

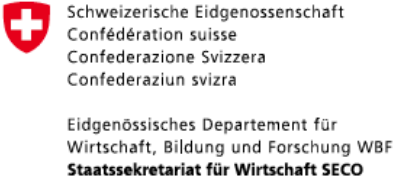


IMPULSE: ASIA

With a focus on Indonesia and India

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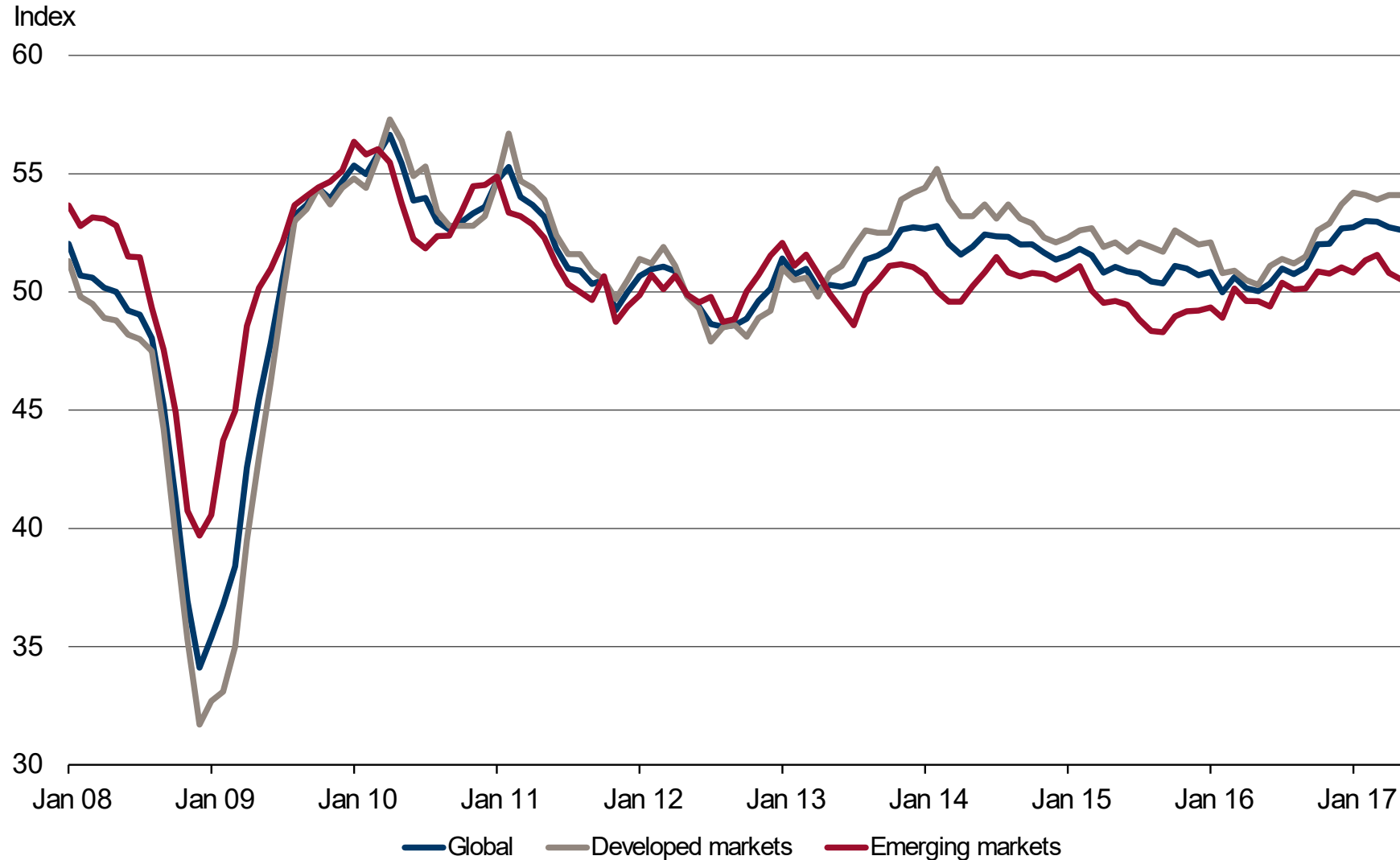
RETO HESS

**DIRECTOR AND SENIOR RESEARCH ANALYST
CREDIT SUISSE AG**

S-GE Impulse event: ASIA
Can FDI in emerging Asia recover

Economic Outlook

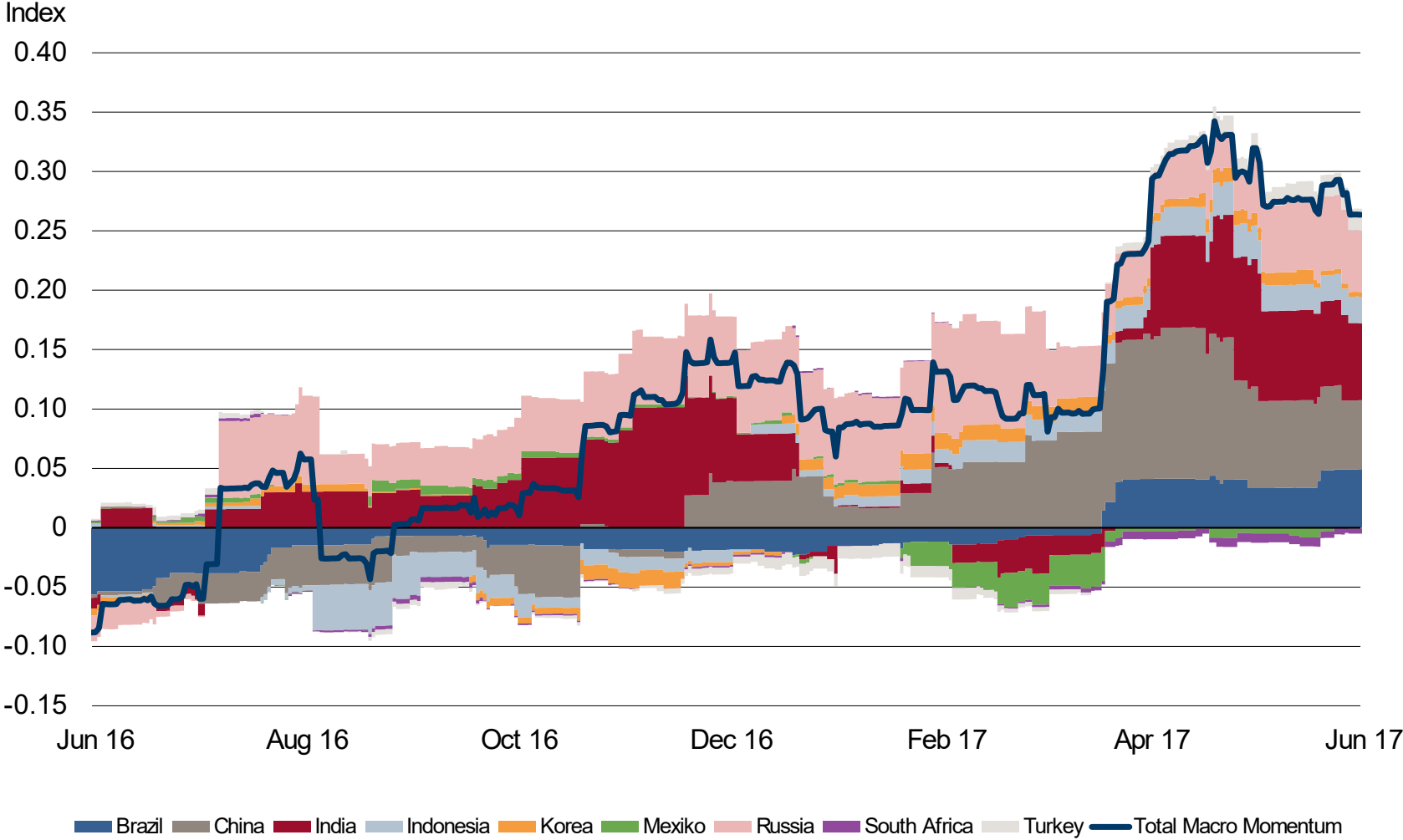
Manufacturing PMIs point to a broad-based expansion



Last data point: 31.05.2017

Source: Bloomberg, Credit Suisse

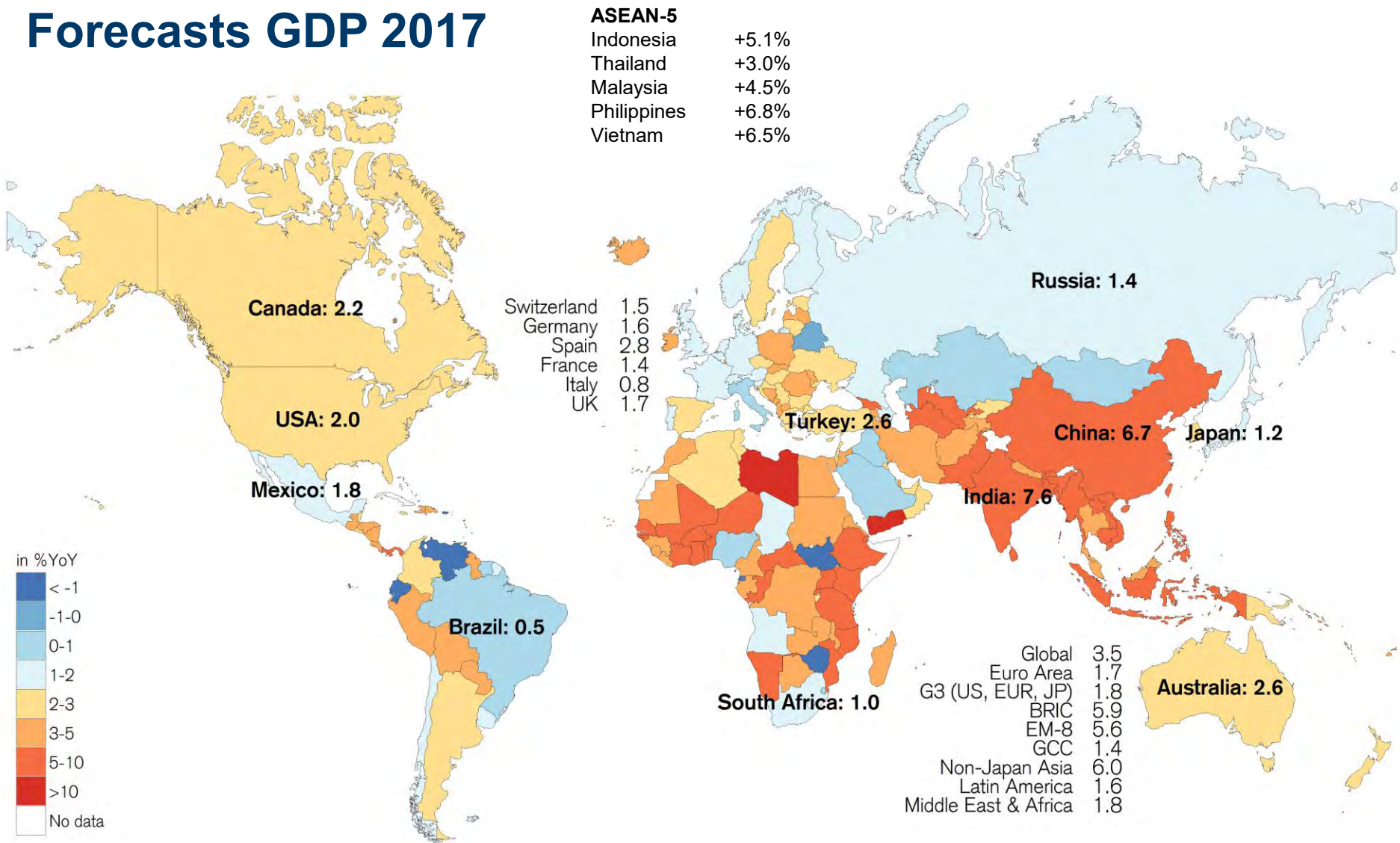
Macro momentum in EM stable...



