

This live webinar will begin shortly...

ASIA PACIFIC

CAPITAL MARKETS OUTLOOK & SUPPLY CHAIN MANAGEMENT

March 3rd, 2022



AGENDA

1. INTRODUCTION & ASIA PACIFIC CAPITAL MARKETS OVERVIEW



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Asia Pacific



Kevin Lee

Head of Real Estate Solutions,
APAC at DHL Supply Chain

2. SUPPLY CHAIN MANAGEMENT



Tim Foster

Head of Supply Chain &
Logistics Advisory, APAC



Dennis Yeo

Head, Investor Services
Asia Pacific



Gordon Marsden

Regional Director
Capital Markets
Asia Pacific

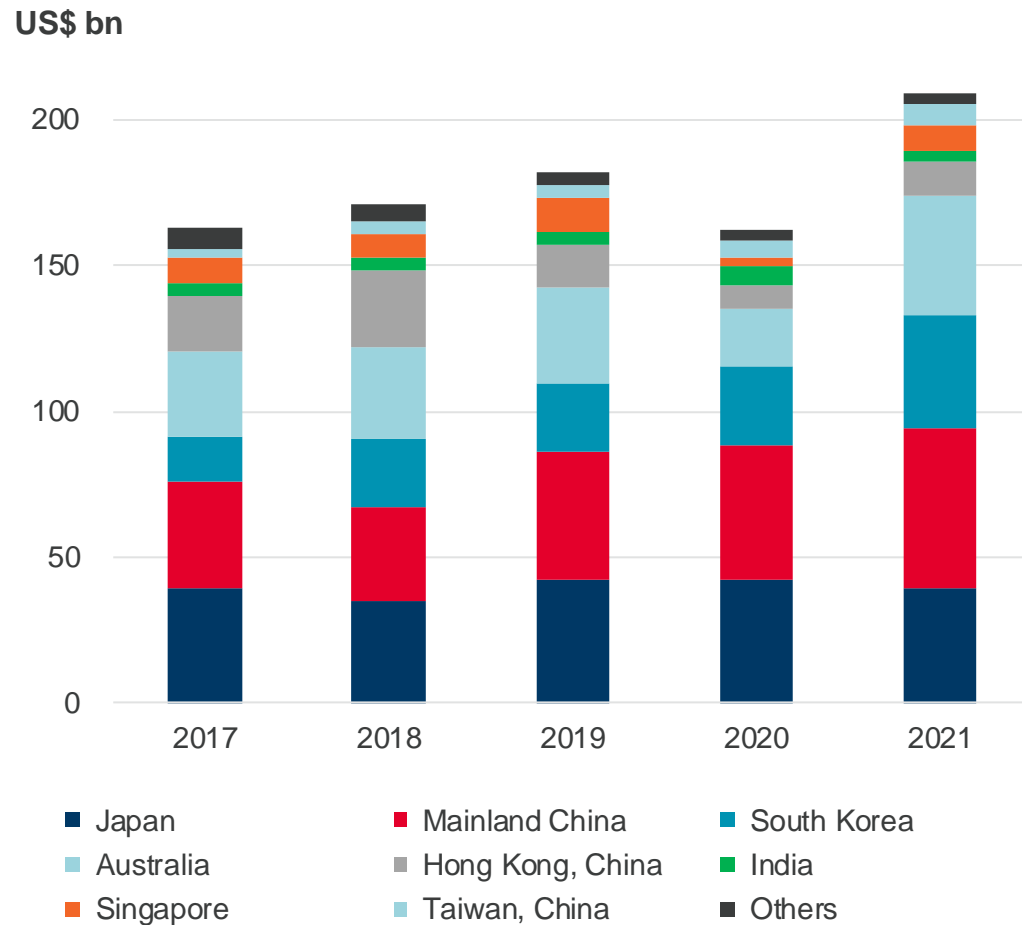
3. PANEL DISCUSSION

RECORD HIGH TRANSACTION VOLUME

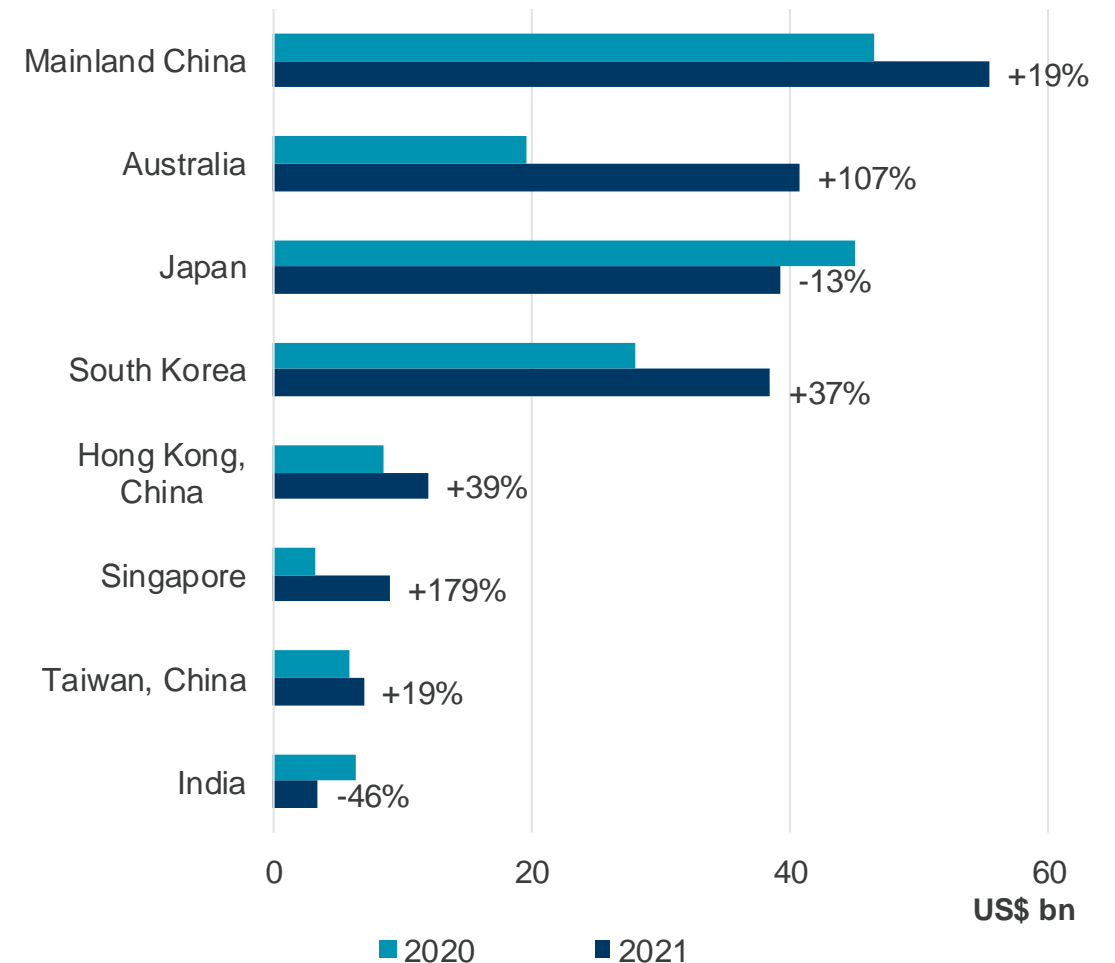
