

Future is Asian: ***DeepTech & AI / Financial Institutions*** ***Socio-Economic Development*** ***Analytical Assessment and Overview 2020***

Teaser

Inspired by The Future is Asian
by Parag Khanna

January 2021

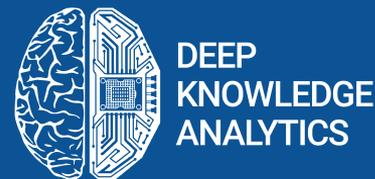


Table of Contents

Introduction	5
Executive Summary	6
DeepTech & Artificial Intelligence Industry in Asia Pacific Region	9
Overview of AI Current Status and Strategies	36
US vs China in the AI Race	38
Financial Institutions Overview in Asia	42
Asian Financial Sector	44
Socio-Economic Development	60
GDP per Capita Growth	62
Trading and Cooperation Development	73
Demographic Trends	75
Global Entrepreneurship	78
Number of Billionaires by Regions	82
Innovations and R&D Overview	85
R&D Spendings (in % of GDP)	86
Industrial and Energetic Development	94
Conclusions	102
Disclaimer	105

DISCLAIMER: The information and analysis provided in this document were prepared by Deep Knowledge Analytics (DKA). The sources of information contained herein are deemed reliable by DKA, however, DKA makes no representations regarding to the accuracy or completeness of such information. Though the information herein is believed to be reliable and has been obtained from public sources believed to be reliable, we make no representation as to its accuracy or completeness. Hyperlinks to third-party websites in this report are provided for reader convenience only. Opinions, estimates and analyses in this report reflect the opinions of DKA as of the date of this report. DKA has no obligation to update, modify or amend this report or to otherwise notify readers in the event that any topic, opinion, estimate, forecast or analysis set forth herein changes or subsequently becomes inaccurate. This report is provided for informational purposes only, it may contain errors and is subject to revision.

CONTACT US

www.dka.global
info@dka.global

Financial Institutions in Asia 2020 Landscape Overview

Western Banks

Western Insurance Companies

Asian Insurance Companies

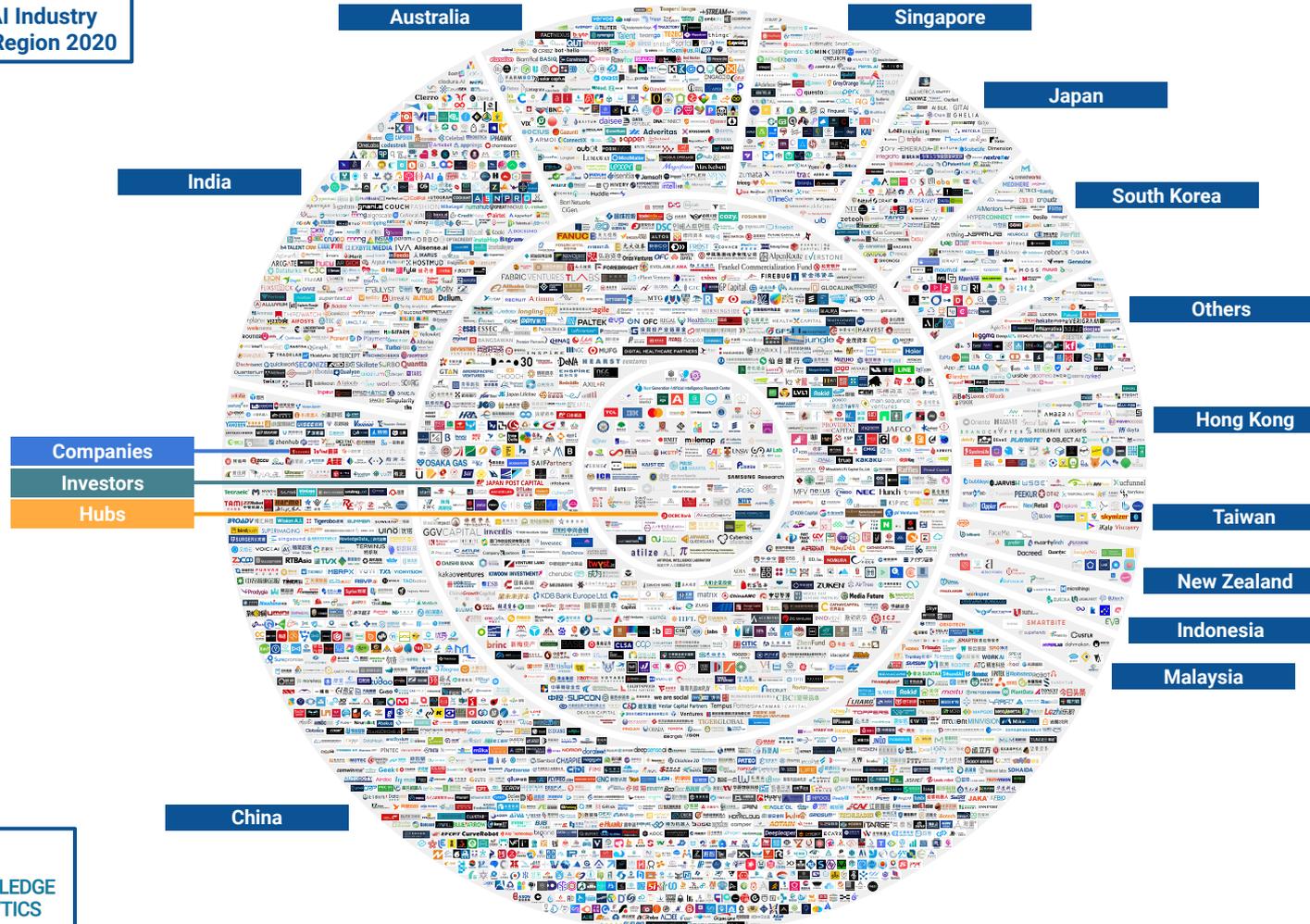
Asian Banks - 120
Asian Insurance Companies - 34
Western Banks - 160
Western Insurance Companies - 111

Asian Banks



DeepTech & AI Industry in Asia Pacific Region 2020

Companies - 2400
Investors - 1300
Hubs - 100



Companies
Investors
Hubs



Presented assessment is inspired by the book “The Future is Asian” by Dr. Parag Khanna. The book is a reflection on current world tendencies. The author supports the idea that there is no turning back from today's multipolar, multicivilizational order. The globalized world is too mixed to become national and closed again. Nevertheless, the outstandingly rapid development of the Asian region might challenge the current state, becoming a new centre of gravity.

Historically, Asia has grown stupendously from American and European outsourcing, and now the United States and Europe are being buttressed by infusions of Asian investment and talent. The author argues that we are only in the early phases of global Asianization; therefore we must continue to explore how the coming decades will transpire in order to be prepared for drastic changes in both the geopolitical and economic situations across the world.

For that purpose, the report includes the following parts: Technological, containing regional comparisons by such criteria as digitalization and AI development, Economic and Socio Demographic, presenting socio-economical growth analysis, export and investment ratio, and presents a list of tables and graphics, being the visual representation of the current regions cooperation and interconnections.

The economic zone of Asia - one that goes from Russia in the north to Australia in the south, and from the Arabian Peninsula and Turkey in the west to Japan and New Zealand in the east - currently represents half of global GDP and two-thirds of global economic growth. Only \$1 trillion out of assessed between 2015 and 2030 estimated \$30 trillion in middle-class consumption growth is expected to originate from the present Western economies. Most of the rest will come from Asia.

Asia is nowadays a leading region, creating, exporting, importing and consuming more goods than any other, and the Asian nations mainly exchange and invest with each other, more than they do with the rest of the world. The continent has several of the world's strongest economies, most of the global foreign trade reserves, a large number of the biggest financial institutions, modern and innovative organizations, and some of the world's biggest and well equipped armies. Asia also represents more than 60 percent of the world's population, having almost ten times as many people as Europe and nearly twelve times more than North America. As the total population moves toward a level of around 10 billion people, Asia will everlastingly be home to more people than all other parts of the globe combined. All the above-mentioned factors in combination are creating the necessary conditions for the region to dominate the world scene in the decades to come.

“Future is Asian: DeepTech & AI in Asia Financial Institutions Overview in Asia” is produced by Deep Knowledge Analytics and provides insights into more than 2400 companies, 1300 investors, 100 hubs and 425 financial institutions. It features macro analysis based on a combination of the most significant parameters, that provides the ability to address the needs of a country-level market research and thorough forecasting. The main dashboard contains overviews of domains like socio-economic and entrepreneurial development, innovation and R&D, DeepTech & Artificial Intelligence investments and financial sector expansion. We will briefly describe them in the following paragraphs.

Socio-Economic Development section is focused on all the major changes and perspectives occurring in the region and describes the distribution of benefits, especially, in terms of export-import incentives, potentially available to the vast population. The Industrial and Energetic Development part of the section reveals Asian leading positions in manufacturing thanks to the largest share of global production and highest exploitation of vehicles and DeepTech tools, but also underlines both challenges and unrealized potential for transformation of the energy sector.

Global Entrepreneurship Development, a chapter that gives a general comparison between the global centers of entrepreneurship and the rising Asian startup ecosystems. It also shows the great potential hidden behind those growing in importance Eastern “silicon valleys”

Innovation and R&D, As the Asian economies mature they will put more and more resources into R&D and this overview allows the readers of the report to grasp the scope of Asian dominance in those fields.

DeepTech and AI in Asia, could be considered as the core of the current report because we maintain that the development of the DeepTech and Artificial intelligence (AI technologies (along with several other disruptive domains of research) will be the main impetus behind the growth of the major Asian economies. AI solutions are rapidly being integrated across industries and sectors. Companies have begun to experiment with a suite of AI solutions across numerous use case - from manufacturing to energy, from healthcare to government.

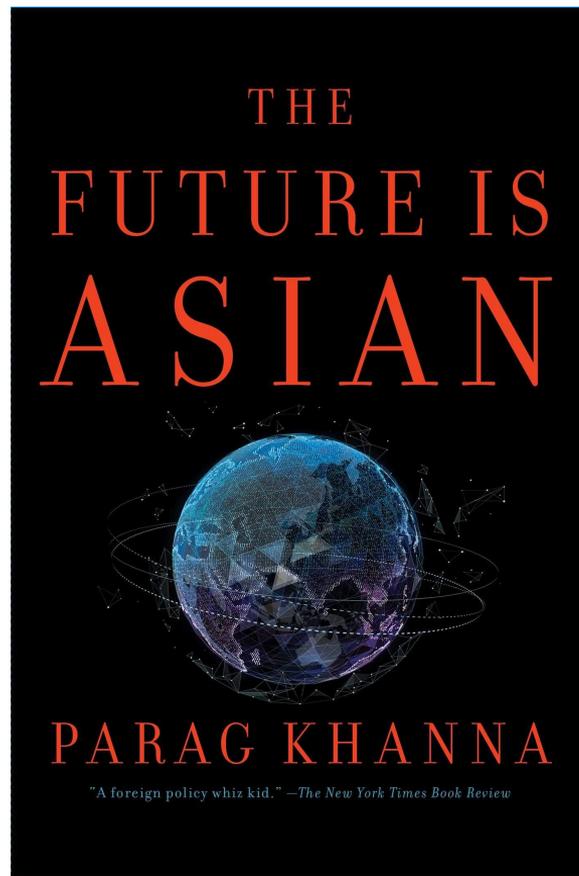
Financial institutions chapter describes the current financial landscape on the largest continent and its growth prospects. As the share of the Asian GDP in the world economy increases so does the interest of international financial institutions in the rapidly expanding (although already huge) Eastern markets. Essentially, we can say that the region is developing very fast and it has a great amount of potential customers - both business and private.

In the 19th century, the world was Europeanized. In the 20th century, it was Americanized. Now, in the 21st century, the world is being Asianized.

