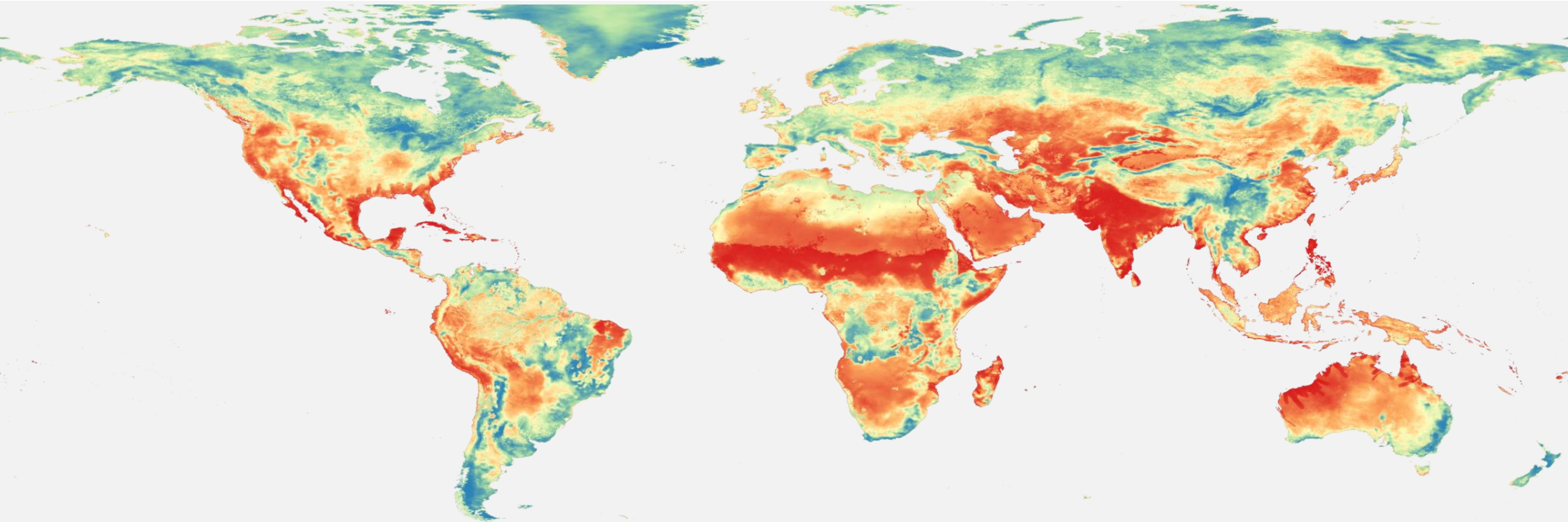


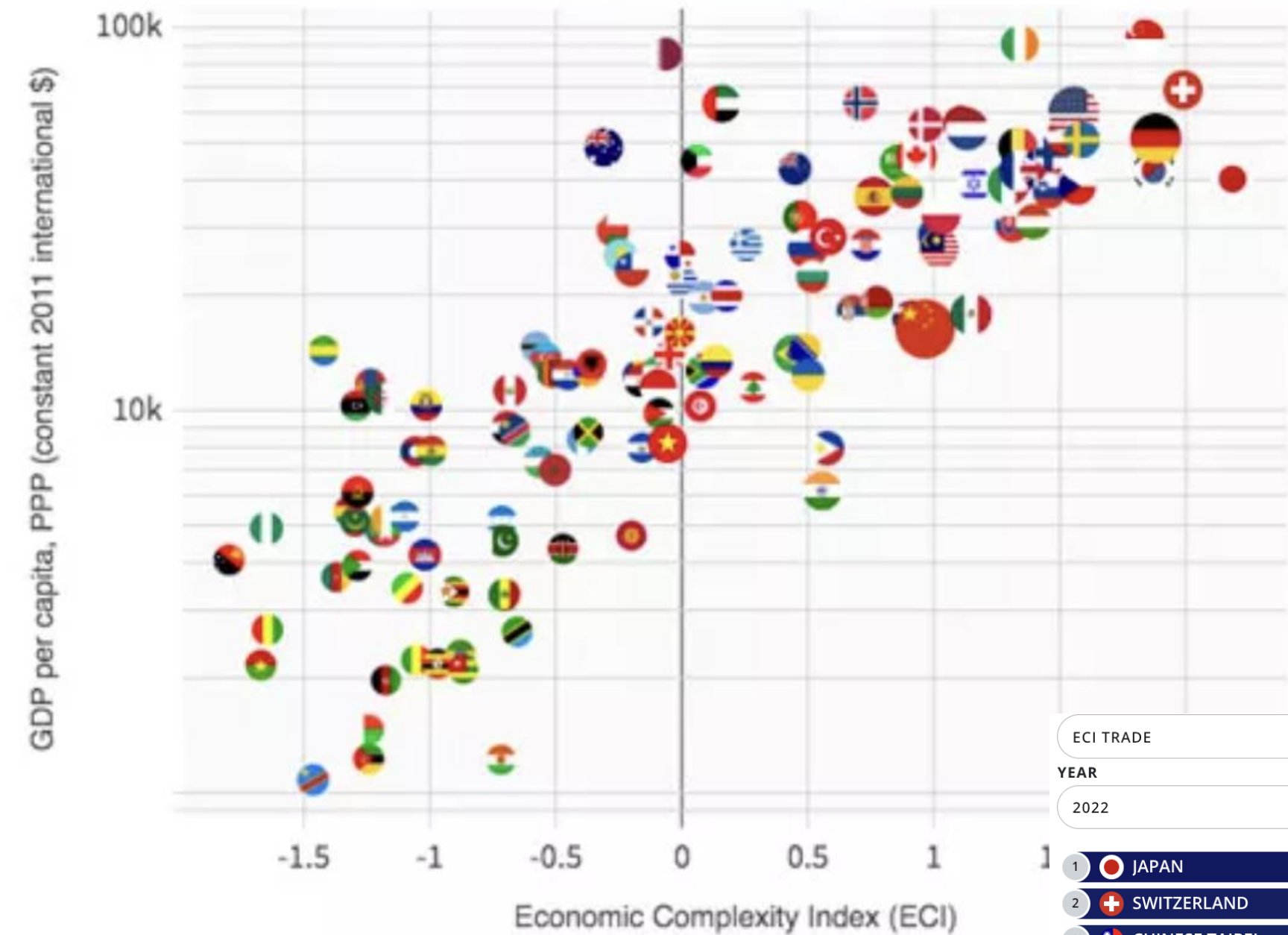
Asia's Next Growth Wave

Dr. Parag Khanna, Founder & CEO, AlphaGeo

 www.alphageo.ai

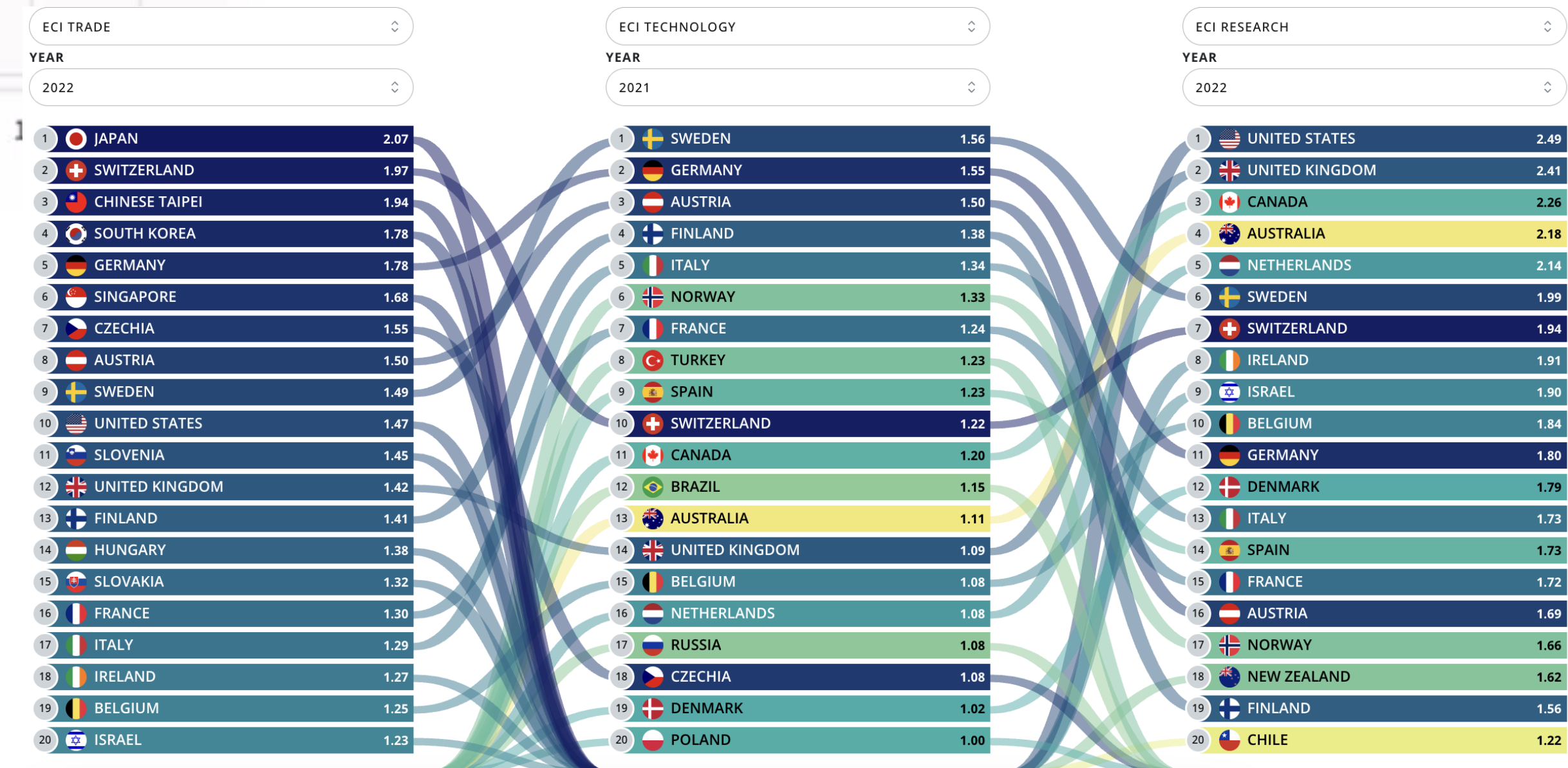
 parag@alphageo.ai





The Great Supply Chain Tug-of-War

- Vertical integration and supply chain alliances: Toyota/Nagoya; Samsung/Seoul; Foxcon/Zhengzhou
- Industrial policies: "Made by China" vs. IRA/CHIPS
- Vertical: Attract investment, displace investors
- Horizontal: Export credits for national champions
