



# Survey Report

## Awareness of ASEAN Business Community 2022: Potential for ASEAN-Japan Co-creation

30th May 2022 (Mon)



JETRO



# About the surveys

# Survey Background

## Purpose of the survey

- ASEAN companies' sentiments towards Japanese businesses and government
- Enhance Japan-ASEAN economic cooperation

## Surveyed methods and survey period

- Online Survey and Key Informant interviews
- 18 January 2022 to 25 February 2022

## Surveyed countries

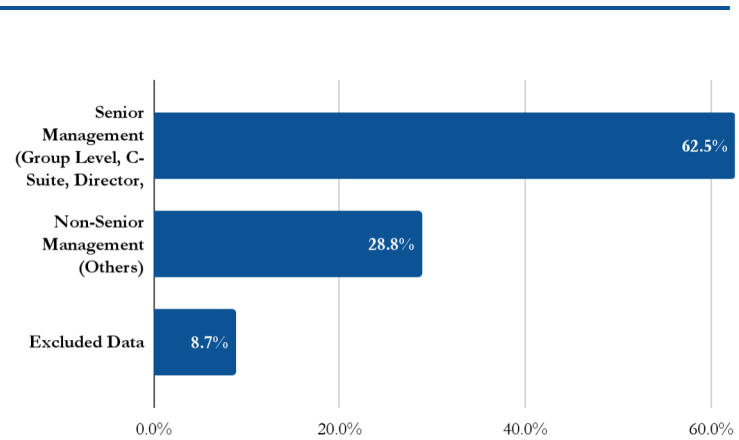
- ASEAN companies in 10 ASEAN countries

## Response rate

- Quantitative: 459 valid responses from 6,554<sup>1</sup> invitations.
- Qualitative: 42 key informant interview sessions.

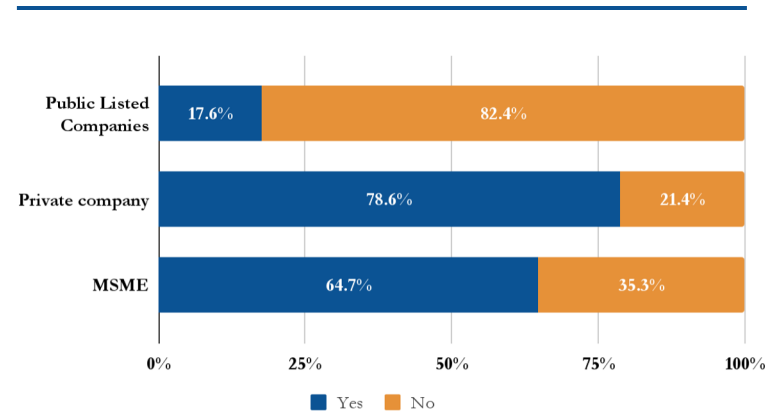
# Quantitative survey: Majority of respondents were senior management level from private companies with annual turnover of under US\$50 million.

**Figure 7:  
Respondents by seniority**



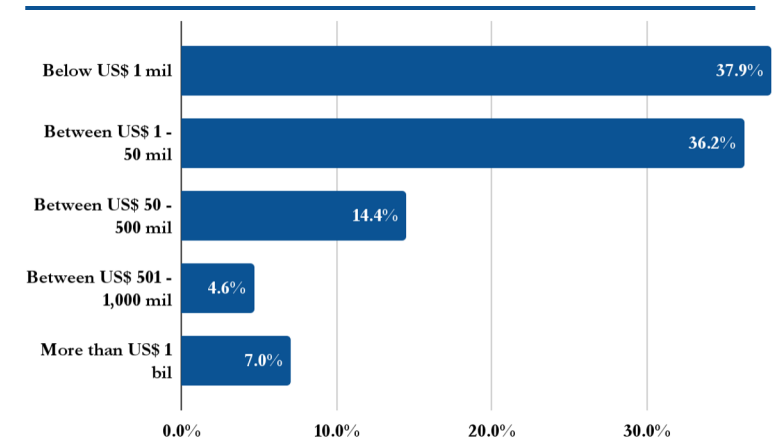
- 62.5% of the respondents are C-Suite executives.

**Figure 8:  
Company types**



- 78.6% of respondents were from private companies.
- 64.7% of the private companies were MSMEs.

**Figure 11:  
Range of annual revenue**



- 74.1% of the respondents work in companies with an annual turnover of below US\$50 million.

# Qualitative survey: 42 interview sessions with representation skewed towards senior executives in ASEAN-6 economies and manufacturing sector