The “Asian Century” is even bigger than you think. Far greater than just China, the new Asian system taking shape is a multi-civilizational order spanning Saudi Arabia to Japan, Russia to Australia, Turkey to Indonesia—linking five billion people through trade, finance, infrastructure, and diplomatic networks.

There is no more important region of the world for us to better understand than Asia – and thus we cannot afford to keep getting Asia so wrong. Asia’s complexity has led to common misdiagnoses: The region is experiencing a confident new wave of growth led by younger societies from India to the Philippines, nationalist leaders have put aside territorial disputes in favor of integration, and today’s infrastructure investments are the platform for the next generation of digital innovation.

From investment portfolios and trade wars to Hollywood movies and university admission, no aspect of life is immune from Asianization. With America’s tech sector dependent on Asian talent, politicians praising Asia’s glittering cities and efficient governments. This will be the Asian century. Now we have an accurate picture of what it will look like.



Source: [The Future is Asian](#)

About Parag Khanna

Parag Khanna is a leading global strategy advisor, world traveler, and best-selling author. He is Founder & Managing Partner of FutureMap, a data and scenario based strategic advisory firm. Parag's newest book is "The Future is Asian: Commerce, Conflict & Culture in the 21st Century" (2019).

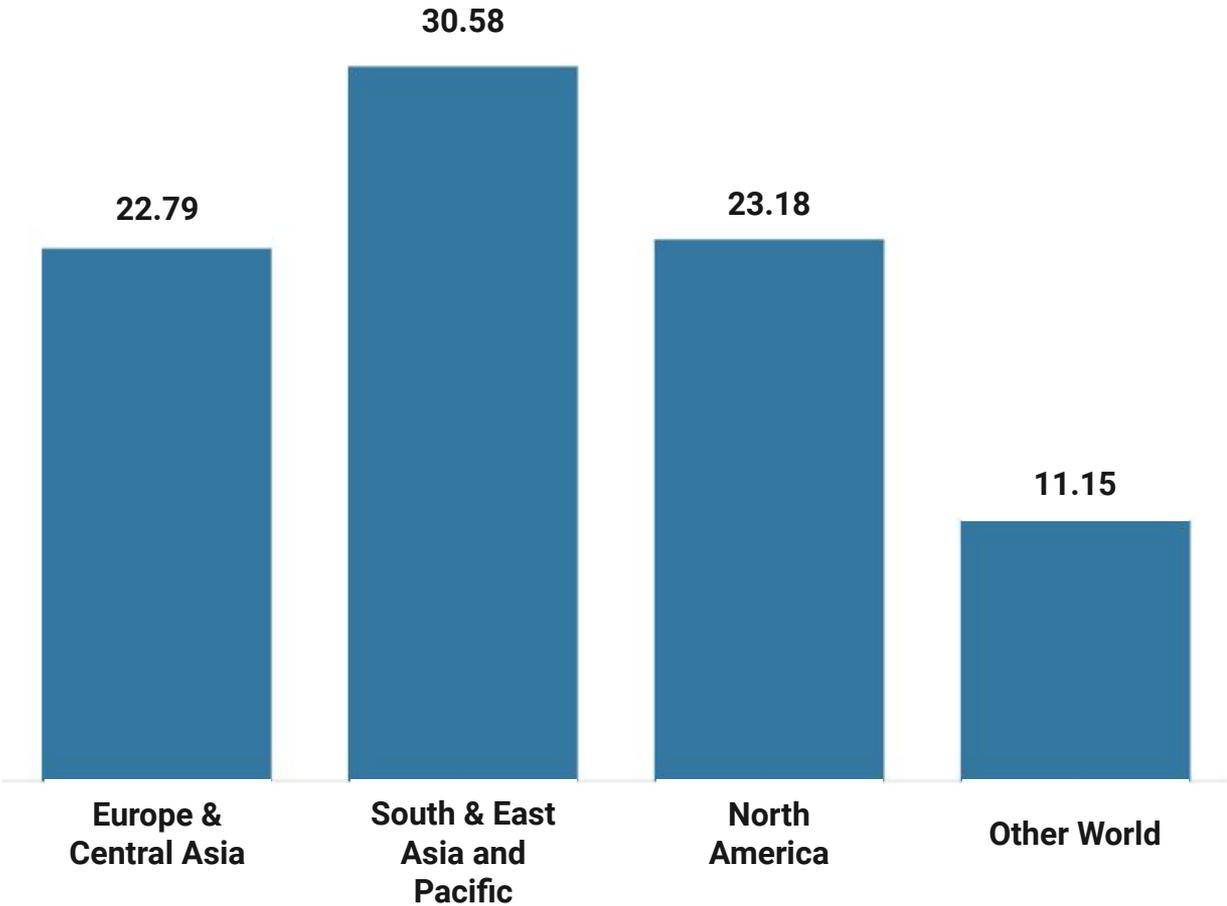
He is author of a trilogy of books on the future of world order beginning with "The Second World: Empires and Influence in the New Global Order" (2008), followed by "How to Run the World: Charting a Course to the Next Renaissance" (2011), and concluding with "Connectography: Mapping the Future of Global Civilization" (2016). He is also author of "Technocracy in America: Rise of the Info-State" (2017) and co-author of "Hybrid Reality: Thriving in the Emerging Human-Technology Civilization" (2012). His books have been translated into more than twenty languages and have been largely recognized as the most progressive writings of their time.

Parag himself has been an adviser to the US National Intelligence Council's Global Trends 2030 program. From 2013 to 2018 he was a Senior Research Fellow in the Centre on Asia and Globalisation at the Lee Kuan Yew School of Public Policy at the National University of Singapore. From 2006 to 2015 he was a Senior Research Fellow at the New America Foundation. During 2007 he served in Iraq and Afghanistan as a senior geopolitical adviser to United States Special Operations Forces.



Source: [Parag Khanna](#)

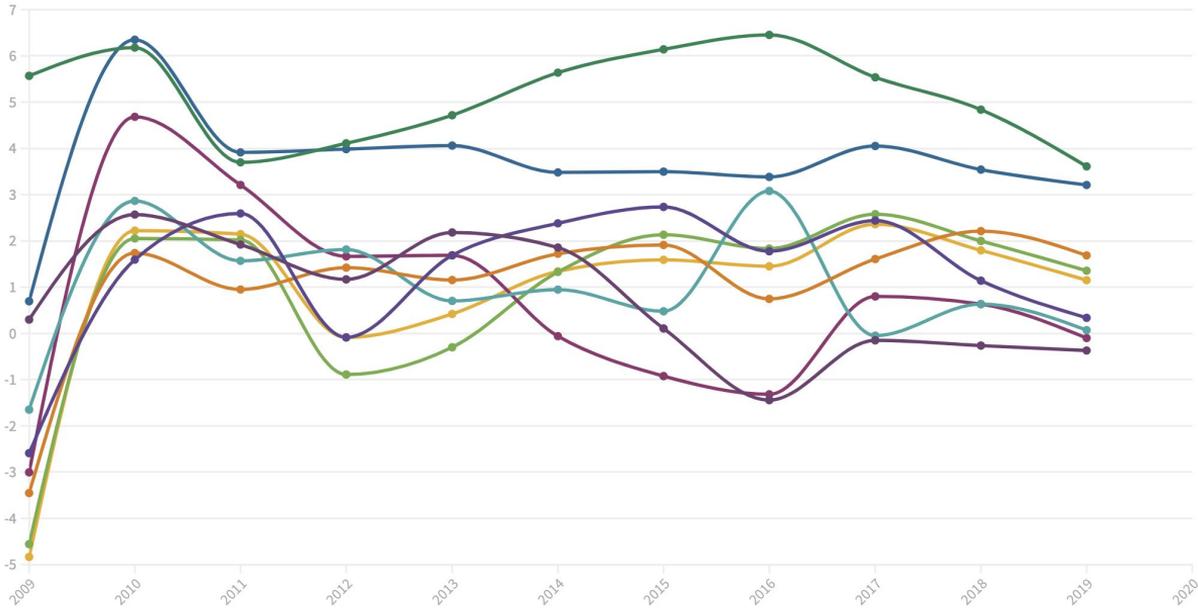
Share of World's GDP by Leading Regions



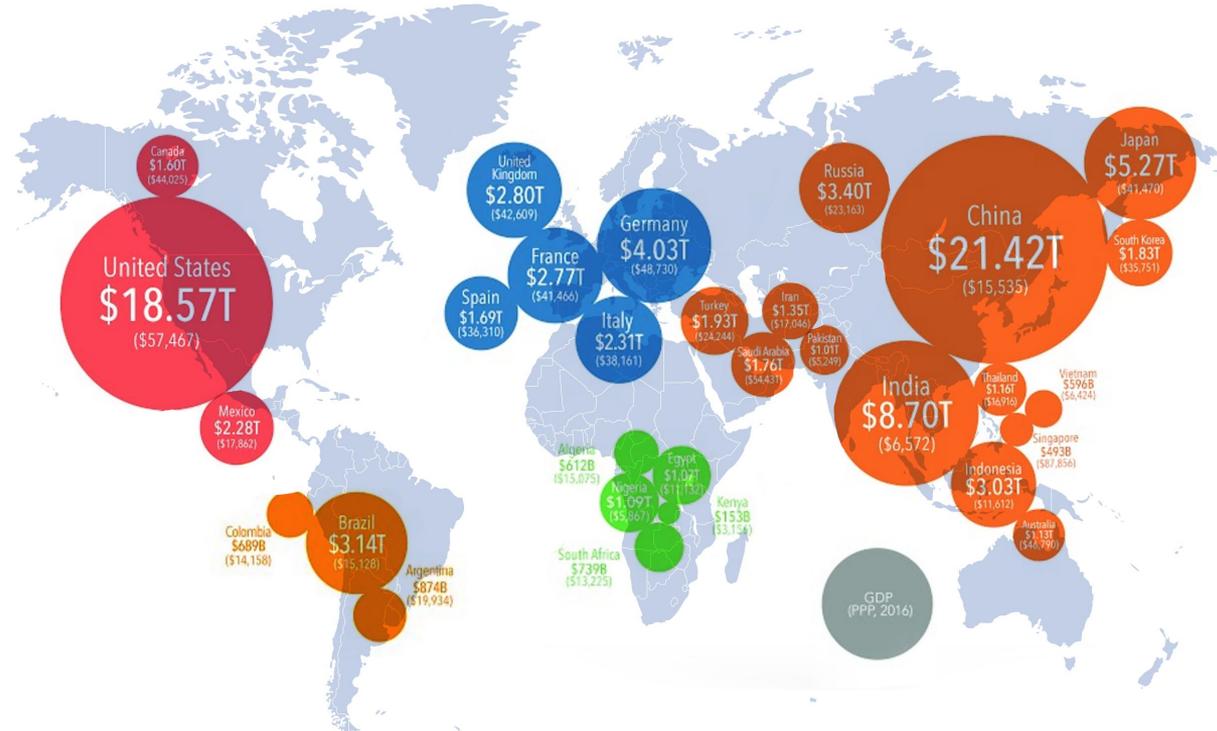
GDP per Capita Growth

Asia was the continent that recovered the fastest since the global financial crisis of 2007-2008. The average growth rate of the Asian economies exceeded 6% in 2010 (which was more than double that of their Western counterparts).

According to the data for 2019, Oriental countries are still leading the world in terms of economic development with a growth rate of more than 3%. Although, it seems that Eastern ascendance has slowed down for the moment, it is only because of the maturing of the Chinese economy while other big players like India and Indonesia are still catching up and will surely raise that number.

