

Focus on Funds: Asia Is an Increasingly Large and Dynamic Investment Environment

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China and Japan are only part of the picture for Asian economic development—other emerging economies are growing quickly. In the September 27, 2019, edition of *Focus on Funds*, Douglas Eu, CEO, US of Allianz Global Investors, discusses the opportunities.

Transcript

Stephanie Ortals-Tibbs, ICI director of media relations: What's the future of Asia? Well, it's not all about China, and a lot of it's about connectivity. Those are a few key takeaways from a fascinating discussion at ICI's recent General Membership Meeting.

Douglas Eu, CEO, US, of Allianz Global Investors: A lot of the economic development story is about building connections, and building connections between different countries. And so it's about connectivity, and it's about Asians helping Asians, and about Asians following a similar development model multiple years along.

So the interesting thing is even if somebody who invested for a long time in Asia—in Japan and the Asian Tigers and China back in 1992—is the whole story of how we're not in the first leg of Asian development. We're actually in the third leg of Asian development, with Japan coming first, some of the more developed—the Asian Tigers: the Koreas, the Hong Kongs, and the Singapores—coming second. China is just the third act of that.

And that there is also a coming fourth act, which is all of the other countries together—so the Thailands, and the Indias, the Pakistans, Malaysias, etc.—where you're beginning to see the growth, and where you're beginning to see not just Chinese companies investing overseas but Western companies going there. And then more importantly, [you're seeing] the other developed Asian companies from those countries, like Japanese companies [and] Korean companies, investing in growth in Thailand and other parts of those new Asian economies.

Ortals-Tibbs: When you look at that region in the aggregate, the numbers become pretty stunning.

Eu: If you look at the population in aggregate for Asia, five billion people—this is more than 50 percent of the people in the world—and when you knit all those countries and economies together, you're talking about 40 percent of global GDP today. And depending

on how you want to look at this, the size of not just China in the middle of the region, but the size of all the other large Asian economies around them, [it's] significant.

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