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Positive growth for some Asian countries

While the world is fixated over China's forecast growth for 2009 ie. 8% from Chinese government vs 6.5% from World Bank, latest growth estimates of some Asian countries (see table) are encouraging given the global economic malaise. One fact is clear - the open economies which are export oriented have enjoyed far higher growth during the last few years are facing more severe contraction. On the other hand, the less open economies are still targetting growth for 2009. Also, bigger countries such as China and Indonesia have the domestic market as a buffer as exports collapsed.

The Asian countries have been quick to announce stimulus packages. China's massive US$570B stimulus package covering public infrastructure, earthquake reconstruction, social welfare and rural redevelopment etc. will be spread over 2009 and 2010. Taiwan's government has issued shopping vouchers worth US$107 per person while Singapore's and Malaysia's package of measures amounted to 8% and 9% of GDP respectively.

Selected East Asian Countries

	Export as a % of GDP	2007 GDP	2008 GDP	2009 GDP (F)
Singapore	186%	+7.7	+1.2	-7.5
Hong Kong	166%	+6.4	+3.1	-5.9
Malaysia	92%	+6.3	+5.1	-3.8
Vietnam	70%	+8.5	+6.2	+4.8
Taiwan	64%	+5.7	+1.8	-6.5
Thailand	61%	+4.8	+3.0	-4.4
China	36%	+11.9	+9.0	+6.5
Philippines	34%	+7.2	+4.3	+3.7
Indonesia	26%	+6.3	+6.1	+1.9

Source: Various publications

During the last decade, Asian countries' exports as a percentage of GDP rose from 34% to 47% while consumer spending fell from 52% to 47% of GDP. Asia will have to wean themselves from export dependency and build up domestic consumption, which can be spurred by falling prices and the impact of monetary and fiscal expansion. This would also trigger the shift away from export oriented capital intensive industries to the services sector. With their vast their foreign reserves, high savings rate and little debt. Asia should be able to regain its growth momentum.

China's Financial Markets Stirring With Activity

The IPO market in China which was in limbo since early last year was further aggravated by the global financial crisis. With most investors in overt damage control and risk avoidance mode, support for new listings has been frail.

Notwithstanding the dour sentiments, the Chinese Government has continued to push ahead with market reform measures and policies. The Growth Enterprise Board (GEB), the Nasdaq-like stock exchange will start operation in May 2009. The China Securities Regulatory Commission (CSRC) has released guidelines which include minimum net assets of at least RMB20M (US$3M), 3 years track record with annual profits of at least RMB10M (US$1.5M) in the previous 2 years or RMB5M (US$0.75M) in the most recent year with sales of at least RMB50M (US$7.5M). Initially, with shorter queue and "fast track" processing, it is expected that many listing aspirants whose net assets and profits more than surpass the minimum requirements will seek listing on the GEB. Accordingly to sources, about 300 companies could be listed on GEB in the first year.

Over at the existing markets in Shanghai and Shenzhen, market reform in the areas of issue pricing, taxation, foreign ownership, etc continue to be refined and progressively move in line with international practices. This will encourage more Chinese enterprises to opt for a local listing.

Companies which could not tap the IPO market for fund raising have been testing the reverse takeover route. With a growing number of finance professionals capable of handling more complicated restructurings, reverse takeovers are becoming another source of funds for the huge number of companies seeking expansion capital.

While many of the G20 countries are taking a step backwards to reform their financial markets, China's reform is a step forward. This will create much needed impetus for global financial markets.

comGateway; e-Commerce Engine for US merchants

In 2008, comGateway linked up with Visa as its official payment partner and DHL Express as its official logistics partner for its latest product, www.OneNow.com which has been successfully launched in Hong Kong, China and Taiwan. The company targets to launch OneNow.com in Australia, New Zealand, Korea and Japan. In order to provide superior service to its growing customer base, comGateway now operates a 24-hours a day, 365-days a year customer service centre - the first for an online shopping service provider in the Asia Pacific.

comGateway has access to more than 300,000 eCommerce merchants in USA and continues to attract more merchants due to its fast growing reach to Asian online shoppers. Today comGateway has launched in Singapore, Malaysia, Hong Kong, China, Taiwan, Korea, Sri Lanka, India, Brunei and Tahiti.

"In 2008, Asian Pacific consumers purchased over $5B worth of products and services from US based eMerchants and yet fewer than 15 percent of US-based merchants actively sell internationally," said Paul Schmudde, President of Gateway Express, the US based operations of comGateway. comGateway is poised to tap the vast potential of this growing eCommerce market.

Beijing Evercare Acquires Beijing Aikang Hospital

In early 2009 Beijing Evercare ("Evercare") has acquired Aikang hospital and further cemented its position as the leading medical aesthetic service provider in Beijing, with a total of 5 centers across Beijing. Operating from its independent center in Chaoyang district, Aikang provides surgical and non-surgical aesthetic services, dental and pediatric services supported by leading Korean specialist doctors and technology.

Based on recent press reports, although overall statistics on cosmetic surgeries are not available, nearly a dozen leading Chinese hospitals reported similarly strong business since late last fall, about the period when the global financial crisis began to take its toll on China's economy and the labor market. Young Chinese, especially new graduates, are looking to boost their job prospects by having procedures for double eyelids, higher or sharper noses, rounder cheekbones and other changes that will give a face smoother lines, softer curves and symmetrical features.

With new centers in Jinan (Shandong) and Haerbin entering commercialization, Evercare is continuing to take advantage of current economic downturn to extend its geographical footprint in northern China.

About OWW

OWW Capital Partners Pte Ltd ("OWW") (www.oww.com.sg), formerly known as OCBC, Wearnes & Walden Management (Singapore) Pte Ltd, was established by OCBC Bank, WBL Corporation and Walden International in 1991. In October 2006, the management team of OWW acquired WBL Corporation's interests and the company assumed its current name.

OWW focuses on expansion stage companies in the enterprise and consumer services sectors within the South East Asia and North Asia regions.

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