- Copy-cats: #MakeInIndia / Gati Shakti (Production linked incentives for electronics, pharmaceuticals, etc.)
- "Do unto China...": Impose and reduce tariffs on Chinese goods only after China expands FDI (e.g. EU/Turkey on EVs)



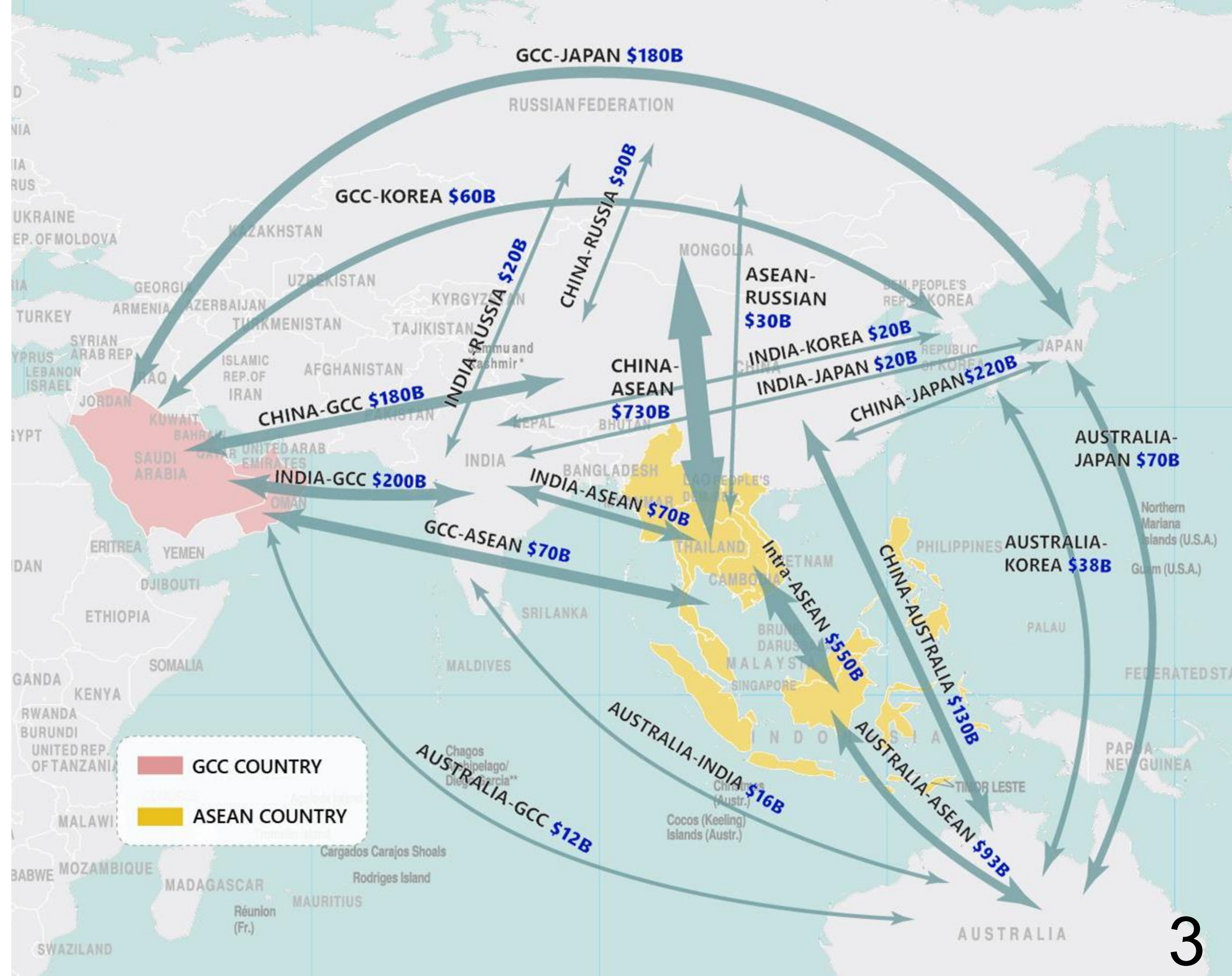
- ECI historically dominated by US, EU, NE Asia but ASEAN countries climbing at Europe's expense
- Top "adjacent possible" sectors (metal refining, food processing, advanced manufacturing, telecom)
- Top value-add sectors: beverages, apparel, batteries, computing

