

UNDER STRICT EMBARGO UNTIL 00:01 AEST, Thursday, 15 March 2018

Launch of the Australian Business in ASEAN 2018 survey

The Australia-ASEAN Chamber of Commerce (AustCham ASEAN) today launched their 2018 Annual Business Survey at a Sydney event in partnership with the NSW Government, ANZ, James Cook University, and Linfox. The event coincides with the Prime Ministers ASEAN-Australia Special Summit for which leaders from across ASEAN will be attending. The Summit also gathers regional business leaders in a CEO Forum to discuss key policy issues in the region.

The survey finds that Australian businesses continue to make a strong economic contribution across ASEAN and are generally positive about their ability to prosper in the region. Among the key findings:

- **Australian firms are bullish about the region.** About 87 per cent of Australian firms state they plan to increase their trade and/or investment in ASEAN over the next five years, and 44 per cent say they plan to increase their presence significantly. Compared with the results of our 2016 survey, the share of Australian firms planning to increase their presence significantly has almost doubled.
- **Three main factors are attracting Australian businesses to ASEAN.** While the growing consuming class in ASEAN is the most important factor for Australian businesses looking to invest or trade with ASEAN Member States, the prospect of greater ASEAN economic integration is also a significant driver for the strong business desire to invest more in the region. Infrastructure improvements rank as the third major reason for a planned expansion, accounting for almost 30 per cent of responses. E-commerce opportunities, included for the first time in this survey, count for almost one-quarter of firms as a top-three driver to increase investment in ASEAN.
- **Barriers remain to deepening Australian business engagement in ASEAN.** Corruption, restrictions on ownership and investment, and access to skilled labour rank as the top three issues for Australian firms. Many Australian businesses also say they require further information about ASEAN markets, most notably, Vietnam, Myanmar, Malaysia and Thailand. Interestingly, currency volatility – a common concern in the region since the Asian Financial Crisis in the late 1990s – is no longer seen as a major issue, reflecting the growing macroeconomic stability in the region.
- **Australian and ASEAN businesses identified a range of opportunities to deepen collaboration in five areas.** The survey unearthed several specific opportunities that Australian and ASEAN businesses consider worth exploring to deepen the collaboration in the five thematic areas of the CEO Summit taking place during the ASEAN-Australia Special Summit: (1) Tourism destination development and aviation; (2) Preparing for the digital transformation and Industry 4.0; (3) Agri-food and supply chain logistics; (4) Future energy and supply chains; and (5) Infrastructure. Some hurdles exist that may prevent some firms from fully harnessing these opportunities. However, the good news is that surveyed firms have identified practical ways to overcome these hurdles.

“ASEAN is the fifth largest economy and the second largest recipient of Foreign Direct Investment in the world” commented Dr. Fraser Thompson, President of AustCham ASEAN. “This year’s survey demonstrates that Australian business are starting to realise the scale of potential opportunities that exist, and ASEAN is no longer

the ‘forgotten Asia’”.

“The results from the survey make for an interesting read” added Dr. Thompson. “While businesses see broad opportunities for deepening the Australia-ASEAN collaboration, they also list a number of practical barriers – from information gaps to restrictions on ownership and service offerings. The ASEAN-Australia Special Summit represents a tremendous opportunity to highlight the opportunities in ASEAN for Australian businesses, and the role of AustCham ASEAN will be to help ensure that the progress made during the Summit translates into meaningful change in Australia’s engagement in this dynamic region.”

About AustCham ASEAN

The Australia-ASEAN Chamber of Commerce (AustCham ASEAN) was officially launched by the Australian Prime Minister, the Hon Malcolm Turnbull MP, on Saturday June 3 2017. AustCham ASEAN is a ‘chamber of chambers’ with its membership base the officially registered Australian chambers and business councils from across ASEAN.

The organisation is a registered society in Singapore with the following Foundation Members:

- The Australian Chamber of Commerce, Cambodia,
- Indonesia Australia Business Council,
- The Australia Chamber of Commerce Lao PDR,
- Malaysia-Australia Business Council,
- The Australia-New Zealand Chamber of Commerce (Philippines) Inc,
- Australian Chamber of Commerce, Singapore,
- Australian-Thai Chamber of Commerce,
- The Australian Chamber of Commerce in Vietnam

AustCham ASEAN aims to deepen Australian business engagement with ASEAN by (1) Informing Australian business on regional integration developments and the business landscape; (2) Explaining the contribution of Australian business to ASEAN markets; and (3) Advocating for policies, rules and regulations that support Australian business activities in ASEAN

To learn more visit www.austchamasean.com.

Media contacts

Annette Tilbrook

Director

E:Annette.tilbrook@austchamasean.com

T: 0474 930 117