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## Yunnan Provincial Energy Investment Group hosts investment promotion event in Kunming

On March 14th, a promotion conference hosted by Yunnan Provincial Energy Investment Group (YEIG) and Deloitte Southeast Asia, and co-organized by Yunnan Daily Press Group and the Singapore Representative Office of Yunnan Commerce, was held in Kunming, in response to the Belt and Road (B&R) Initiative and to promote further international cooperation between Yunnan and Southeast Asian countries in investment, commerce and productivity.

More than 100 people from over 20 provincial government institutions including the Department of Commerce of Yunnan Province, SA-SAC(State-owned Assets Supervision and Administration Commission of the State Council)of Yunnan Province, the Department of Foreign Affairs of Yunnan Province, Yunnan Provincial Bureau of Energy and Yunnan Provincial Administration of Foreign Exchange, as well as Singapore's Developing Bureau of Foreign Enterprises, the Indonesian Industry and Commerce Committee, Thailand's Investment Promotion Committee and renowned enterprises from home and abroad including YEIG, YCIH, Maybank and Hand Consulting Firm Singapore attended the conference. The delegates voiced their own opinions regarding the B&R Initiative to promote mutual benefits. Heads of government departments and experts of investment institutions from Singapore, Indonesia, Malaysia, Thailand and Vietnam gave detailed introductions about the investment environment in their countries under B&R construction, and sent invitations for investment to Yunnan enterprises.

### Forging a new highland of opening up policies

The intention of this promotion conference is to improve understanding of Yunnan enterprises about the Southeast Asian market and its investment environment in order to motivate trade and capital cooperation between the two parties. During the conference, Qiu Lujun, president of YEIG, shared some of his thoughts. He said, "Today, government institutions and professional investors of Southeast countries came from afar and gathered together in Kunming to introduce projects and exchange in-depth ideas. This will profoundly promote Yunnan enterprises to "go global" and bring about a deeper understanding toward the investment environment of Southeast Asian countries and facilitate information sharing and cooperation of projects in point."

YEIG was the first among all provincial enterprises to gain an AAA degree in the Corporate Credit Rating and BBB degree of Investment Level in International Credit Rating. Meanwhile, YEIG has been listed in the Top 500 Chinese enterprises in three recent consecutive years (313th in 2016).



Mr. Qiu Lujun, President of YEIG

Mr. Qiu Lujun also said that as a key provincial enterprise, YEIG steadily promotes its international cooperation development through overseas investment, cross-border trade, cooperation with overseas advanced productivity and construction of an internationalized border port. As a result, YEIG achieved splendid achievements: three top titles at the provincial level, namely, first in overseas investment for two consecutive years; first in setting up



In-depth analysis of investment environment by experts of Southeast Asia.

overseas trade offices representing Yunnan provincial government among Yunnan enterprises; and first in operating the biggest overseas energy project amongst all enterprises of that type.



YEIG sincerely hope to cooperate with more enterprises to continuously promote international cooperation in productivity with the South and Southeast Asian countries."

—Qiu Lujun

Mr. Qiu Lujun emphasized that the present traceable reserve of overseas electricity capacity is more than 6 million kilowatts, and overall investment is approximately 9 billion USD, with projects mainly located in the South and Southeast Asian countries such as Laos, Myanmar, Indonesia and Bangladesh. It is YEIG's sincere hope to cooperate with more enterprises to continuously promote international cooperation in productivity with the South and Southeast Asian countries, with a key emphasis on joint-effort in international energy projects and effective investment in infrastructure and interconnection. Meanwhile, the group also hopes to accelerate the construction of quality projects by making full use of present frameworks and systems of international cooperation, which enable resource sharing and bilateral benefits of international development.

### An economic entity with full of potential

With the whole Southeast Asian population constituting 7% of the world's population and contributing 3% of global GDP, ASEAN is an economic entity full of potential. Infrastructure construction in this region, as well as real estate, industry, agri-

culture, commerce, communication technology, together with financial services and consumer products, have become the focuses of Chinese state-owned enterprises.



Doctor Ernest Kan, President of Deloitte Southeast Asia



The Chinese enterprises direct invest in the non-financial sector of the 53 countries along the route of B&R was 14.53 billion USD."

—Doctor Ernest Kan

Doctor Ernest Kan, President of Deloitte Southeast Asia, said to the participants of the conference that Southeast Asia has been a key hub of the Maritime Silk Road and is now a significant route connecting B&R. Meanwhile, the geographic location, similar cultural background plus the membership of ASEAN make Southeast Asia a major market for overseas investment of Chinese enterprises. In 2016, Chinese enterprises directly investment in the non-financial sector of 53 countries along the route of B&R was 14.53 billion USD. That represented 8.5% of the total amount in the same term. The investment mainly went to countries and regions such as Singapore, Indonesia, India, Thailand and Malaysia.