The Asianization of Asia

Post-colonialism, post-Cold War: Resurrection of the mega-regional Asian system

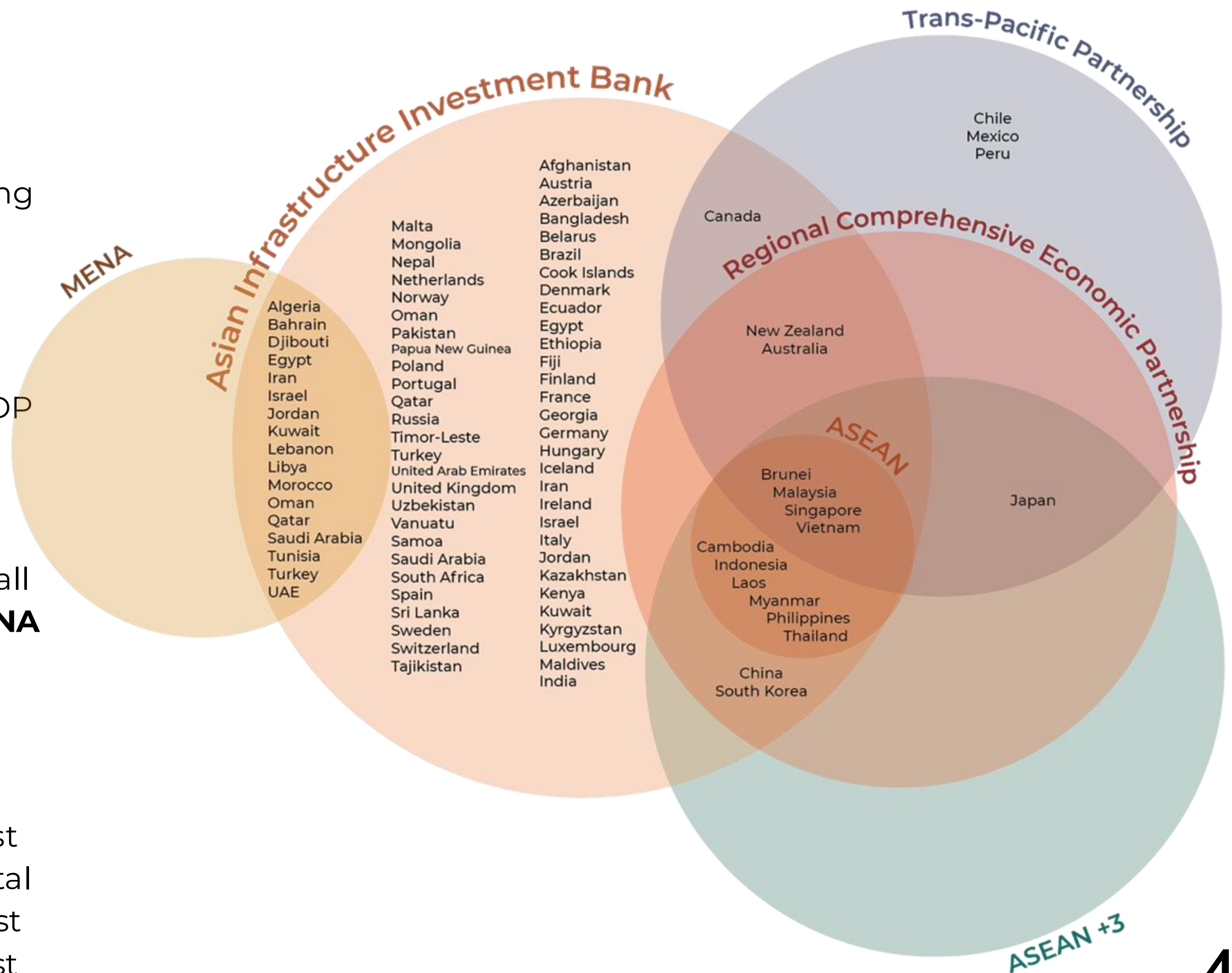
Deepening dyads in all directions: Expanding trade between all pairs of states and sub-regions

Decoupling and substitution: Rising intra-Asian investment, capital flows, and coordination of interest rates, currencies, payments



Rise of Asia-led organizations and frameworks

- With 3.6b consumers, and 30% of global GDP, the **Regional Comprehensive Economic Partnership** (RCEP) is emerging as the world's largest free trade zone by volume.
- For **ASEAN**, improved market access through RCEP could increase regional GDP by \$19 billion annually by 2030.
- **Asian Infrastructure Investment Bank** (AIIB) has nearly 100 members spanning all regions. UAE selected as AIIB hub for **MENA** as AIIB financing and co-investment expands.
- **Belt and Road Initiative (BRI)** has significantly reoriented towards Southeast and West Asia, with most of the \$160B total Chinese FDI since 2005 coming in the past 5 years (KSA and UAE receiving the largest share).



The Fourth Wave of Asian Growth is Lifting Off

 **Japan**

1950s – 80s

Pop: 100M
GDP: \$44B

Today

Pop: 127M
GDP: \$5T

 **Asian Tigers**

1970s – 80s

Pop: 54M
GDP: \$50B

Today

Pop: 90M
GDP: \$5T

 **China**

1990s - 2000s

Pop: 1B
GDP: \$360B

Today

Pop: 1.5B
GDP: \$11T

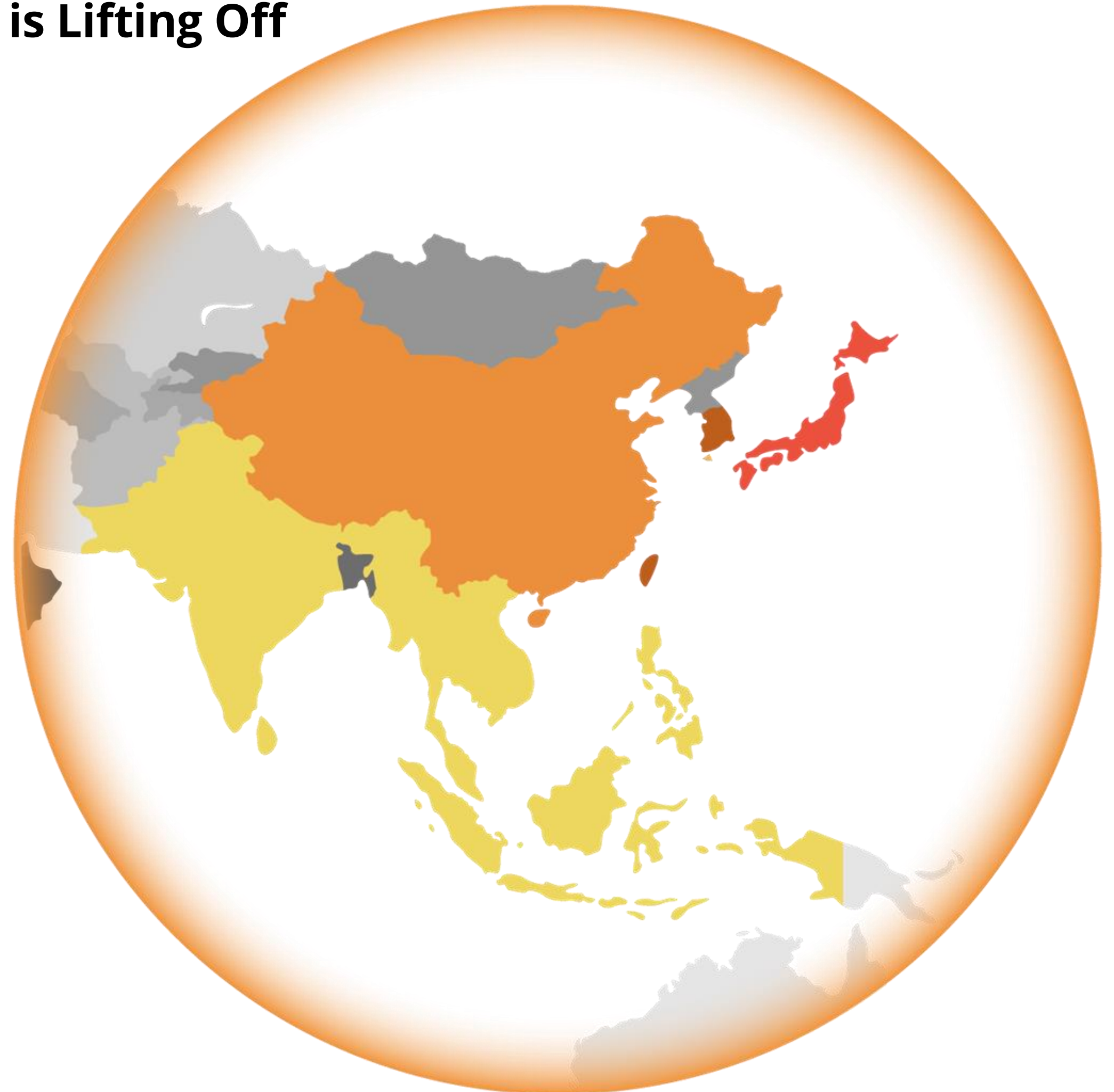
 **South & Southeast Asia**

2010s - present

Pop: 1.8B
GDP: \$1.1T

Today

Pop: 2.5B
GDP: \$6T



Connected Countries, Connected Citizens



Average infrastructure spending across ASEAN is ~8% of GDP

ASEAN Infrastructure Fund (AIF) committing ~\$1T for energy, transport, urban, and water projects (out of a total planned portfolio ~\$3B)

BRI infrastructure projects in SE Asia rising with shift from other regions

Over 2,000 km of high-speed rail networks are planned or under construction as part of the Pan-Asian railway

