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New Poll Finds U.S. Businesses Optimistic About Growth, Opportunities Despite Challenges in ASEAN

(Brunei Darussalam) - U.S. companies remain optimistic about business prospects in the Association of Southeast Asian Nations (ASEAN), according to new survey results released today by The American Chamber of Commerce in Singapore (AmCham Singapore) and the U.S. Chamber of Commerce. In a poll of 475 senior executives from U.S. companies operating across the region, 79% reported that their company's level of trade and investment in ASEAN increased over the past two years, and an overwhelming 91% of respondents expect it to increase over the next five years.

Simultaneously, the survey found substantial concerns and impediments to companies' growth in the region. Corruption was the top issue across ASEAN, with the majority of respondents in all countries except Brunei and Singapore expressing dissatisfaction. Business leaders also cited burdensome laws and regulations as obstacles to greater investment, as well as the poor quality of infrastructure, and the difficulty in moving products through customs in some countries.

The survey also revealed that regional economic integration efforts, such as ASEAN's agreements on trade in goods and services, are important to U.S. companies' investment plans in the region. 54% of respondents said that their company has a strategy based on the goals of the ASEAN Economic Community, which aims to integrate the region by 2015. Moreover, nearly half of the U.S. manufacturing companies surveyed report that they utilize the provisions of ASEAN's free trade agreements with major trading partners to export from ASEAN.

Of the two major regional free trade agreements currently being negotiated, the Transpacific Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP), more respondents expect the TPP to have a greater impact on their companies' future investments in the region than RCEP, but many respondents are not sure about the impact of either agreement.

"ASEAN has the opportunity to position itself at the center of a very exciting evolving regional trade architecture," said Tami Overby, the U.S. Chamber's vice president for Asia the U.S. Chamber of Commerce. "This survey shows that U.S. companies are thinking regionally, and as ASEAN continues to integrate, U.S. companies will need to increasingly focus on strategies to realize ASEAN's potential," she added.

“Singapore remains one of the most attractive countries in ASEAN to do business, with low levels of corruption, excellent infrastructure, and predictable laws and regulations,” said Simon Kahn, Chairman of AmCham Singapore. “Another highlight in the region is the marked improvement of the Philippines. The country has experienced high levels of growth recently and our survey shows why, as business leaders there indicate higher levels of satisfaction across almost all surveyed factors as compared to five years ago.”

The *ASEAN Business Outlook Survey*, the latest in a series of surveys conducted by AmCham Singapore and the U.S. Chamber of Commerce, polled senior business leaders from U.S. companies in all ten ASEAN countries. For a copy of the complete survey, [click here](#).

Highlights of findings from respondents from each country

Brunei

Brunei is one of two countries in ASEAN where the majority (82%) of respondents indicate satisfaction with a lack of corruption. Respondents in the country are also highly satisfied with personal security, sentiment towards the U.S., and the stability of the government and political system. Business leaders do indicate challenges in finding trained personnel in the country.

Cambodia

Major strengths cited by respondents in Cambodia include availability of low cost labor, positive sentiment towards the U.S., and a high level of personal security. Corruption remains a problem, as 65% of respondents expressed concern; however, this is down from 2012.

Indonesia

Indonesia was rated as the top destination in ASEAN for expansion, despite the many challenges companies cite in doing business there. Overwhelmingly, corruption was identified as the greatest drawback in Indonesia. Other significant challenges include moving products through customs, insufficient infrastructure, and problematic laws and regulations.

Laos

Personal security and positive sentiment towards the U.S. are strengths in Laos, as they are across ASEAN. Challenges for U.S. companies in Laos include corruption, lack of trained personnel, insufficient infrastructure, and problematic laws and regulations.

Malaysia

100% of respondents in Malaysia said that they do not face any significant challenges importing goods into the country. The Malaysian government has been working to implement more efficient customs procedures, and respondents seem to have noticed an improvement. The positive sentiment towards the U.S., and the quality of infrastructure, were viewed as strengths for Malaysia. Satisfaction with personal security, however, has decreased since 2012, giving Malaysia the lowest ranking in ASEAN.

Myanmar

49% of respondents across the region indicate investment in or plans to invest in Myanmar. However, the U.S. business leaders currently operating in Myanmar cite ten out of the sixteen business factors in the survey as challenges. The highest levels of dissatisfaction are with

infrastructure and problematic laws and regulations. Housing costs and office lease costs also have high levels of dissatisfaction, as demand for real estate in Yangon exceeds supply.

Philippines

Satisfaction in the Philippines increased across fourteen of the sixteen business factors over the last five years, led by a 50% increase in satisfaction with the stability of the government and political system. Today, 87% of respondents are satisfied with the availability of trained personnel in the Philippines, the highest percentage in ASEAN. Corruption, insufficient infrastructure, and the tax structure remain challenges in the country, but it is clear business leaders have seen significant progress in recent years.

Singapore

Singapore-based respondents cite greater satisfaction across polled business factors than any other ASEAN country. Major strengths in Singapore include a stable government and political system, and laws and regulations, with 90% and 84% of respondents, respectively, indicating satisfaction. Challenges for businesses in Singapore, as in recent years, include lack of low cost labor, high office lease costs, and high housing costs.

Thailand

Respondents see personal security, positive sentiment towards the U.S., and infrastructure as major strengths in Thailand. Corruption is cited as the biggest challenge with 71% of respondents indicating dissatisfaction. Satisfaction with the tax structure in Thailand has increased by 13% since 2008.

Vietnam

Strengths in Vietnam are the availability of low cost labor, positive sentiment towards the U.S., and the level of personal security. Respondents indicate that corruption is one of the biggest problems in Vietnam with 70% of respondents indicating dissatisfaction. Satisfaction with new business incentives offered by the government, stability of the government and political system, and the level of personal security all have significantly decreased over the last five years.

About AmCham Singapore

AmCham Singapore is the largest foreign business chamber in Singapore, with over 5,000 business leaders representing almost 800 companies, and more than US\$25 billion in investments in Singapore and the region.

About The U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business organization, and represents the interests of more than 3 million businesses of all sizes, sectors, and regions. Chamber members range in size from small enterprises and local chambers to leading industry associations and large corporations.

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