



FOR IMMEDIATE RELEASE

Ninth annual EU-ASEAN Business Sentiment Survey (BSS) reveals positive outlook for European businesses in Southeast Asia, underscoring growing importance of ASEAN-EU relations

[Singapore, 1 August 2023] – The EU-ASEAN Business Sentiment Survey, now in its ninth edition, has once again provided valuable insights into the sentiments and expectations of European businesses operating in the ASEAN region. Conducted annually, the survey is a vital barometer for gauging European business outlook on key issues, including macroeconomic conditions, the policy and regulatory environment in Southeast Asia, and the development of bilateral and plurilateral free trade agreements in the region. The BSS also offers a comprehensive analysis of the current business climate and future prospects for European companies in Southeast Asia.

The findings from this year’s survey, which had nearly 600 responses from the European private sector, indicate an overall optimistic outlook for ASEAN, as demonstrated by the following key highlights:

- 80% of respondents believe that ASEAN markets will become more important in terms of worldwide revenues over the next two years, highlighting the region’s growing significance in the global economy – a 15% jump from 2022.
- A significant 84% of respondents expressed their intention to boost levels of trade and investment in ASEAN, a 7% increase from 2022.
- 65% of respondents anticipate an increase in profits in ASEAN for 2023, showing a continued positive trend in the region’s business landscape. This percentage remains robust despite a slight decrease from last year’s figure of 69%.
- The survey also reveals that around two thirds of respondents view ASEAN as the region for best economic opportunity over the next five years, reflecting a consistent perspective compared to the previous year.

These positive sentiments from European businesses in the ASEAN region – including that ASEAN will play a more significant role in their global revenue streams – emphasises the strategic importance of strengthening the relationship between ASEAN and the EU. Nearly all respondents (99%) want the EU to expedite the negotiation of trade deals with ASEAN, while a substantial majority (85%) believe the EU should pursue a region-to-region Free Trade Agreement with ASEAN. These results reflect a strong desire by the European private sector to see economic ties enhanced between the two regions.

“Southeast Asia is not just an economic opportunity to be taken advantage of. It is also now clearly one of the engines of the global economy,” said Jens Rübberth, Chairman of the EU-ASEAN Business Council and Regional Head Asia/Pacific at LBBW.

“Christine Lagarde, then of the IMF, referred to it as ‘an auxiliary engine of global economy’ a few years ago. I think that it is fair to say that this burgeoning region has every right to discard the term ‘auxiliary’ at this point. As it recovers steadily from the pandemic, its importance to global value chains has become evident and its own domestic economies are continuing to grow strongly,” SAID Mr Noel Clehane, Vice Chairman of the EU-ASEAN Business Council and Global Head of Public Policy at BDO Global.



The survey also identifies critical challenges that European businesses face across ASEAN. An overwhelming 92% disagree that non-tariff barriers to trade in the region are decreasing. And nearly three quarters of respondents (72%) cite excessive barriers hindering the efficient use of supply chains. The outlook is also bleak on ASEAN's economic integration, with only 14% believing that it is progressing at a satisfactory pace, while less than 10% feel that the objectives outlined in the ASEAN Economic Community Blueprints have been achieved.

Furthermore, less than half of respondents believe that ASEAN is making adequate progress in meeting its sustainability goals – for instance, not a single respondent surveyed fully believes that ASEAN is doing enough to green its supply chains. There are also calls for ASEAN to establish a region-wide harmonised approach to ESG reporting standards (82%), as well as a single enforceable taxonomy (62%).

“Many believe that ASEAN's goals in this area lack the necessary ambition, urging greater commitment to sustainability initiatives. The result of views on the greening of supply chains in the region are particularly stark,” said Jens Rübberth, Chairman of the EU-ASEAN Business Council.

“We all, the business community, political leaders, employees, and the general public, need to do more on this and related issues. Economic development must be pursued hand in hand with environmental stewardship, ensuring a just and sustainable future for all,” Mr Rübberth added.

The BSS could not have been successful without the support of BDO, and the nine European Chambers of Commerce in Southeast Asia.