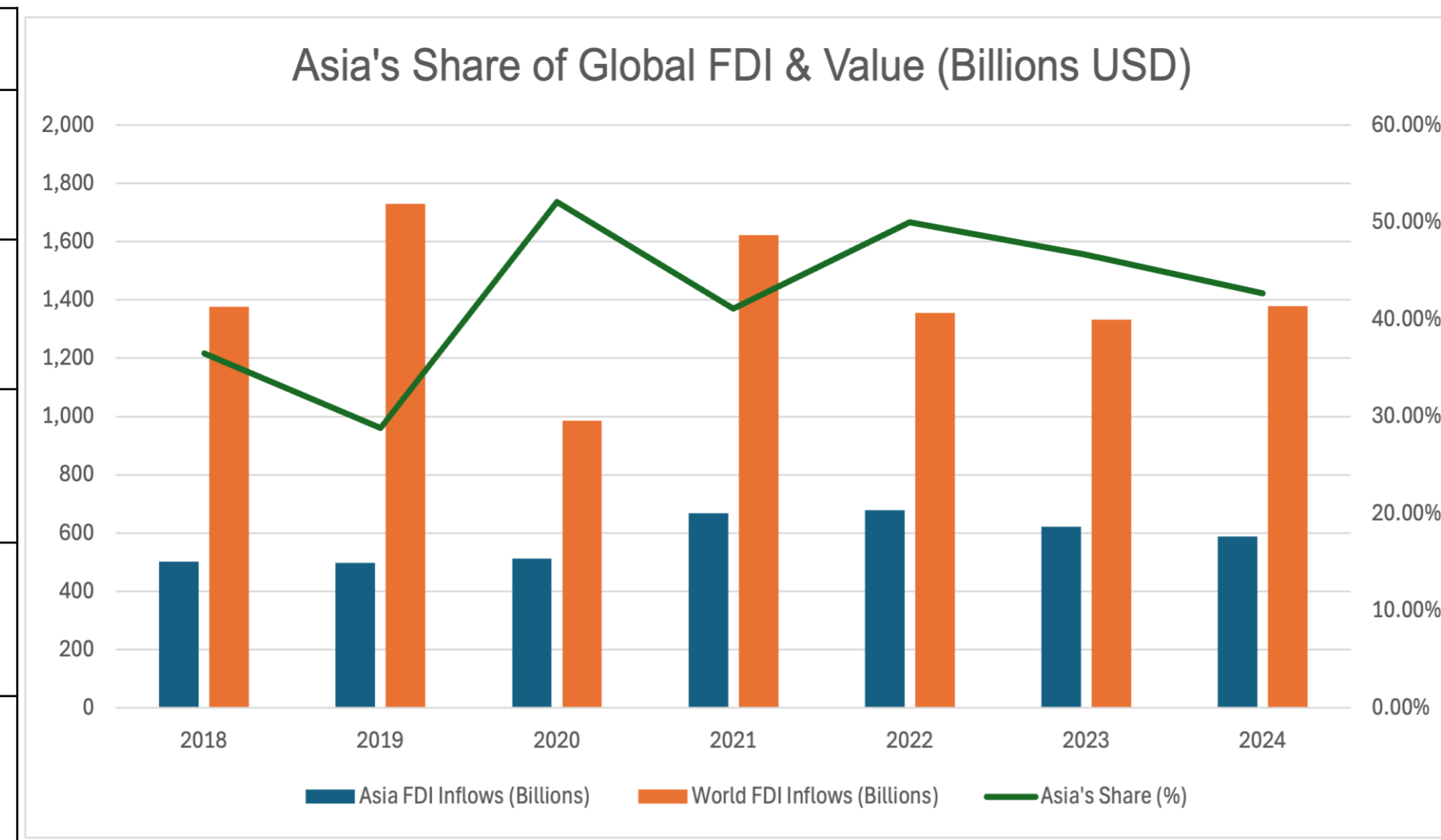
ASEAN's 2025 Connectivity Master Plan



- Sustainable Infrastructure: \$110B/year pipeline focused on greenfield projects and productivity gains
- Digital Innovation: Open data initiatives, financial inclusion, and expanded e-government services
- Regulatory Excellence: Streamlining trade via reduced bottlenecks, harmonized standards, and "green lane" e-commerce
- Enhanced Mobility: Improved access for tourists/business travelers, supporting vocational exchange programs.

Asia's surging share of global investment

Category	Description	Asia's Focus
Portfolio Flows	Equity/debt securities, short term capital	Limited impact on FDI trends, separate from M&A
M&A's	Cross-border acquisitions, brownfield investment	Rising in tech(e.g Southeast Asia's digital startups)
Greenfield FDI	New Facilities (e.g factories, R&D centers)	Dominant in renewables (solar, EV's) and data centers
Brownfield FDI	Expansion/upgrades of existing assets	Strong in manufacturing (e.g China's high-tech upgrades)
Other Investments	Loans , trade credits, infrastructure, partnerships	Growing in ASEAN's PPPs for transport/energy



Asia's FDI Inflows (2018–2024):

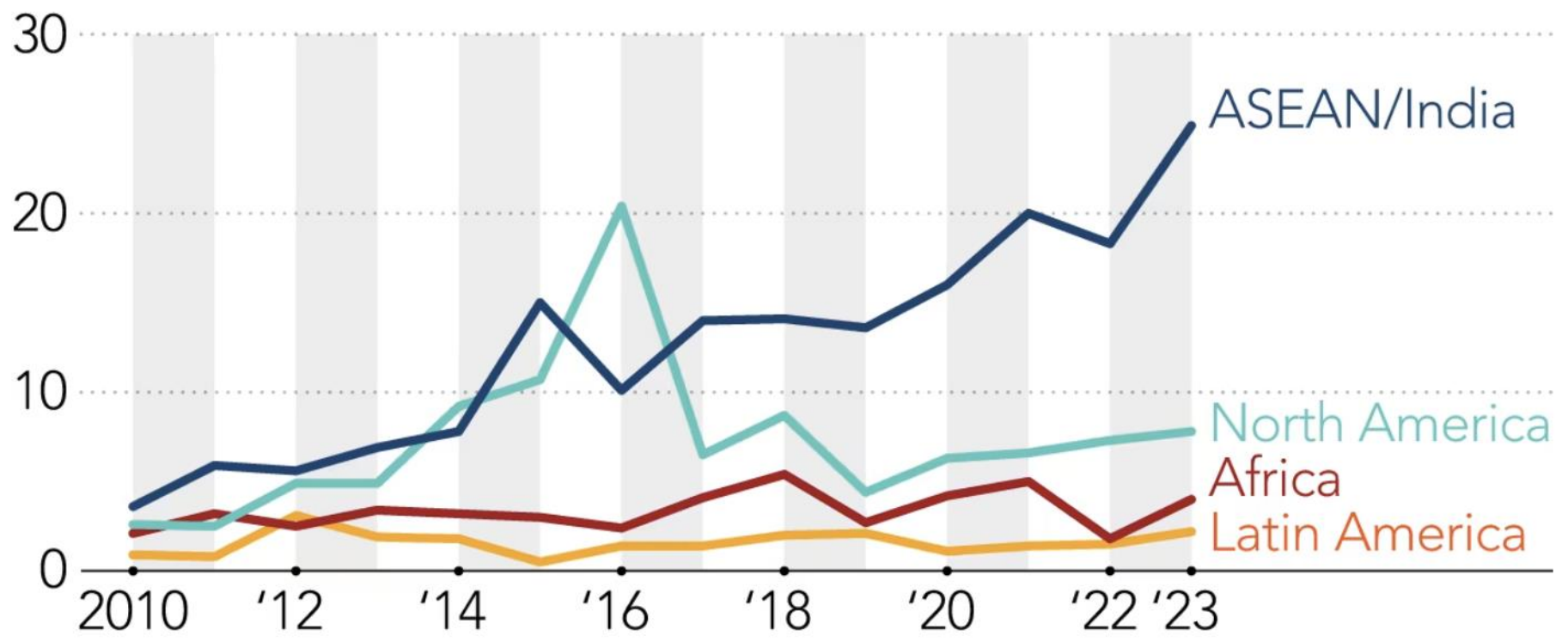
- Share of Global FDI: **Peaked at 52.1% in 2020** during pandemic-driven supply chain shifts, **stabilizing at 42.7% in 2024** amid global volatility.
- 2023 Performance: **\$621B inflows (46.6% global share)**, driven by digital/green sectors.