Deloitte experts and representatives from Singapore, Indonesia, Malaysia, Thailand and Vietnam gave keynote

speeches featuring state policies, urban programming, investment environment and talent supply of their own countries, respectively. They also sent friendly invitations to Yunnan enterprises. The participants carried out in-depth discussions regarding the investment projects of B&R, and reached an agreement that promotion conferences of this kind provide a great platform for the cooperative development of enterprises between the Southeast Asian countries and Yunnan. Considering the abundant resources and friendly investment environment of the Southeast Asian countries, there will be vast potential for further development. When asked to name some vital factors for B&R construction, Singapore and Indonesia representatives named capital while the other countries' delegates named talent.

### Southeast Asia is ideal for Yunnan enterprises to cooperate

The person in charge of the Yunnan Provincial Department of Commerce said that Yunnan and the Southeast Asian countries share economic complementarities, industry convergence and great potential in commerce, energy, steel-manufacturing, agriculture and infrastructure building. In recent years, Yunnan enterprises have accelerated their investments internationally and upgraded their product quality. It is said that the overseas investment has been carried out in around 52 countries, including Singapore, Thailand, Vietnam and Malaysia. Being a leading accounting firm of the world, delegates from Deloitte expressed their opinion regarding Yunnan enterprises investment in the Southeast Asian countries saying that the development of B&R advocated by China is bringing about great opportunity for the development of regions along the route. The Southeast Asian market, is vast and has great poten-

tial. Now this market has launched preferential policies and measures for foreign investment, so it is an ideal choice for Yunnan enterprises to find cooperation. The representative from Deloitte Thailand said that a great number of Yunnan tourists have come to Thailand in the last year which has positively stimulated the Thai economy. The Thai government welcomes Yunnan enterprises to invest in clean energy and environmental protection industries such as the hydro-power and photovoltaic sectors. Representatives from Singapore and Malaysia said that their governments pay close attention to foreign investment and have made many duty-free measures, welcoming Yunnan enterprises to invest locally.



Mr. Yang Wanhua Vice President of YEIG



YEIG has launched investment projects and international trade cooperation with many Southeast Asia countries and in the future the investment will still focus on this area."

—Yang Wanhua

Yang Wanhua, Vice President of YEIG, told reporters that the promotion conference is supposed to be a crucial move for YEIG's forward merging and service-offering to the state B&R construction and that Yunnan acts as a pivot for the South and Southeast Asian countries. The Group

attaches great importance to global development and strives to become a global pacesetter. YEIG has now launched investment projects and international trade cooperation with many Southeast Asian countries and Southeast Asia will continue to be an investment highlight in the future. In addition to the keynote speeches, "experts' sharing" was also seen at the promotion conference and a symposium entitled "In-depth Analysis of the Investment Environment of Southeast Asia". Experts including Thomas, Chairman of the Indonesian Association of Industry Commerce, Peggy, Senior Manager from the Kuala Lumpur Investment Bureau and Wu Yongquan, Director of the Chinese Ministry of Commerce of Thailand Investment Promotion Committee, respectively introduced their preferential policies and measures, and they also agreed that Yunnan, sharing economic complementarities, industry convergence and cooperative potential with the Southeast Asian countries, should speed up its international investment and seek more cooperation.



Senior Manager Peggy, from Kuala Lumpur Investment Bureau, giving introduction of local investment environment.

During the conference, the delegates from the related financing institutions and law firms gave keynote speeches at the conference. Some 179 projects from Singapore, Malaysia, Thailand, Indonesia and Vietnam covering a wide range of fields including electricity, infrastructure, manufacturing, agriculture and tertiary industry, presented demonstrations.

### Basic information about YEIG

YEIG was founded in 2012 and is a key provincial enterprise of Yunnan. Up to the end of 2016, the group's gross assets reached 84.434 billion yuan, 4.6 times larger than 18.6 billion yuan when first founded; while its net assets reached 30.35 billion yuan, 3.2 times larger than 9.6 billion yuan when founded. Electricity installed capacity of controlling and subsidiary equity capital is 13.96 million kilowatt, 2.7 times larger than the 5.2 million when founded. Operating revenue in 2016 was 60.135 billion yuan, and the total profit reached 4.255 billion yuan.