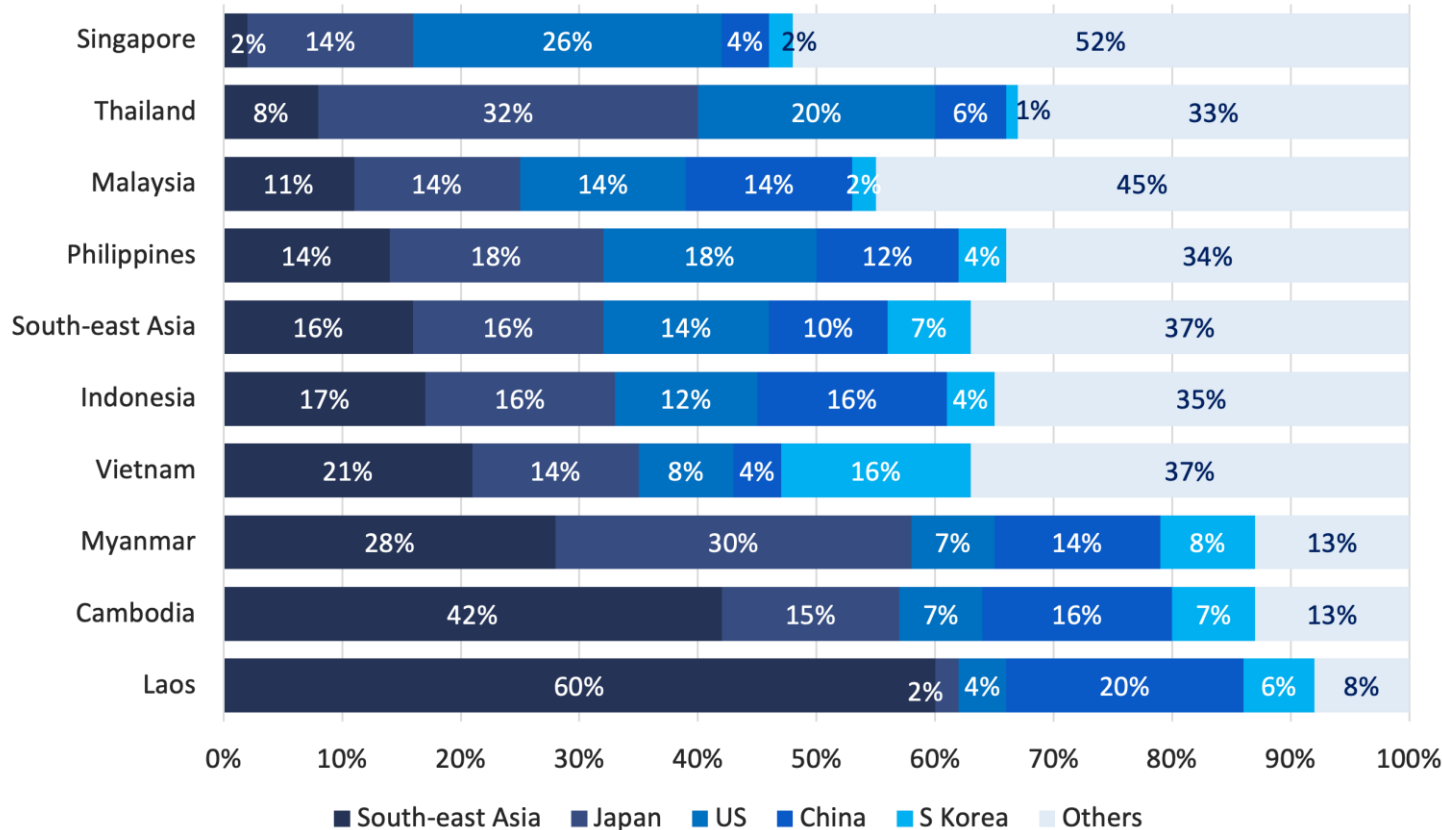
FDI inflows to ASEAN countries

Increased by 5% to USD 156 billion in 2020.



Measures to Increase FDI Inflows

Greenfield Foreign Direct Investment into South-East Asia



ASEAN Countries' Policies

Indonesia – Five-Year Plan (RPJMN) (2020-2024)

Malaysia – Export-led growth strategy.

Singapore – Local Industry Upgrading Program (LIUP)

USAID/Cambodia – Country Development Cooperation Strategy (CDCS) 2020-2025

Thailand

- ✓ Industrial Estate Authority of Thailand (IEAT);
- ✓ Special Economic Zones (SEZs);
- ✓ Eastern Economic Corridor (EEC) Development

Italy: Preferred Partner in the Development of Sustainable Mobility in ASEAN

Italy is a **leading country in the automotive value chain and industry.**

Italian **automotive sector**

- ✓ > 5,000 companies
- ✓ ≈ 260,000 employees.
- ✓ Turnover: EUR 100 billion (6% of national GDP).

Service sector and automotive-related components

- ✓ > 2,000 companies
- ✓ ≈ 160,000 employees
- ✓ Turnover: EUR 49 billion

Production of:

- ✓ Light electric vehicles
- ✓ E-motorbikes and e-bicycles
- ✓ Inverters
- ✓ Battery storage systems
- ✓ Electric motors



- ✓ **Italy is the third largest exporter of LED lights in the world** with approximately 80 manufacturers of LED equipment.
- ✓ **Recycling and second-life initiatives** in Italy have produced a specialization in the disposal of accumulators. A collaboration between the Cobat Consortium and National Research Council (CNR) has developed advancements in the recovery of lithium batteries.
- ✓ **In 2001**, Italy became **the first country** to launch a **nationwide EV charging station infrastructure**.
- ✓ **Italy also has a strong network of research institutes** at the forefront of applied research in energy and mobility, including the Polytechnics of Turin and Milan, the Centre for Automotive Research and Evolution (CARE) in Rome, and the institutes of the CNR.
- ✓ **EU policies and associated Italian investment plans** bolster the innovations to come. The European Commission has proposed revising the European targets for the 2030 energy transition.
- ✓ **The National Recovery and Resilience Plan (NRRP)** in Italy, a part of the EUR 750 billion Next Generation EU (NGEU) program, is moving in response to the pandemic crisis. The national plan is to contribute to the construction of charging stations on a large scale.

Luca Bernardinetti

Chairman & CEO, Mahanakorn Partners Group
ASEAN Partner, The European House – Ambrosetti

www.ambrosetti.eu

e-mail bangkok@ambrosetti.eu

Mahanakorn Partners Group Co., Ltd.

Kian Gwan House III, 9th Floor, 152 Wireless Rd.
Lumpini, Pathumwan, Bangkok, 10330, Thailand

The European House – Ambrosetti was named – in the category “Best Private Think Tanks” – the no. 1 think tank in Italy, the no. 4 think tank in the European Union and among the most respected independents in the world out of 11,175 on a global level in the latest “Global Go To Think Tanks Report” of the University of Pennsylvania.