Last data point: 12.06.2017

Source: Macro, Credit Suisse / IDC

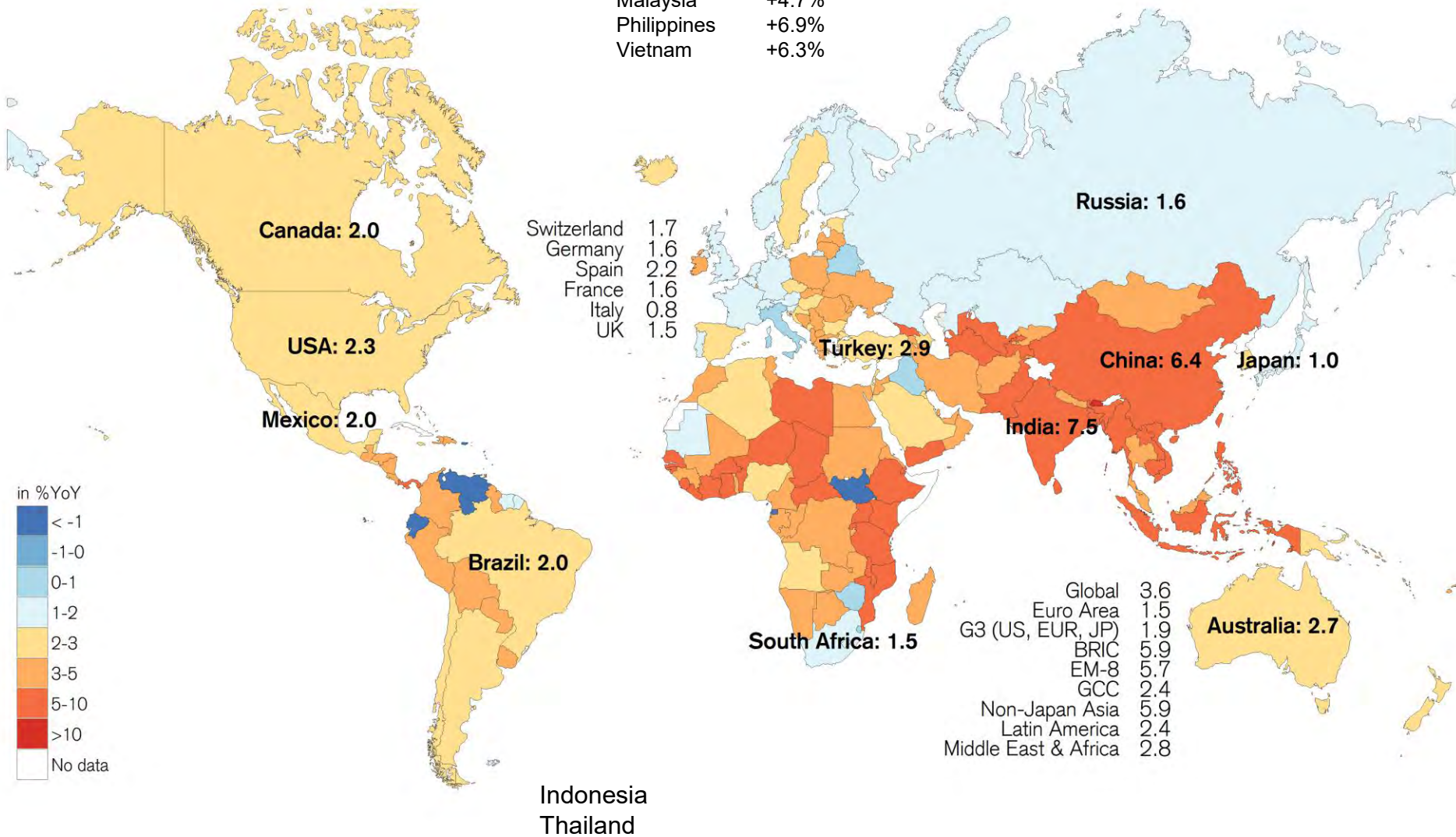
Forecasts GDP 2017



Last data point: 29.05.2017

Source: listed forecasts Credit Suisse: other forecasts IMF

Forecasts GDP 2018



Last data point: 29.05.2017

Source: listed forecasts Credit Suisse: other forecasts IMF

Competitiveness & Politics

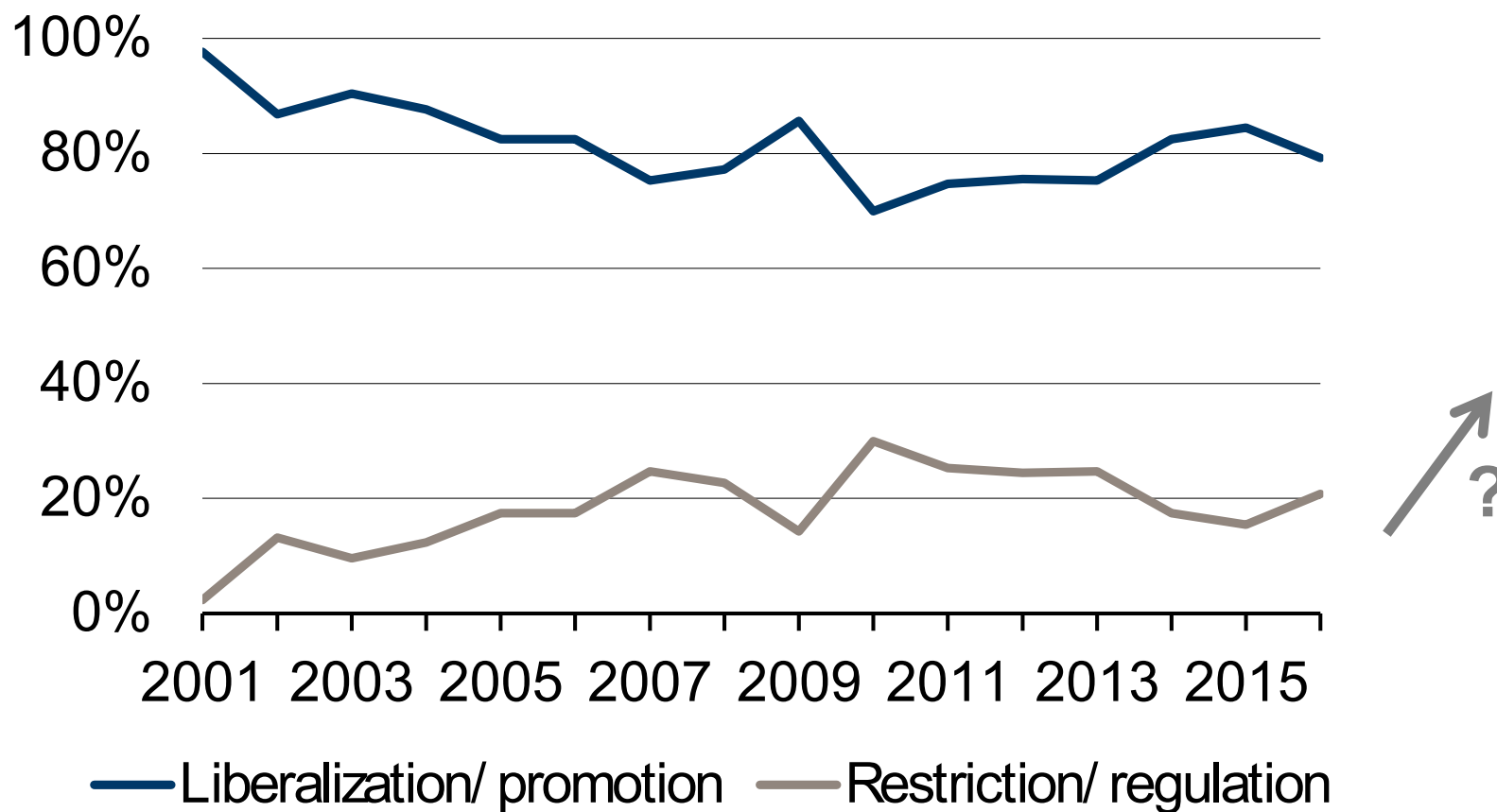
Key factors influencing future FDI growth – Competitiveness of Developing Asia counties

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Singapore	2	2	2	2	2	2	3
Hong Kong SAR	9	7	7	7	9	11	11
Taiwan, China	14	15	14	12	13	13	13
Malaysia	25	18	20	24	25	21	26
Korea, Rep.	26	26	26	25	19	24	22
China	28	28	28	29	29	26	27
Thailand	34	32	31	37	38	39	38
Indonesia	41	37	34	38	50	46	44
Philippines	57	47	52	59	65	75	85
India	39	55	71	60	59	56	51
Vietnam	60	56	68	70	75	65	59
Lao PDR	93	83	93	81			
Myanmar		132	134	139			

Source: The global Competitiveness Report 2016/2017

National Investment Policy

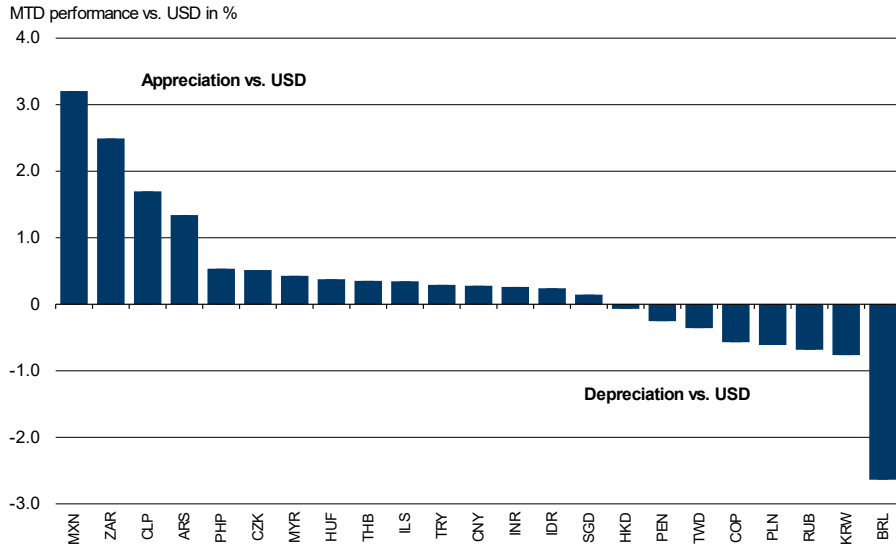
Changes in national investment policies 2001-2016



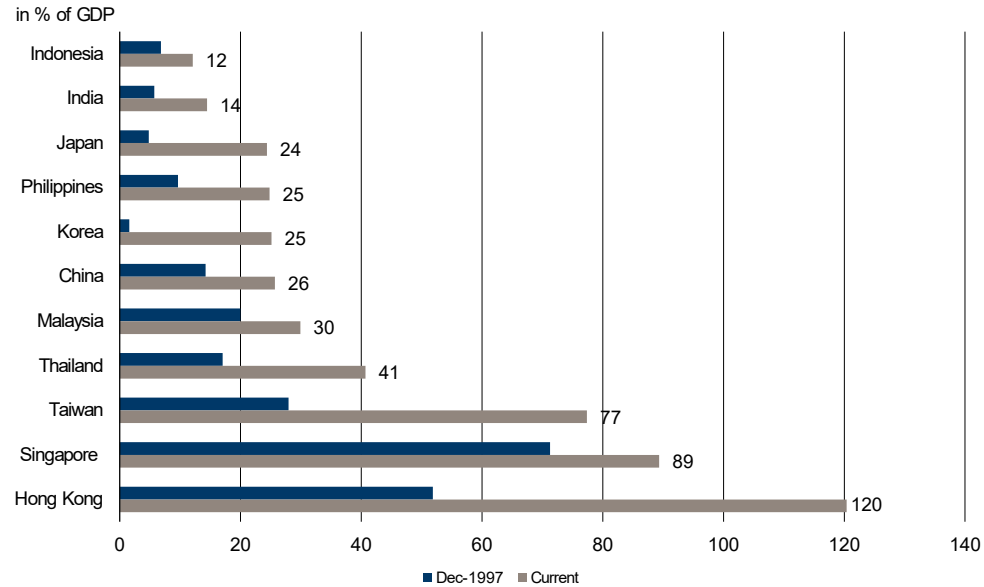
Source: The global Competitiveness Report 2016/2017

Currency reserves appears solid

Performance major Asia currencies vs. USD



Asian FX reserves as % of GDP



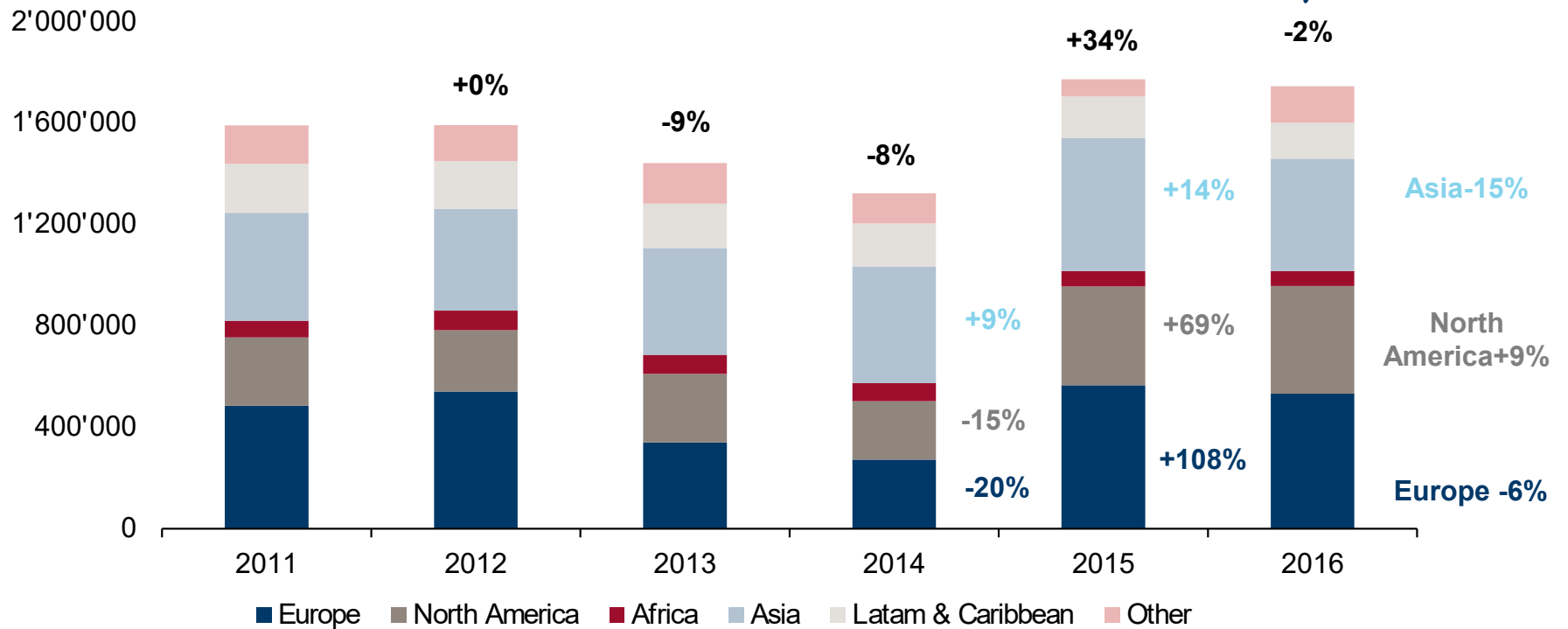
Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.

