

Asia Pacific Mega-Trends and Legal Solutions Simplifying Business in a Complex World



65%
feel doing business in EMI
is becoming more complex

Technologies that will have the greatest impact on EMI in the next two years:



Cloud computing
28%



Big data
21%



Artificial Intelligence
17%

EMI is investing most in:



Robotics
31%



Big data
24%



Cloud computing
21%

Biggest macro economic challenges/complexities:



Environmental



Compliance



Poor infrastructure

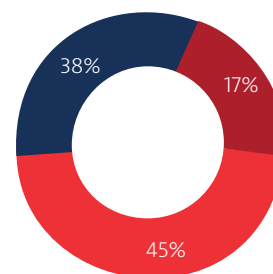


51%

believe it is likely that EMI will see major technological disruption in the next two years

62%

expect greater pressure on costs in EMI in the next two years



■ Much greater
■ Somewhat greater
■ The same or less



69%

expect the number of cases of dispute resolution/litigation involving companies from EMI to increase over the next two years

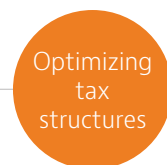
Major focus areas for EMI in the next two years:



Regulatory change



Raising capital



Optimizing tax structures



87%

expect the number of mergers and acquisitions involving companies from EMI to increase in the next two years

"Energy companies often need advice on labor laws, regulatory issues such as licensing and ongoing compliance, as well as land laws. At the very least, an ignorance of the rules—both written and unwritten—can raise the cost of compliance through penalties, legal and social disputes can frustrate business operations, while delays in paperwork can hike up outlay costs through longer production lead times."

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Steps for success: Regulatory foresight, local insight

Solutions for addressing the compliance and regulatory complexities for EMI corporations



Engage local stakeholders. EMI stakeholders can engage with stakeholders in the local community to illustrate the social and economic benefits of certain projects and business deals.



Act accordingly: Know the law of the land. EMI corporations need to educate themselves on the regulatory nuances of local markets and seek to open a dialogue with local authorities, as well as consult with local advisers.



Abide by higher standards. To minimize risk exposure, EMI corporations need to set up a strong compliance framework and train their staff to follow a comprehensive code of conduct.



Plan for the unexpected. EMI corporations need to ensure their counterparties are adequately covered and have similar comprehensive business interruption plans for worst-case scenarios.

Mike Thomas, Partner and Co-Founder of Lantau Group, discusses policy, operational and technological questions for corporations looking to correct course.

- 1** Energy players that find policy support in the changing energy mix will stay relevant.
- 2** Tech disruption will offer opportunities for electricity system flexibility.
- 3** Energy players who plan for change will lower stranded cost exposure for legacy assets.

“EMI companies should be engaging with the local community, and this involves a corporate social responsibility element. If the local community can see how they benefit, they are less likely to break out into civil unrest that can disrupt operations and production.”

Jo Daniels, Managing Partner, Yangon, Baker McKenzie

“Developing personal relationships and engaging the local business community will help tremendously in finding business opportunities in Asia Pacific. This is especially true for EMI corporations, as there is sometimes a scarcity of quality projects in some Asian jurisdictions, however, getting to know the local culture and business environment while also consulting with local advisors can help identify investable targets.”

Martin David, Principal, Principal, Singapore and Head of Asia Pacific Energy, Mining & Infrastructure, Baker McKenzie Wong & Leow