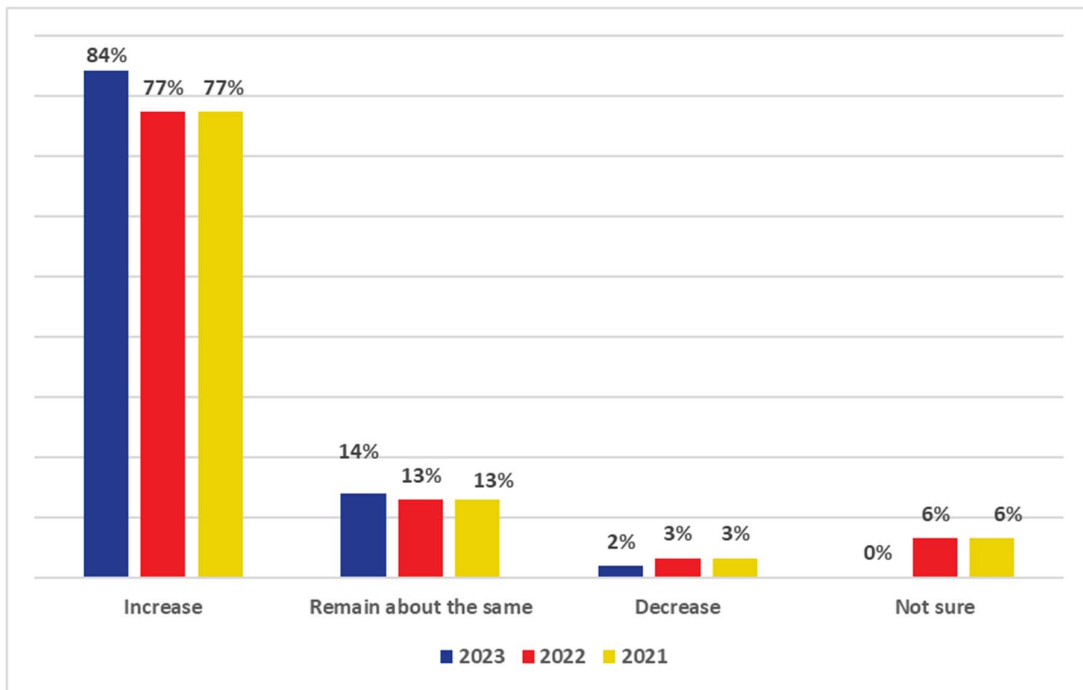
For more comprehensive insights, the full report of the ninth edition of the EU-ASEAN Business Sentiment Survey, along with previous editions, can be accessed online at www.eu-asean.eu/publications.

For media inquiries, please contact:

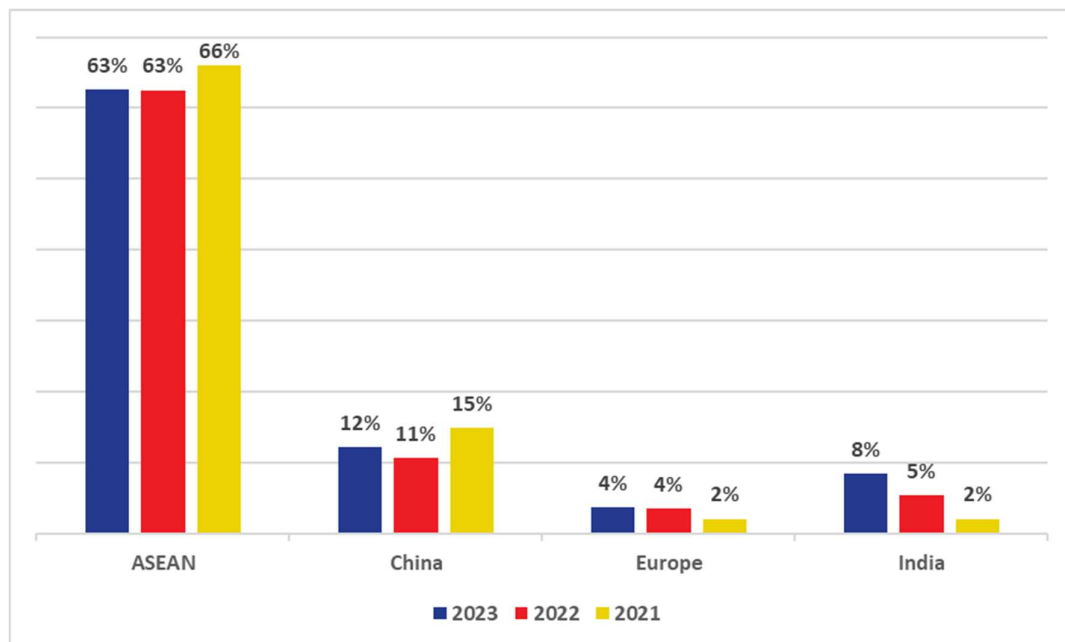
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ANNEX: SELECTED CHARTS FROM 2023 BUSINESS SENTIMENT SURVEY