FDI flows

Global FDI Inflows

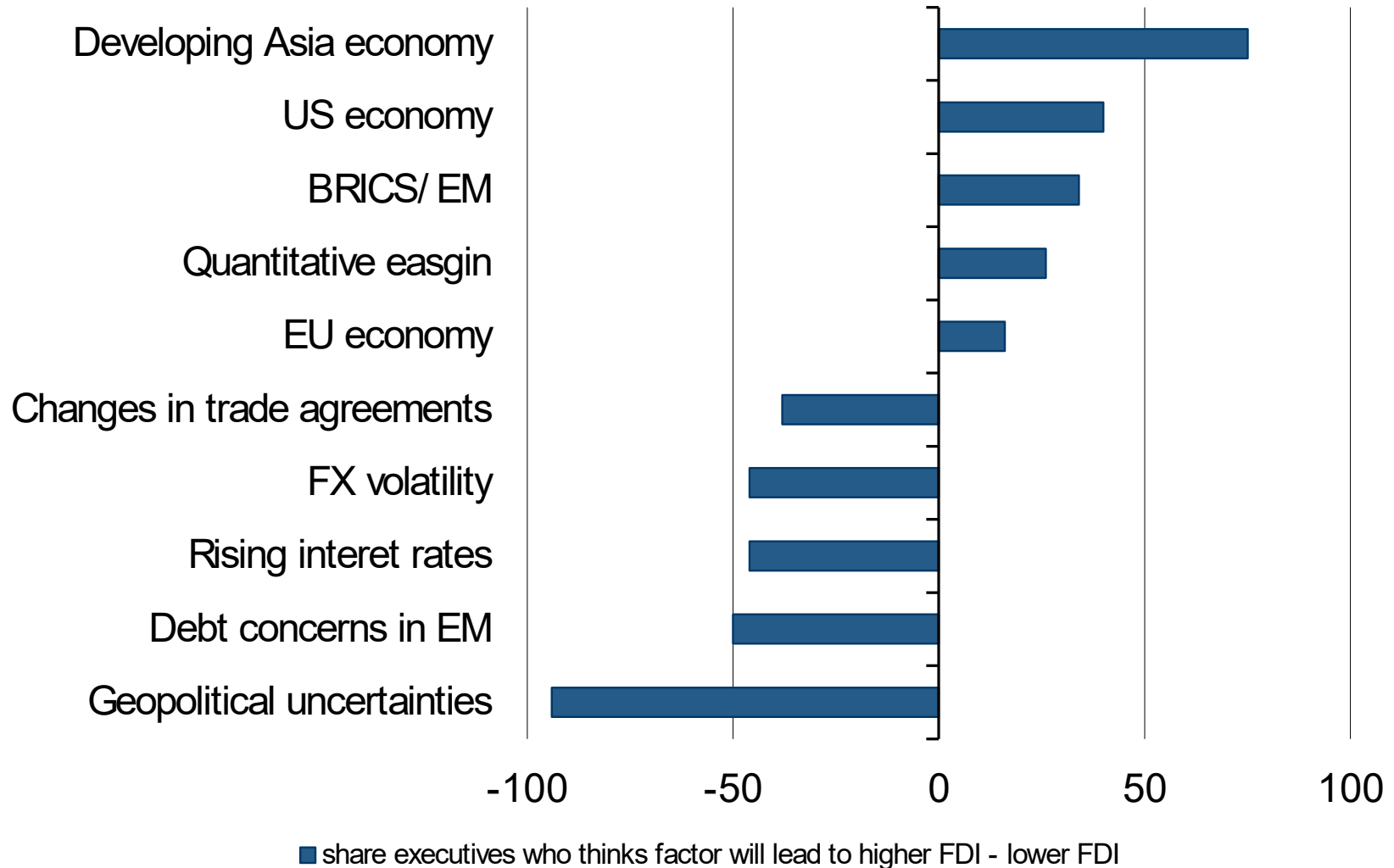
Unctad press release 1.2.17:
Global FDI -13% in 2016

Global FDI inflows in million USD by region



Source: Unctad, Credit Suisse

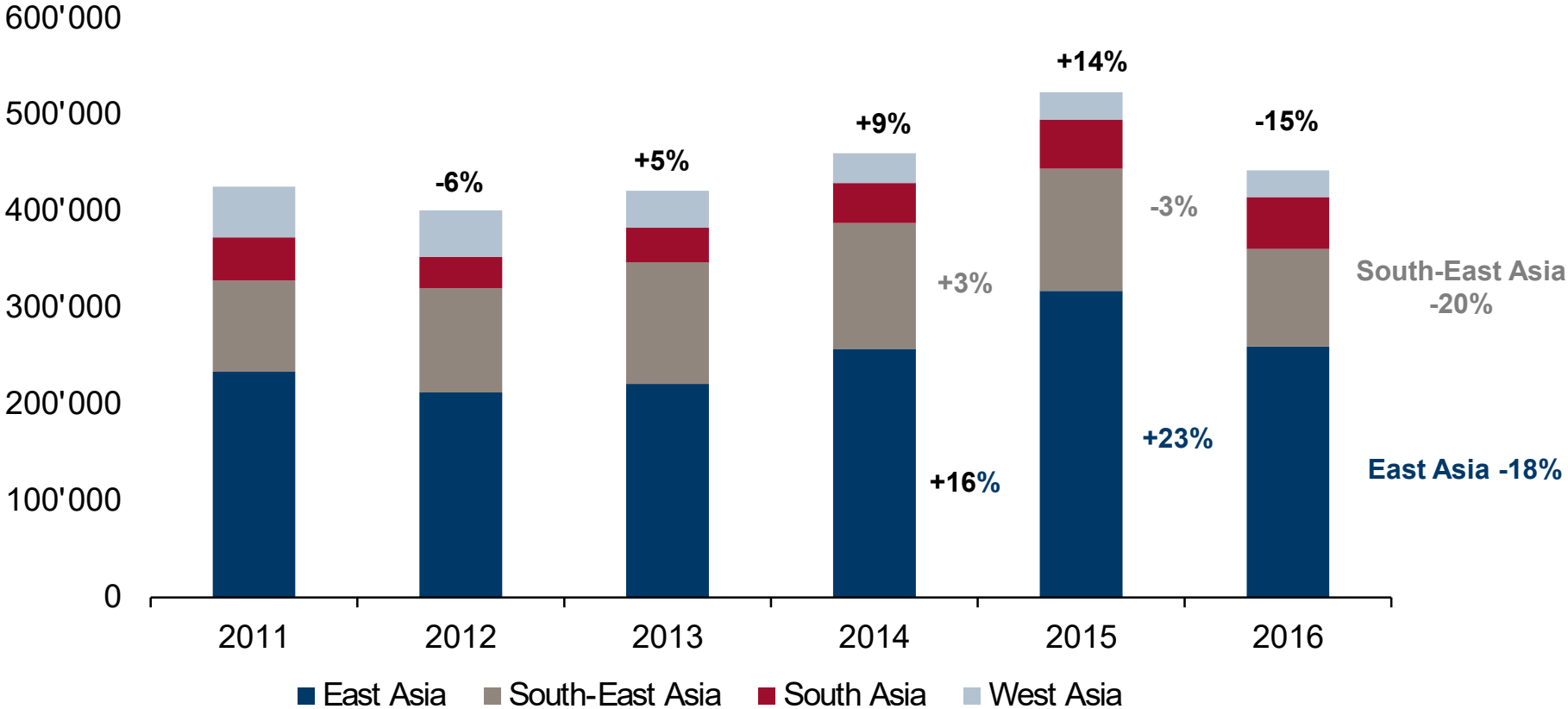
Factors impacting 2017 FDI flows positive & negative



Source: Unctad, Credit Suisse

Asia FDI Inflows

Asian FDI inflows in million USD by region



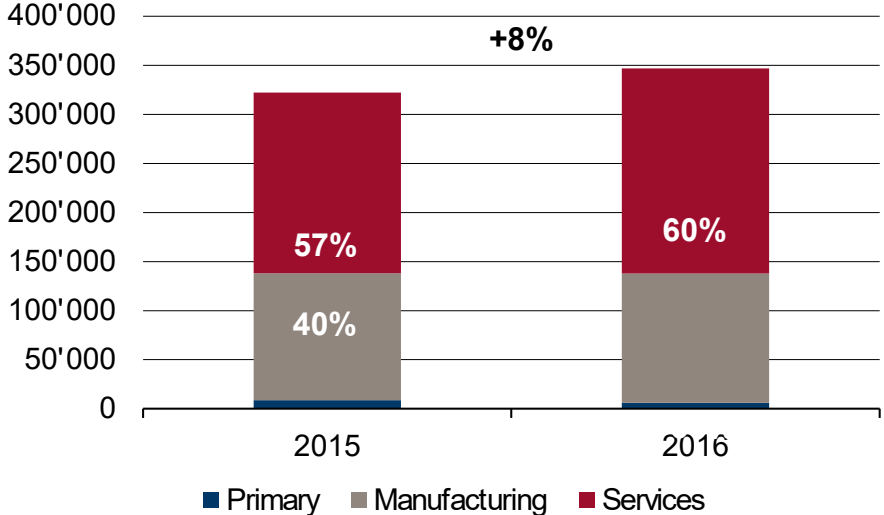
East Asia: China, HK, Democratic People Republic of Korea, Republic of Korea, Macao, Mongolia, Taiwan
 South-East Asia: Brunei, Cambodia, Indonesia, Lao People's Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand, Timor, Viet Nam
 South Asia: Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan, Sri Lanka
 West Asia: Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, State of Palestine, Syrian Republic, Turkey, UAE, Yemen

Source: Unctad, Credit Suisse

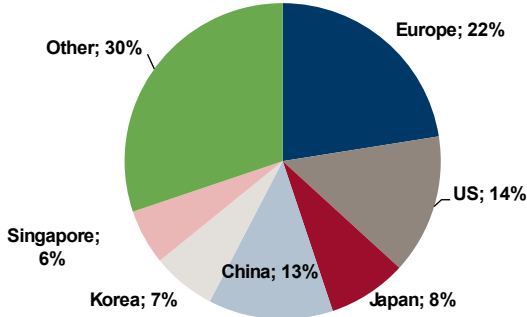
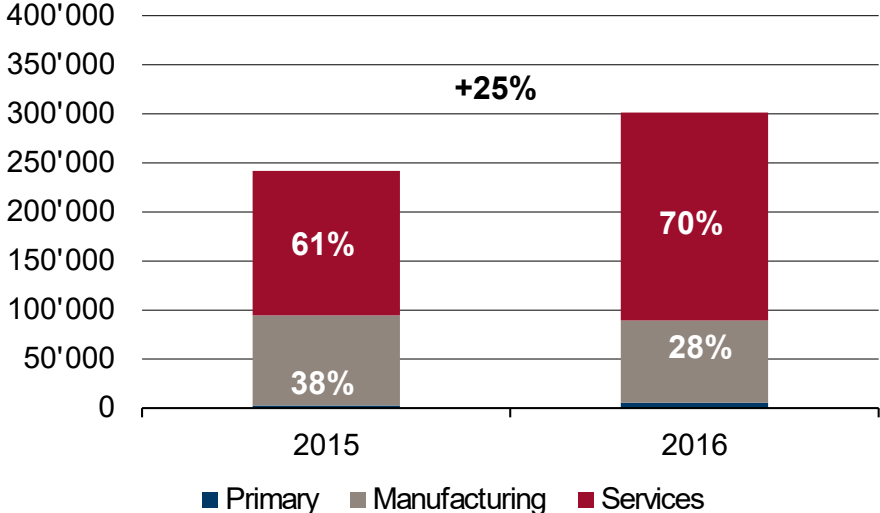
Asia greenfield projects