Australia and Singapore saw the biggest increase



ASIA PACIFIC TRANSACTION VOLUME (EXCLUDING LAND)



TOTAL TRANSACTION VOLUME (EXCLUDING LAND)



CROSS-BORDER INVESTMENT

Australia saw the highest growth in overseas investment

CAPITAL SOURCE

INVESTMENT DESTINATION

CAPITAL SOURCE

INVESTMENT DESTINATION

Within APAC

Outside APAC

Total \$15 bn

SINGAPORE

Australia 
\$5.2 bn

China ML 
\$4.2 bn

Total \$14 bn

HONG KONG,
CHINA

China ML 
\$5.8 bn

Australia 
\$4.3 bn


Total \$17 bn

US

Japan 
\$5.6 bn

Australia 
\$3.9 bn

Singapore 
\$2.2 bn

China ML 
\$1.9 bn

Total \$6 bn

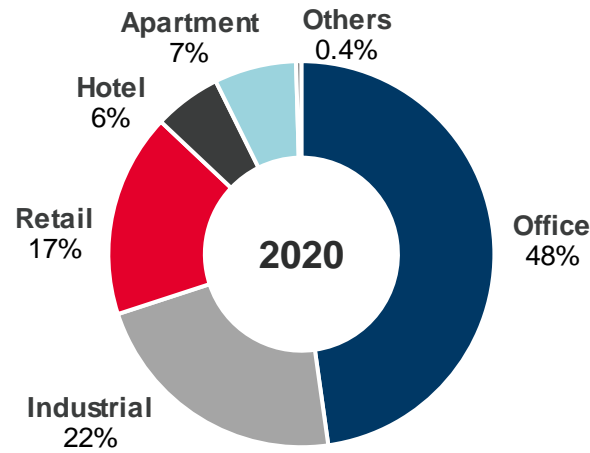
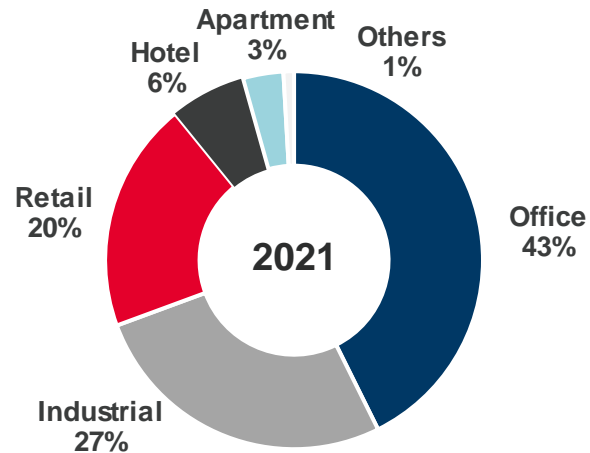
CANADA

