

# Session 3: Ease of Doing Business in the Asia Pacific

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PECC conference on "Economic Crisis & Recovery: Enhancing Resilience, Structural Reform, and Freer Trade in the Asia Pacific region" | 10 October 2009 (Saturday)

### End-to-End Supply Chain Mgt

YCH provides Integrated Logistics and End-to-End Supply Chain Management services through a holistic suite of supply chain solutions to world-class MNCs.

## YCH Group

### YCH Asia Pacific Network

### Award-Winning Heritage

Testimony to Supply Chain Excellence

- 6 Innovation Dev't Awards
- Singapore Innovation Class
- Corporate HR Award
- IT Leaders Award
- National Training Award
- ZD NetAsia SMART 50 Award
- Secure Trade Partnership
- Supply Chain Asia Asian 3PL of the Year
- Frost & Sullivan ASEAN 4 Logistics Awards
- Ernst & Young Entrepreneur of the Year

### World-Class MNC Clients

Consumer	Chemicals/Healthcare	Electronics
Procter & Gamble	ExxonMobil	DELL
Mohr Houssey	gsk	molex
STIA PACIFIC	BASF	Canon
BANDRE	B BRAUN	
klavitt	Dow	MOTOROLA
MARY KAY		

### Award-winning Proprietary Innovative SCM Solutions:

INTRIBUTION®, INTRABUTION®, RETROLOGISTICS®

Complementary Value-creating Innovations & Solutions:

7PL™, ZIM™, ePOD™, V-Hub™, V-Merge™

## The Complex Asia Pacific Business Environment

**Highly Fragmented Market**  
- Trend of M&A, lack of strong Asia-based and regional players;

**Customs Issues**  
- Lack of transparency; unclear and unspecified import and export requirements

**Diverse Regulations governing each country**

**Uneven developments in port and hub infrastructure**

**Cultural diversities and process complexities**

**Lack of co-operation and modernization/IT deployment amongst government agencies**

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## VOICE OF BUSINESSES

- **FTAs to reduce or remove barriers to trade**
  - Governments and business associations play an important role to make this happen
  - Businesses should VOICE out thru PECC, ABAC (ABIS) etc. so that key business issues are highlighted

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## Supply Chain Management in Asia Pacific



### Logistics/SCM is a key enabler of business growth in Asia and has also been identified as one of ASEAN's priority sectors

**Industry Trend:** MNCs' increasing interest in Logistics Outsourcing as means of cost control and efficiency gains to focus on core competencies

**Evolving Supply Chain:** From cost-cutting measures to *Value Enhancement*; From reactive to *Proactive Approach*

**SCM as Competitive Advantage:** Enables responsiveness, speed-to-market, leanness. Leverage on Optimisation Technologies and Innovative Systems and Collaboration

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## SCM Industry Challenges/Opportunities

### 1 Working towards Tax-Aligned Supply Chain

- **ZeroGST** (zGST) Scheme in Singapore
- **RFDL** (*Release First Declare Later*) through BLP, EPZ, FTZ, Free Port (LG) in China

### 2 Establishing Joint Ventures

- Enables companies to start up within a short period of time in a new frontier; leverage on the partner's familiarity with the environment, culture and business processes (eg: manpower, land acquisition etc.)
- Some countries require local shareholders in any foreign-based investments

### 3 Facilitating Cross Border Trade

- Asean Green Lane (AGL) & Asean Single Window
- e-Platform for single electronic submission of customs documentation to both exporting and importing countries' Customs to *facilitate a seamless flow of goods* within entire ASEAN region

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## SCM Industry Challenges/Opportunities

### 4 Improving Goods Flow through Vendor Managed Inventory (VMI)

- Enables *real-time* information of inventory level to improve planning process, minimise risk and increase predictability of the supply chain for customers.
- Eg: YCH's 1st IOR (Importer of Records) in India enables the import of raw materials direct from our customers' suppliers, as well as better management of the customs declaration process - thereby increasing supply chain efficiency for both customers and the customers' suppliers.

### 5 Growing in Regional Markets

- Last Mile Partnership: Partnering local players to execute last mile distribution / end consumer fulfillment
- Playing in a different niche or sector to provide complementary, value-adding services to grow with incumbents: *remove hostility and open up more opportunities for partnership in other areas.*

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## Think Global, Act Local

**To successfully do business in the Asia Pacific, companies must know how to align with country interests and local culture attributes**

### For YCH, what has worked for us:

*Last mile partnership, developing local talents, investment in strategic long-term assets, and leveraging industry initiatives in a timely manner...*

- By bringing in best practices in infrastructure and SCM capabilities, local government authorities welcome us to invest in their countries and in return, help us acquire strategic locations or licenses.
- Benefits to government, business community and the indigenous population

**> Our CSR (Corporate Social Responsibility) approach**

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## YCH Signature DistriParks across the Region



Corporate Headquarters, Singapore



Chennai (Sipenambutan), India



Shanghai (Lingang), China



Cibitung, Indonesia



Semarang, Indonesia



Sydney, Australia



Tianjin (Free Trade Zone), China



Penang, Malaysia



Xiamen, China



Kuala Lumpur (Shah Alam), Malaysia



Bangkok (Lad Krabang), Thailand



Tianjin (Airport Logistics Park), China

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