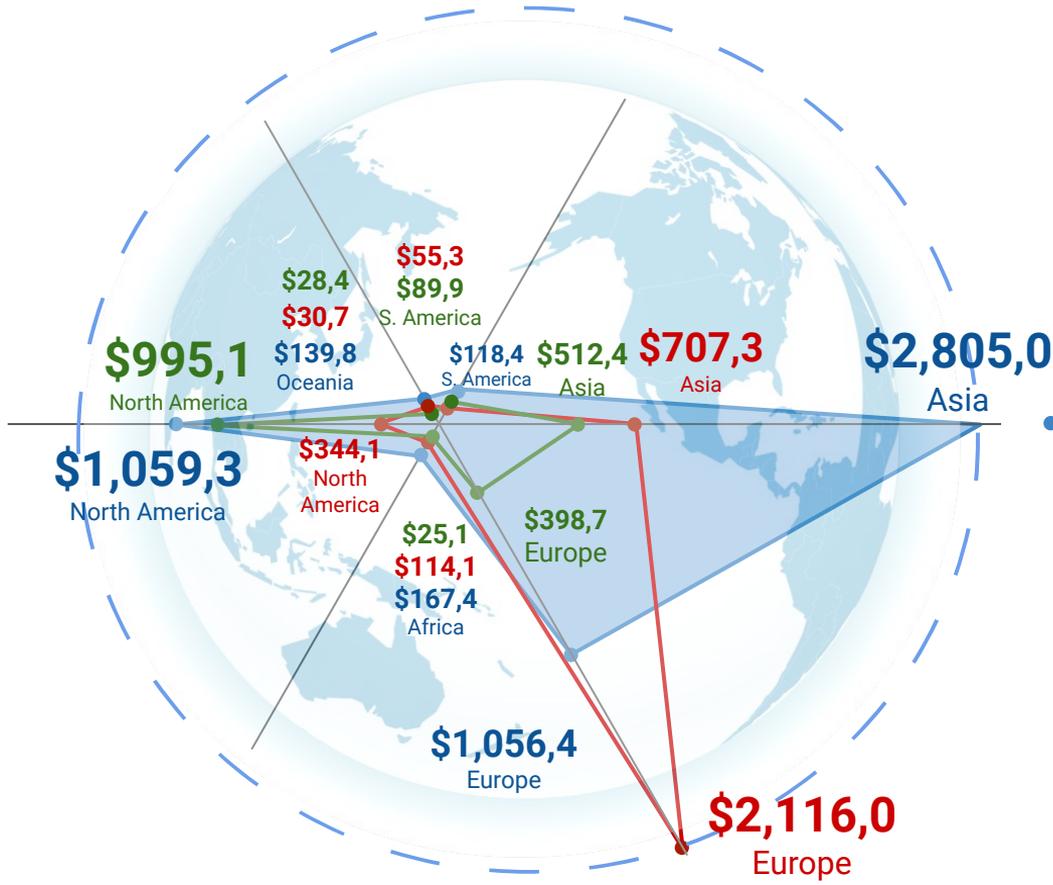


GDP (Purchasing Power Parity, 2016)



“Measured in PPP terms, China has already surpassed the United States as the world’s largest economy, while Asia as a whole represents about half of global GDP. The more Asian economies trade with one another, the better able they are to maintain low prices for goods.”

Export between the Regions, in Billions of USD



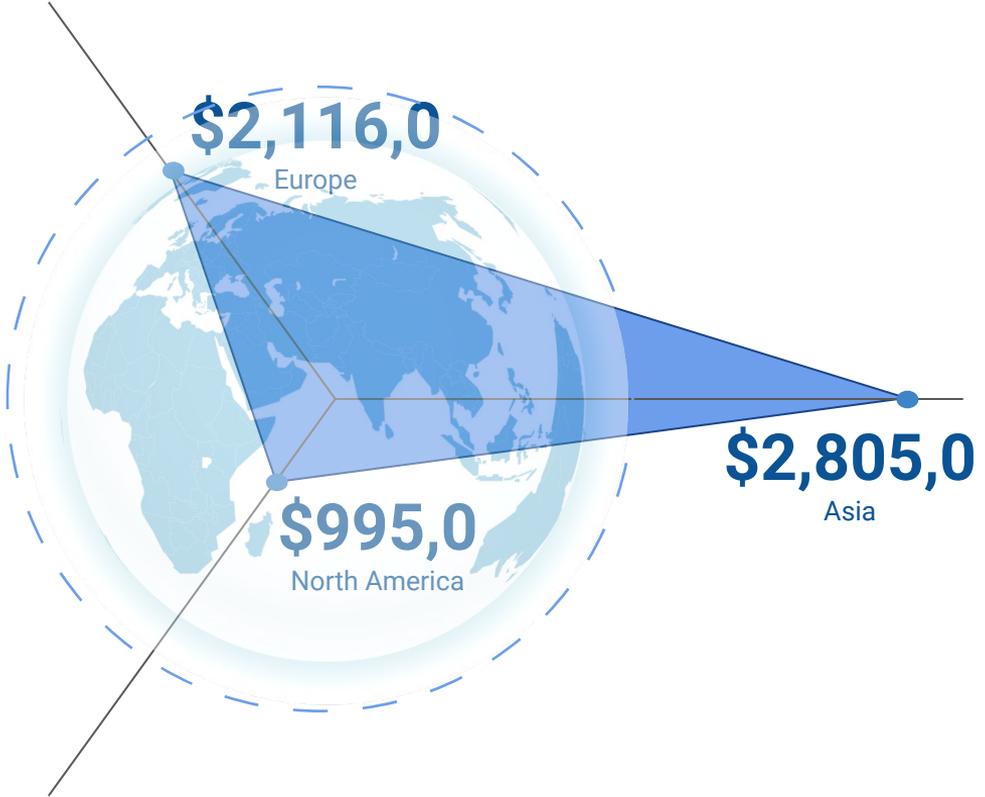
Sources: [MBS](#), [DKA](#)

Export within the Regions, in Billions of USD

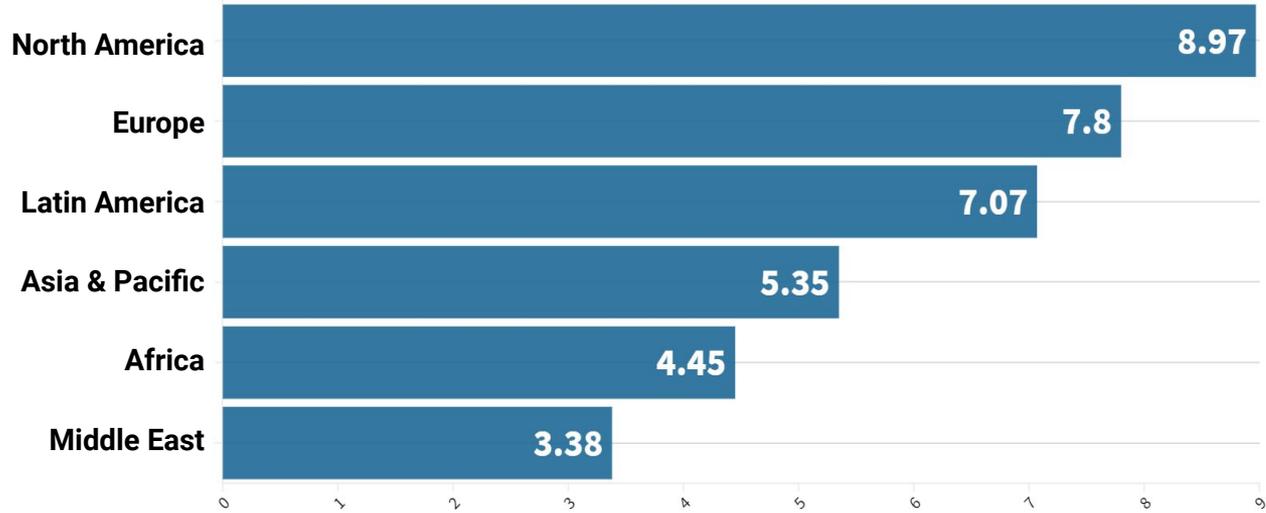
This graph shows the export within Asia is bigger than in the other regions. Despite political tensions in the region, the level of economic interconnections is very high.

Growing trade and investment linkages on the continent will also help improve the region's economic resilience to uncertainties in the global economic and trade environment.

Asia is leading in terms of recovery on the world trade scene. That is helping the region to maintain strong growth momentum amidst global economic turmoil and its continued integration and cooperation will underpin regional economic growth and financial resilience.



Civil Liberties Index



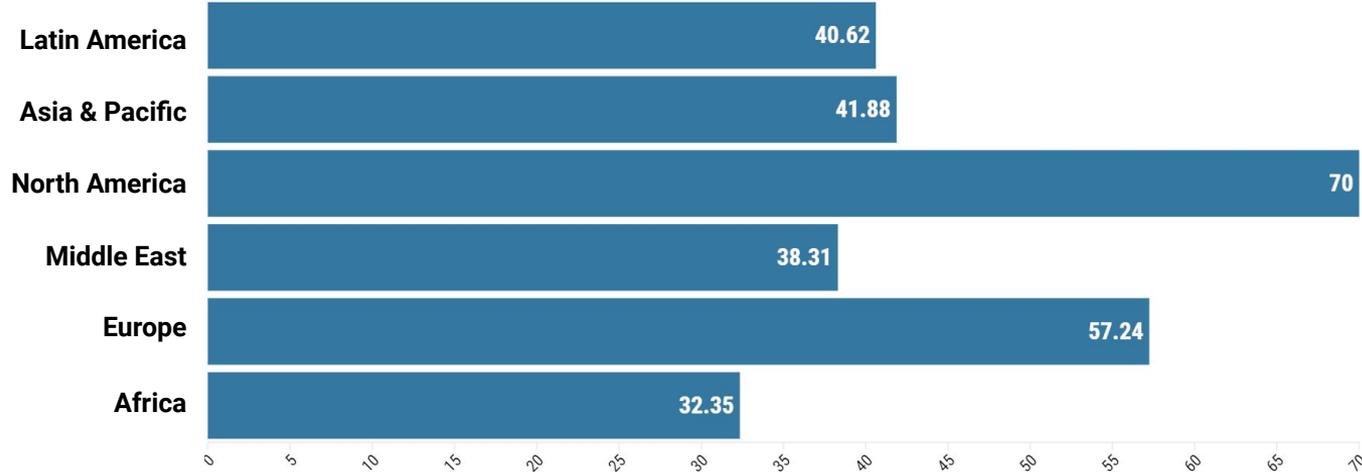
Civil Liberties Index characterizes the civic space where people can organise, participate and communicate with each other freely. Asian countries show low performance on the path to democracy. Out of 25 countries, four – China, Vietnam, Laos and North Korea – are rated “closed”, nine “repressed” and nine “obstructed” with Malaysia being one of them. Within the region, only Australia and New Zealand classified as full democracies last year.