Australia 
\$2.8 bn

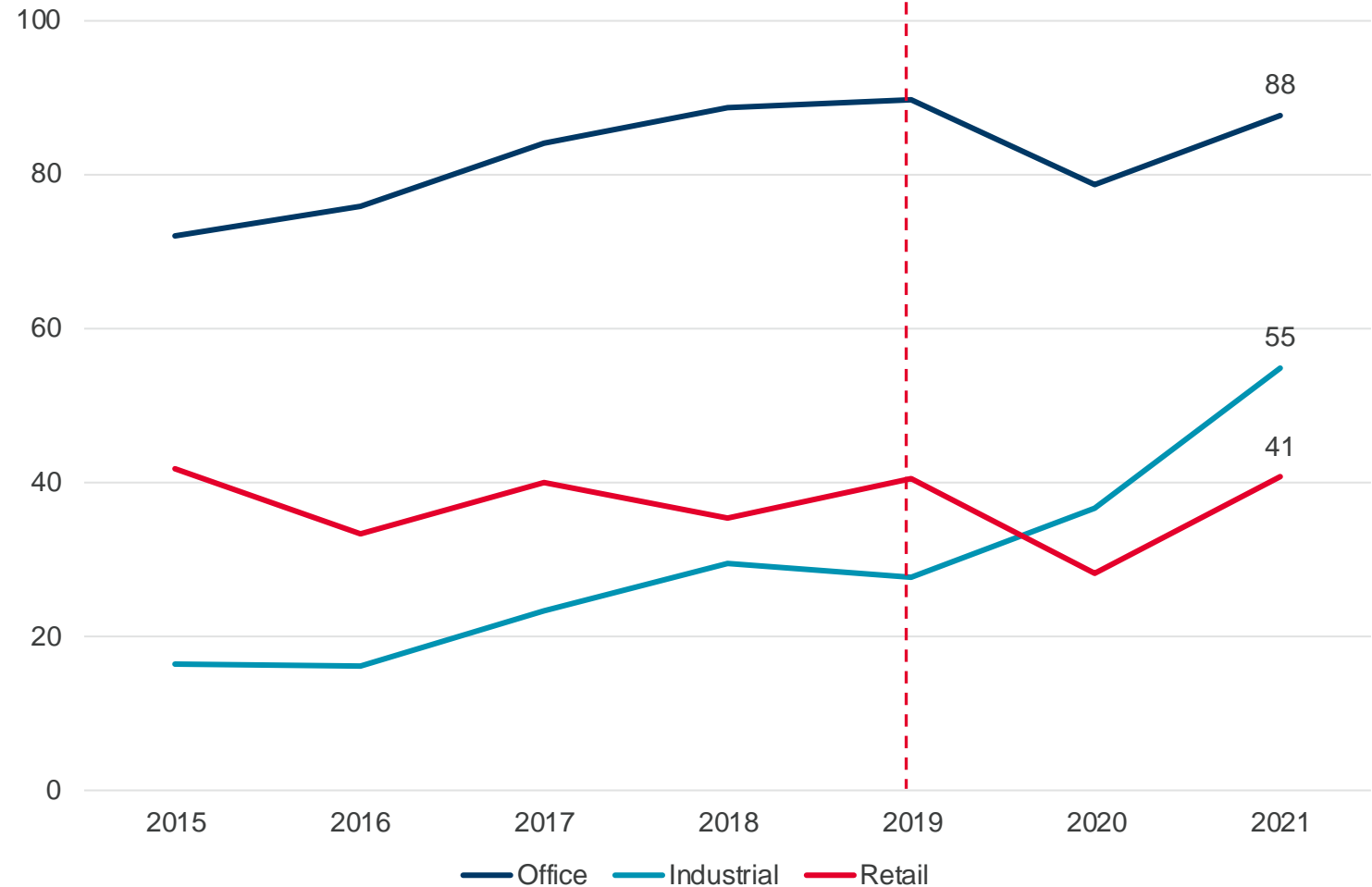
China ML 
\$1.6 bn

TRANSACTION VOLUME BY ASSET CLASS

Strongest growth in industrial investment



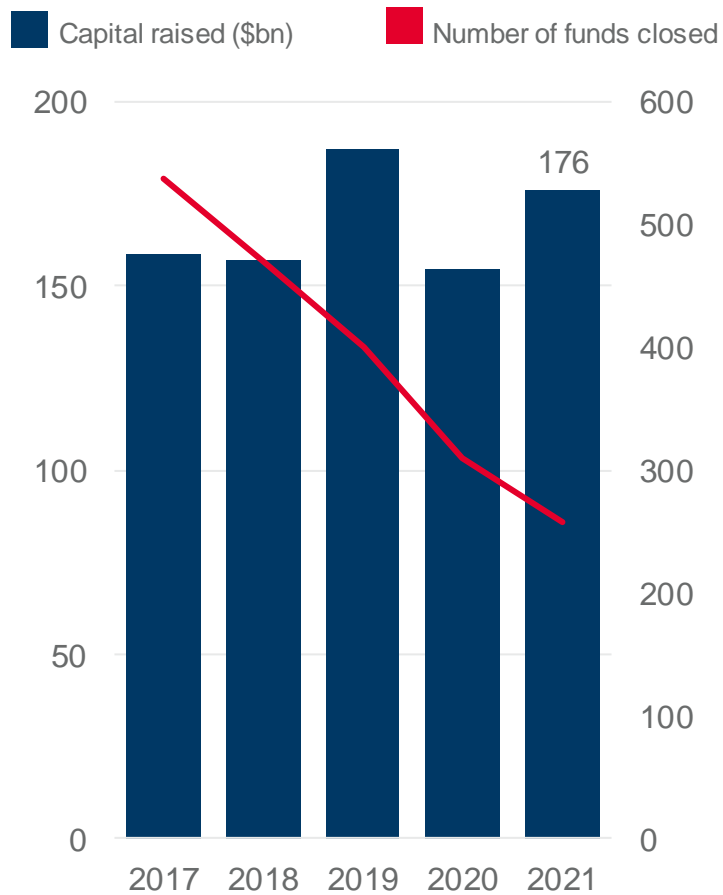
US\$ bn