Emerging Asian greenfield projects in million USD by sector

Asia as destination



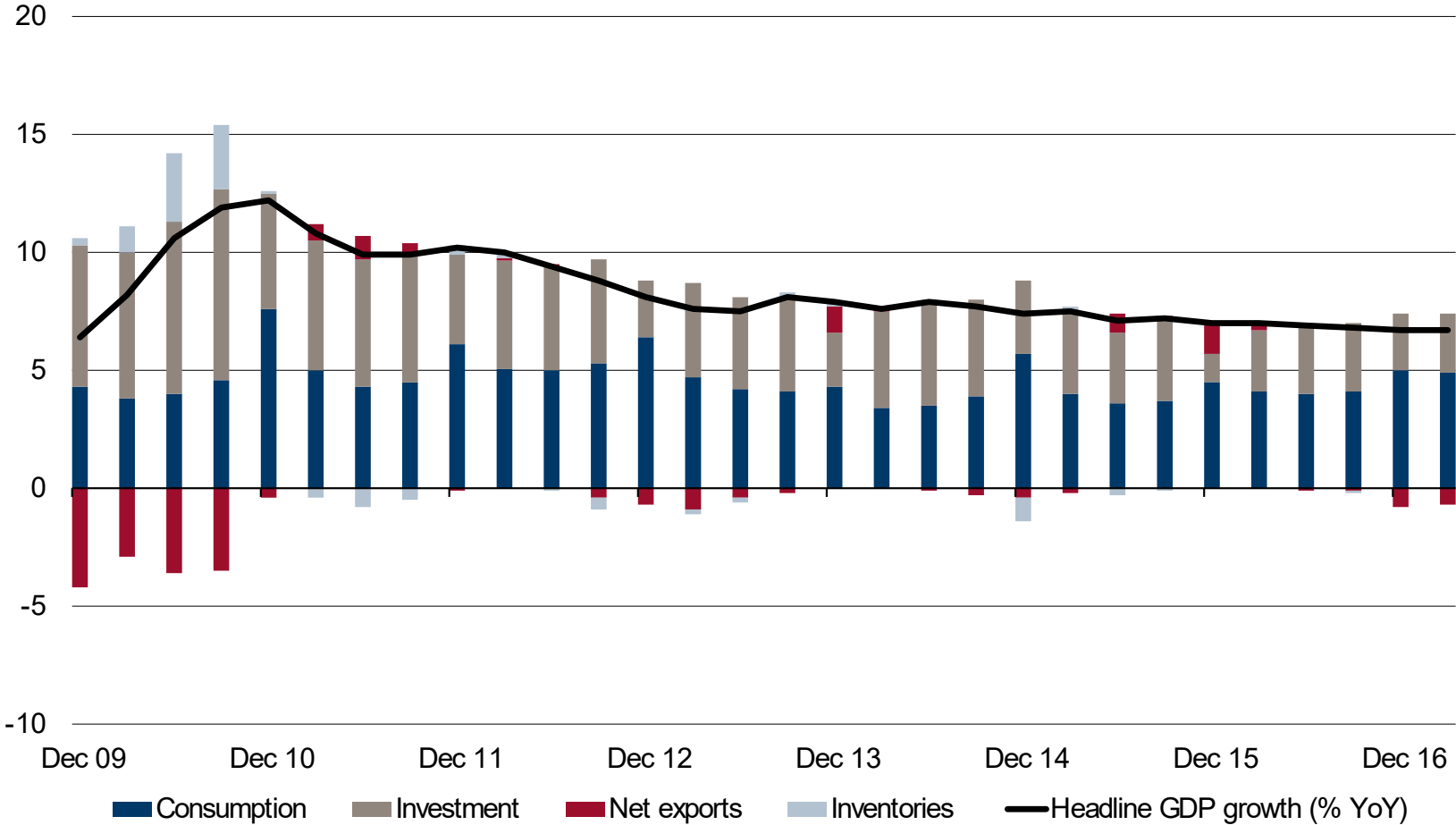
Asia as investor



Source: Unctad, Credit Suisse

China – Contribution to GDP growth

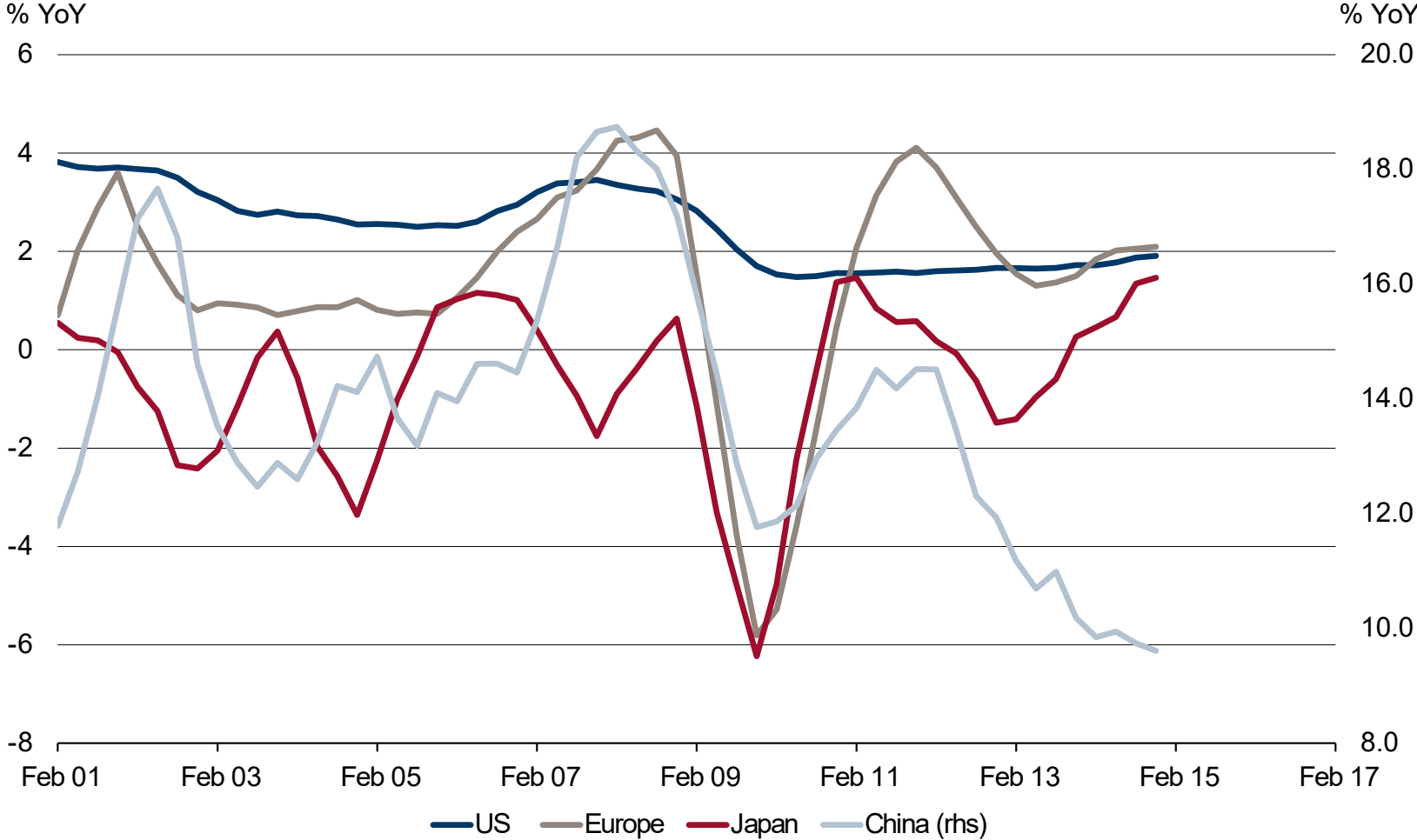
PP contribution to YoY GDP growth



Last data point: 31.03.2017

Source: Datastream, Credit Suisse/IDC

China and G3 nominal wage growth

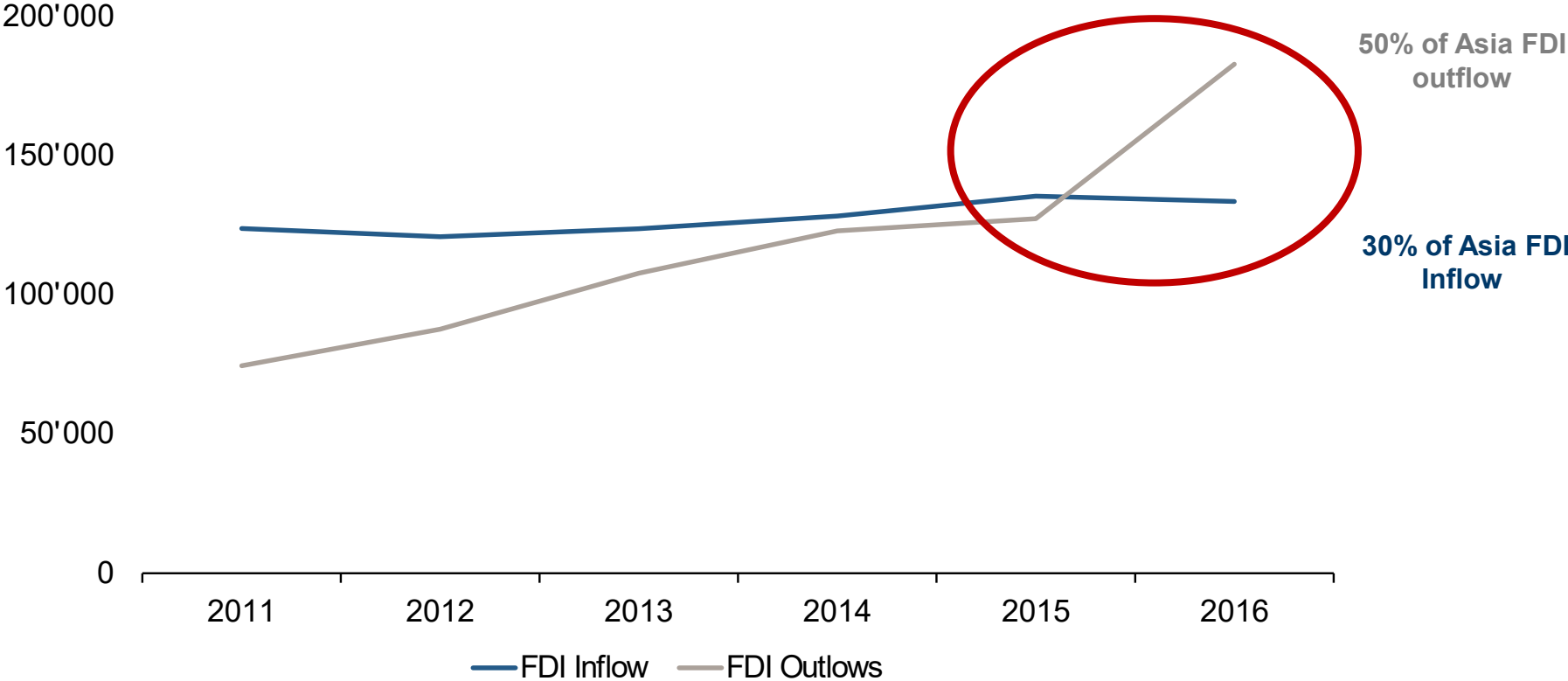


Last data point: 15.05.2017

Source: Bloomberg, Credit Suisse/IDC

China FDI Flows

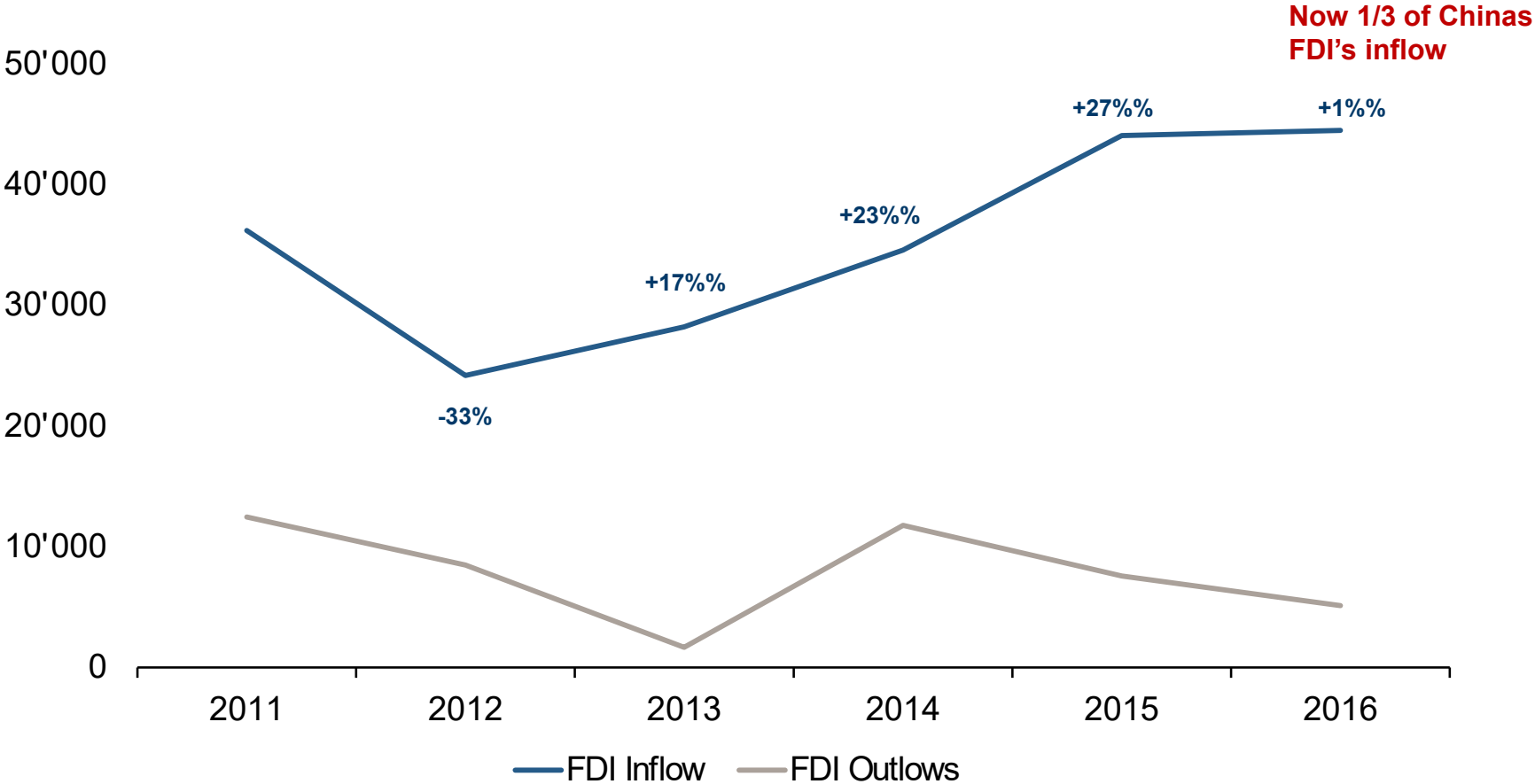
Asian FDI inflows in million USD by region