Drivers & Regional Highlights

- Greenfield Dominance:** **ASEAN attracted \$230B in 2023**, led by EV supply chains (e.g., Indonesia's nickel hubs).
- Tech & Services:** Digital economy (e.g., Singapore's fintech) and high-tech manufacturing (China's medical devices).
- Policy Shifts:** China's eased FDI restrictions in telecom/healthcare; India's sectoral caps

China's shifting overseas direct investment

(In billions of dollars)



Excluding Hong Kong, offshore centers

Source: Societe Generale

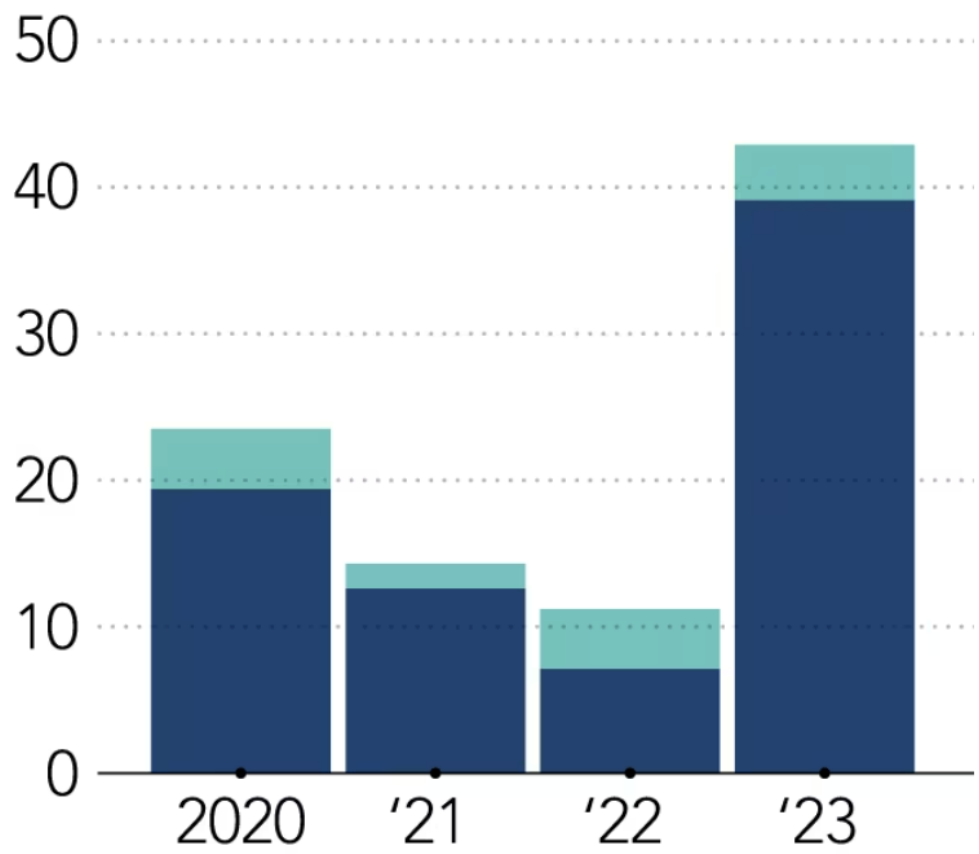
Chinese FDI pivoting to the Fourth Wave economies

ASEAN and South Asia ramping up as destinations for Chinese capital due to labor cost arbitrage and reduced tariffs on exports

Announced Chinese greenfield investment in ASEAN

(In billions of dollars)

■ Manufacturing
■ Primary industry, services



Source: ASEAN Investment Report 2024

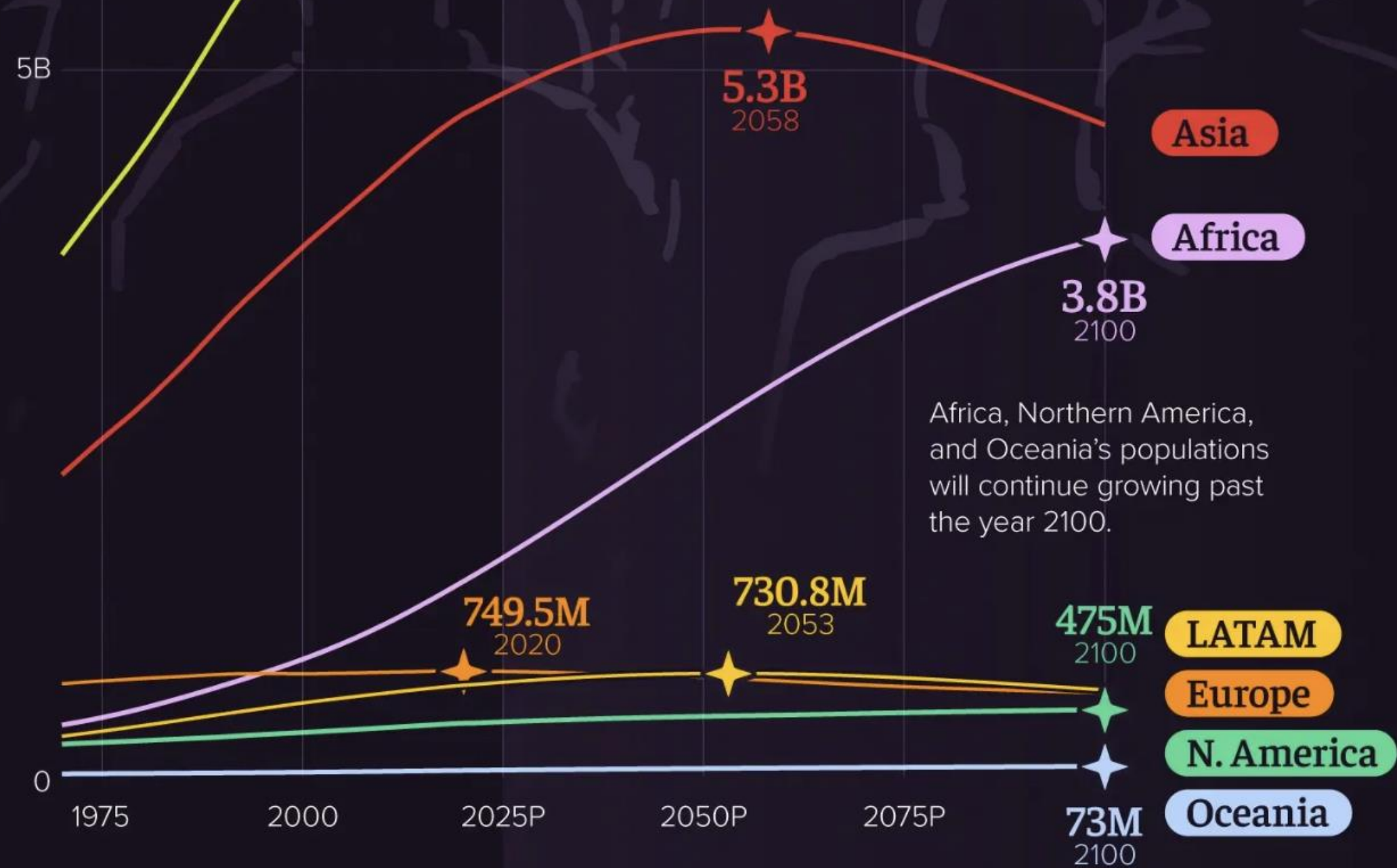
New greenfield investments spanning manufacturing as well as primary industries

Services lagging but could ramp up with more financial and tech integration

PEAK POPULATION

OF EVERY CONTINENT

These UN estimates take fertility, mortality, and migration assumptions into account