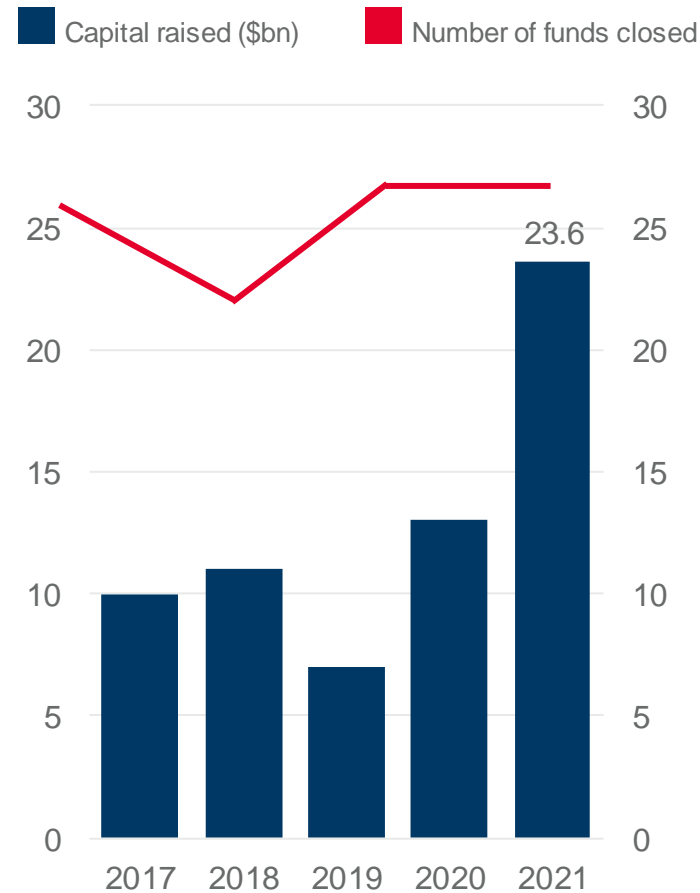
INDUSTRIAL CAPITAL RAISING REACHED RECORD HIGH

Asia Pacific attracts the most logistics capital

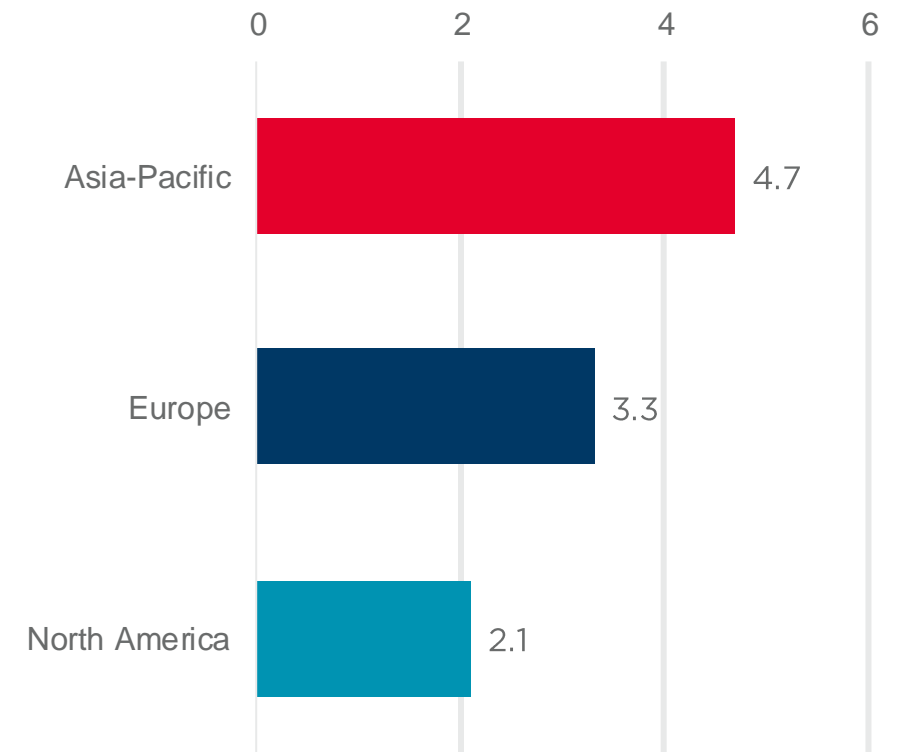
The amount of PE capital raised (globally) recovered in 2021