Source: Unctad, Credit Suisse

India FDI Flows

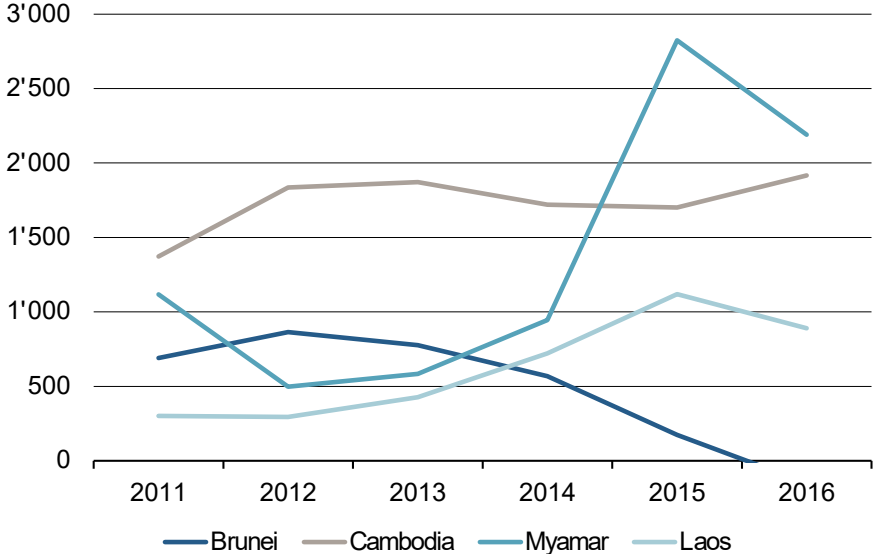
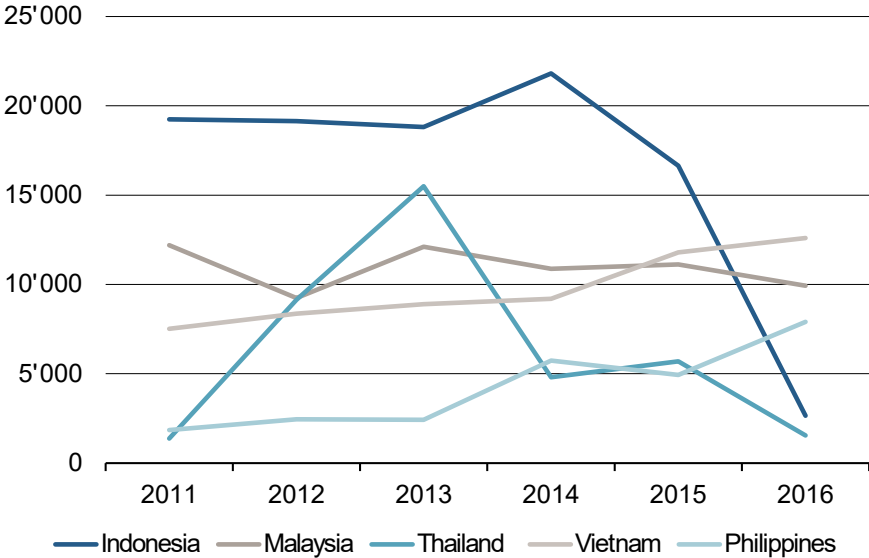
Asian FDI inflows in million USD by region



Source: Unctad, Credit Suisse

ASEAN FDI Inflows Flows

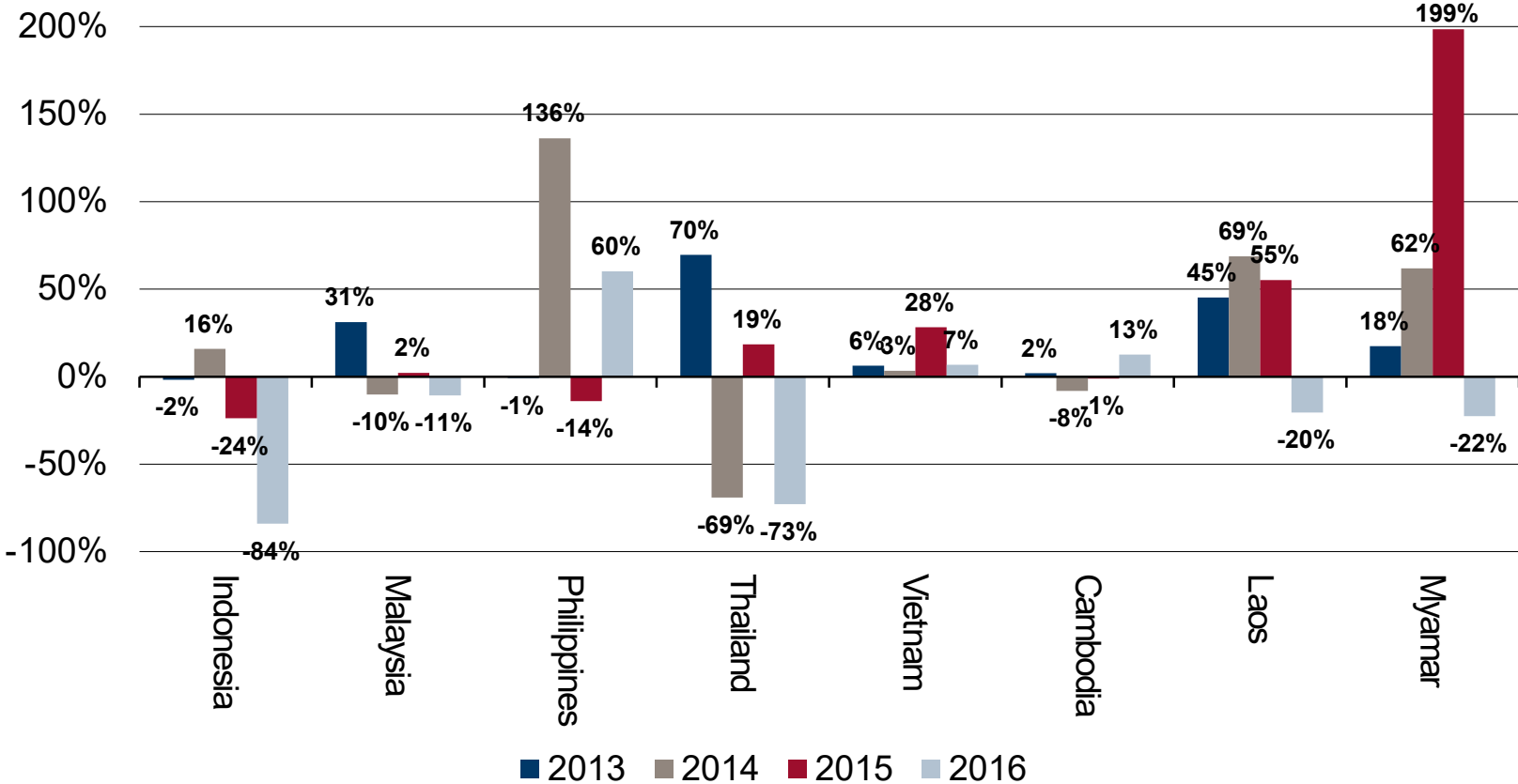
ASEAN FDI inflows in million USD by region



Source: Unctad, Credit Suisse

ASEAN FDI Inflows Flows

ASEAN FDI YoY growth



Source: Unctad, Credit Suisse

Emerging consumers

Emerging Consumer Survey – India scores best

Emerging Consumer Survey Scorecard 2017

Rankings (6–12-month horizon)	Personal finances	Inflation expectations	Time for a major purchase	Household income expectations	Income history	Rank	
India	1	1	1	5	3	1	↑
Indonesia	2	6	3	1	1	2	↑
China	4	5	2	3	2	3	↓
Brazil	3	3		2	8	4	↑
South Africa	5	8	5	4	4	5	↑
Mexico	6	7	4	6	7	6	↓
Russia	7	4	6	7	6	6	→
Turkey	8	2	7	8	5	6	↓

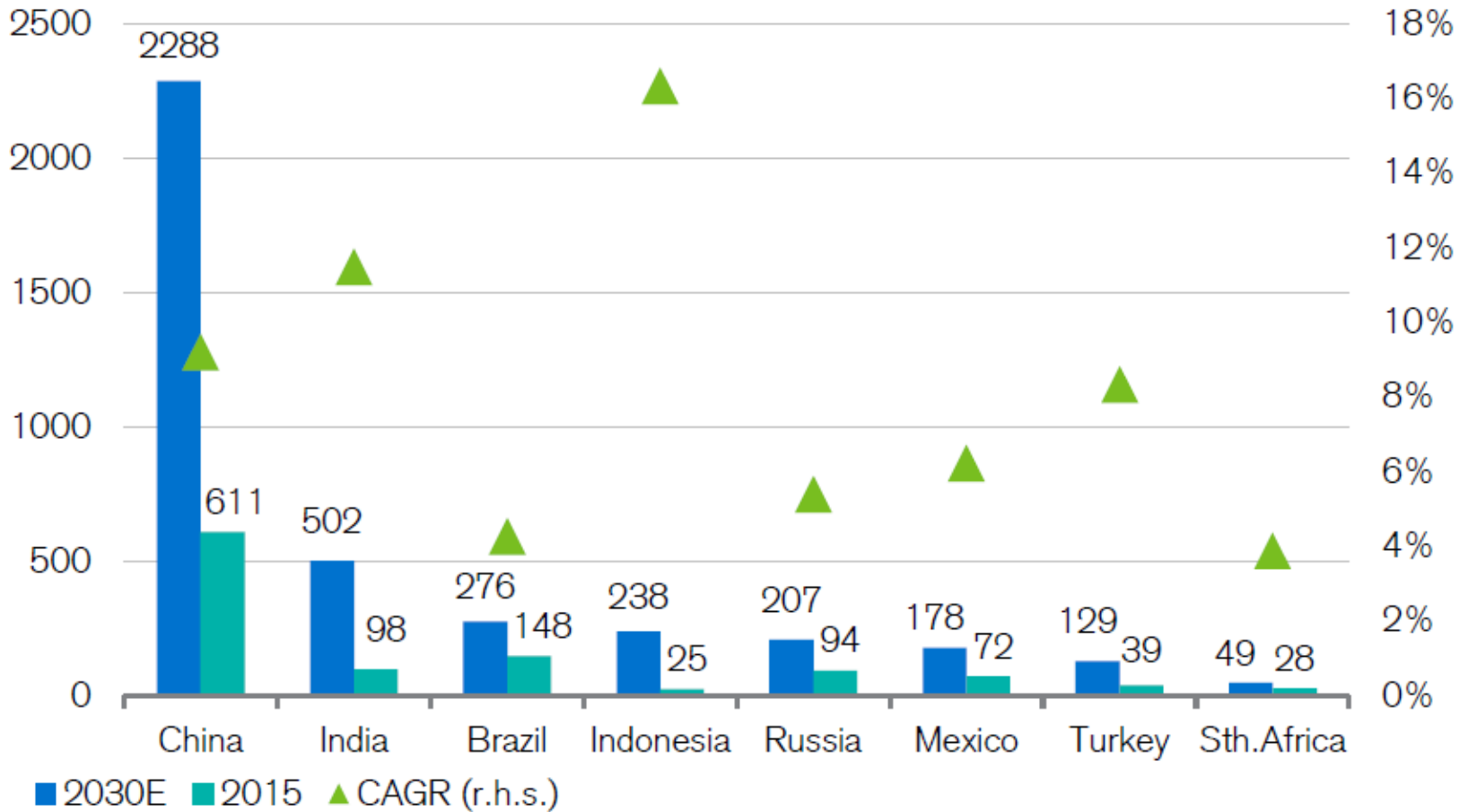
Source: Credit Suisse Emerging Consumer Survey 2017

Growth potential in spending categories

GDP per capita 2016E		Growth potential			
	Country	High	Medium	Low	
Below USD 2,000	India	Cereals	Apparel	Beverages	Education
		Two wheelers	Meat	Healthcare	Consumer credit
				Cars	Beauty products
				PCs/laptops	Tourism
USD 2,000 – 5,000	Indonesia	Apparel	Beverages	Healthcare	
		Meat	Cars/two-wheelers	Consumer credit	
			Cereals	Tourism	
			PCs		
USD 5,000 – 10,000	South Africa	Beverages	Meat	Cereals	
	Mexico	Cars	Apparel	Two wheelers	
	Brazil	PCs	Healthcare		
	China	Beauty products	Consumer credit		
	Russia		Tourism		
USD 10,000 – 25,000		Education	Cars	Cereals	
		Healthcare	PCs	Two wheelers	
	Turkey	Tourism	Beverages	Meat	
		Consumer credit		Apparel	
		Beauty products			