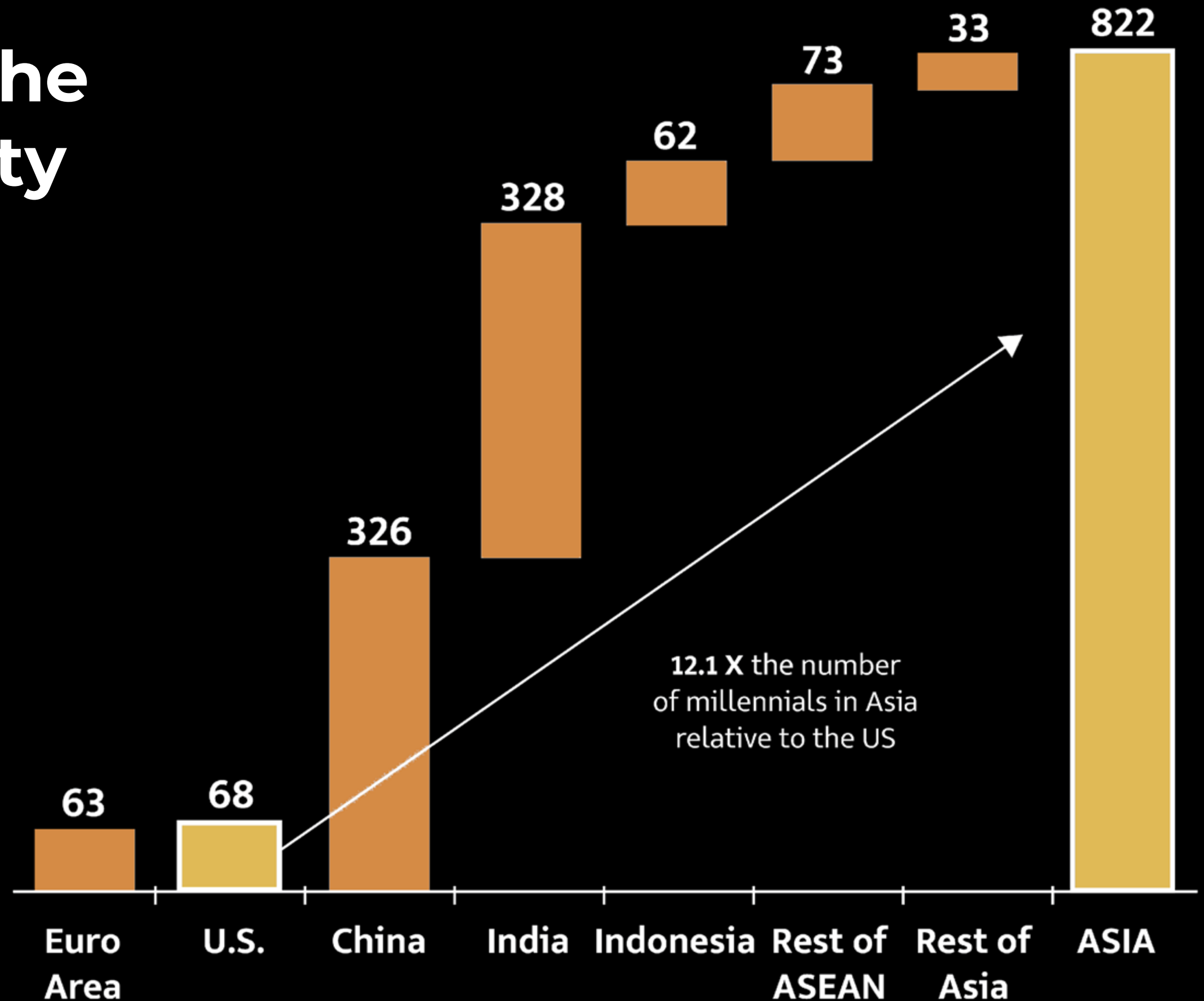


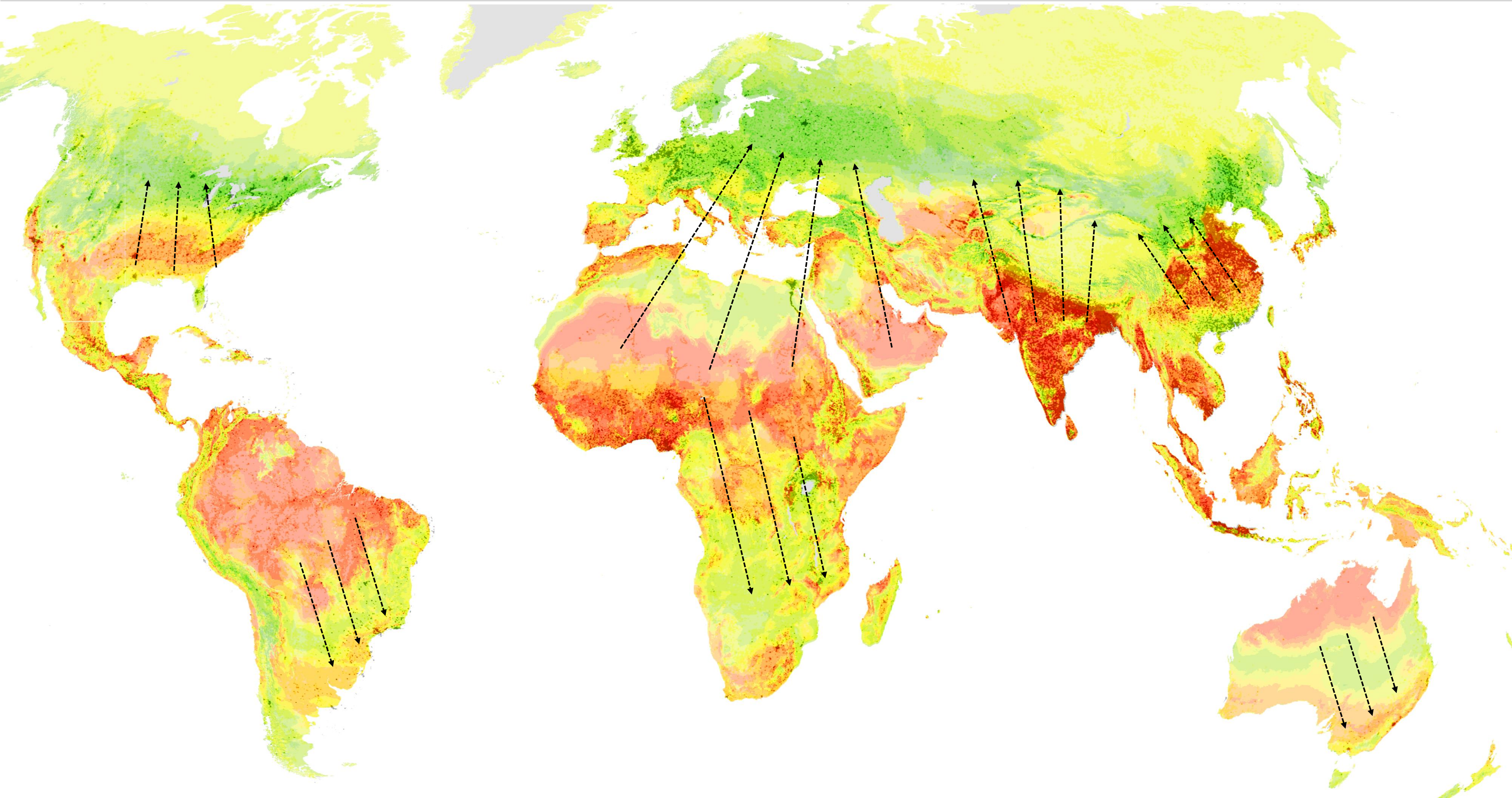
Asian youth are the future of humanity

Median age under 40 across Asia (< 30 in South Asia and ASEAN)

China still has more young people than Europe has people

India's Gen-Z is ~380M (> US population)