Regional Corruption Index



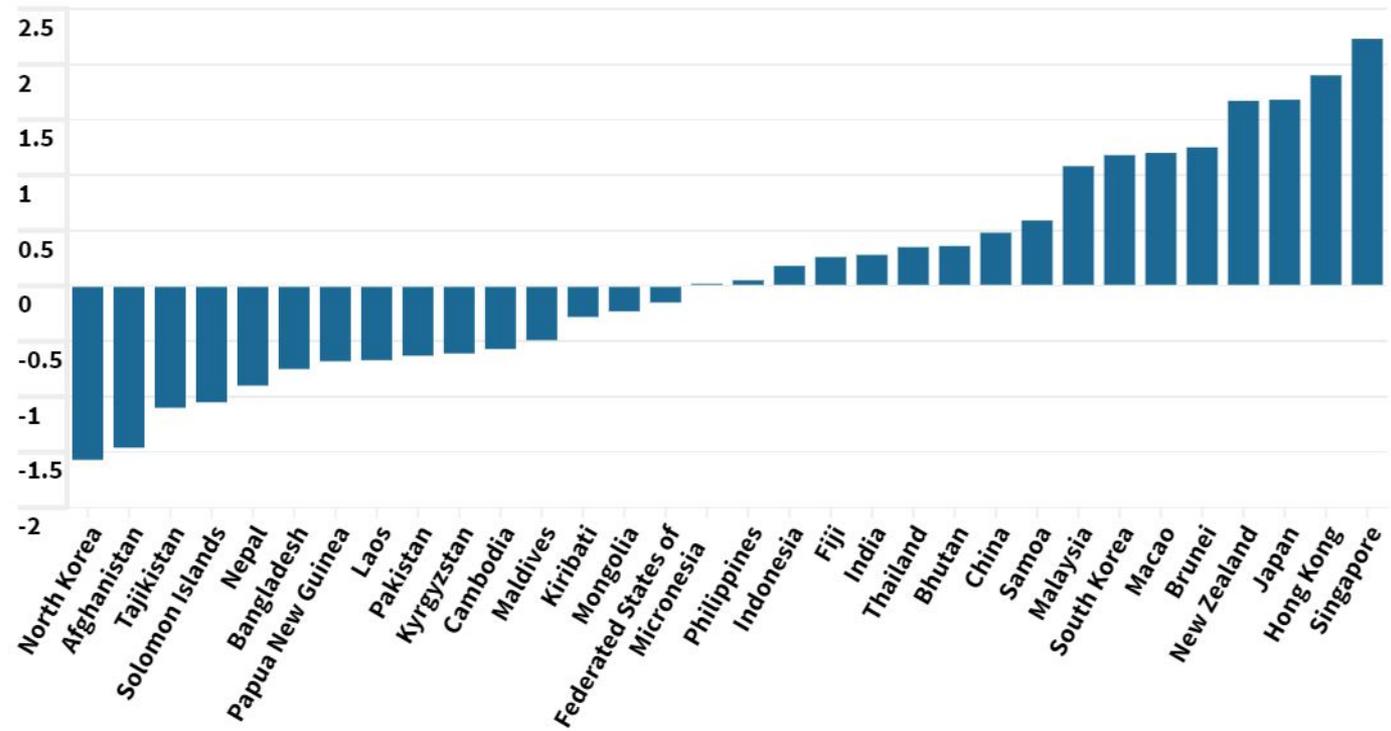
The regional average of the Corruption Perceptions Index (CPI) indicates a general stagnation in the Asia-Pacific region. Despite the presence of leaders such as Australia, New Zealand, Singapore, Hong Kong and Japan, it has seen little progress in terms of anti-corruption efforts and their anticipated results. In addition, underperforming nations such as Afghanistan, North Korea and Cambodia continue to highlight the region's serious problems with poverty and underdevelopment.

Functioning of Government Index



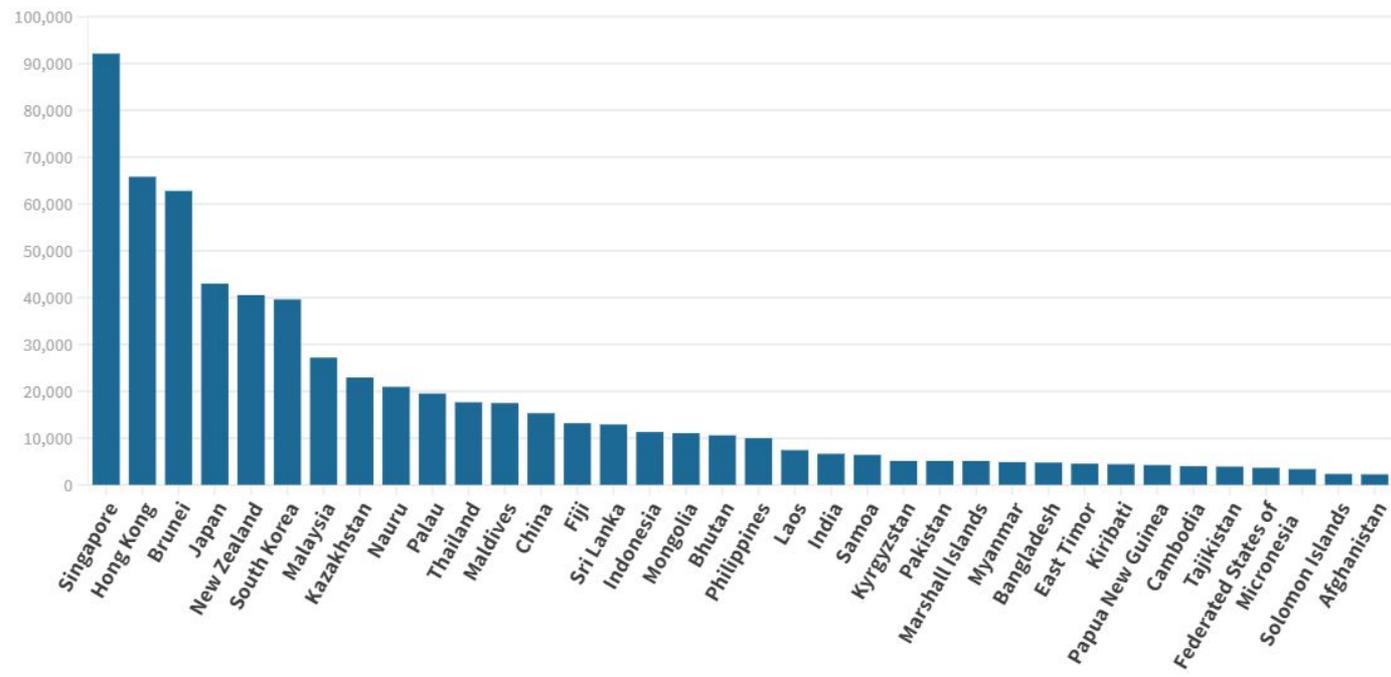
From 2000 up to 2016 the Asian continent has made rapid progress in improving its standing on our global rankings. However, from that point on the average score of the region decreased in 2017 and till now remains stagnant. Overall, Asia is highly diverse in score - it includes top-performing in the global ranking countries like New Zealand, and countries from the very bottom (out of 167 analyzed entities), as North Korea. At present only Australia and New Zealand are classified as 'full democracies' while Japan and South Korea are very close to attaining this status. As a result of the turbulent 20th century the region has managed to give birth to two "full democracies", twelve "flawed democracies", five "hybrid regimes" and seven "authoritarian regimes".

Government Effectiveness and Economic Growth



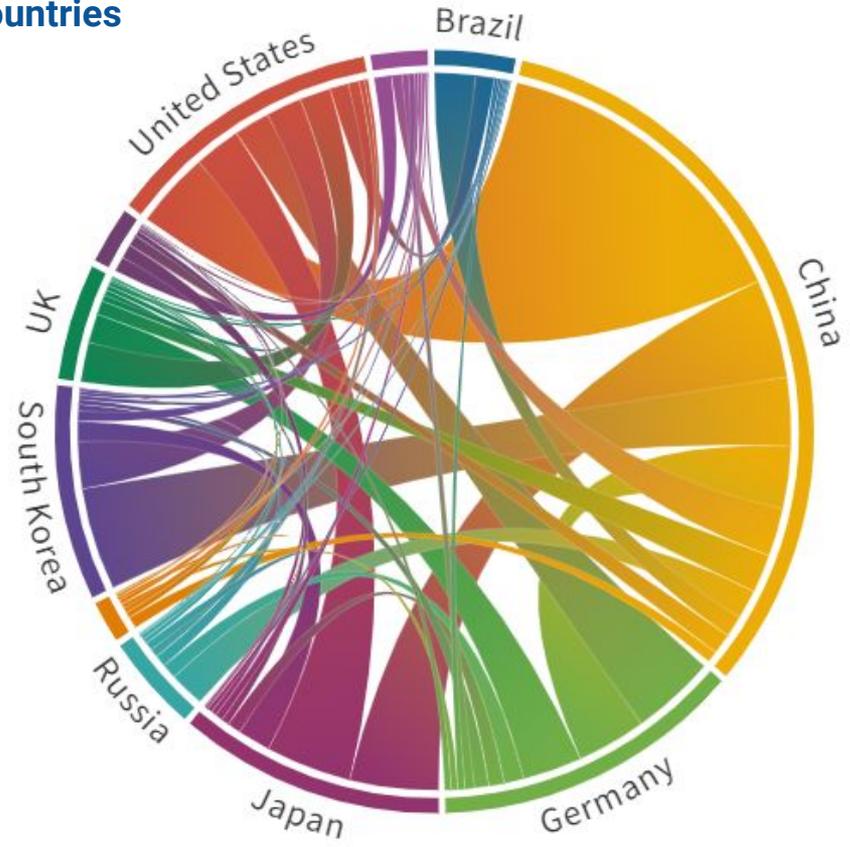
Effort to improve the business environment is a major factor for attracting a greater number of national and international investors to the regional economy which has the potential result in a rapid economic growth. While in poorly governed countries the high level of corruption leads to tax evasion and lack of the necessary funds to finance productive public investment and social spending for the poor. In essence, a government that is socially accountable in delivering services and responsive to the needs of its citizens will ultimately create a democratic environment leading to inclusive growth and human development.

Gross National Income



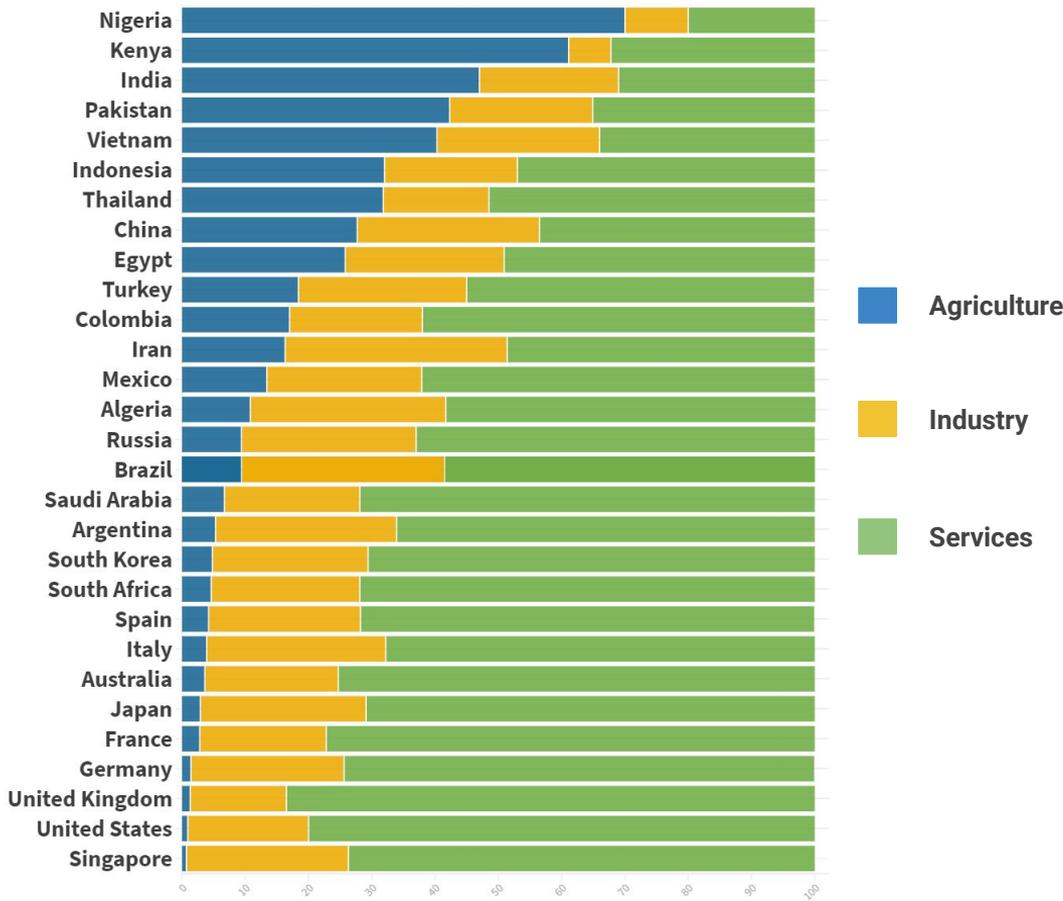
Gross National Income (GNI) is the total amount of funds earned by a nation's individuals and businesses. It is used to measure and track a nation's wealth from year to year. The number includes the nation's gross domestic product plus the income it receives from overseas sources. On the chart here, the income inequality and the weakness of national economies across the region could be clearly seen. Economic growth and performance are directly related to political environment, civil liberties and general level of corruption (plus the efforts to combat it).