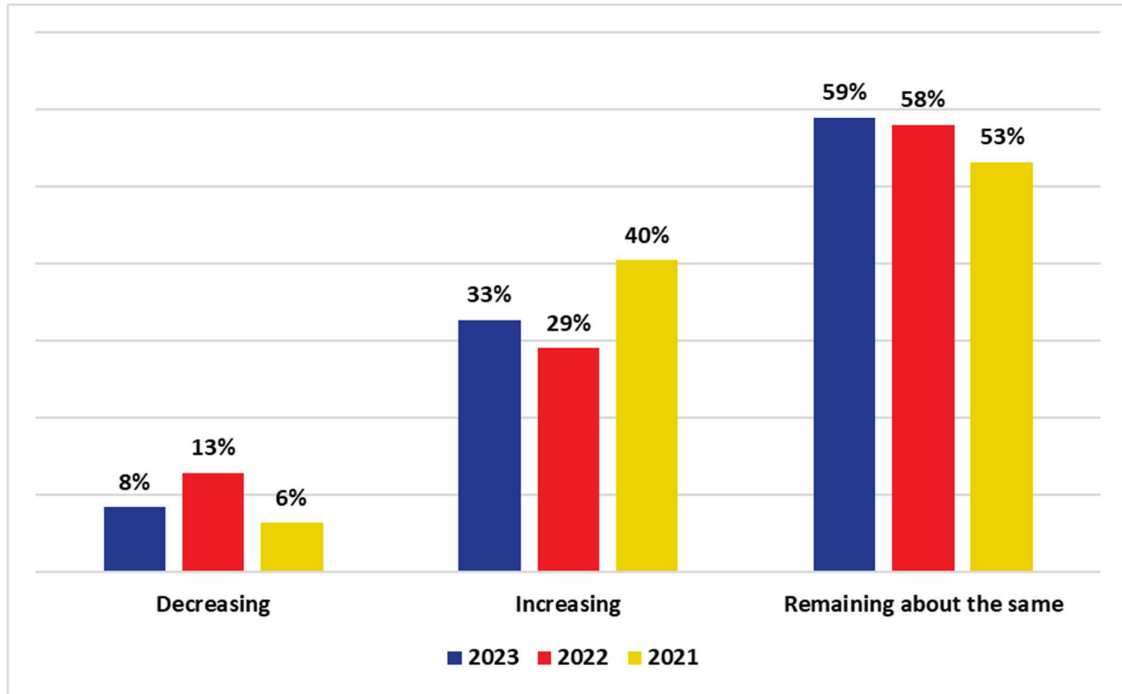
EXPECTATIONS OF TRADE & INVESTMENT OVER THE NEXT 5 YEARS (2021 - 2023)



