

[U.S. Exchanges An Attractive Option For Globally Competitive Southeast Asian Companies](#)

By Drew Bernstein

Everyone is looking for growth these days as China's economy slows. The main question is where are the high-growth companies aiming to go public when major economies, including the United States, are still struggling to regain their footing? The answer continues to point to Southeast Asia as the next frontier of Asia-based emerging growth companies.

Southeast Asia, and specifically Singapore, Vietnam and Indonesia, are poised to be the big winners of the next decade. Their youthful populations and business-friendly environments are creating a hotbed of innovative companies that are ready to take on the world. NASDAQ can be a viable pathway for many of these Emerging Growth Companies (EGCs) as they grow internationally.

Singapore is not only becoming a regional financial hub as companies explore options outside of Hong Kong, but its burgeoning tech sector and strong investment climate is creating well-funded unicorns. Major businesses there also have a long history of international ties with a modern legal system and strong accounting practices.

The dynamism of the Vietnam business community takes a page right out of the Silicon Valley playbook of years gone by. Just look at the SPAC merger of Vinfast , an automobile manufacturer with its main manufacturing hub in Haiphong Vietnam. While the parent company Vingroup is a known name in the region, this global expansion has brought Vietnam's advanced, all-electric automotive manufacturing prowess to a worldwide audience in record time.

Within the last several years they have established a U.S. headquarters in Los Angeles, are building a large factory in North Carolina that is expected to churn out 150,000 cars a year, and have opened stores in France, Germany, and Amsterdam.

There's also VNG Corp., a unicorn Vietnamese internet company that plans to raise \$150 million in the U.S. next year. Their early success attracted investors including Tencent and Temasek, the Singaporean government investment company. With a wide range of offerings including gaming, fintech, communications, media, and digital business solutions, the firm has almost 4,000 employees, with 40% Gen Z workers and nearly 39% women.

Vietnam's stellar growth has attracted major political interest as well. President Joseph Biden recently visited Hanoi to promote stronger ties. He attended the Vietnam-U.S. Innovation & Investment Summit along with senior executives from U.S. companies like Intel, Boeing and GlobalFoundries (GF) as well as Vietnamese firms. Whereas in the past Vietnam was seen as a low cost manufacturing alternative to China, this dialogue included talk about critical rare earth minerals as well as high-tech cooperation in AI and semiconductors.

To top off the visit, the Biden administration signed a comprehensive strategic partnership with Vietnam, which included agreements on research, technology advancement, and semiconductor supply chain and workforce development.

Indonesia is another regional center of tremendous growth. Its population of more than 270 million is increasingly tech savvy and the national government is committed to economic modernization. GDP growth is expected to hover near 5% for 2023 while advanced economies in Europe and the U.S. work their way through inflation and slow expansion.

The country is the fourth largest IPO market by amount raised after China, the United States and the United Arab Emirates. Several state-owned companies were privatized this year and listed on the Indonesia Stock Exchange including Pertamina Geothermal Energy, Amman Mineral Internasional, Harita Nickel and Merdeka Battery Materials.

Tens of billions of dollars in foreign direct investment have also been flowing into the country with the global hunt for minerals used in electric vehicles attracting large inflows.

Tech company unicorns have already gone public on Indonesian exchanges. In 2022, e-commerce giant GoTo raised \$1.1 billion. PT Bukalapak.com raised \$1.5 billion in 2021. Indonesia's e-commerce market is valued at \$40 billion.

As expected, Southeast Asia is becoming another engine of global growth as supply chains, tech development, and corporate fundraising diversifies into new markets. As emerging unicorns consider how to sustain their growth, many are looking at the U.S. markets to optimize their valuations and gain ongoing access to deep liquidity pools. This can be achieved either by direct listings or through SPACs, which give companies a faster pathway to going public in U.S. markets. And with improving accounting standards, they will be well positioned to list.

To address client demand, MarcumAsia opened a Singapore office last year in anticipation of strong Southeast Asian growth. Southeast Asian EGCs are rapidly becoming competitors for U.S. and Chinese companies in global markets. With the number of firms lining up to go public, we are primed for more opportunities headed in next year.