Figure 53: Analysis of background of the interviewees

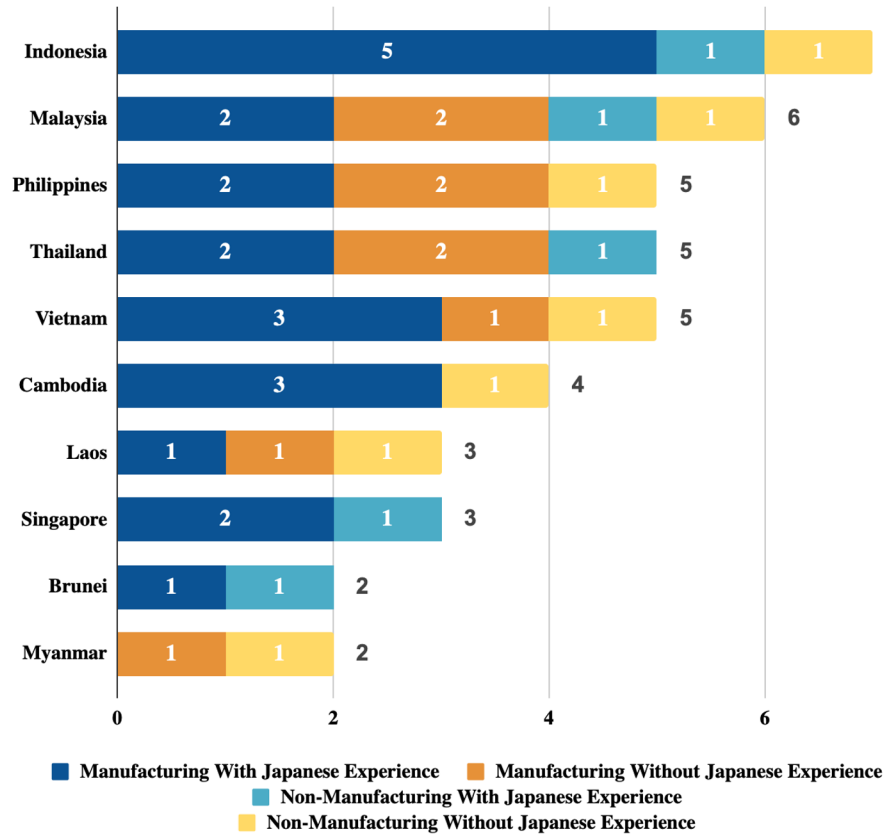


Figure 54: Annual Turnover by Industry Type

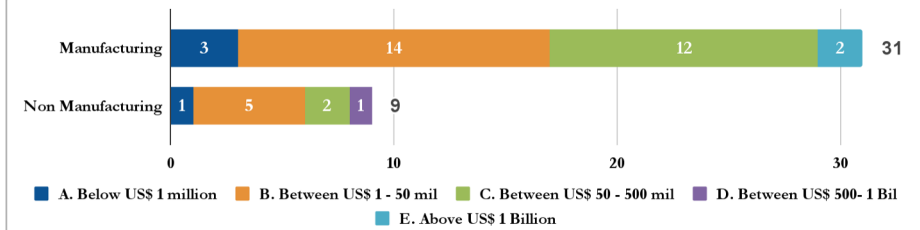
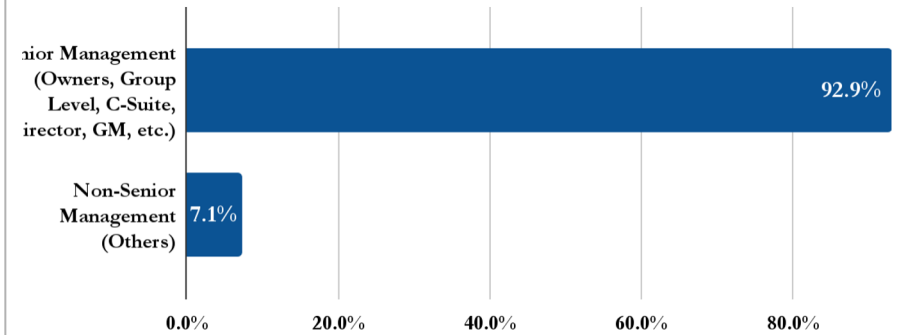


Figure 55: Seniority of Interviewees



# SWOT Analysis

# SWOT Analysis: Strengths and Weaknesses

STRENGTHS	WEAKNESSES
<ol style="list-style-type: none"><li>1. Most compelling reason to partner: technology</li><li>2. Competitive advantage: superior service quality</li><li>3. Transparent partner</li><li>4. Trustworthy partner</li><li>5. Advantageous business ethics</li><li>6. No. 1 in indigenisation (localisation) policy</li><li>7. No. 1 in planning and efficiency of project execution</li><li>8. No. 1 in technical know-how</li><li>9. No. 1 in technology transfer</li><li>10. No. 1 in strategic SMEs partners</li></ol>	<ol style="list-style-type: none"><li>1. Least compelling reasons for partnership: Japanese regulation / business support; culture; human capital</li><li>2. Pricing faces the most competition - will lose competitiveness in the next decade.</li><li>3. Inflexible business partner</li><li>4. No 4: Communication and openness</li><li>5. Slow at decision making</li><li>6. Promotion and marketing</li></ol>

# SWOT Analysis: Opportunities and Threats (Competition)

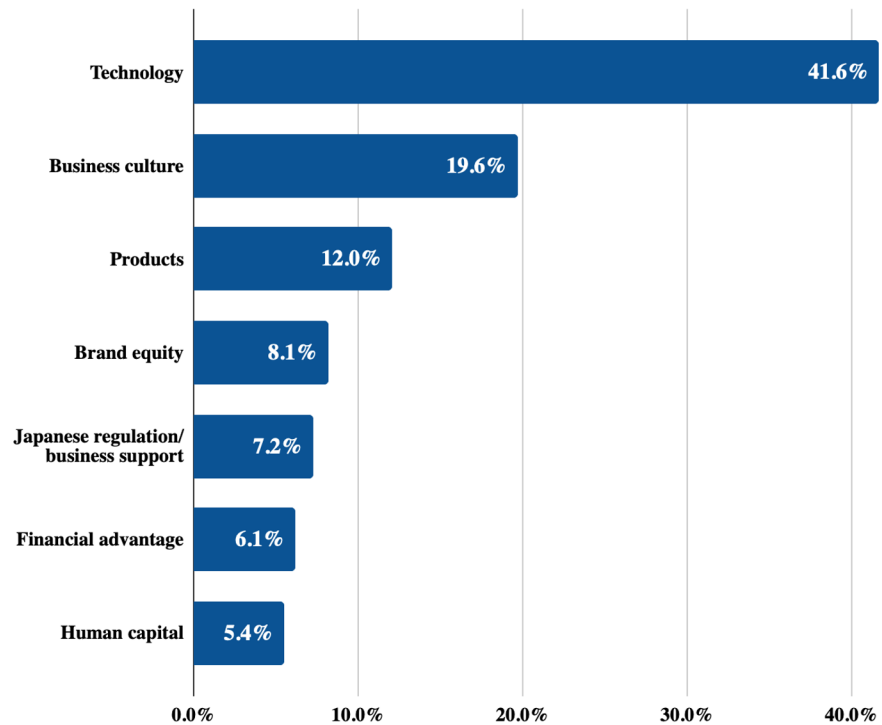
OPPORTUNITIES	THREATS (COMPETITION)
<ol style="list-style-type: none"><li>1. No. 1 trade alternative due to US-China trade tensions</li><li>2. No. 1 leader in helping ASEAN's sustainable transformation</li><li>3. No. 2 to boost ASEAN's economic recovery</li><li>4. No. 2 most likely to help ASEAN's IR4.0 transformation</li><li>5. No. 2 most supportive government to business (influential)</li><li>6. No. 3 Industrial capability</li></ol>	<ol style="list-style-type: none"><li>1. Trade and investment dominance in ASEAN in the next decade: China (69.5%)</li><li>2. Economic dominance in ASEAN in the next decade: China (73.0%)</li><li>3. Most comparable to Japan's industrial dominance: China (49.9%)</li><li>4. Over 91% perceive another country's industrial strength either had improved (past decade) or will improve (next decade). Top reason: faster speed to market of other countries</li></ol>