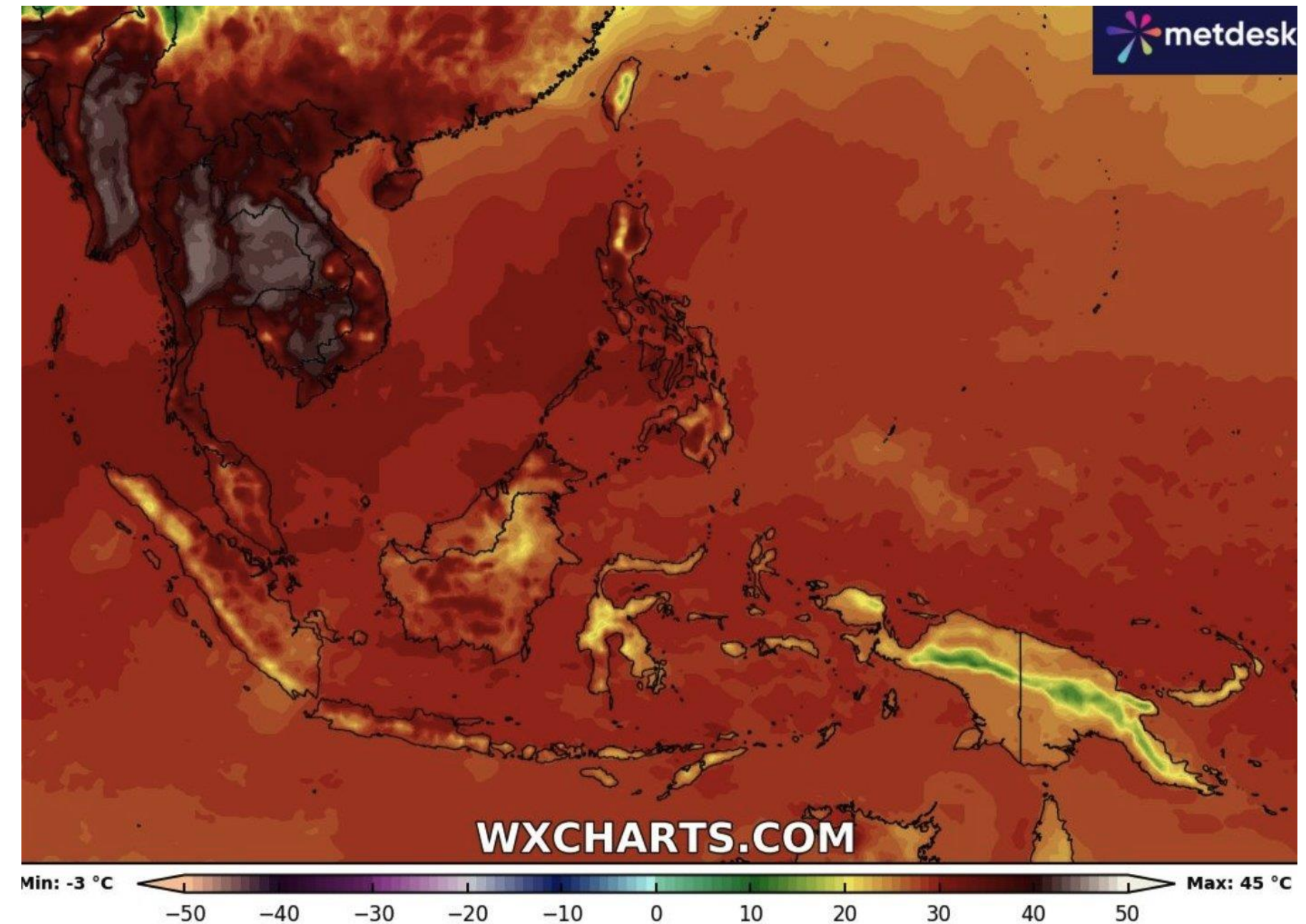
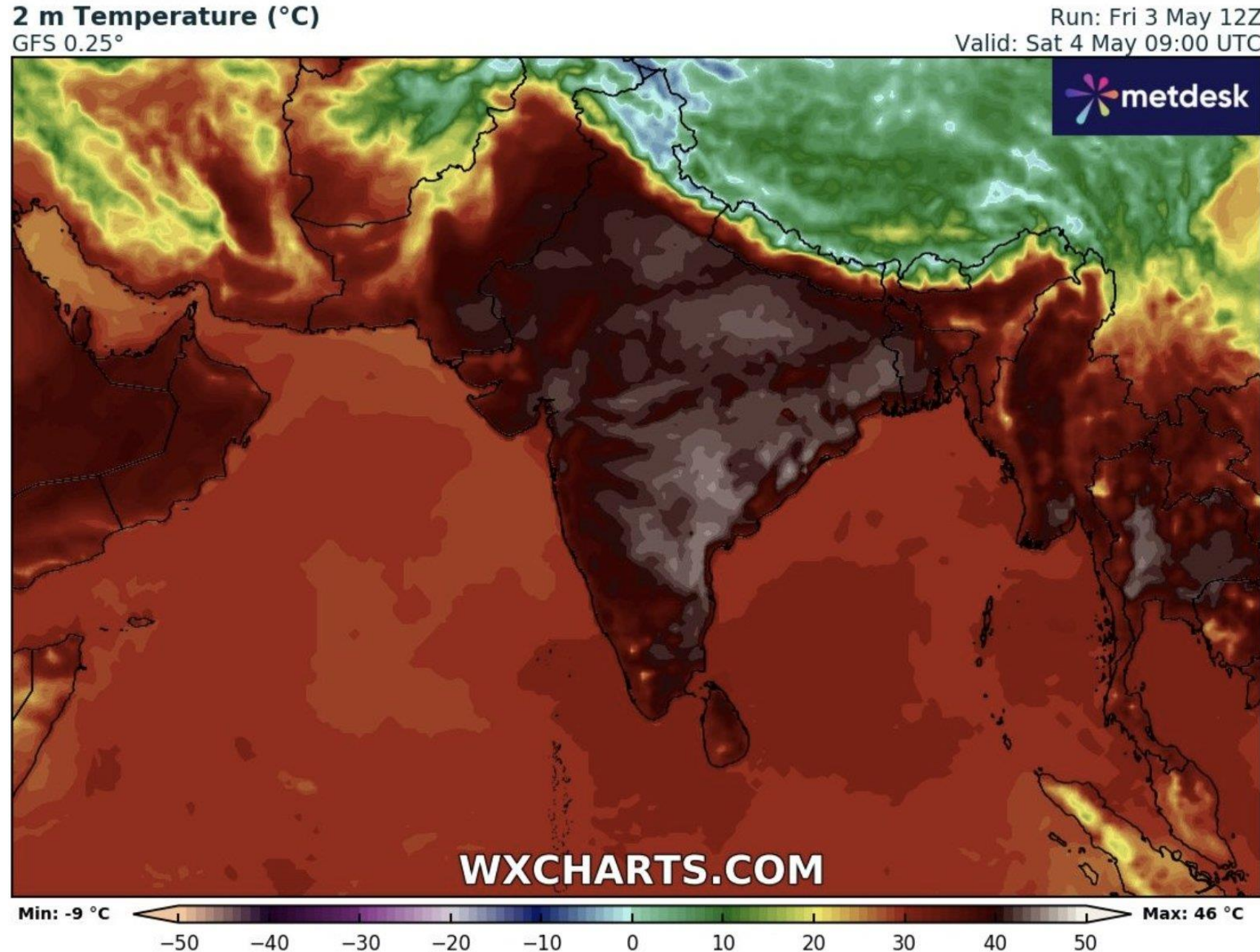
South & Southeast Asia at the boiling point

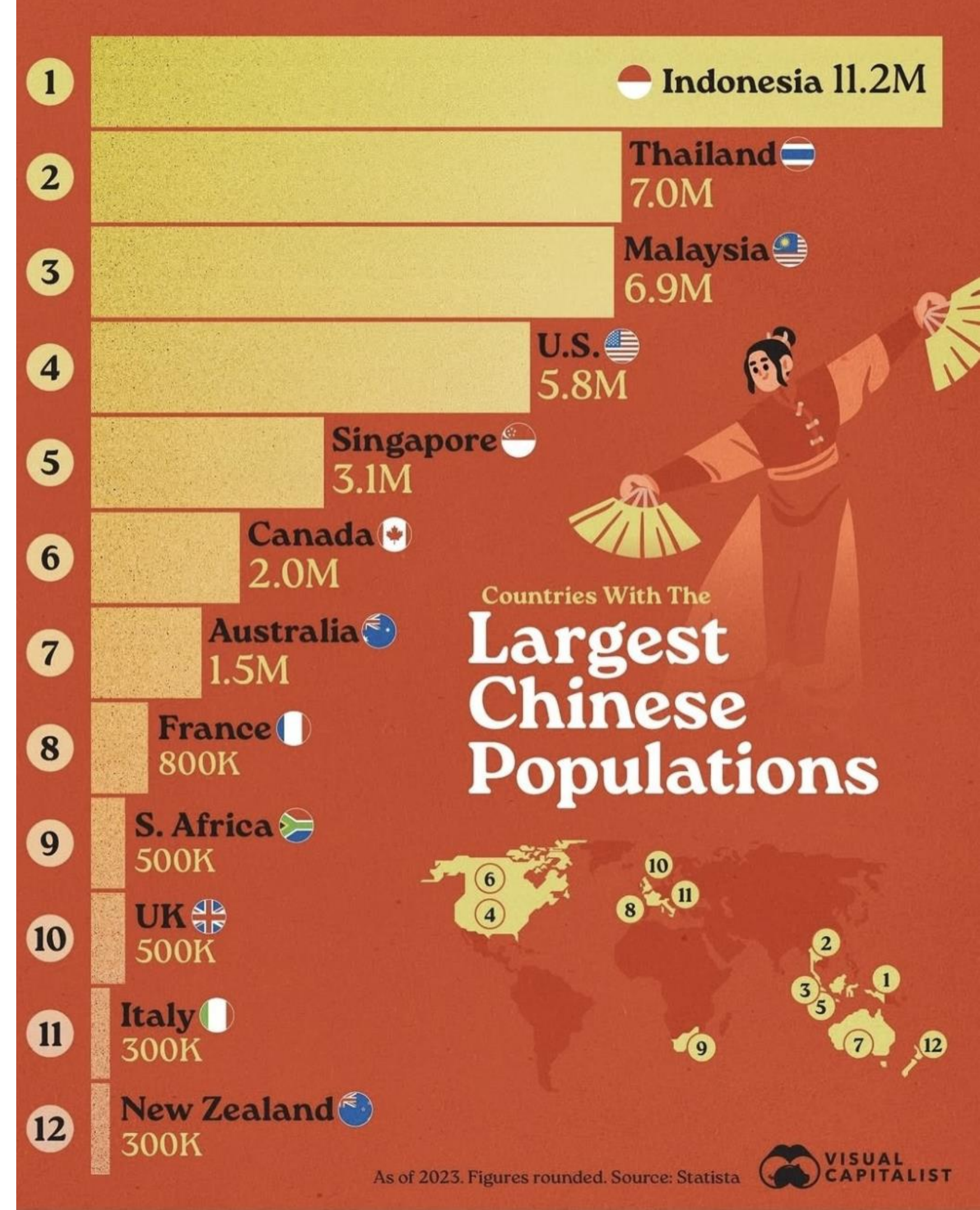
Wet bulb effects combining heat and humidity; low diurnal variance