Export by Countries As for 2018



The graph shows that export within Asia is much larger than with the other global regions and despite political tensions, the level of economic interconnectivity remains very high. The strengthening of the trade and investment links on the continent is improving the region's resilience to uncertainties in the global trade environment. Asia's fast recovery rate is helping it to maintain strong growth momentum amidst the ongoing crisis and its continued integration and cooperation will underpin regional industrial and financial strength.

Economic Power Distribution



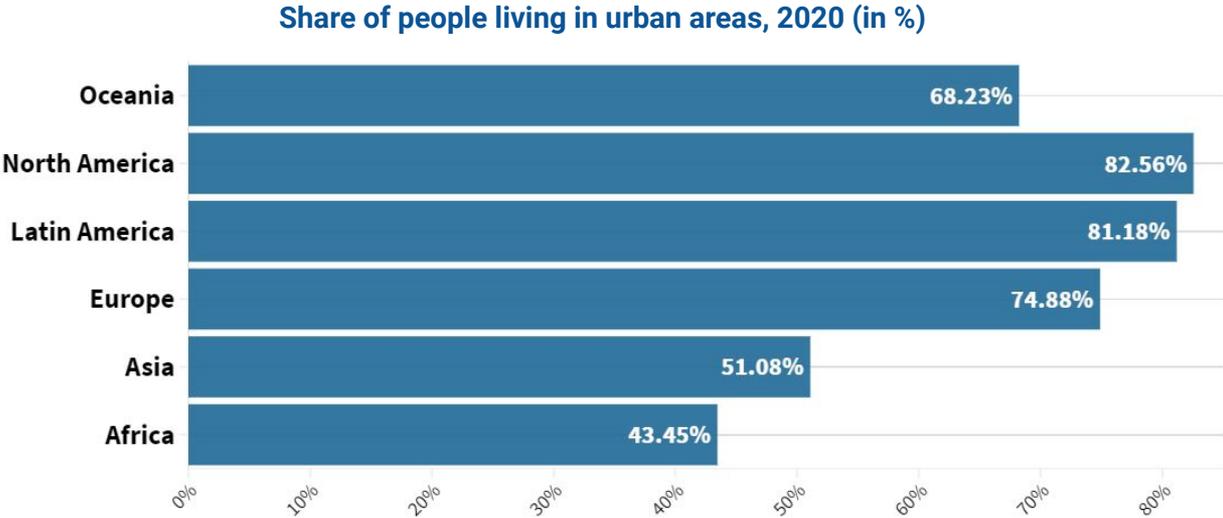
The Nominal Gross Domestic Product (nominal GDP) sector composition is a very demonstrative data graph.

In developed countries, the tertiary economic sector of services contribute the most to GDP. Those nations invest heavily in information technology (IT) systems in order to improve the way businesses in the service sector operate.

In the developing economies (which are constituted from most of the entities on the African continent and also many of the Asian ones), the first economic sector (agriculture and mining), is dominated by the emphasis on the basic food-supplying activities.

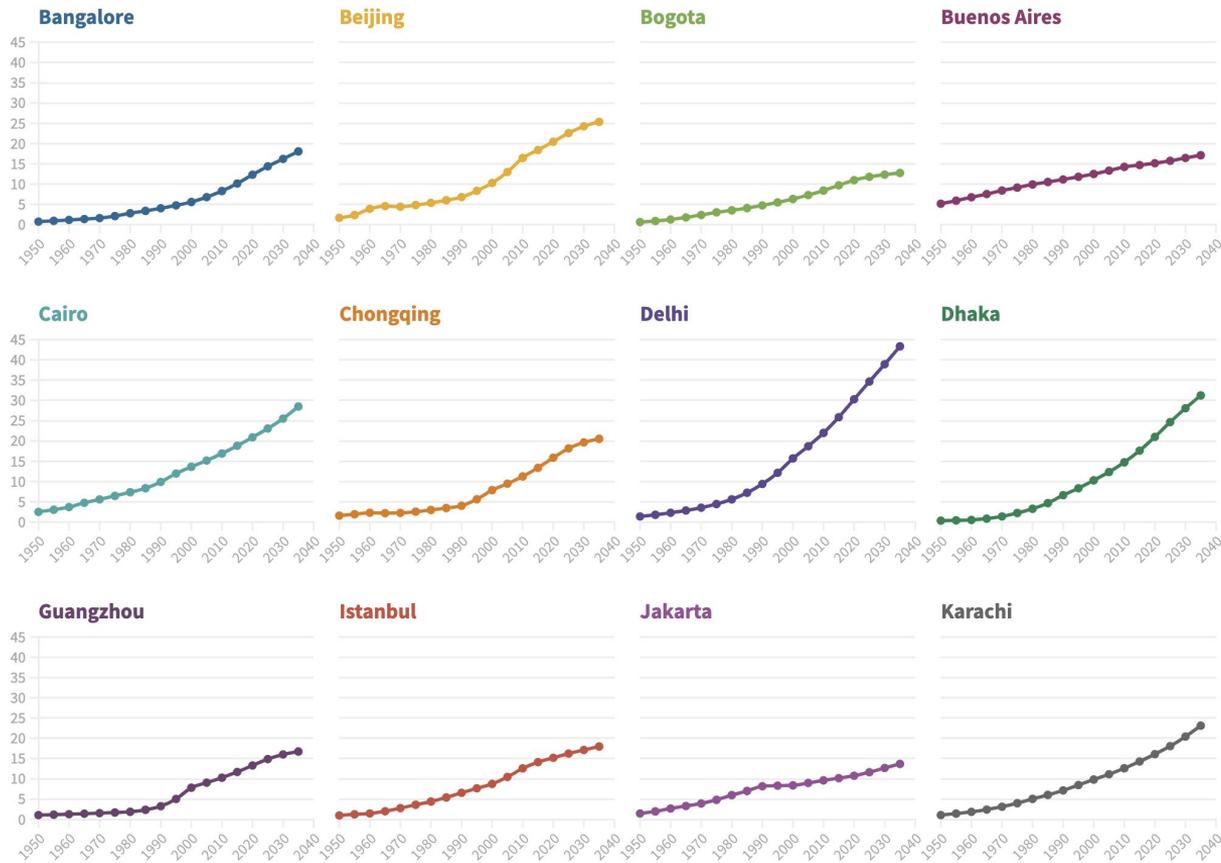
Demographic Trends by Regions

The rapid industrialization that occurred during the second half of the twentieth century led to a massive internal migration and urbanization of many of the East Asian countries. As a result, seven, out of the top ten largest cities in the world, are located on Asian soil with Tokyo (Japan) being in the first place and Delhi (India) trailing on the second. As the twenty-first century progresses we are likely to witness a much higher ranking for many of the regional urban areas.



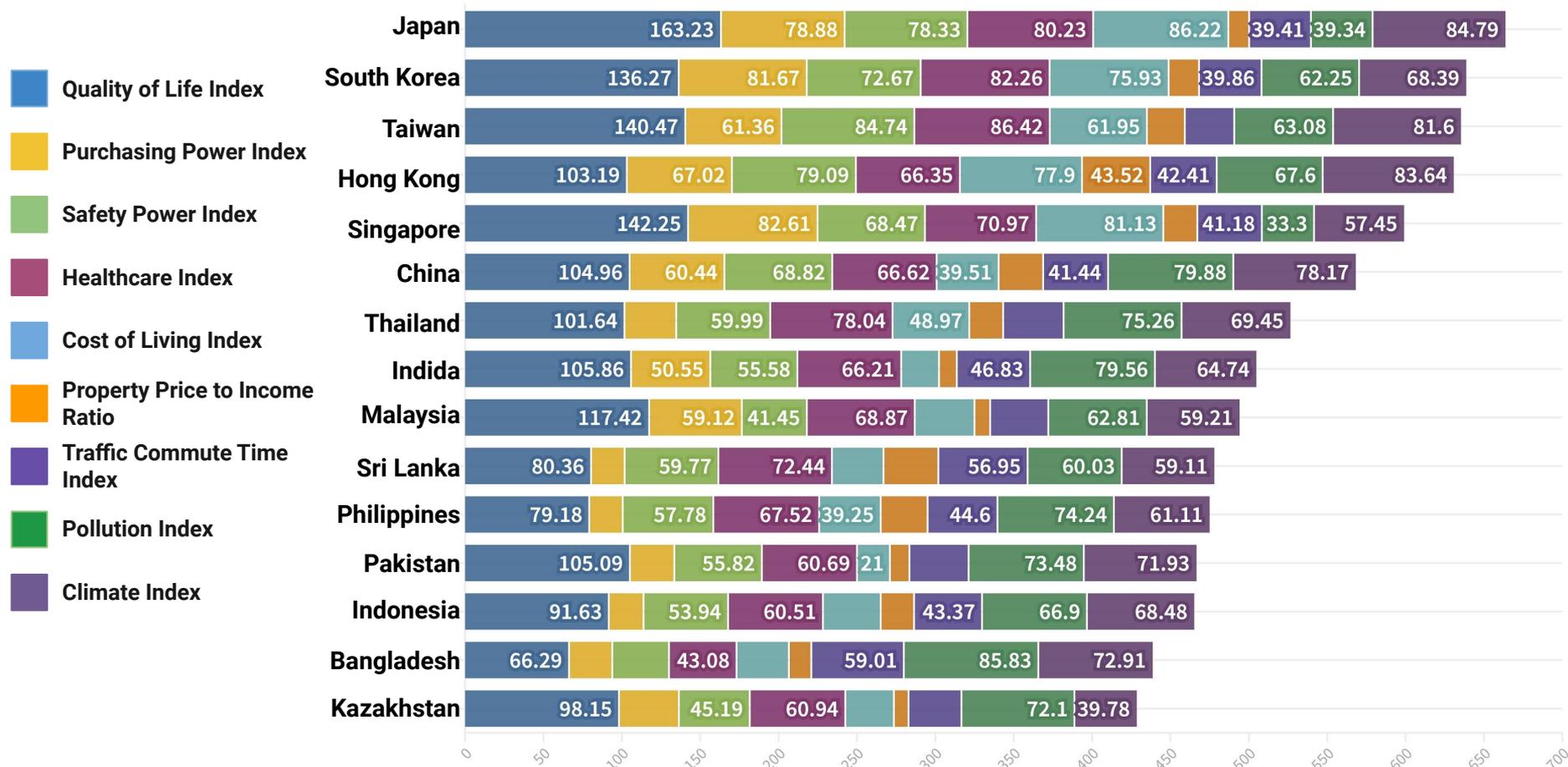
Share of the population living in urban areas as estimated by the European Commission. The European Commission combines satellite imagery with national census data to derive urban and rural populations based on its own standardized definitions. Note that this result differs from UN figures which are based on nationally-defined urban definitions.