Source:IMF, CS estimates

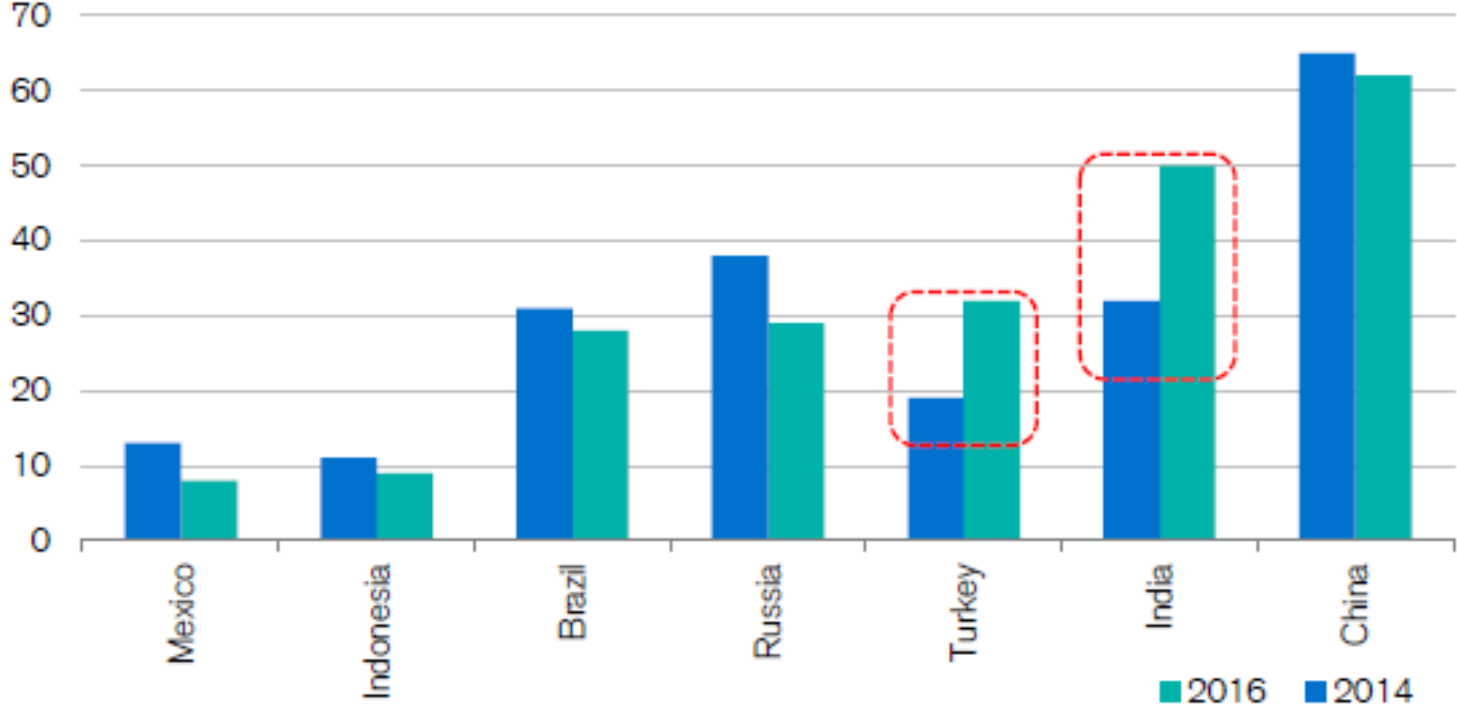
Total healthcare spending to grow quickly in a no-change scenario



Source: Credit Suisse Emerging Consumer Survey 2017

Emerging markets are online

% of consumers that shop online

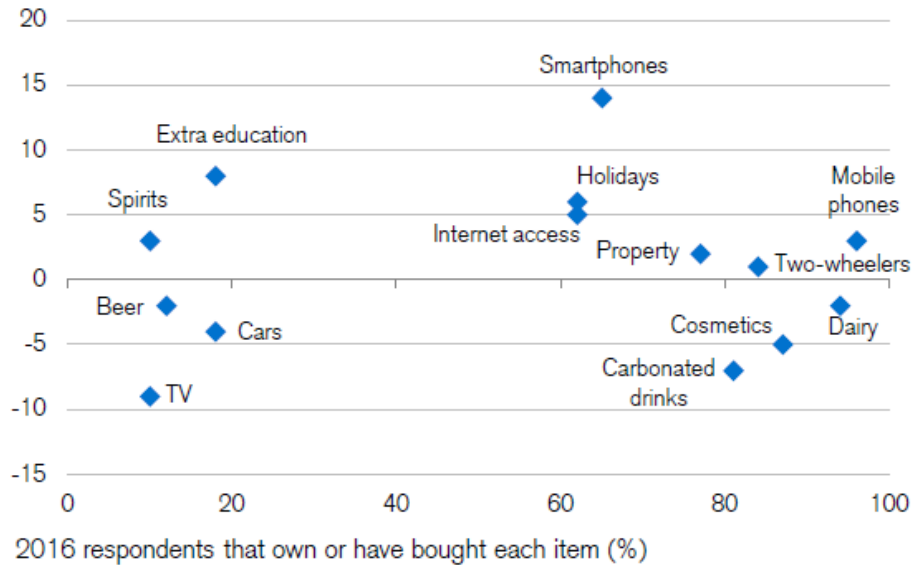


Source: Credit Suisse Emerging Consumer Survey 2017

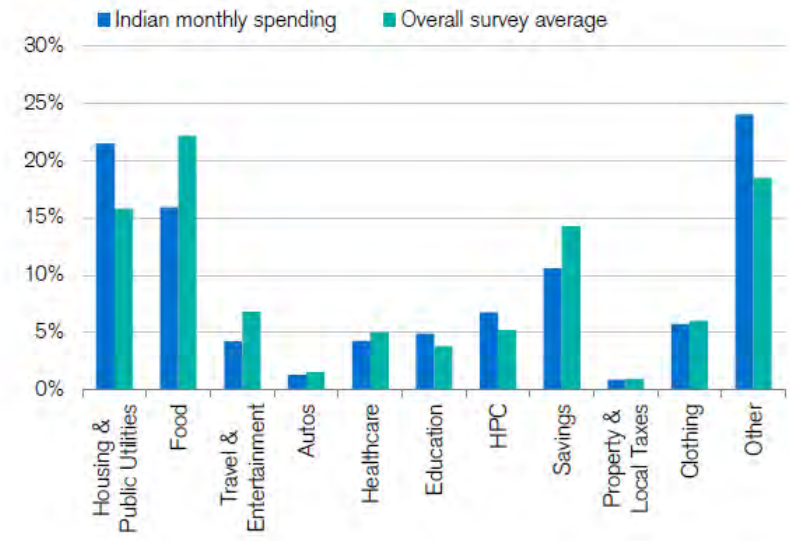
India - Reigning supreme

Spending momentum and market penetration

Recorded spending in 2016 vs. 2015 (%)



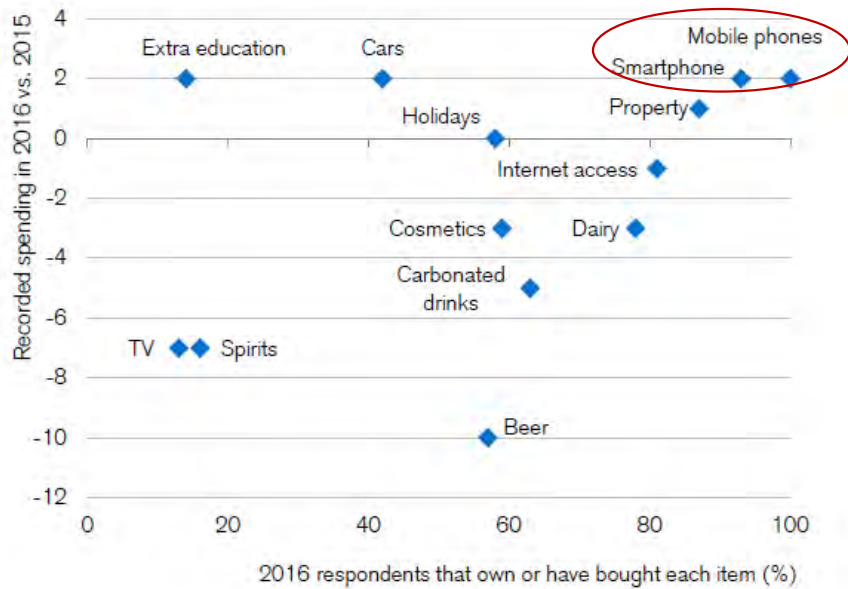
Monthly spending by category



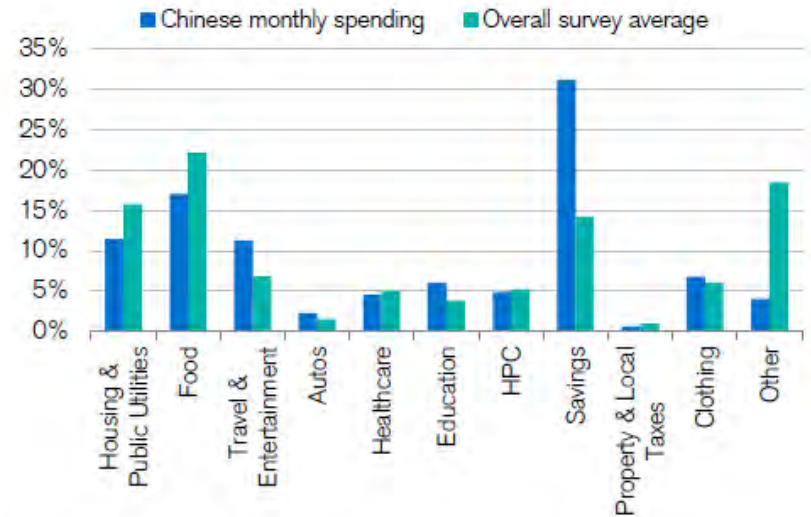
Source: Credit Suisse Emerging Consumer Survey 2017

China - The young/technological emerging middle class

Spending momentum and market penetration

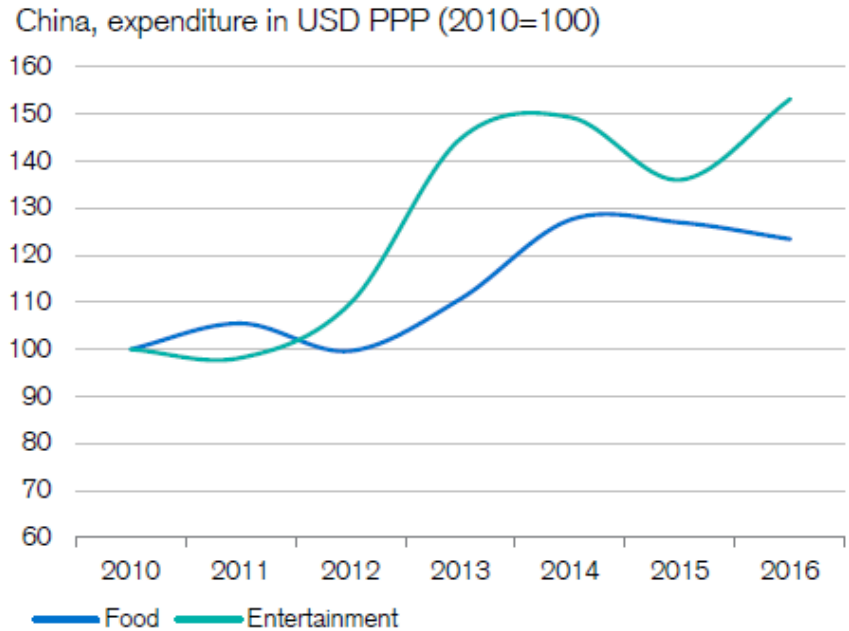
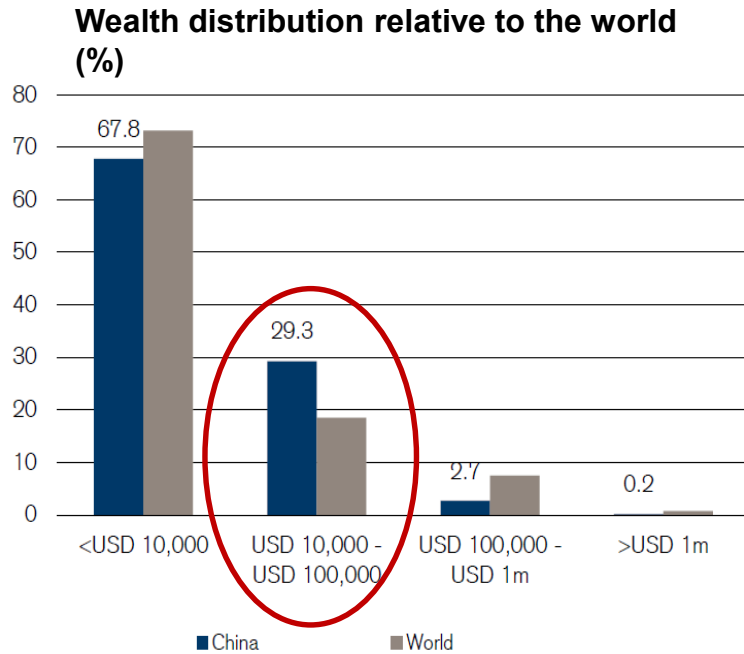