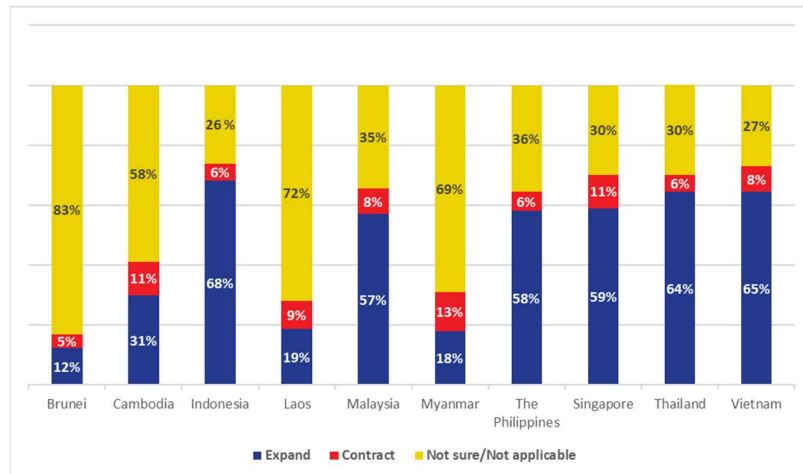
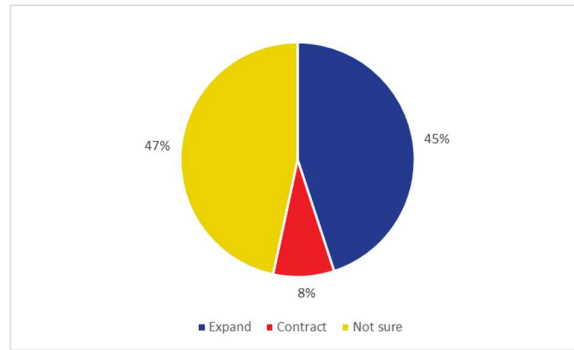
REGION WITH THE BEST ECONOMIC OPPORTUNITIES OVER THE NEXT 5 YEARS