# Strengths

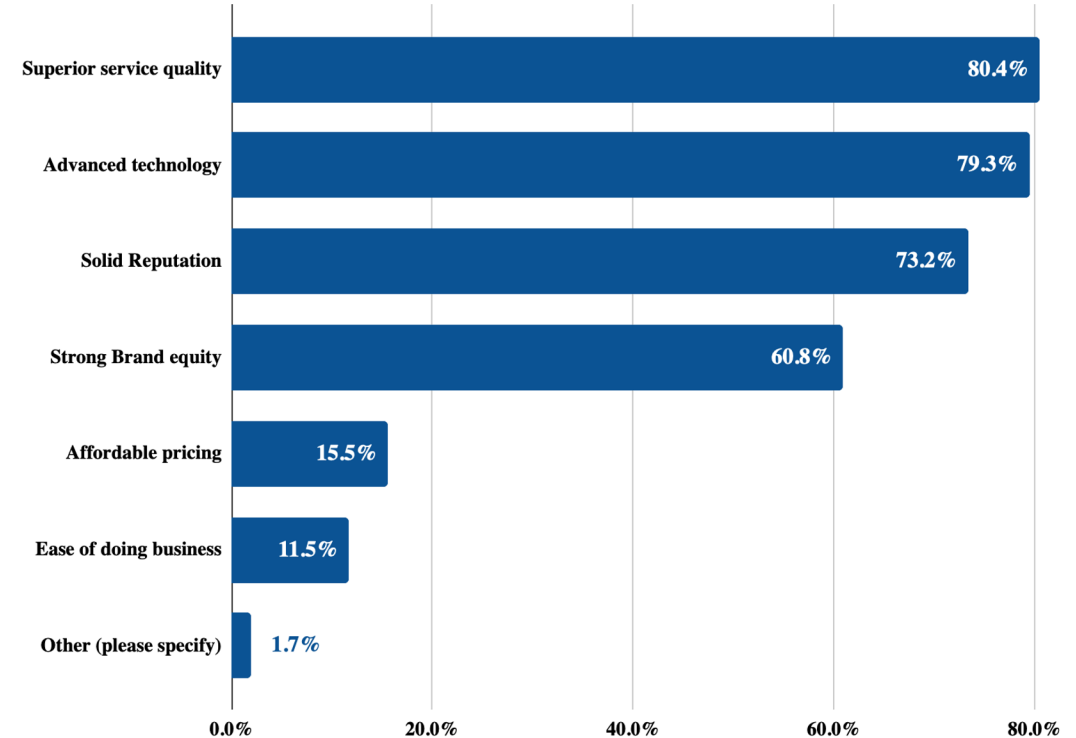
# Technology and business culture are the top reasons to partner with Japanese companies with superior service quality perceived to be Japan's most competitive advantage

Figure 37: MOST compelling reason to partner with a Japanese company



- Technology is the most compelling reason to partner with a Japanese company.
- Qualitative survey: commendable work culture but need women's participation

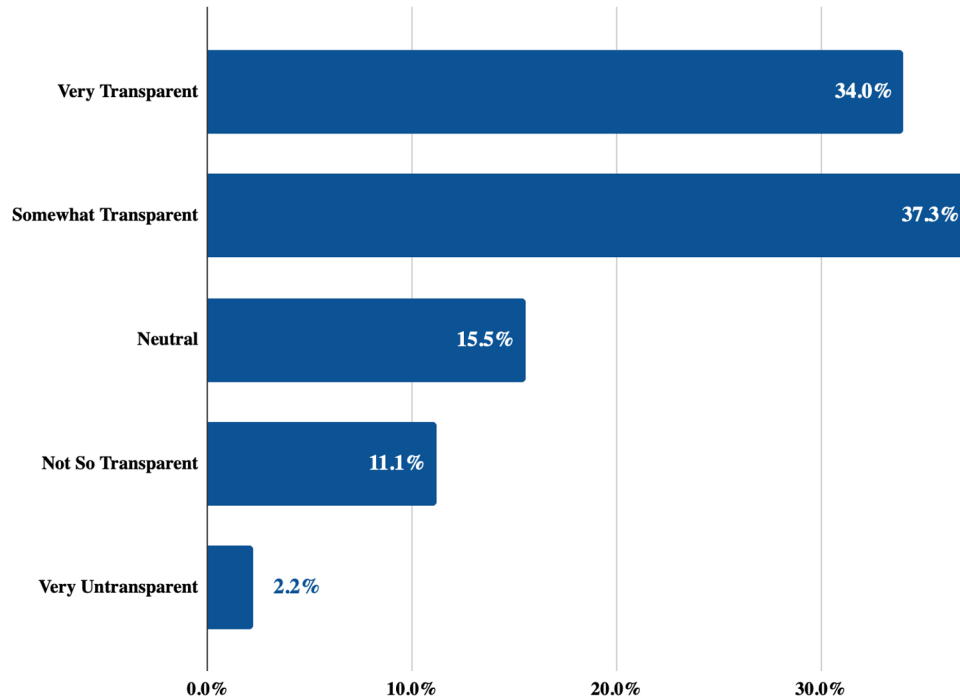
Figure 39: Perceived competitive advantage of Japanese companies compared to companies from other countries



- Japanese companies' service quality is top notch.