Lack of air-con and adequate groundwater

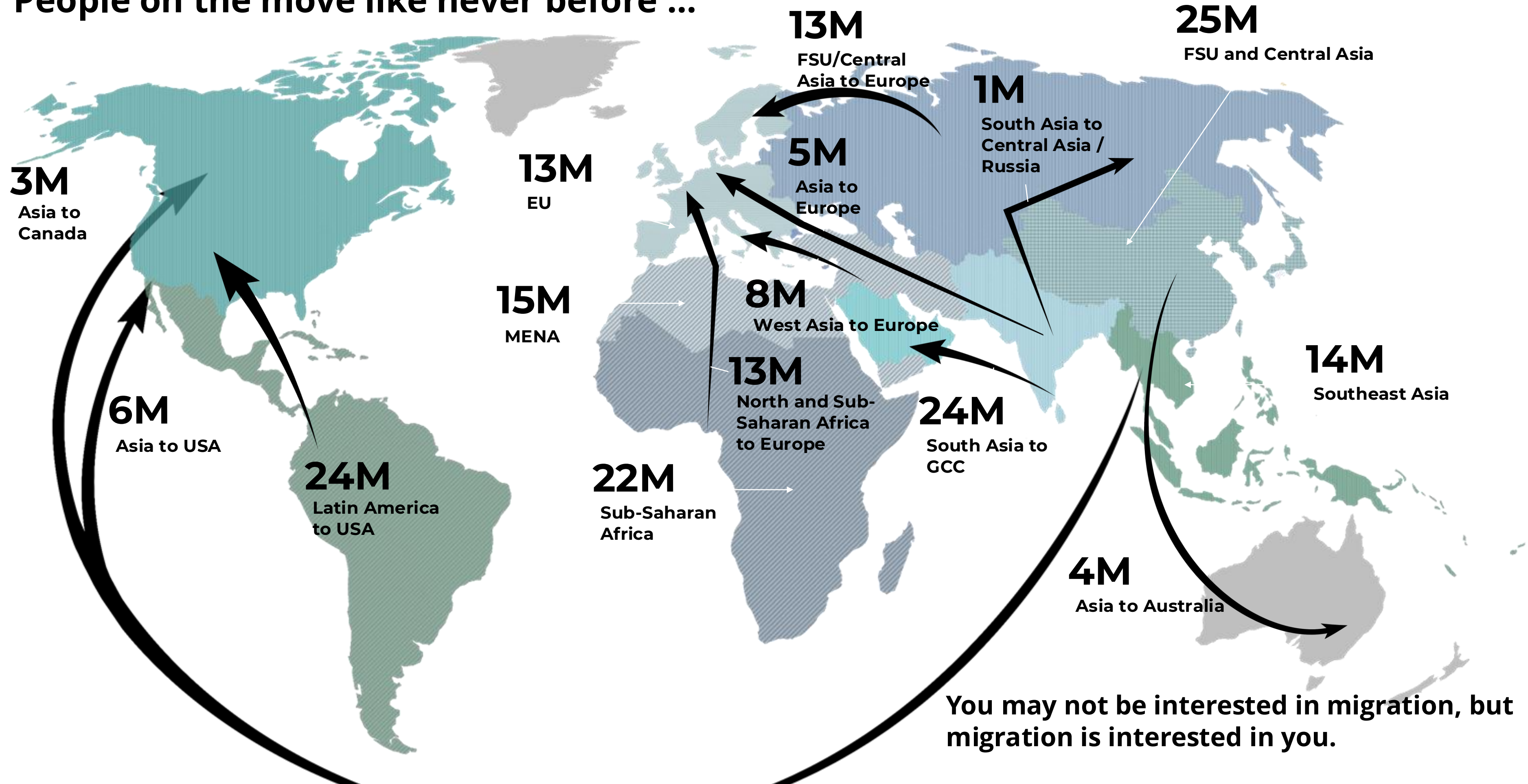
Agricultural regions facing devastation

Consequences: sectoral collapse, crippled economy, famine, mass migration



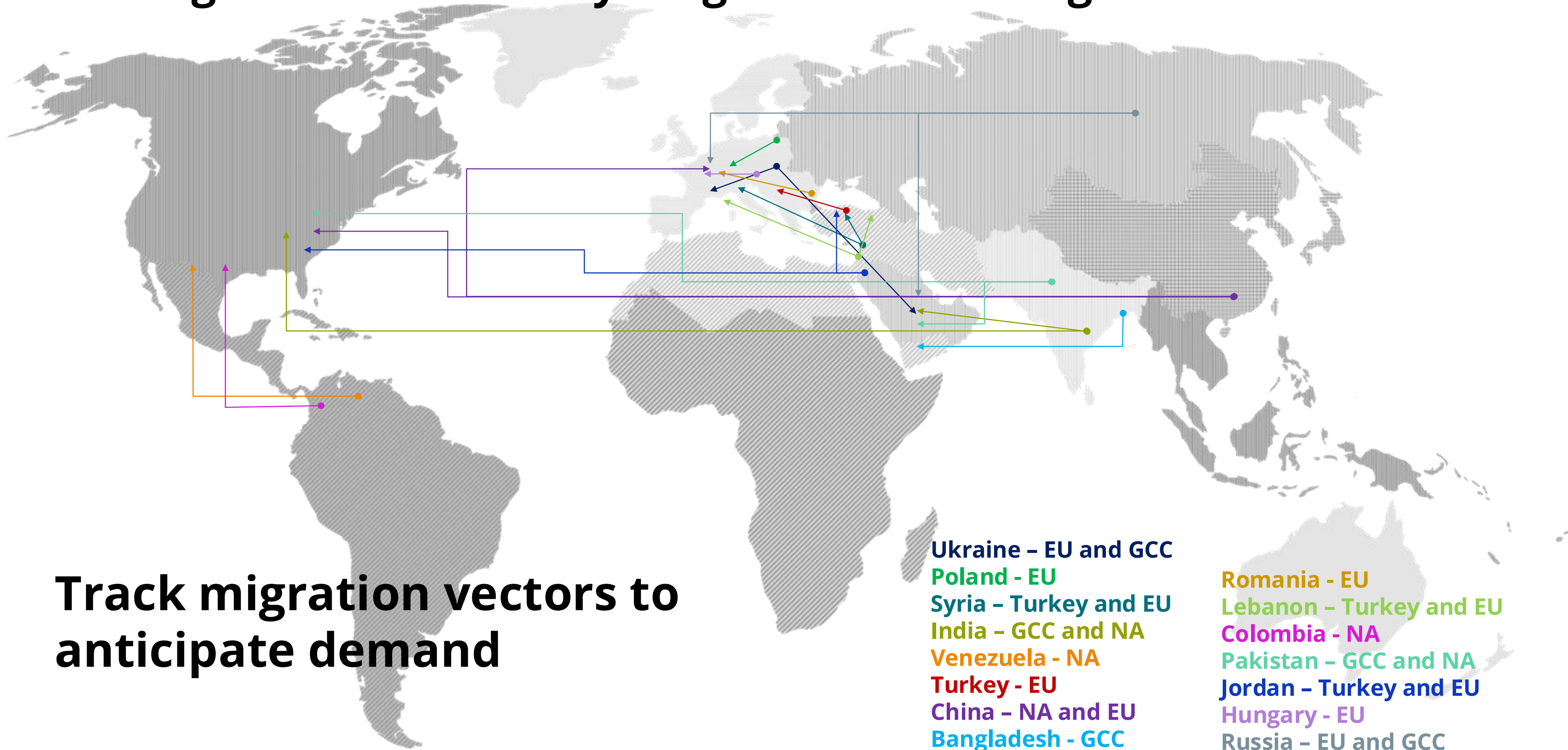


People on the move like never before ...



You may not be interested in migration, but migration is interested in you.

Winning societies attract young workers in the global war for talent



Track migration vectors to anticipate demand

AlphaGe

Invest in Resilience

