



27 September 2023



COVER STORY

ESG BACKLASH: TURBULENT TAILWINDS

Momentum behind responsible investment policies globally has begun to ruffle feathers in the US. Asian PE should see it as a relevant warning.

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TALKING POINTS

AVCJ AWARDS 2023 - NOMINATIONS CLOSE SEPTEMBER 28

The submissions deadline has been extended, giving industry participants until September 28 to put forward the firms, fundraises, investments, and exits they believe worthy of consideration. For more information, go to www.avcjforum.com/awards

INTERVIEW

PROFILE: VENTURRA'S JOHN RIADY



A millennial member of one of Indonesia's most prominent family business groups, John Riady became a VC investor in 2011. He has witnessed a nascent digital economy begin to fulfil its promise.

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KKR MAKES AN IMPACT WITH GREENCOLLAR

KKR helped GreenCollar take advantage of carbon credit markets that have become increasingly global and economically viable – and it took dozens of employees along for the ride.

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RIDING THE WAVE IN INDIA SINGLE-SPECIALITY HOSPITALS



TPG Capital's Asia Healthcare Holdings has tapped a rich vein for private equity in acquiring India's only nephrology and urology hospital. Technological leadership will support expansion.

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By the Numbers

AVCJ RESEARCH

GOING EX-ASIA

The headline numbers for private investment by Asian financial investors in markets beyond Asia aren't necessarily that informative. They include mega deals – often in the utilities space – pursued by the likes of sovereign wealth funds. Indicative of national strategic priorities, perhaps, but not of the mindsets of independent PE investors.

Restricting the sample size to deals of USD 1bn and below is more helpful. Activity followed a gentle upward trend until 2021, when it spiked to USD 54.4bn. The USD 19.5bn posted in 2022 is in line with the eight-year average (excluding 2021), while USD 7.5bn has been put to work in 2023 to date.

The context for these observations is ShawKwei & Partners' recent rediscovery of the US market, more than 30 years after Kyle Shaw, the firm's founder and managing partner, last dabbled there. Three deals have been [announced in the past few weeks](#) involving waste-reducing technology provider ZymeFlow, beauty packaging maker CTL Packaging USA, and battery components supplier [Group14 Technologies](#).

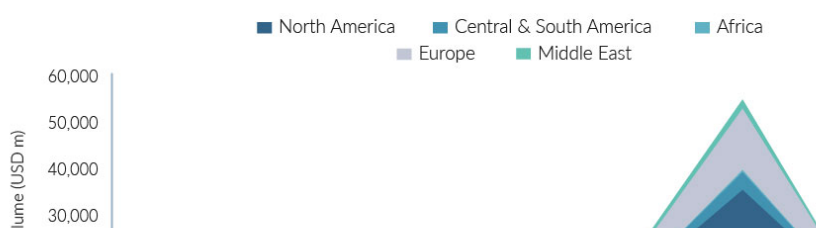
According to Shaw, US-China decoupling, tariffs, and a desire to reorient supply chains out of China have contrived to make North America and Europe more attractive markets for manufacturing and industrial services. Increased use of robotics is also making ex-Asia factories more competitive on a cost basis.

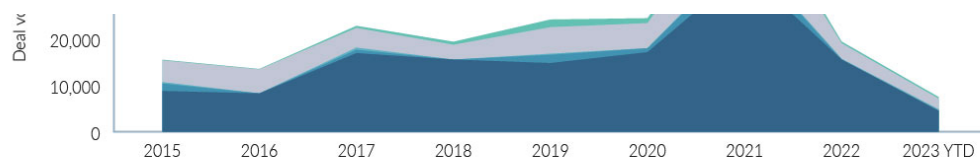
North America consistently attracts the most capital on a geographical basis. The 60% share recorded for deals of USD 1bn and below for 2023 to date is not far removed from the 67% average for the prior eight years. Still, it is worth noting that Asian financial sponsors are also prolific investors in assets located in other parts of Asia, which may offer proximity, familiarity, and the promise of growth.

ShawKwei is relatively unusual in its ability to tap into the supply chain diversification trend and follow it across borders. Asia has few dedicated industrial technology investors, while global sponsors – which may dip into this area from time to time – can be restricted because they are investing out of regional funds. A deal involving a US asset would likely have to pass through the US investment committee.

Shaw believes these assets, ideally located in North America or Europe, are essential to pushing forward the Southeast Asia story. "Just having Southeast Asia isn't enough, you need to add something to it," he said.

Asian PE investment in ex-Asia geographies, sub-USD 1bn deals only





Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

[Read more on AVCJ Research](#)

The rest of the week

FUNDS

- [Novo Tellus hits \\$375m first close on third Indo-Pacific fund](#)
- [Goldman raises \\$15.2b for global secondaries strategies](#)
- [Trifecta closes third India venture debt fund on \\$214m](#)

DEALS

- [KKR-owned Kokusai Electric targets \\$749m Tokyo IPO](#)
- [Indian regulator approves Blackstone's purchase of Care Hospitals](#)
- [JIP-led consortium completes Toshiba tender offer](#)
- [Paine Schwartz to buy Australia's Costa Group](#)
- [Leapfrog invests \\$50m in Singapore's Bolttech](#)
- [Peak XV, Elevation, Andreessen back India visa platform](#)
- [Hony looks to raise SPAC in Hong Kong](#)
- [India livestreaming platform Eloelo raises \\$22m](#)
- [China's Lynk Pharmaceutical increases Series C to \\$44m](#)
- [Australia's PEP buys stake in biogas business from Sims](#)
- [India's Kuku FM gets \\$24m Series C](#)
- [PE-backed Concord Healthcare pursues HK IPO](#)

OTHER

- [GGV to spin off Asia operation](#)
- [TPG Asia managing partner expands coverage to Middle East](#)
- [India's Unitus combines with US affiliate Capria](#)

For your calendar

UPCOMING EVENTS

- **13 November 2023** - [AVCJ Diversity & Inclusion Forum](#)
- **13 November 2023** - [AVCJ ESG Forum](#)
- **14-16 November 2023** - [36th AVCJ Private Equity & Venture Forum](#)
- **6 December 2023** - [Mergermarket M&A Forum - Hong Kong](#)



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