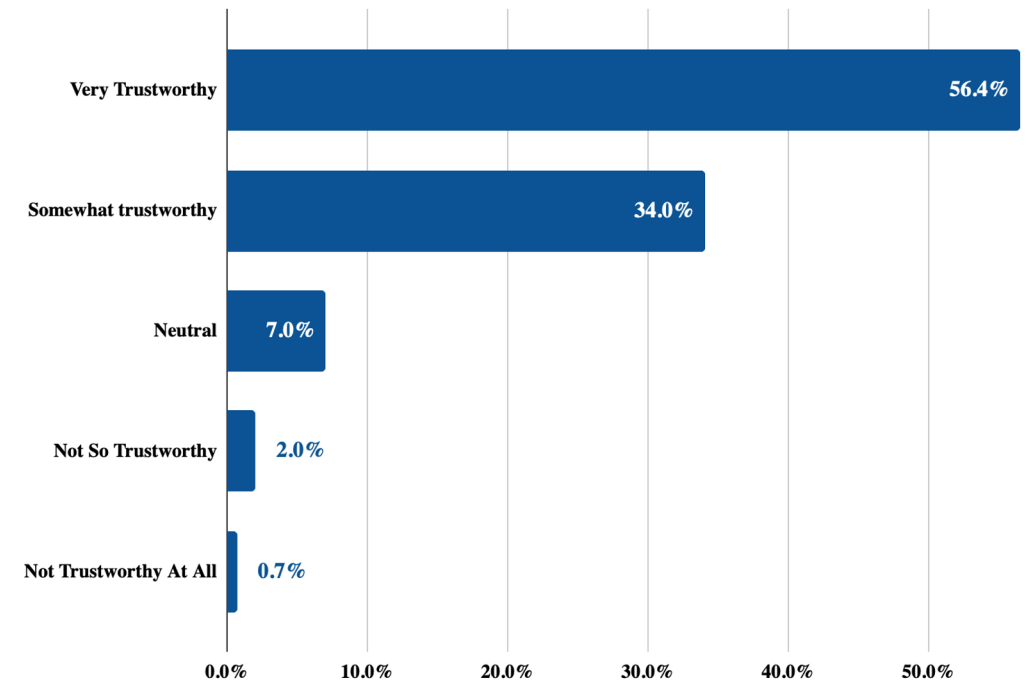
## Strong consensus on Japanese businesses' transparency, trustworthiness, and business ethics (1 of 2)

**Figure 42:**  
Perceived transparency of Japanese business as a partner



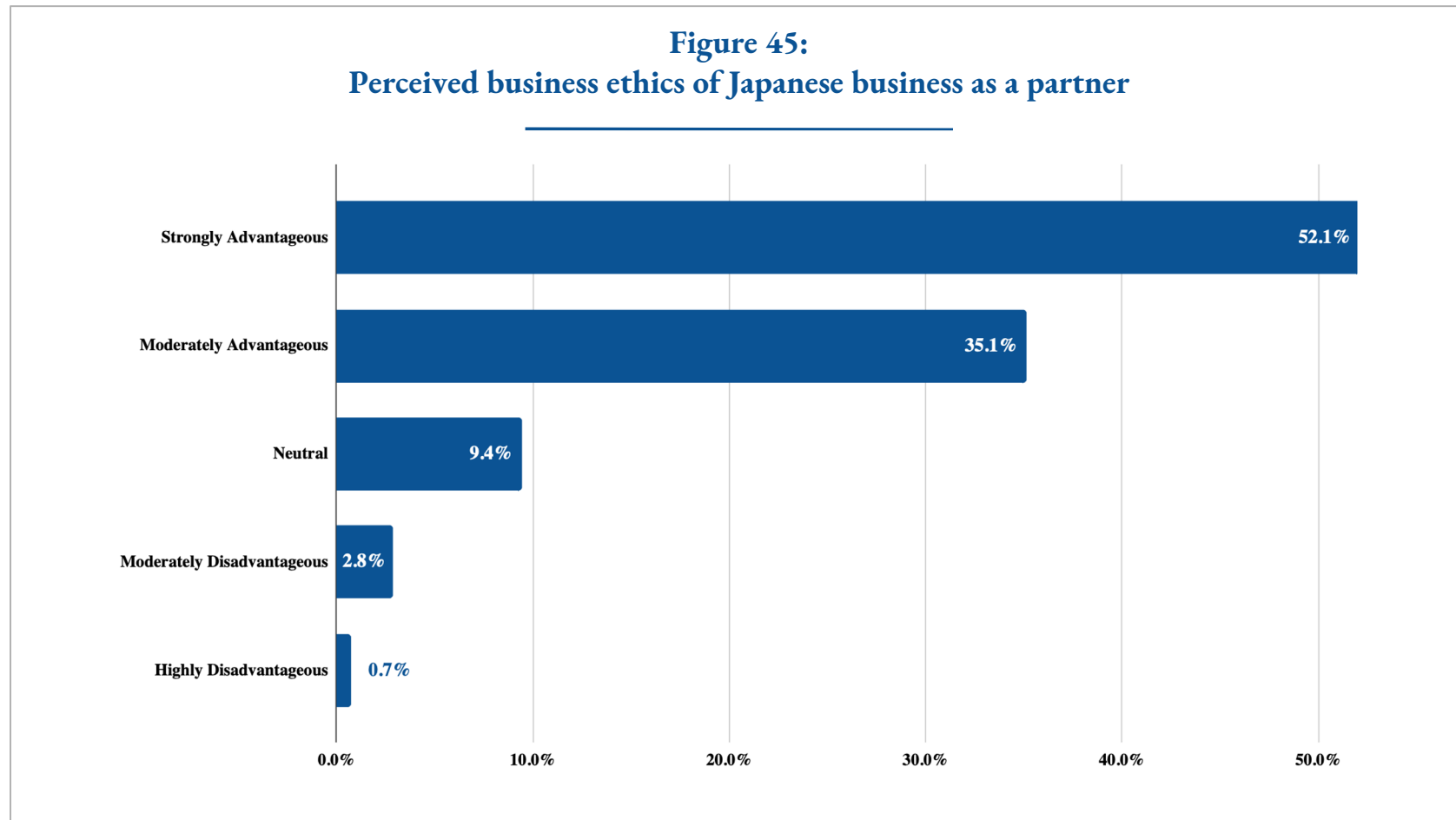
- **71.3%** - Japanese businesses are transparent.
- **Qualitative survey: Transparency is earned through trust, rigidity is a challenge.**