Demographic Trends: City Population, 1950 to 2035

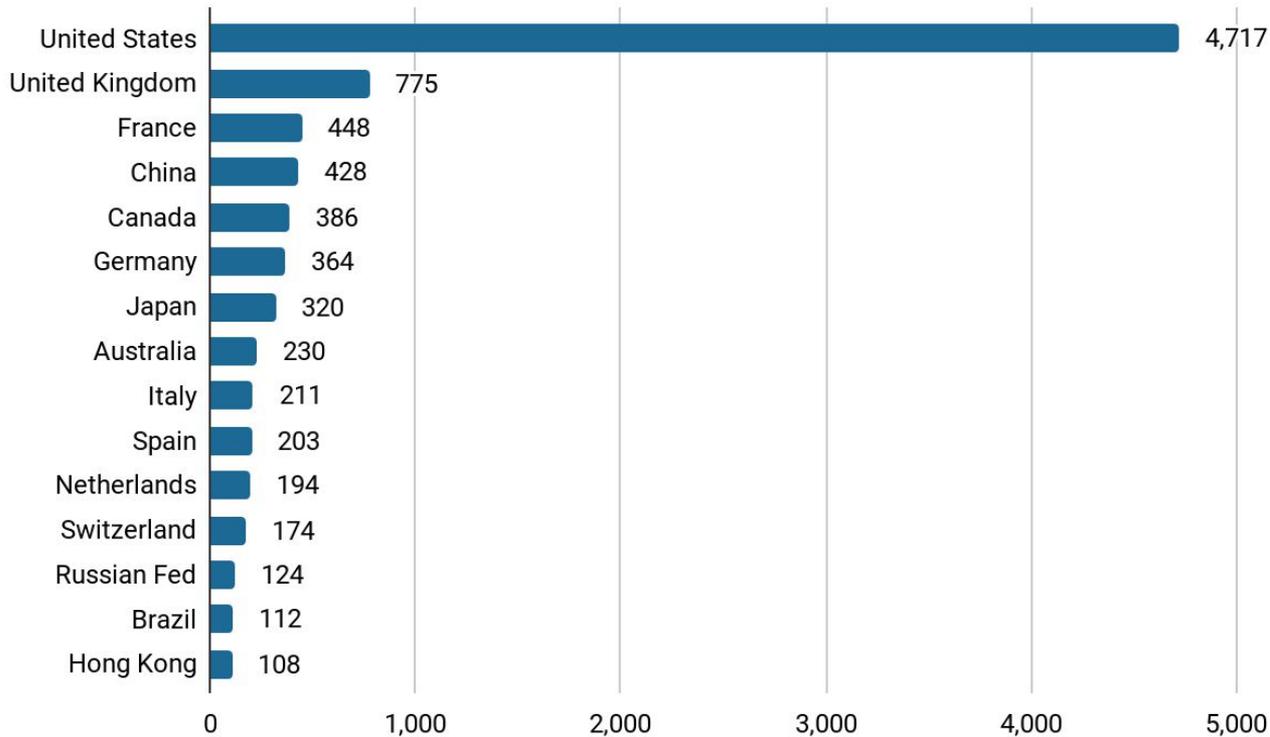


Asia-Pacific region's urban population totals more than 750 million, that can be compared with combined population of Europe and the United States, and almost half (45,5%) of it lives in urban areas. Seven of the ten most populous cities are located in Asia: Tokyo, Delhi, Shanghai, Mumbai, Beijing, Dhaka and Kolkata. Megacities (>10 million people) and metropolitan areas (1-10 million) are the driving force behind the regional and global economies, and they are home more than 11% and 29% of Asia's urban population, respectively. From an economic standpoint, urbanization enhances productivity and increases Gross Domestic Product per capita and thus, the regional cities have turned into a major engines for wealth creation.

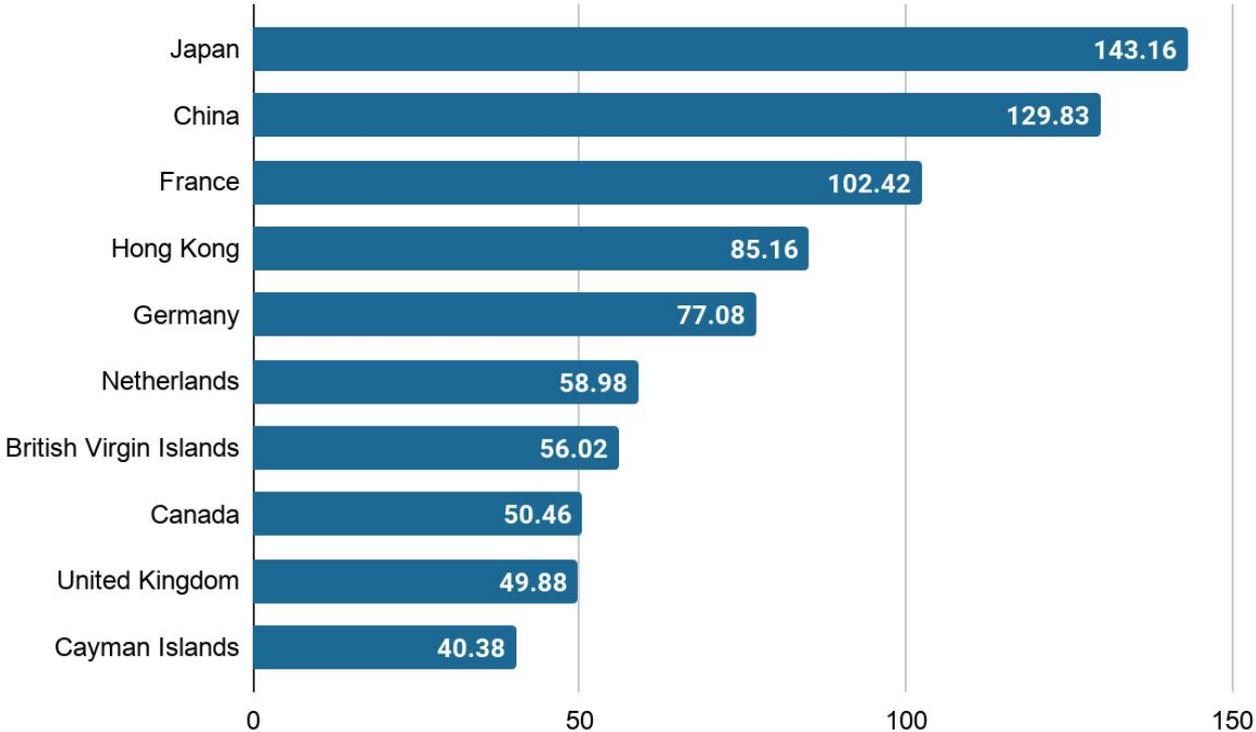
Quality of Life Indices by Country In Asia



M&A: Largest Acquiring Countries Worldwide Number of Deals for Selected Countries in 2018



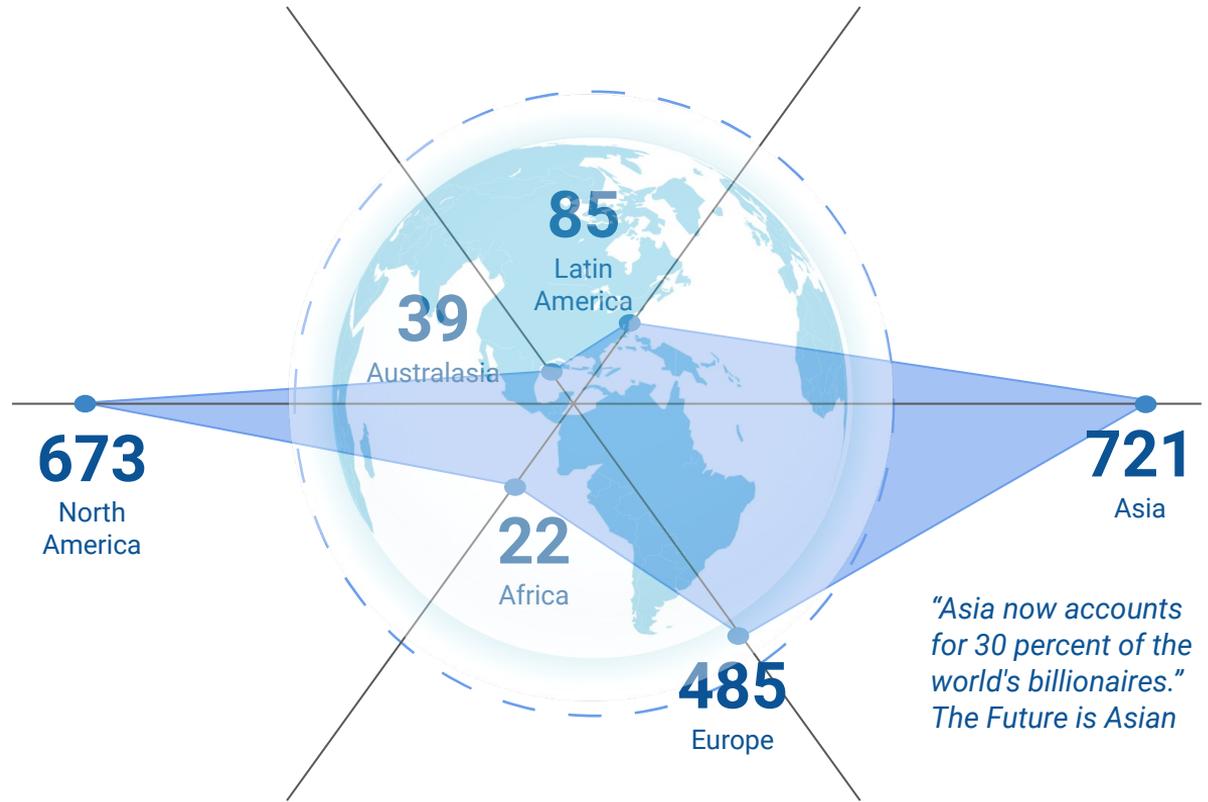
Foreign Direct Investment (Outflows in Billion USD for Selected Countries in 2018)



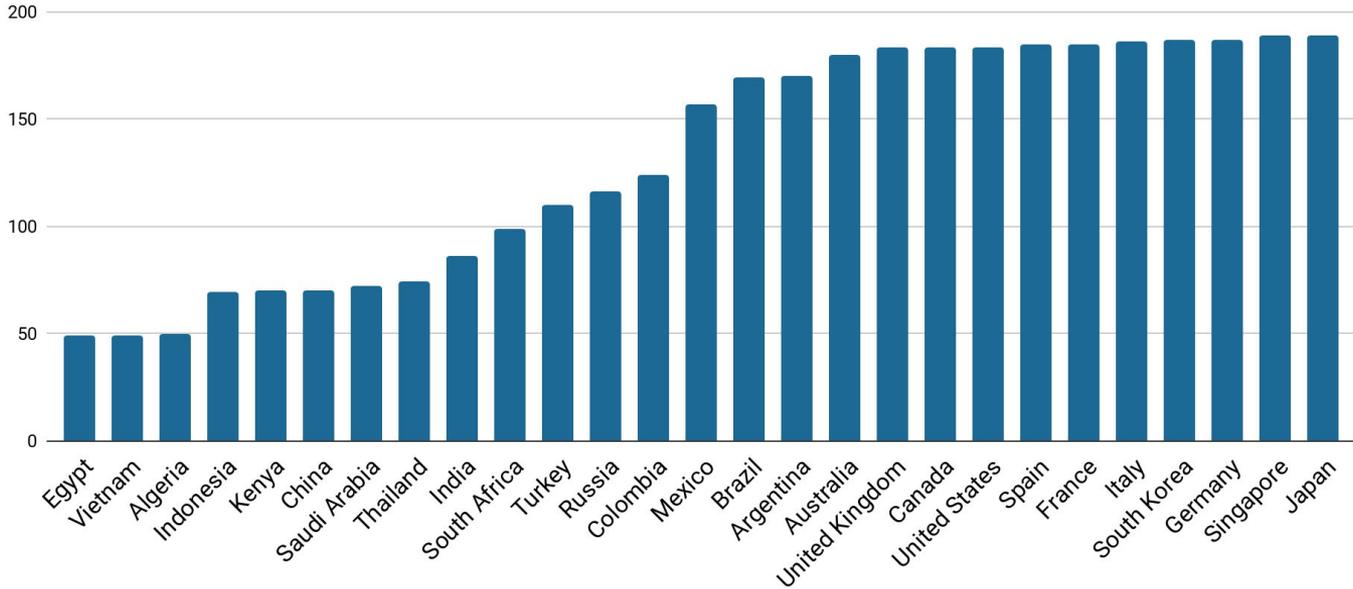
Number of Billionaires by Regions

Being the most rapidly growing economic region, Asia has become a place of residence to a large number of billionaires, such as Masayoshi Son, Mukesh Ambani, Jack Ma, Ma Huateng and others.