Fundraising for industrial funds has more than tripled since 2019



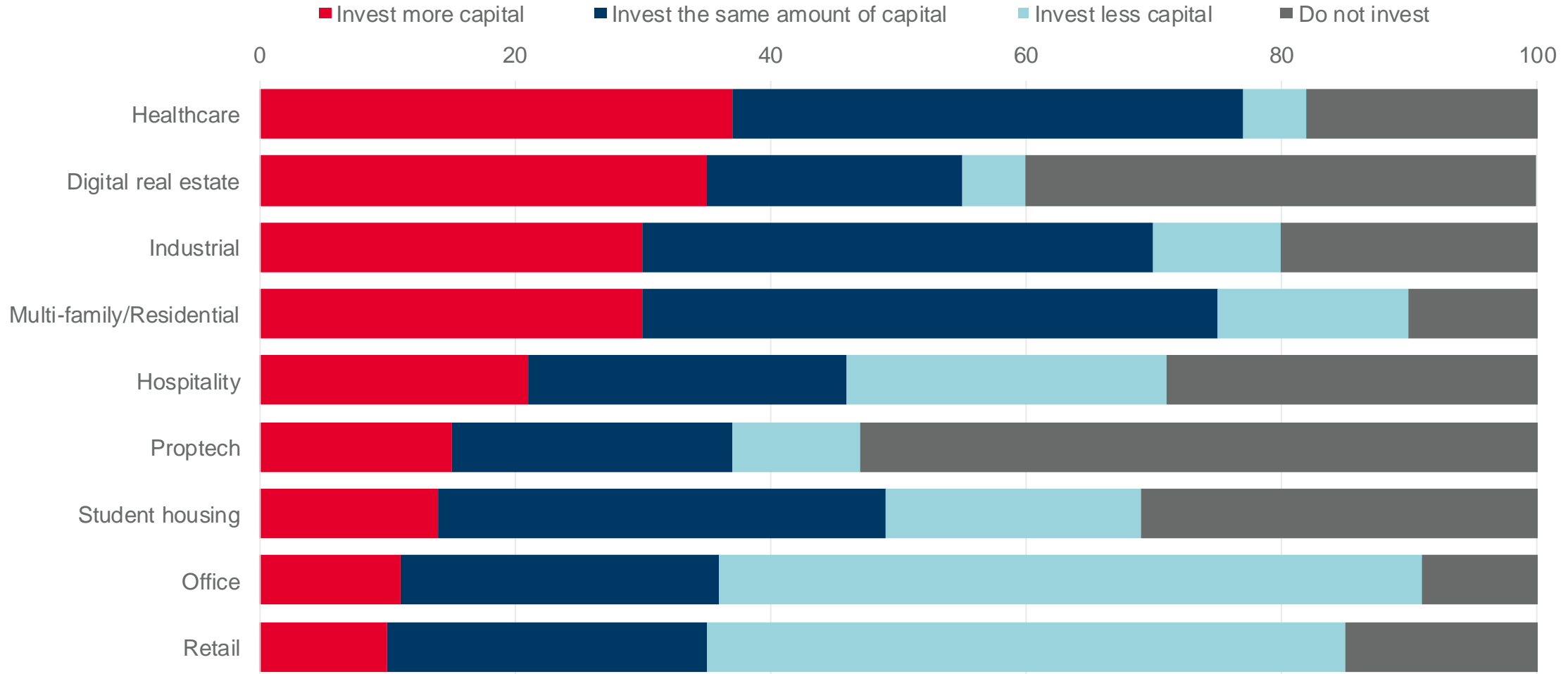
Capital raised for logistics assets by geography focus in 2021 (\$bn)