**Figure 44:**  
Perceived trustworthiness of Japanese business as a partner



- **90.4%** - Japanese businesses are trustworthy partners.
- **Qualitative survey: Japanese trustworthiness is top notch.**

## Strong consensus on Japanese businesses' transparency, trustworthiness, and business ethics (2 of 2)



- **87.2%** - business ethics of Japanese companies to be advantageous.
- **Qualitative survey: Japanese partnerships are characterised by trust, dedication and long-term relationships.**

# Japanese businesses excel at localising their operations and at planning and efficiency of project execution

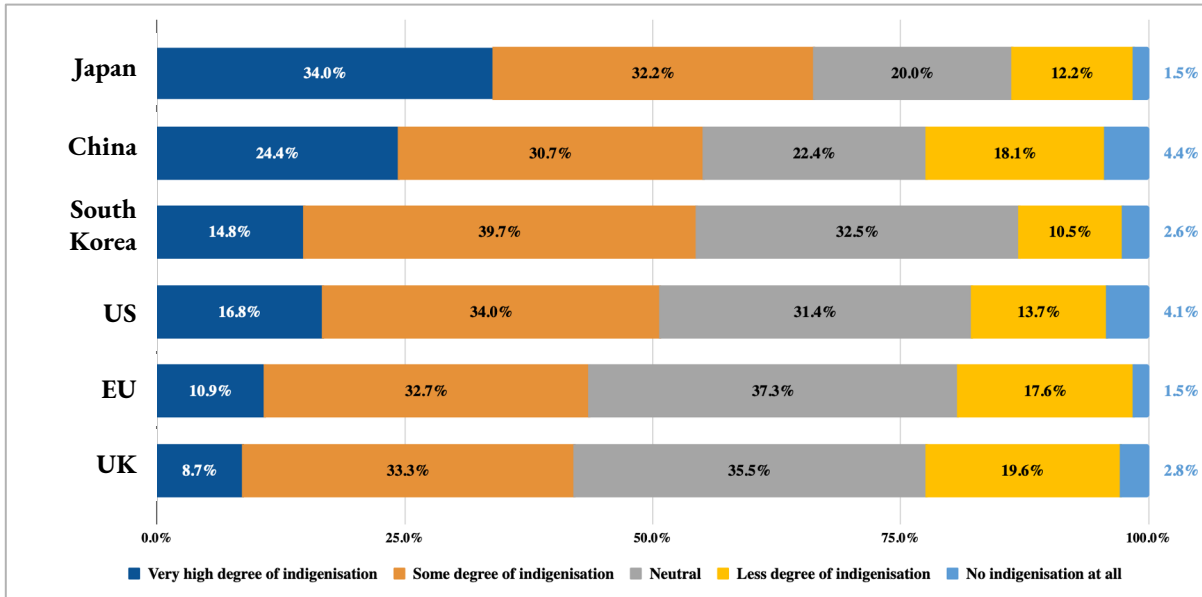


Figure 46: Perceived indigenisation (localisation) policy of Japanese businesses compared to other countries

- 66.2% - very high degree / some level of indigenisation
- Qualitative survey: Limited localisation - less flexibility and language barriers.

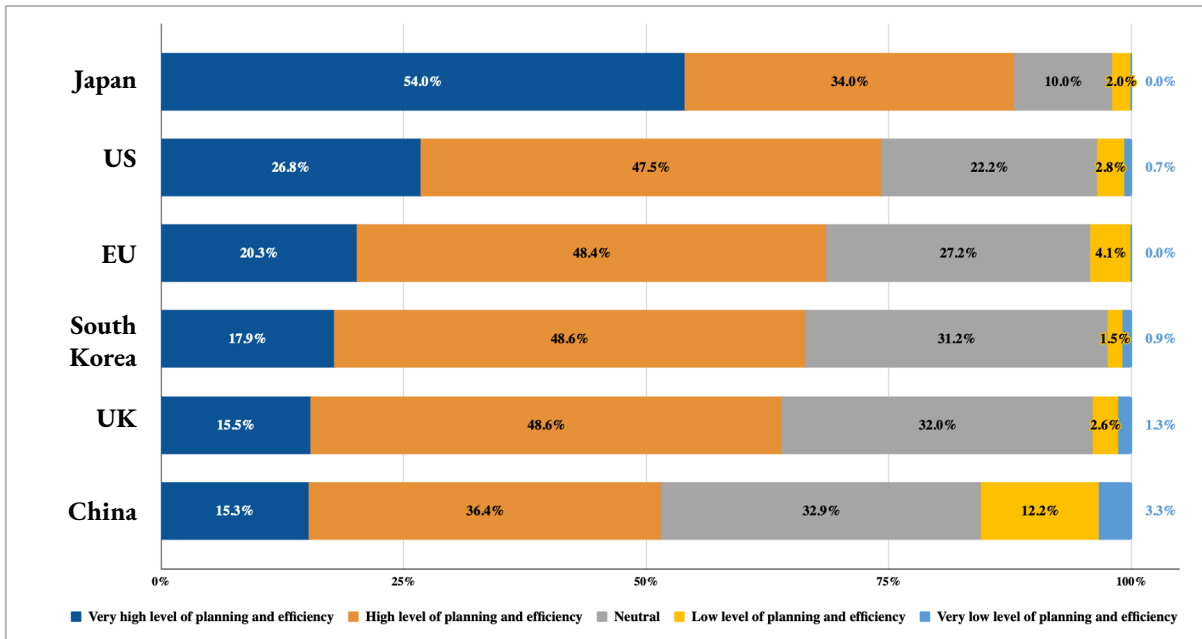


Figure 48: Perceived planning and efficiency of project execution of Japanese businesses compared to other countries

- 88% - high / very high level of planning and efficiency.