Monthly spending by category



Source: Credit Suisse Emerging Consumer Survey 2017

Lifestyle upgrade reflecting higher income

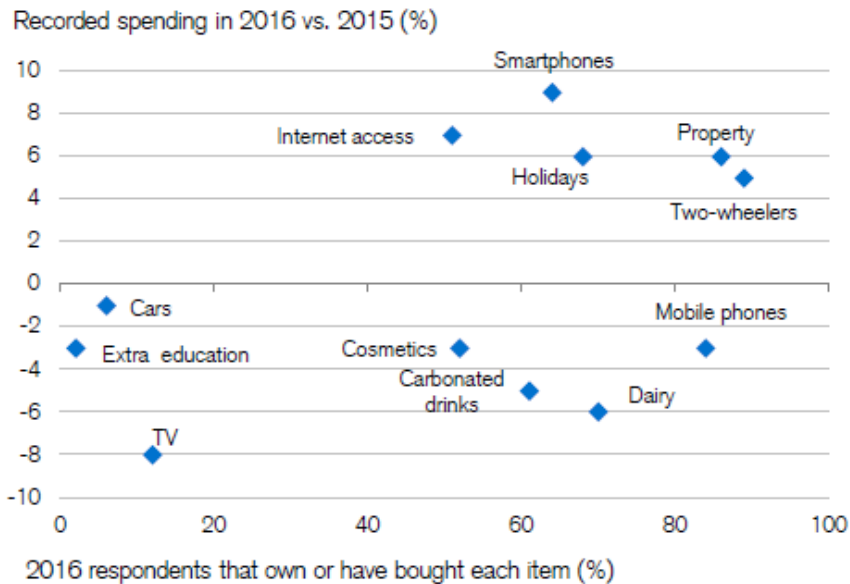


Source: Credit Suisse Global Wealth Report 2016

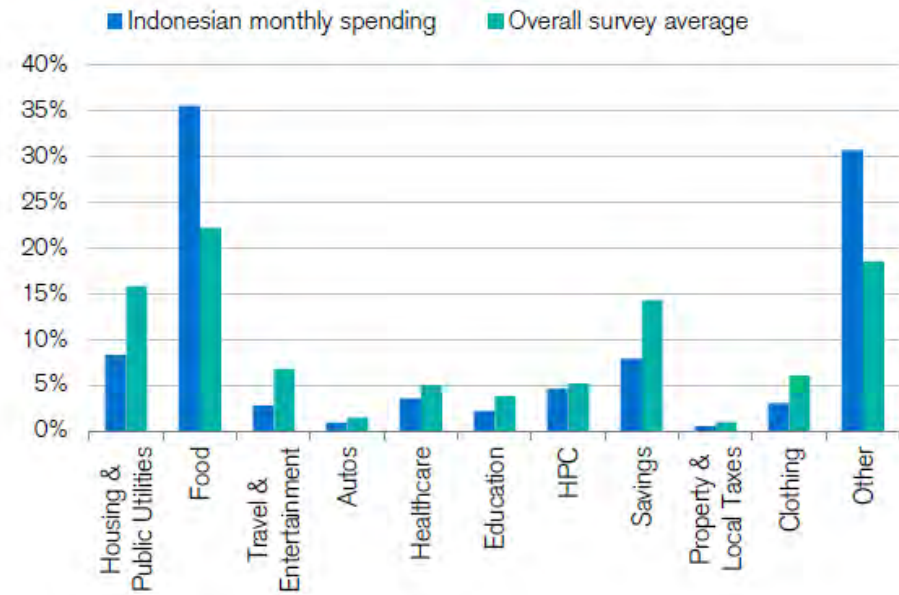
Source: CSRI Special Report: The Chinese Consumer in 2017

Indonesia - greater expectations for the future

Spending momentum and market penetration



Monthly spending by category



Source: Credit Suisse Emerging Consumer Survey 2017

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ANGELA DI ROSA

**CONSULTANT SOUTH EAST ASIA
SWITZERLAND GLOBAL ENTERPRISE**

BRUNO TETTAMANTI

HEAD MARKETING + SALES
BIAZZI SA



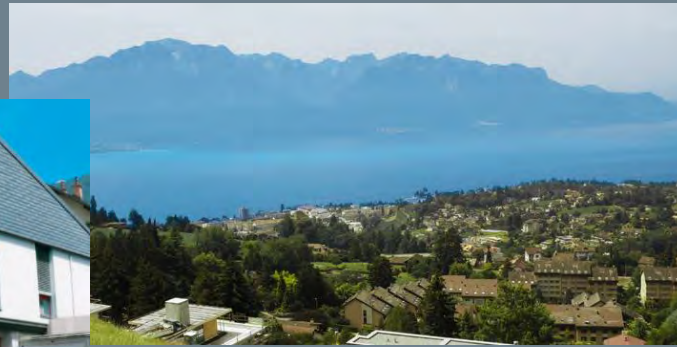
[from concept to completion]

welcome





More than 400 industrial Plants have been designed in the Heart of Europe



BIAZZI, a Swiss company, leader in the field of nitration technology since 1936, is also leader in the field of catalytic hydrogenations and other gas/liquid reactions.

At our headquarters overlooking the lake of Geneva near Montreux, more than 400 complex industrial plants have been designed for customers throughout the world.



Technologies, Processes and Plants available from BIAZZI

EXPLOSIVES TECHNOLOGY



Since 1936 > 250 plants

NITRATION TECHNOLOGY



Since 1946 > 50 plants

HYDROGENATION TECHNOLOGY



Since 1991 > 70 plants



BIAZZI is focused on the CHEMICAL Industry

BIAZZI's clients are companies like :

Dipharma Francis S.p.A.; Namhae Chemicals Korea; Clariant;
Evonik; Hoffmann La Roche; Total Cray Valley;
Kothari S. & C.; Dixie Chemicals ; Sanofi; Scinopharm; Tatneft;
Steiner S.S.; KRKA; BorsodChem; Firmenich; Bayer; Milliken;
AirProducts; Viechem; etc.

BIAZZI

- Makes your life more sweet
- Makes you and many others feel good
- Helps to optimize the global CO₂-balance
- Takes part in your daily life in many ways



Characteristics of the unit :

- Hydrogenated sugars



Characteristics of the unit :

- Beer additive
- Used in the Food Industry





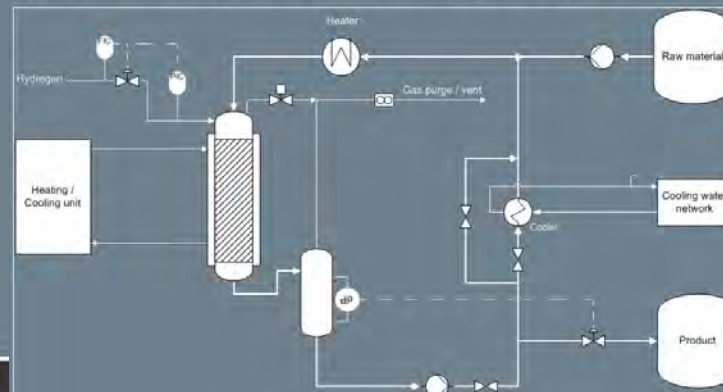
Characteristics of the unit :

- Hydrogenated resins
- Glues for diapers
- De-coloration (water white)
- De-aromatisation

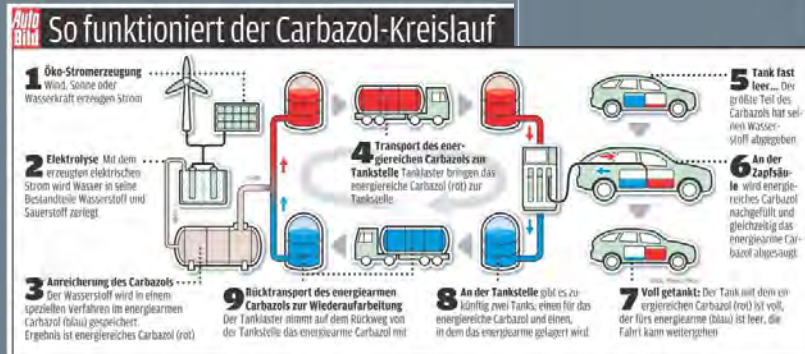


Technology to make CO₂-neutral fuels

Hydrogenation process – mono-tubular principle



The LOHC Cycle



All giving a presentation about their company will tell you:

who they are
what they are doing
and why they are so good

(Well I will I will do the same with the exception that I will not tell you what I can bring to you)



BIAZZI Units with capacities :

- Few 100 MTPY (Pharma, API's)
- Up to units with 300'000 MTPY (Polyurethane, raw material)



References

<i>References to date (area)</i>	<i>73</i>
<i>Europe</i>	<i>42</i>
<i>Asia</i>	<i>17</i>
<i>USA/South America</i>	<i>11</i>
<i>Russia/others</i>	<i>3</i>

<i>References to date (segments)</i>	<i>73</i>
<i>Pharmaceuticals</i>	<i>30</i>
<i>Bulks (e.g. TDA)</i>	<i>7</i>
<i>Specialties (e.g. additives)</i>	<i>16</i>
<i>Food</i>	<i>6</i>
<i>Others</i>	<i>14</i>

A horizontal strip of images showing various industrial machinery, including pipes, tanks, and complex mechanical structures, is positioned at the top of the slide.

BIAZZI's TARGET is to grow the previous list

Be present on all markets having a potential and need for our Technologies.

→Get access to NEW Markets.

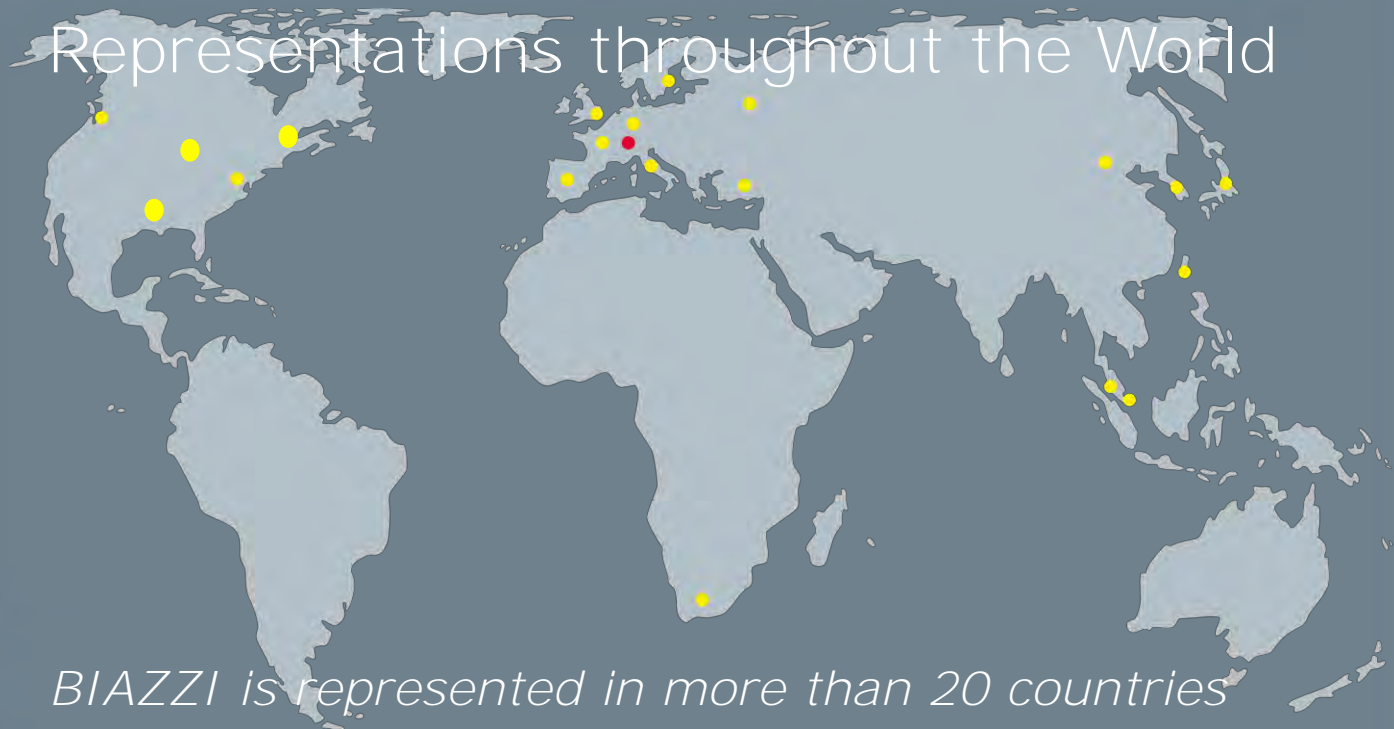


BIAZZI's focus with SG-E

Find regional partners for the Hydrogenation Business



Representations throughout the World



BIAZZI is represented in more than 20 countries

BIAZZI's Approach

- Targeted markets
- Reactivity
- Good Representatives

WHAT IS A REPRESENTATIVE (Rep) ?

Catalyst between different ethnic groups !

→ Ethno-Catalyst.



Zürich – Basel → about 80 km

Geneva (GE) - Lausanne (VD) → about 60 km

Zürich – Lausanne (VD) → about 220 km

Same country...

Different languages, cultures, understanding and behavior etc.