INCREASING DIVERSIFICATION

Growing investment in alternative sectors

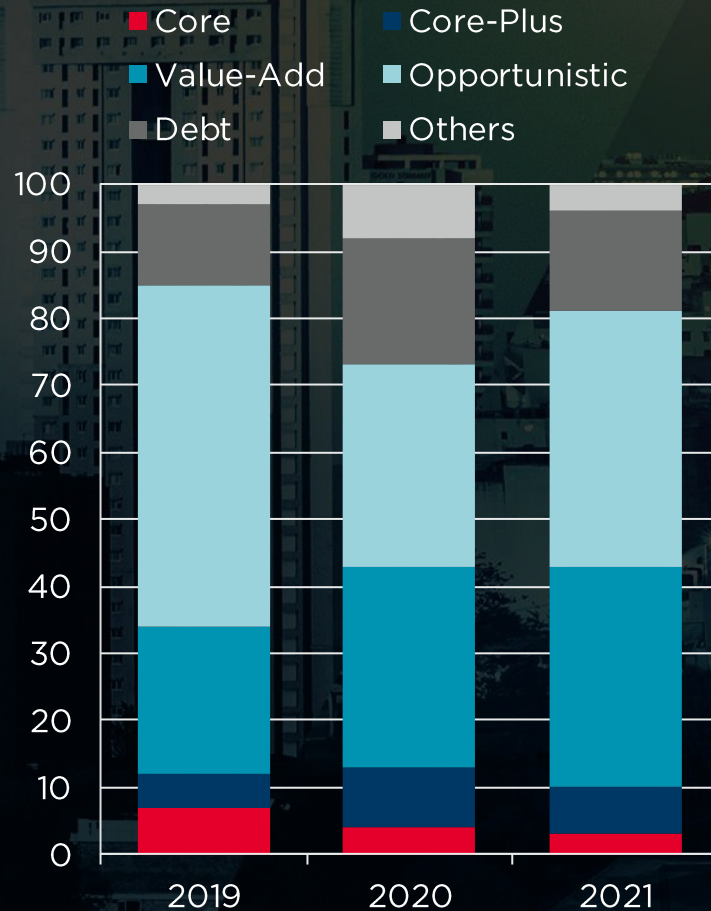
PERE Global Survey (2022): How will you approach your investment strategy in the following sectors? (%)



2022 INVESTMENT STRATEGIES

Increasing share of value-add and opportunistic strategies

Asia-Pacific Capital Raised by Strategy (%)



STRATEGY



CORE TO
CORE-PLUS



VALUE ADD



OPPORTUNISTIC

THEME

WHERE / WHAT?

Urban logistics	Singapore, Seoul, Sydney, Tokyo, Osaka, large mainland China cities, India Tier 1 cities
Gateway city offices	Seoul, Tokyo, Singapore, Sydney, Beijing
“No-cycle” sectors	“Living” sectors, essential retail, data centers
Retail	Neighborhood malls, China outlets
Repositioning	Change of use: Beijing CBD, Singapore CBD
Hi-tech/science parks	Tech cities: Beijing, Tokyo, Seoul, Bengaluru, Singapore, Hyderabad, Pune
Pre-distressed	Hong Kong, Mainland China
Emerging markets	India office, Vietnam industrial, India industrial
Development	Data centers, logistics, life science parks, multifamily



ASIA PACIFIC SUPPLY CHAIN MANAGEMENT

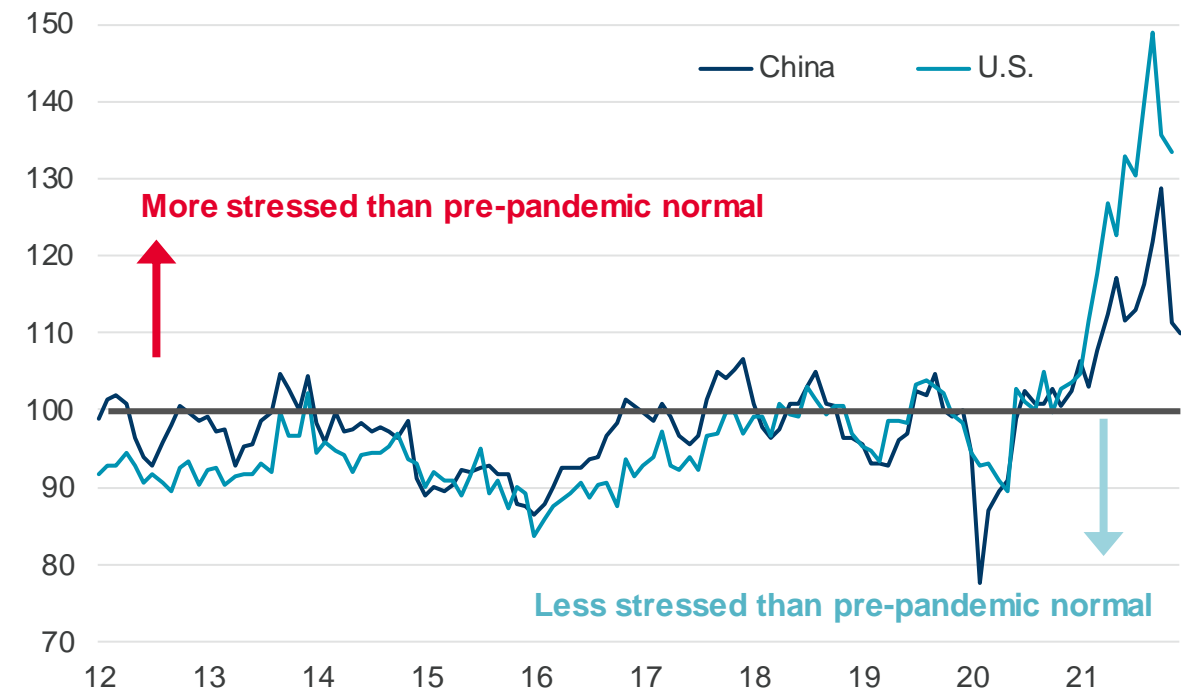
DISRUPTION IS IMPACTING SUPPLY CHAINS IN ASIA-PACIFIC AND IS FUELING IMMEDIATE DEMAND FOR LOGISTICS & INDUSTRIAL REAL ESTATE