# Japanese businesses are perceived to have the highest technical know-how and technology transfer

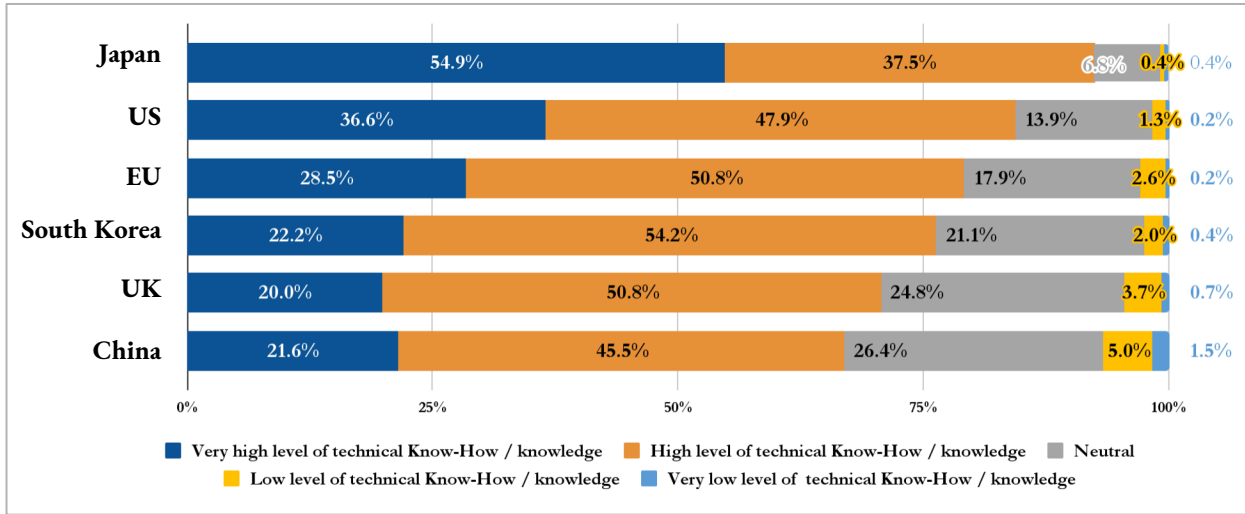


Figure 49: Perceived technical know-how of Japanese businesses compared to other countries

- 92.4% - very high / high level of technical know-how and knowledge.

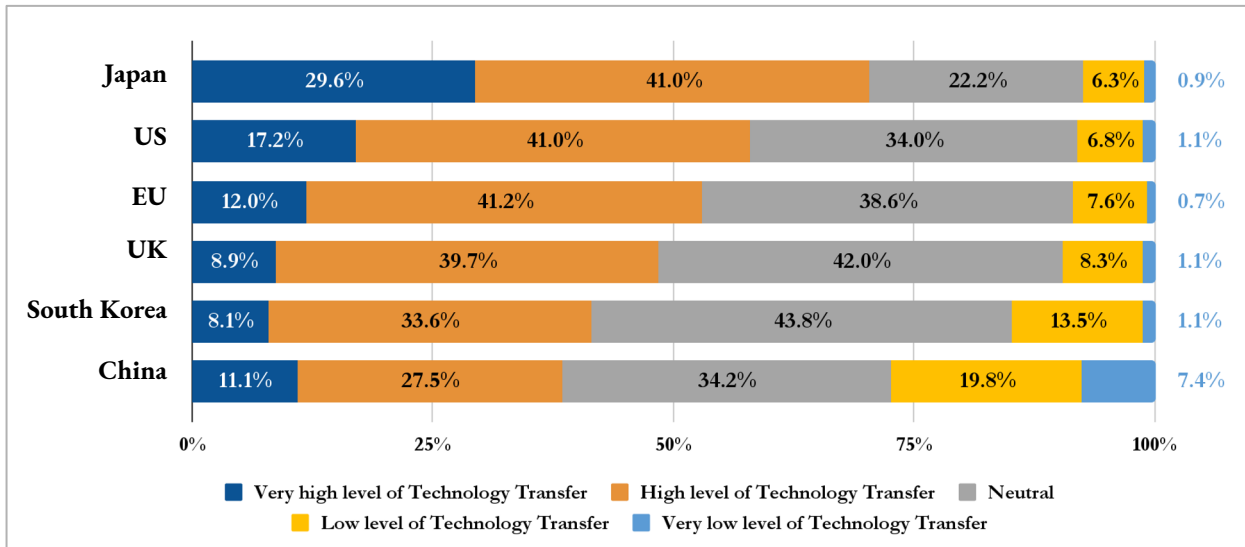
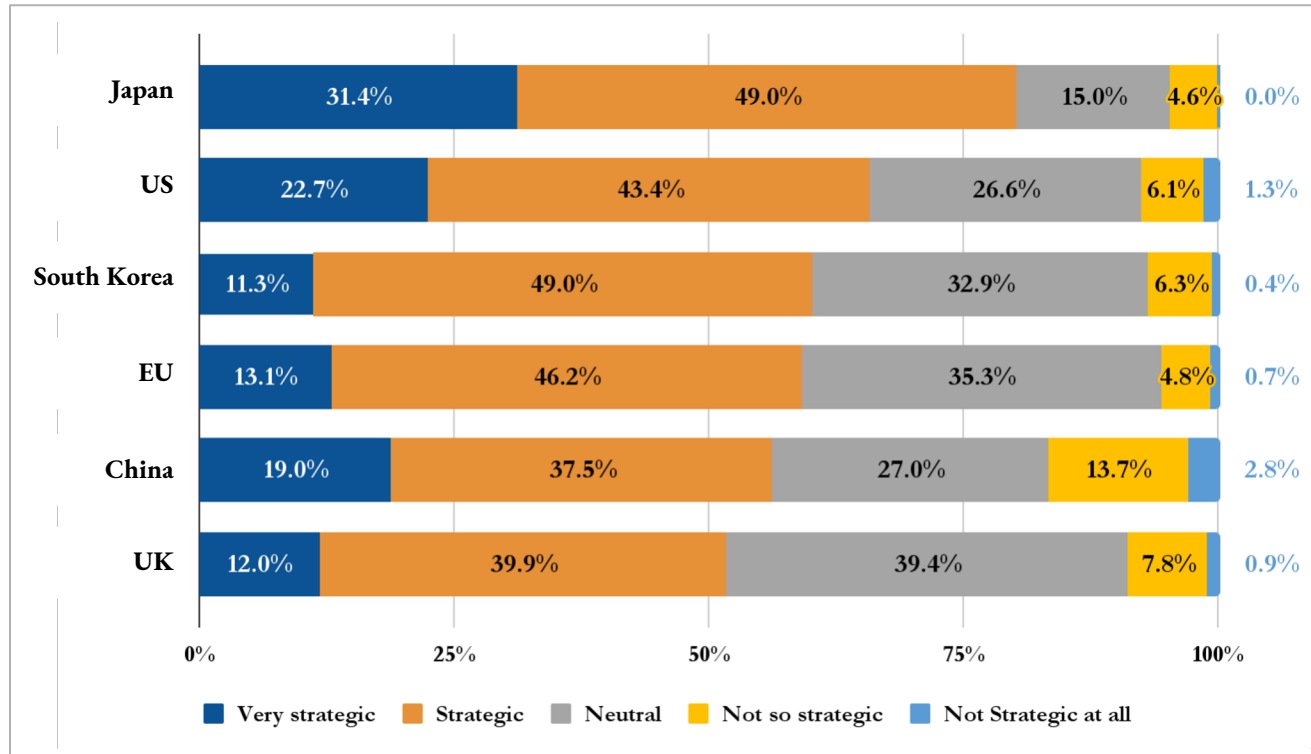


