press release

Increase investment in Thailand or risk missing the UN's Sustainable Development Goals deadline, new research finds

A Standard Chartered survey conducted between July and August 2020, amongst a panel of the world's top 300 investment firms with total assets under management (AUM) of more than USD50 trillion*, found that:

- 20 per cent are unaware of the UN's Sustainable Development Goals (SDGs)
- Only 13 per cent of their USD50 trillion of investment is linked to the SDGs
- 64 per cent of AUM is invested in Europe and North America, with just 22 per cent in Asia, which includes a number of developed markets
- Lack of investment in emerging markets puts the chances of meeting the 2030 SDG deadline at risk
- Of those already investing in the largest emerging ASEAN markets (Vietnam, Indonesia, Thailand, The Philippines and Malaysia), 39 per cent say they will likely increase their investment in the future
- Thailand was seen as particularly attractive with 45 per cent of high-growth** investors citing it as a key focus for their emerging-market investment strategy.

Thailand and Emerging ASEAN is not getting the investment needed to help the world meet the UN Sustainable Development Goals (SDGs), new research from Standard Chartered has revealed.

The $50 Trillion Question investigates how some of the world's biggest asset managers – with a combined USD50 trillion in AUM – are investing at this critical time for the global economy and the environment.

Emerging markets are seeing a massive shortfall in investment
Our research shows that almost two thirds (64 per cent) of AUM are invested in developed markets in Europe and North America. Asia, which includes several developed markets, takes 22 per cent, while just 2 per cent, 3 per cent and 5 per cent of the assets are invested in the Middle East, Africa and South America, respectively.

This contrasts with 88 per cent of investors saying that investments in emerging markets have matched or outperformed developed markets over the past three years.

Which markets are getting the most investment?	
North America	*26%*
Europe	*38%*
Asia	*22%*
Middle East	*2%*
Africa	*3%*
South America	*5%*
Australia/Oceania	*4%*

The risk posed by emerging markets was flagged as a major barrier to investment. More than two-thirds of investors believe emerging markets are high-risk, compared to 42 per cent who believe the same for developed markets.

However, respondents already investing in the largest emerging ASEAN markets were particularly optimistic about the region, with 39 per cent looking to increase their investment in the next three years, with the figure increasing to 68 per cent of the 10 largest firms.

Thailand was seen as particularly attractive with 45 per cent of high-growth** investors citing it as a key focus for their emerging-market investment strategy.

Which of the larger emerging markets in ASEAN are favoured by high-growth firms?

High growth	Market	Low growth
44%	Vietnam	*42%*
43%	Indonesia	*44%*
45%	Thailand	*35%*
33%	The Philippines	*26%*
43%	Malaysia	*14%*

***Higher-growth firms are identified as those with AUM growth of more than 5 per cent over the past three years, while lower-growth firms are those with AUM growth of under 5 per cent*

Meanwhile, COVID-19 may have made it even harder for emerging markets to get the investment they need. Some 70 per cent of investors believe the pandemic has widened the capital gap further.

Not enough investment is linked to the SDGs

The research points to a growing focus on sustainability, with 81 per cent of investment firms now taking a disciplined approach to environmental, social and governance investment. However, this is not translating into investment in the SDGs. Only 13 per cent of the assets managed by our respondents is directed towards SDG-linked investments.

Some 55 per cent claim the SDGs are not relevant to mainstream investment and 47 per cent say investment in the SDGs is too difficult to measure. However, one fifth of investors admit that they were not aware of the SDGs.

Respondents point to regulatory changes, favourable tax treatment, evidence of higher returns, better data for measuring impact, and increased demand from retail investors as the top five factors that might spur on more SDG investment.

What are the tools and incentives to encourage SDG investment?	
Regulation that encourages SDG-linked products	*74%*
Favourable tax treatment of SDG-linked investments	*63%*
More evidence that investing in SDGs will not lead to underperformance	*63%*
Better data to measure the impact of SDG investments	*53%*
Retail investor demand for SDG-themed investments	*53%*

Simon Cooper, CEO, Corporate, Commercial and Institutional Banking, Standard Chartered said, "Much progress has been made in recent years to realise the SDGs, but this study makes clear the need to move faster. A seismic, unprecedented surge in private-sector investment – alongside public investment and commitments – will be required to bridge the gap and hit the 2030 SDG targets.

Plakorn Wanglee, President and CEO, Standard Chartered Bank (Thai) said, "There is no single answer to The $50 Trillion Question, but it is evident that investors need to expand their focus beyond developed markets. Emerging ASEAN, and emerging economies generally, offer investors a unique opportunity: strong returns combined with the chance to have a significant, positive impact. Now is the time to seize it."

The $50 Trillion Question study follows the publication of *Opportunity2030: The Standard Chartered SDG Investment Map* which first revealed the multi trillion-dollar opportunity for private-sector investors to help achieve the SDGs in emerging markets.

Read the full Standard Chartered $50 Trillion Question report here.

Notes to editors:

*The $50 Trillion Question Investor Panel is made up of asset managers from the world's top 300 asset management companies. With combined assets under management (AUM) worth more than USD50 trillion (the equivalent to half of global GDP), how the asset managers in our survey choose to invest will have a huge impact on humanity's ability to solve some of the world's biggest problems. This study is based on in-depth interviews with the panel, conducted between July and August 2020.

The below shows the panel broken down by AUM, role and location, all of which ensure it is representative of the global top 300 asset managers.

The $50 Trillion Investor Panel		
by AUM	**by generalised job role**	**by location**
19 per cent are top 10 firms (over USD1 trillion) 46 per cent are top 11-50 Firms (USD1 trillion to USD350 billion) 23 per cent are top 51-150 firms (USD350 billion to USD90 billion) 12 per cent are top 151-300 firms (USD90 billion to USD20 billion)	42 per cent are fund managers 41 per cent are strategists 17 per cent are emerging market specialists	42 per cent are based in North America 42 per cent are based in Europe 8 per cent are based in Japan 3 per cent are based in China 5 per cent are based elsewhere

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