- Volatile demand and supply conditions are leading to increases in inventory levels
- The current focus is on shoring up supply and shipping to meet surging consumer demand
- The need for resilience will shape Asian supply chains but there are also larger factors at play

Supply-chain stress has eased

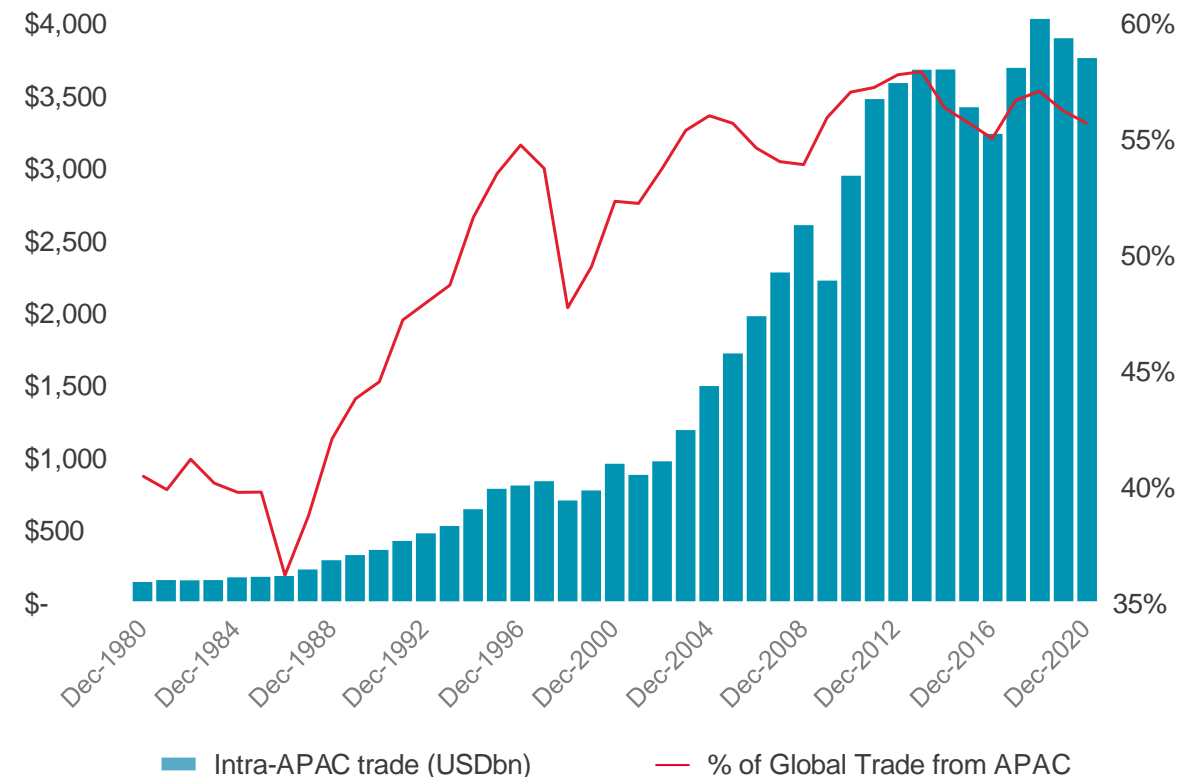
Supply-Chain Stress Index, Oct 2019=100



GLOBAL TRADE HAS PEAKED AND RISING URBANISATION AND MIDDLE-CLASS INCOMES IS FUELLING GROWTH INTRAREGIONAL TRADE ACROSS ASIA-PACIFIC