A horizontal strip of images showing various industrial machinery, including pipes, tanks, and complex piping systems, likely related to the BIAZZI brand.

Geneva (GE) - Jakarta Indonesia → > 14'500 km

Geneva (GE) - Singapore → > 13'000 km

Populations from different :

- Continent(s)
- Countries
- Religions
- Cultures
- Social structures
- Business cultures
- Understanding
- Body languages
-

NO one can deal with all this ! We need support → Reps

Process "Identification"

- Which new markets ?
- Model for our company ?
- Does this model fit for the targeted market ?
- Partners to act on the new markets ?
- How to find them ?

Association of South-East Asian Nations

ASEAN Member Countries



Process "Identification"

1. Markets in the targeted area ?
2. Segments in the markets ?
3. Analyze and validate the results
4. Set up a short list with the targeted countries in the area
5. Discuss with experts
6. Get a clear understanding
7. select the market

Most promising markets in ASEAN: Indonesia and Singapore

Indonesia - Fingerprint	Population GDP Annual growth Income per Capita/y	<ul style="list-style-type: none"> • 254'000'000 • 889 bn US\$. • 5.2% • 5200 US\$
Singapore - Fingerprint	Population GDP Annual growth Income per Capita/y	<ul style="list-style-type: none"> • 6'000'000 • 308 bn US\$ • 3.0% • 62'400 US\$
Malaysia - Fingerprint	Population GDP Annual growth Income per Capita/y	<ul style="list-style-type: none"> • 30'100'000 • 323 bn US\$. • 6% • 17'500 US\$
Switzerland (for reference)	Population GDP Annual growth Income per Capita/y	<ul style="list-style-type: none"> • 8'000'000 • 712 bn US\$ • 1.5% • 58'000 US\$

Process "Key Questions"

- How to get the right Partner-Rep in the defined geographic area ?
- How to avoid bad experiences and loose time ?
- How to find the right, Partner for the Rep-search?

Process “search partner selection”

- SG-E is present in the targeted markets
- SG-E runs Hubs with a network of specialists
- SG-E is economically and politically fully respected in the area
- Good experiences with SG-E in recruiting Reps for other areas



Good preparation is the Key to a successful cooperation with SG-E

Process “preparation work”

- Who we are
- What we want
- How we want to act on the market
- Profile for the Rep

Process “proceedings”

1. USP’s of BIAZZI
2. Why shall they work for Biazzi
3. Expectations from the search
4. Requested skills of the Rep

Process "1st results"

- Report
 - market overview about the CI in the area
 - List with 20 potential Reps

Process "selection"

- Analyse
- Short list with the best fits
- Meetings
- Check real fit
- Evaluate each one



Process "selection"

Qualification check

Result of the Selection

Selection

Based on the information received and the criteria defined a fit check and analysis was made.

There were 28 criteria defined.

Max. fit = 100 % → 561 points / Min. fit = 80 % → 448 points

- [redacted] obtained a fit of 93 % (519 points).
- [redacted] obtained a fit of 85 % (477 points).

The candidate proposed is [redacted] for Indonesia.

Next steps after selection

- Contract
- Training in Switzerland
- Support with a Rep-Manual including tools
- Visit of a reference plant in Europe

Next steps after Training

- Visits
- Best Support
- Involve from beginning
- Attend exhibitions
- Be aware: your Rep is a local
- **Help them to be successful ; it's for all !**

Results

- Training took place in June 2016
- Rep approached 20 clients
- Meetings were accepted by 5 clients
- Visits are organized to take place in April 2017
- Interested clients are already in interaction with BIAZZI via rep

Conclusions

- Reps found
- Information shared with rep
- First results look very promising

Conclusions : Time line

- Market analysis/study → first actions of rep: 1 ½ years

Conclusion : Cost - Benefit

Cost

- Total : **about 30'000.-**

Benefit

- After 1 ½ years, 1 project in view looking promising

SG-E

- Qualified results in short time
- Top network thanks to political presence consulate/embassy
- After sales support in case of problems at a later time point
- SG-E for recruitments in new markets again ? → YES

Coffee Break



MARCO ESTERMANN

HEAD STRATEGY + INNOVATION
SIX SWISS EXCHANGE LTD.



Swiss Exchange

Impulse Asia Event

Wednesday, 21 June 2017

Marco Estermann, Head Strategy & Innovation, SIX Swiss Exchange

SIX is a vertically integrated, financial infrastructure group



Key figures SIX FY2015

- Turnover: CHF 1.8bn
- EBIT: CHF 297m
- Net profit: CHF 221m
- Return on average equity: 30.4%
- 3,807 employees (FTEs) in 24 countries
- S&P rating: AA-

Swiss Exchange

- Listing and Trading
- Reference market for about 32,000 securities
- Trading turnover 2016 CHF 1,279bn

Securities Services

- Clearing, Settlement and Custody
- 424m clearing and 38m settlement transactions

Financial Information

- Financial information provider
- 23.7m financial instruments

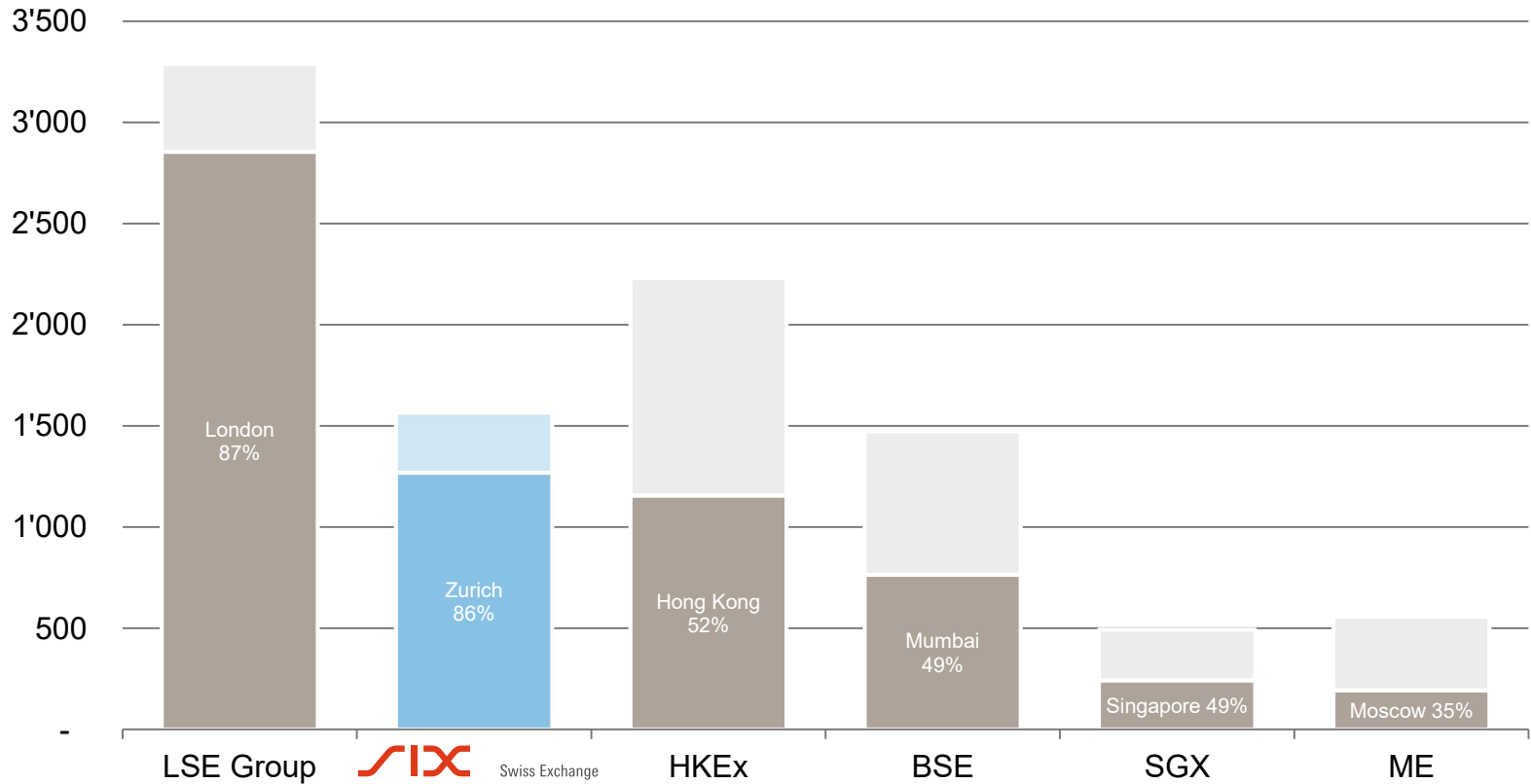
Payment Services

- Interbank payments and card business
- 3.7bn card and payment transactions

Source: SIX Swiss Exchange, Mar-17

SIX Swiss Exchange is one of the largest and most liquid exchanges globally...

Free Float vs Total Mcap in USDbn and %



Source: SIX & STOXX Global TMI Feb-16

...and offers a diversified portfolio of products and services

Equities	Fixed Income	ETFs/ETPs	Structured Products	Infrastructure
273 listed securities	~ 1,800 listed bonds	1,200+ ETFs und ETPs	No. 1 in Europe for Structured Products	100+ trading members
500+ equities from 26 countries admitted to trading	2,550+ international bonds admitted for trading	CHF 104 bn trading turnover in 2016		35 µs latency time
2,490+ traded equities with access to liquidnet	1,210+ SIX bond indices	10% ETF market share in Europe	28,000+ Structured Products and Warrants	Co-location
580+ SIX equity indices	15 market makers	23 market makers	CHF 27 bn trading turnover in the Swiss market in 2016	3 interoperable clearers (x-Clear/LCH/EuroCCP)
				Multi-currency trading platform

Source: SIX Swiss Exchange; Dec-16

Why India?

- 
1. (Relatively) underdeveloped capital market with high demand for growth capital
 2. Limited domestic investor base
 3. Existing and good business relationships with Switzerland
 4. Potential changes in tax and/or regulatory environment
 5. Swiss investors' interest in Indian investments

We established a 3-phase approach to enter the market

1st Phase: Map Indian eco-system of listing candidates/target companies, Investment Banks and other Intermediaries

Client mapping

- Listing candidates: More than 400 target companies with sectorial focus and significant European business have been identified (ongoing market screening)
- Intermediaries: focus on both foreign/global as well as Indian advisor community

2nd Phase: Become part of the consideration set of listing candidates and intermediaries

Visibility & Awareness

- Start of marketing initiative in September 2012, including press release, roadshows and media interviews
- Since then, regular 1-1 meetings with potential candidates, investment banks and other intermediaries during quarterly roadshows with direct participation of SIX
- Participation in and co-organization of events, conferences, roundtables
- India AHEAD Newsletter with first launch in October 2013 and subsequent publication of 3 issues per year

3rd Phase: Deepen relationships and introduce potential IPO / listing candidates to investment banks / investors in CH

Closing

First impressions...



First impressions...

I S T =

India Stretchable Time

Major achievements in the last 5 years...

Visibility & Awareness: We have been able to increase awareness about SIX in India

- **16 roadshows** with more than **300 One-on-One meetings**
- **40+ media interactions** with leading international and national financial media
- More than **30 events** (partly sponsored), with SIX participation as speaker and/or panelist
- Nearly **25 candidates in the pipeline**, at different stages of IPO readiness
- Around **15 reverse enquiries** from IPO candidates
- Above **10 introductions** of listing candidates to Swiss Investment Banks

...and some good success so far

Closing: Indian issuers have raised the equivalent of ~CHF1.9bn (incl. 2 USD bonds)

Issuer	Currency	Amount (in million)	Date of listing	Maturity	Coupon	Rating (Moody's / S&P)
 State Bank of India	USD	100	December 14	December 24	3.950%	Baa3/--
 ICICI Bank	USD	150	October 14	October 24	4.200%	Baa3/BBB-
 airtel	CHF	350	March 14	March 20	3.000%	Baa3/BBB-
 State Bank of India	CHF	200	March 14	December 19	3.000%	Baa3/ BBB- ¹⁾
 ICICI Bank	CHF	100	January 13	January 20	2.750%	Baa3/BBB-
 IDBI BANK	CHF	110	April 12	October 15	3.125%	Baa3/BBB-
 REC Rethinking energy. Rethinking possibilities.	CHF	200	March 12	March 17	3.500%	Baa3/BBB- ¹⁾
 EXIM BANK	CHF	175	April 11	April 16	3.500%	Baa3/BBB-
 State Bank of India	CHF	325	February 11	February 16	3.375%	Baa3/BBB-
 Union Bank of India	CHF	160	February 11	August 15	3.375%	Baa3/BBB-

¹⁾ Fitch

Source: SIX Swiss Exchange & Bloomberg, Apr-17

Thank you

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enabling new business

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What's up?

Upcoming events



Exportdialog: Polen/Tschechien

28th June, 2017 – St. Margrethen

Discuss with our experts about your opportunities in Poland and Czech Republic.

[Link](#)



Impulse Event: Iran

29th June, 2017 - Biel

Don't miss the opportunity to take part in our event and discover the solutions to your expansion!

[Link](#)



Impulse Event: Going Global

13th September, 2017 - Aarau

Getting things done in a fast changing environment. S-GE will host Breakout Sessions on Indonesia and Eastern Europe.

[Link](#)



Further events and webinars

Coming soon

Check out our website for further events, webinars and fact-finding-missions coming this year!

[Link](#)

Business Lunch