According to Knight Frank's Wealth Report this region is the largest club for wealthy men, with their number there is set to increase above 1,000 by 2023, accounting for more than a third of the global billionaire population of 2,696. Due to the latest data, India leads in terms of forecast UHNWI (Ultra-high net-worth individuals). It is expected to achieve a rise of 39% growth, followed by the Philippines (38%) and China (35%). Of the 59 countries and territories included in the wealth forecasts, eight top-ten states are from Asia.

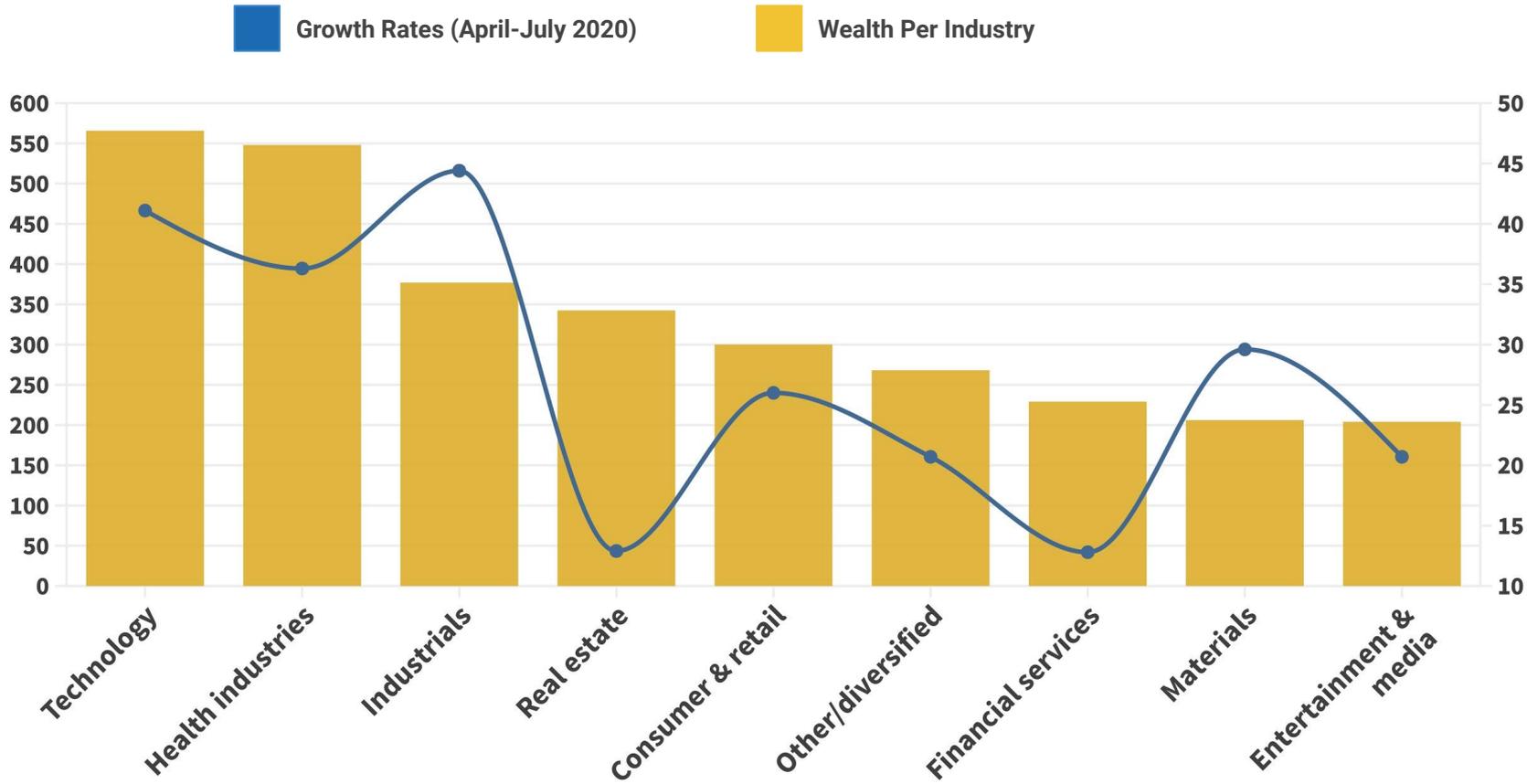


Most Powerful Passports (Number of Destinations that Can Be Access without a Prior Visa)

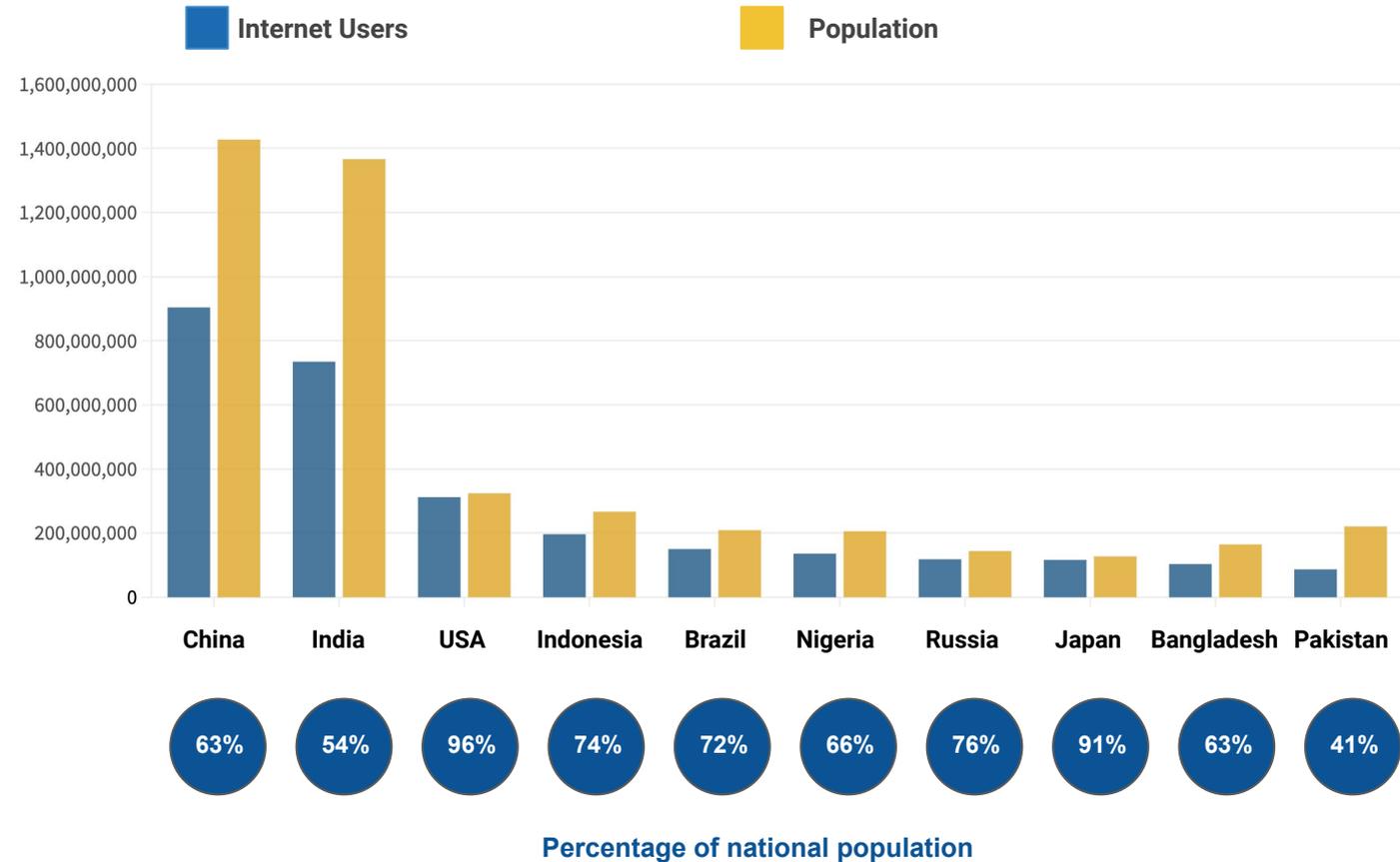


“Asian businesspeople strut around the world as their passports gain more visa-free privileges. Singapore and Japan have overtaken Germany in Henley & Partners’ “most powerful passports” index, South Korea also ranks ahead of most European nations, and Malaysia has nudged ahead of many European passports as well.”

Which Industry Boasts the Most Billionaire Wealth?



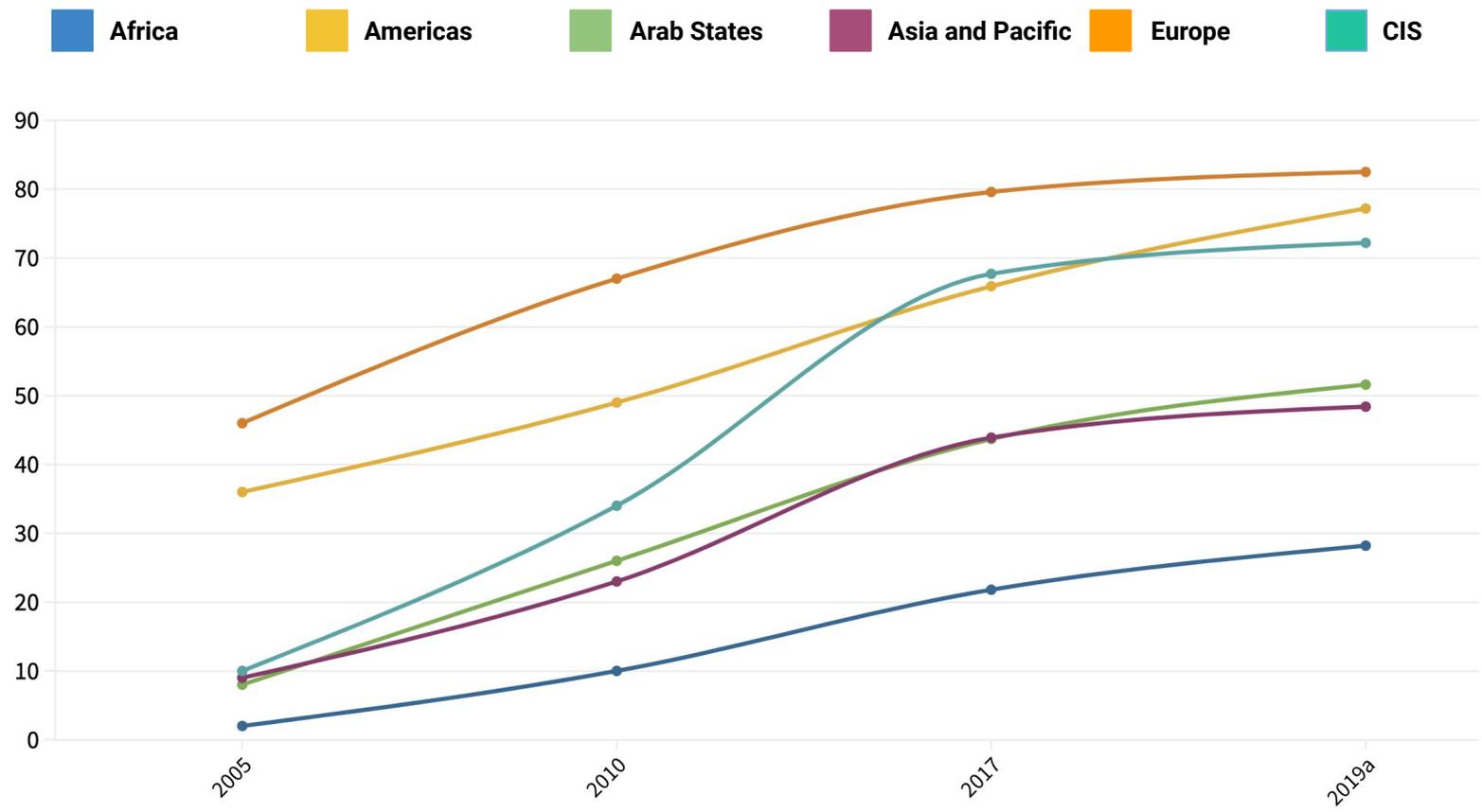
Internet Users and their Share in Total Population, % (2018)