- Rising middle-income level across Asian markets, powering intra-region trade
- More products produced in Asia are being consumed in Asia – Asia-for-Asia
- Supply chain networks will need to be responsive to their customer's needs

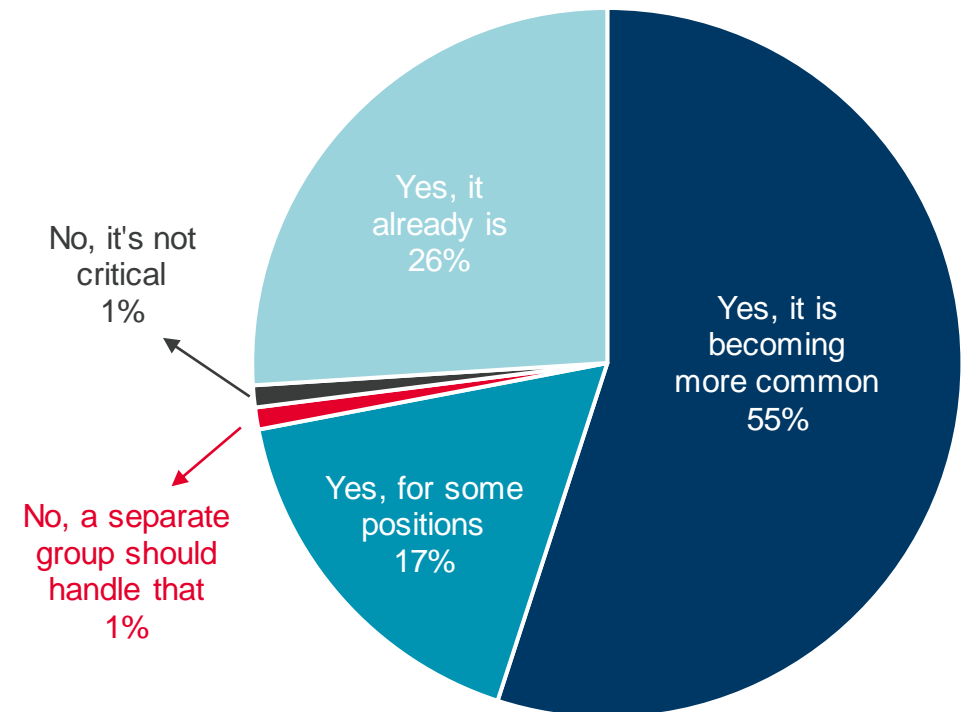


THE PRESSING NEED TO ADDRESS SUPPLY CHAIN CARBON EMISSIONS IS HAVING A STRONG INFLUENCE ON SUPPLY CHAIN OPTIMISATION DECISIONS



- Consumers and Investors are rewarding companies and brands perceived to be better for the environment
- Supply chains are the most significant contributor to a company's carbon footprint
- Business leaders now understand that redesigning supply chains enables their corporate ESG targets

Do you think sustainability will become part of supply chain professionals core responsibilities over the long term?



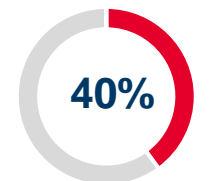
THE BUILD-OUT AND OPTIMIZATION OF SUPPLY CHAINS ACROSS ASIA-PACIFIC WILL POWER STRONG DEMAND FOR MODERN LOGISTICS AND INDUSTRIAL REAL ESTATE



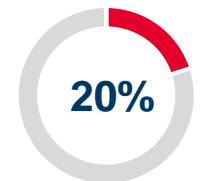
- Critical decisions on location of facilities close to growing demand markets
- 80% of the cost of a supply chain is determined at the design stage
- Supply chain networks will be configured to optimize service, cost, return on capital and carbon emissions

Asia Pacific markets rankings in the Manufacturing Risk Index (baseline scenario)

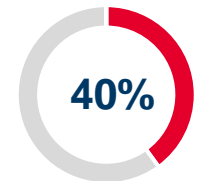
Top Quartile	Second Quartile	Third Quartile	Fourth Quartile



Conditions



Risk



Cost

APAC Results from 47 countries analysed globally. Above rankings excludes China

FACTORS SHAPING SUPPLY CHAINS IN ASIA



Focus on supply chain resilience

- Leveraging networks
- Reducing complexity



Growth in Asia intra-region trade

- Growing middle income
- Asia-for-Asia



ESG targets must factor in to supply chain design

- Concrete action on carbon
- Network trade-offs including carbon



Redesign of Asian supply chain networks

- Proximity to customers critical
- 80% of cost is in design



Demand for modern facilities

- Opportunities for automation
- Operations drives specifications

MODERATOR:



Catherine Chen

Director, Research
Greater China

PANELISTS:



Kevin Lee

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Solutions, APAC at DHL
Supply Chain



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Q&A

Please click on the Q&A icon on the top right-hand corner of your window to submit your questions.





THANK YOU

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