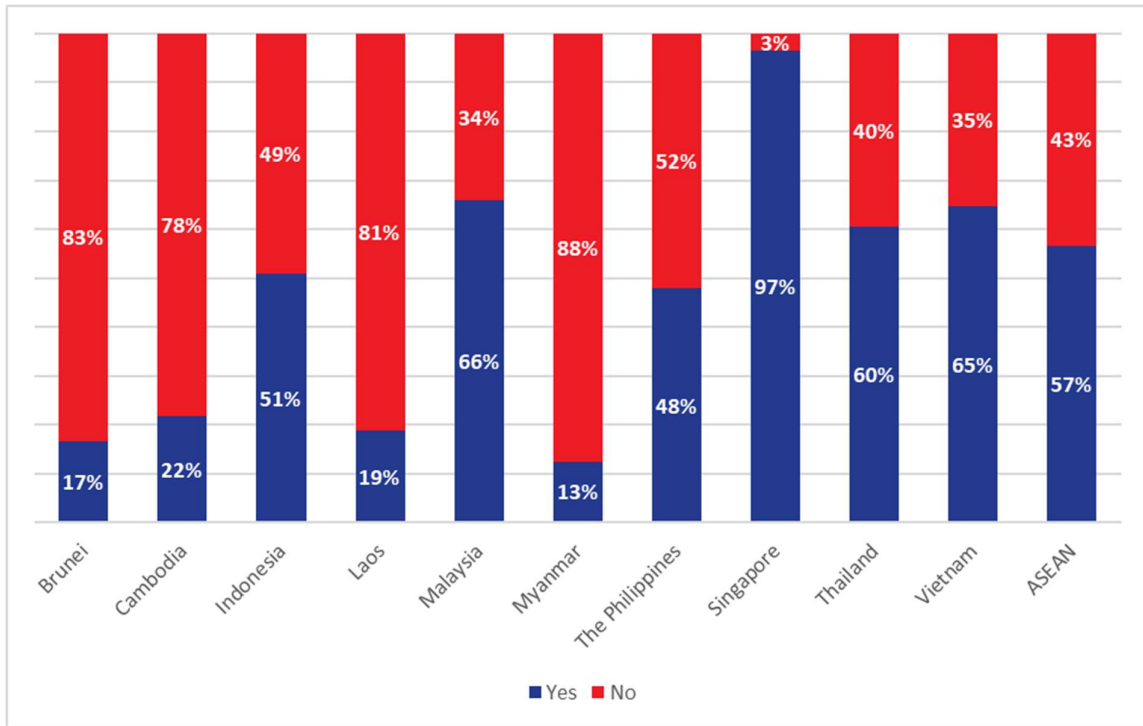
PERCEPTION OF NON-TRADE BARRIERS TO TRADE IN ASEAN



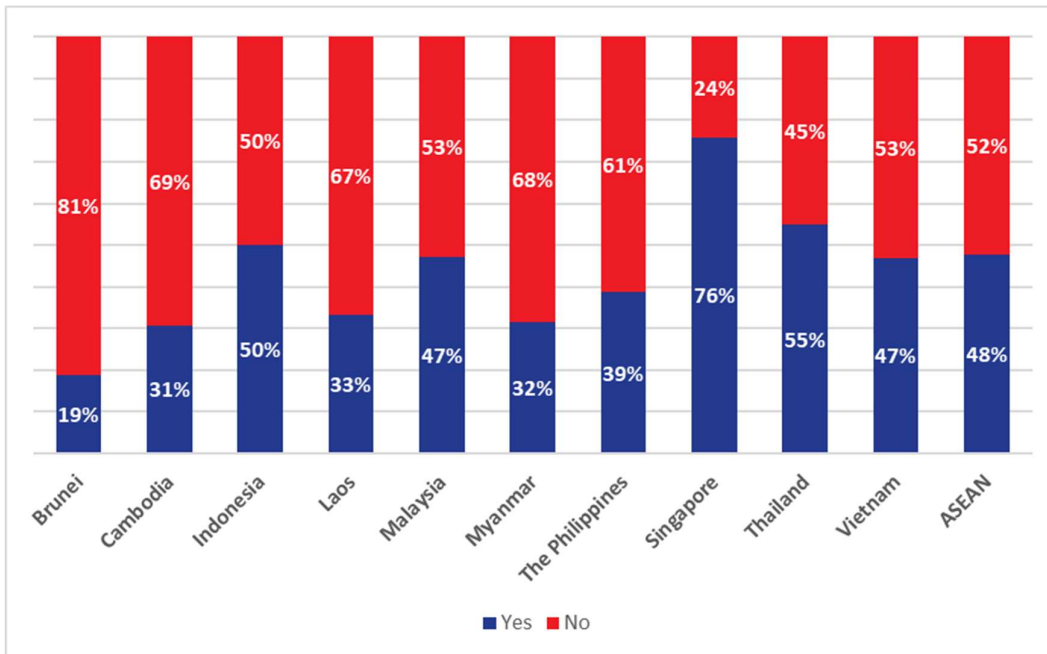
PLANS FOR OPERATIONS IN ASEAN



ARE ASEAN AND ITS MEMBER STATES SERIOUS ABOUT MEETING SUSTAINABILITY GOALS?



ARE THE SUSTAINABILITY GOALS IN ASEAN AMBITIOUS ENOUGH?





About the EU-ASEAN Business Council

The EU-ASEAN Business Council (EU-ABC) is the primary and sole voice for European business covering all of the ASEAN region. It is recognised by the European Commission and the ASEAN Secretariat and is an accredited entity under Annex 2 of the ASEAN Charter. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote trade and investment between Europe and the ASEAN region.

The Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region through influencing policy and decision makers throughout the region and in the EU, as well as acting as a platform for the exchange of information and ideas amongst its members and regional players within the ASEAN region.

The EU-ABC's membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around Southeast Asia. The EU-ABC represents a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including Fast Moving Consumer Goods and high-end electronics and communications. Our members all have a common interest in enhancing trade, commerce and investment between Europe and ASEAN.

The Executive Director of the EU-ASEAN Business Council is Mr Chris Humphrey, and its Chairman is Mr Jens Ruebbert. The Council is led by an elected Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce.

For more information please visit www.eu-asean.eu