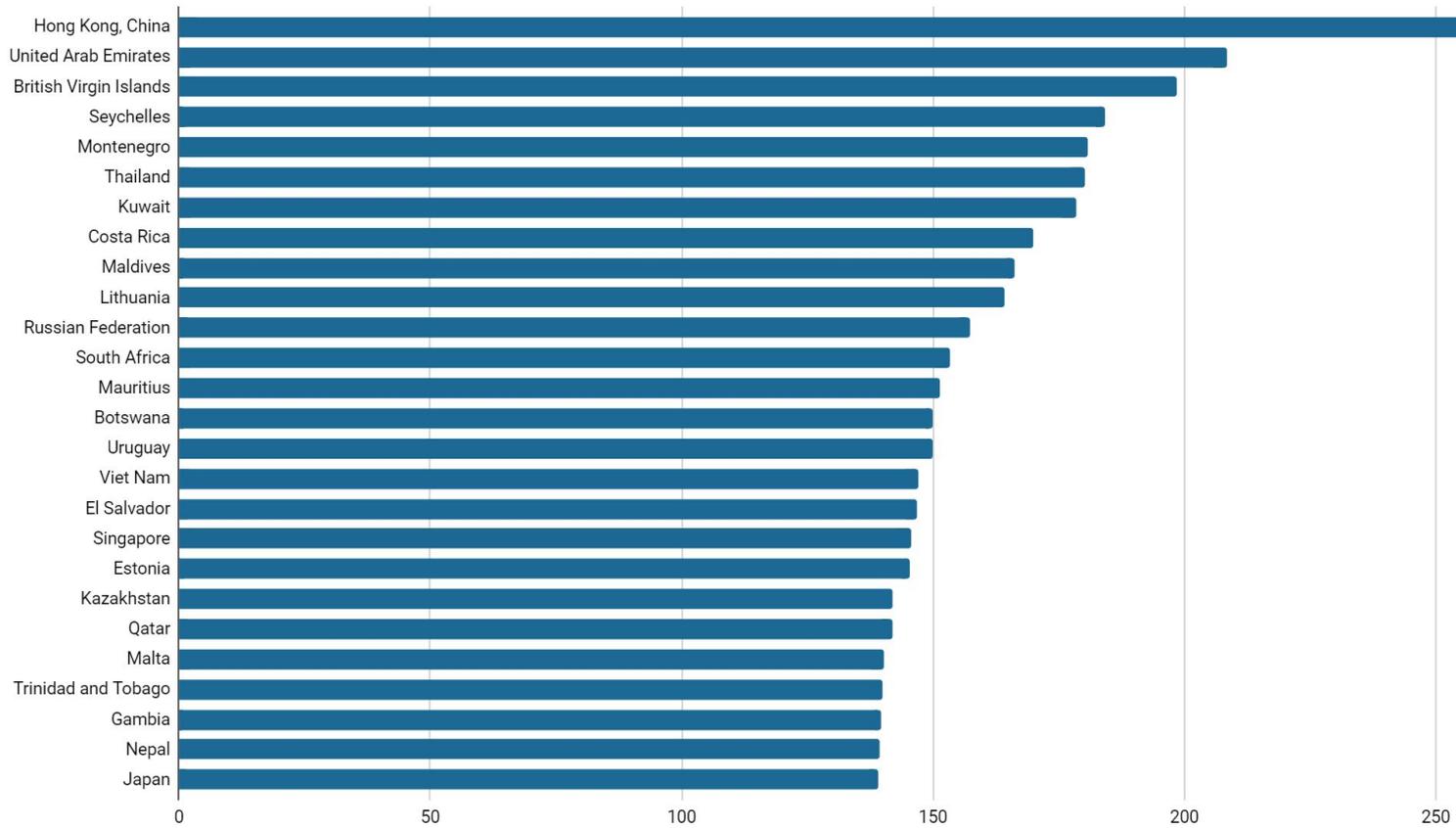
The graph on the left reveals the share of internet users in the world's most populated countries.

The largest Asian nations, some of them both by population size and landmass) - China, India, Indonesia, Bangladesh, Pakistan, Japan, have huge absolute numbers of Internet users. Even though this may sound impressive, almost all of those societies (except for Japan) have comparatively low share of world wide web users and there is a large untapped market and potential for rapid growth.

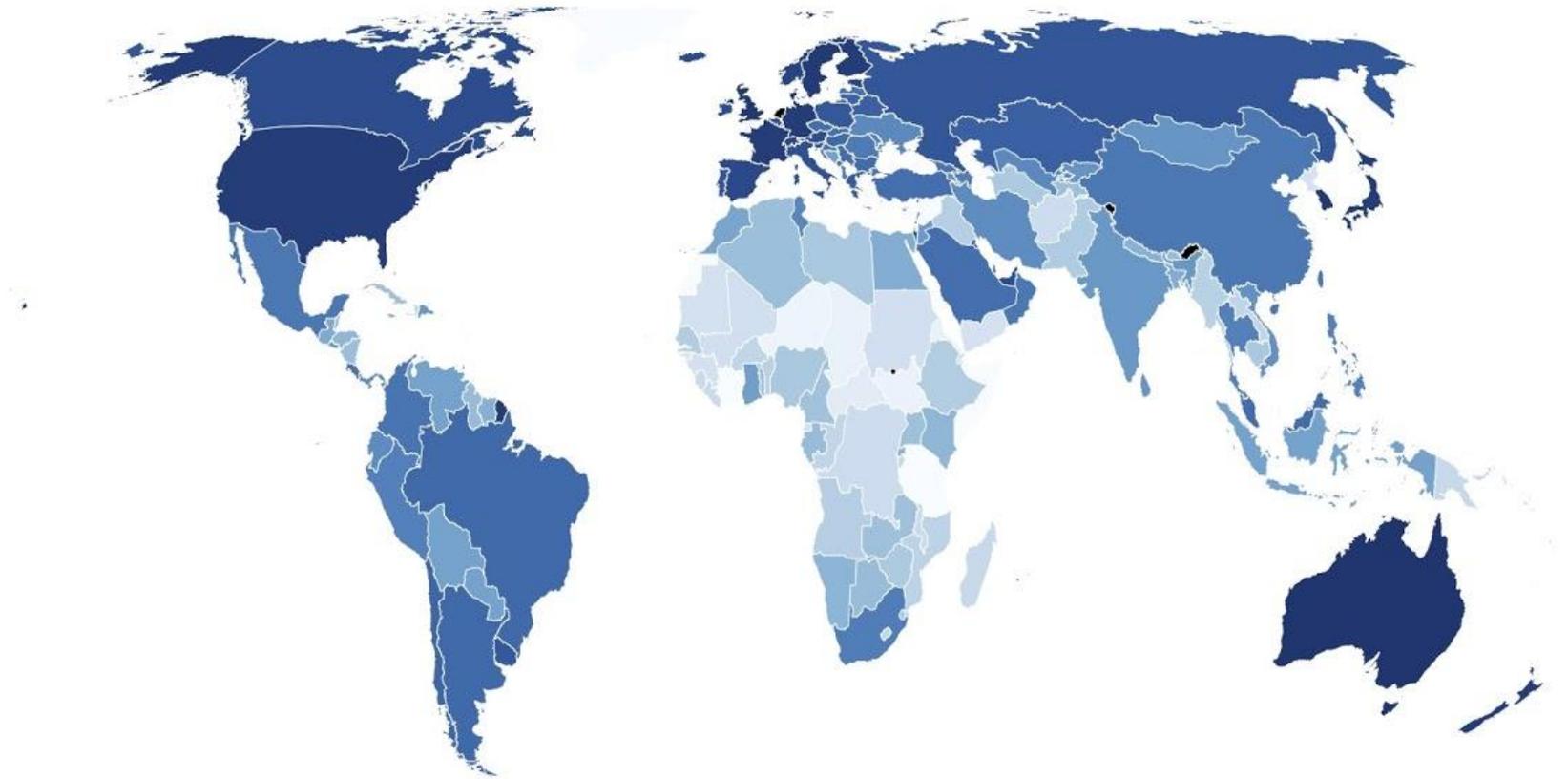
Internet Users, % (2018)



Number of Mobile Cellular Telephone (Subscriptions per 100 Inhabitants in 2018)



E-Government Development Index, 2018



Conclusions

The report chapters **Socio-Economic Development, Industrial and Energetic Development** and **Digital Development** include analysis of vast amounts of data which together yield one overwhelming conclusion: Asia deserves recognition as the most prospective region in the world.

Our Socio-Economic Development chapter included statistics such as population size, international trading figures and internal economy statistics, and based on these gathered insights, we can confidently state that the regional socio-political and economic indicators are among the most well performing in the world. The rapidly improving import export figures and the large population base will set Asia on its way to global dominance.

The continent is also leading in terms of industrial development. It has the largest share of the global production of goods, and also exploits a vast number of vehicles and tools. Logically, China, as the leading regional force, holds the global first place in many economic and political lists (including number of vehicles per capita).

In terms of energetic development, the Asian nations seem to be more conservative - most of the market still relies on traditional energy resources like petroleum, coal, natural gases and others. In the digital sphere, Asian advances are also quite impressive. Numerous investments in research and development allow for vast progress in branches of artificial intelligence and basic scientific research. According to current forecasts, in the next decade, the continent will be leading the world in terms of technological development. As such this is a region to follow and to catch up with, and the region that will surely be significantly influencing global economic and political matters in the near future.



Trends:

The first two decades of the 21st century only marked the beginning of Asian domination, with the maturing of the Chinese economy, and as we move further toward its middle part, we are likely to witness the rise of other important regional (and potentially global) players like India, Indonesia, Pakistan and Bangladesh. The strengths of those nations do not lie only in their numerous populations, but also in their resilience in the face of social and economic upheavals. Some of the most brutal wars and armed conflicts were fought over Asian resources and only recently a large-scale peace was made possible. This finally brought the long needed stability to the continent and unleashed its potential.

2021 will only solidify the Asian political and economic positions (in the post-covid-19 world) and will shorten the technological gaps between Eastern and Western powers. More and more organizations will move their R&D centers to China, India and South-Eastern Asia and this will give strong competitive push to the local scientific institutions and research entities. As a result, the innovation capabilities of the region will grow and Asian nations will claim positions previously held by Western nations.

Predictions:

Almost all Asia and Pacific nations felt the effect of the coronavirus-induced crisis and 2021 will mark the recovery for the vast majority of them - China, for example, the world's second-biggest economy, saw growth of 4.9% between July and September, 2020, compared to the same quarter, 2019. This growth is expected to continue in 2021.

Rapid adoption of Artificial intelligence in the Asian Healthcare sector pushed by the growing share of 65+ persons and the pandemic.

Increased investments in Biotechnology and Healthcare-related technological R&D.

The Covid-19 crisis gave to Asia important lessons regarding health care and preventive medicine. This will play a major role in the future the healthcare systems of almost all major Asian nations.

DISCLAIMER



The information and analysis provided in this document were prepared by Deep Knowledge Analytics (DKA). The sources of information contained herein are deemed reliable by DKA, however, DKA makes no representations regarding to the accuracy or completeness of such information. Though the information herein is believed to be reliable and has been obtained from public sources believed to be reliable, we make no representation as to its accuracy or completeness. Hyperlinks to third-party websites in this report are provided for reader convenience only. Opinions, estimates and analyses in this report reflect the opinions of DKA as of the date of this report. DKA has no obligation to update, modify or amend this report or to otherwise notify readers in the event that any topic, opinion, estimate, forecast or analysis set forth herein changes or subsequently becomes inaccurate. This report is provided for informational purposes only, it may contain errors and is subject to revision.

CONTACT US

www.dka.global
info@dka.global