Figure 50: Perceived level of technology transfer of Japanese businesses compared to other countries

- 70.6% - high / very high level of technology transfer.
- Qualitative survey: Japanese companies committed to knowledge transfer.

## Japanese SMEs are also perceived to be strategic business partners



**Figure 52: Perceived expectations of Japanese SMEs as a business partner compared to other countries**

- **80.4%** - Japan SMEs would make strategic / very strategic business partners.
- **Qualitative survey: Japanese SMEs leverage big corporations to venture out of Japan.**

# Perception of Japan's indisputable strengths



## JAPAN AS A BUSINESS PARTNER

**41.6%**

technology most  
compelling reason

**90.4%**

trustworthy

**87.2%**

business ethics

**80.4%**

superior service quality

**71.3%**

transparent



## STRENGTHS COMPARED TO OTHER MAJOR ECONOMIES

**66.2%** **NO.1**

indigenisation /  
localisation policy

**92.4%** **NO.1**

technical know-how /  
knowledge

**88.0%** **NO.1**

planning and efficient project  
execution

**80.4%** **NO.1**

SMEs as strategic business  
partners

**70.6%** **NO.1**

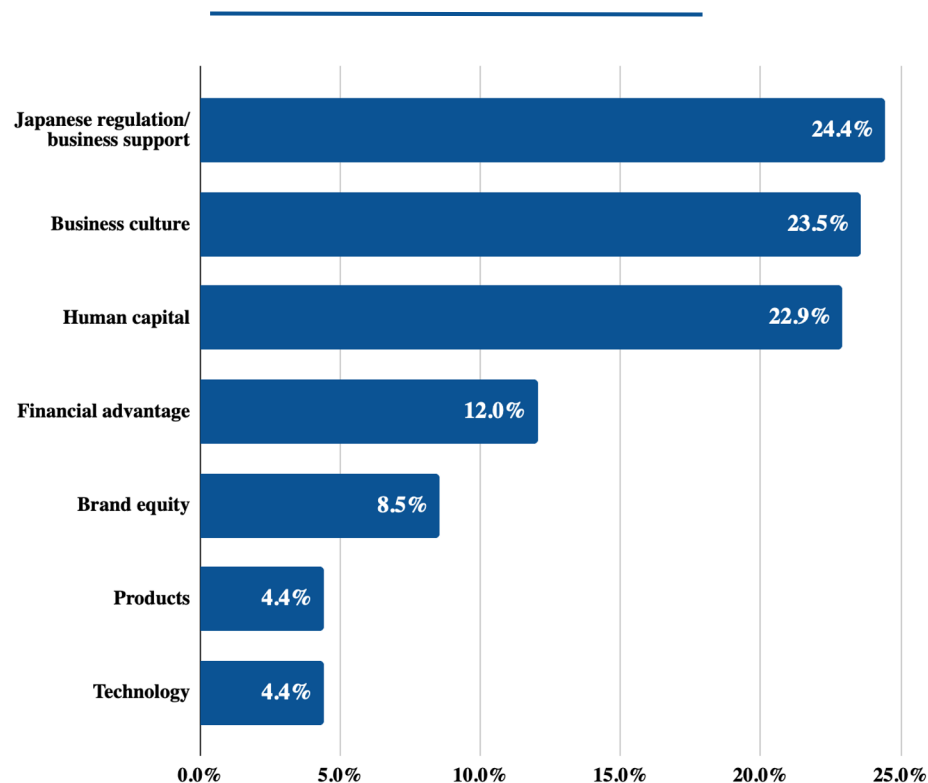
technology transfer



# Weaknesses

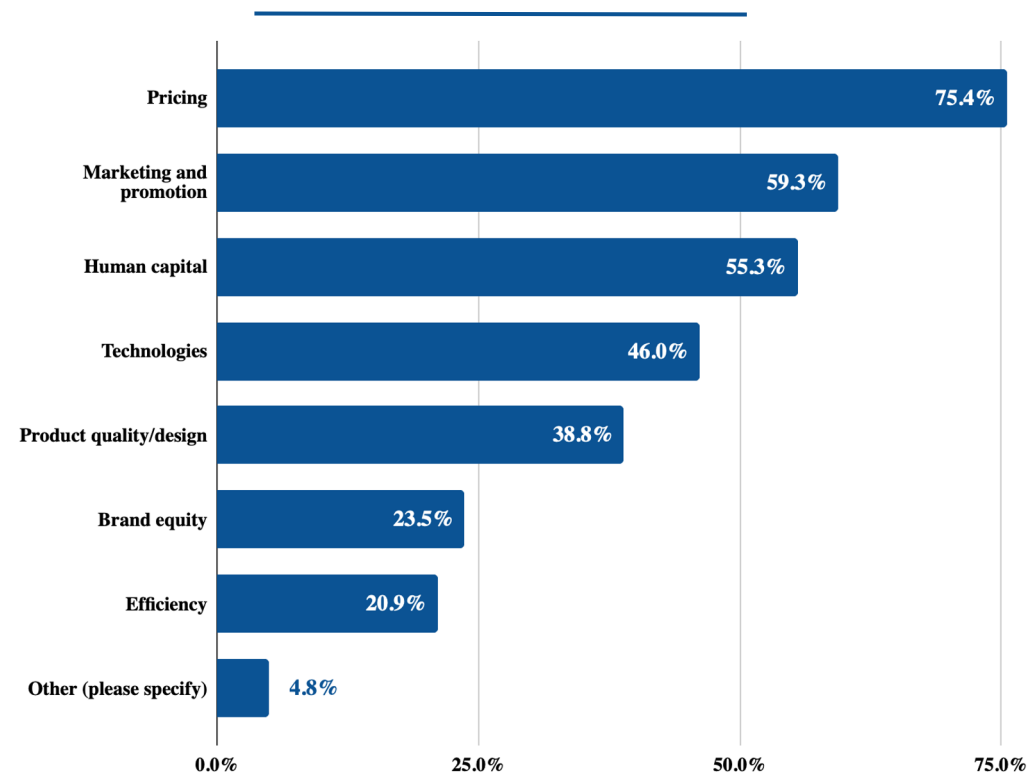
## Japanese regulations is the top reason not to partner with Japanese companies with pricing the area that Japan faces the most competition

Figure 38: LEAST compelling reason to partner with a Japanese company



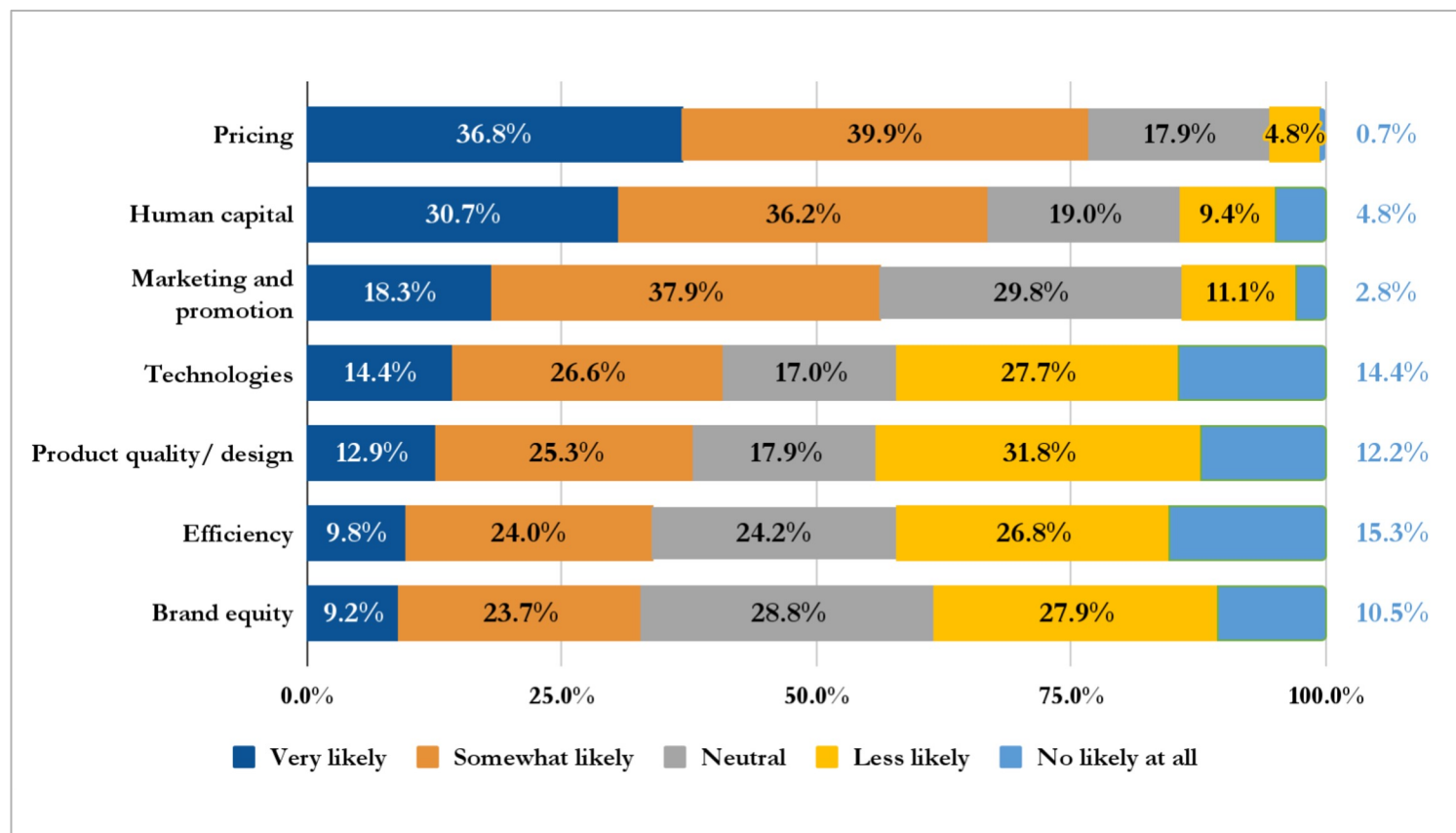
- Regulation / business support (24.4%) and business culture (23.5%) are the least compelling reasons to partner with a Japanese company
- Qualitative survey: communication barriers, inflexibility, long decision making process are least compelling factors.

Figure 40: Perceived areas that Japan faces the most competition comparison to its top competitor



- Pricing (75.4%), marketing and promotion (59.3%), and human capital (55.3%) are areas where Japan faces the most competition.
- Qualitative survey: Japan's quality is unmatched but pricing is less competitive.

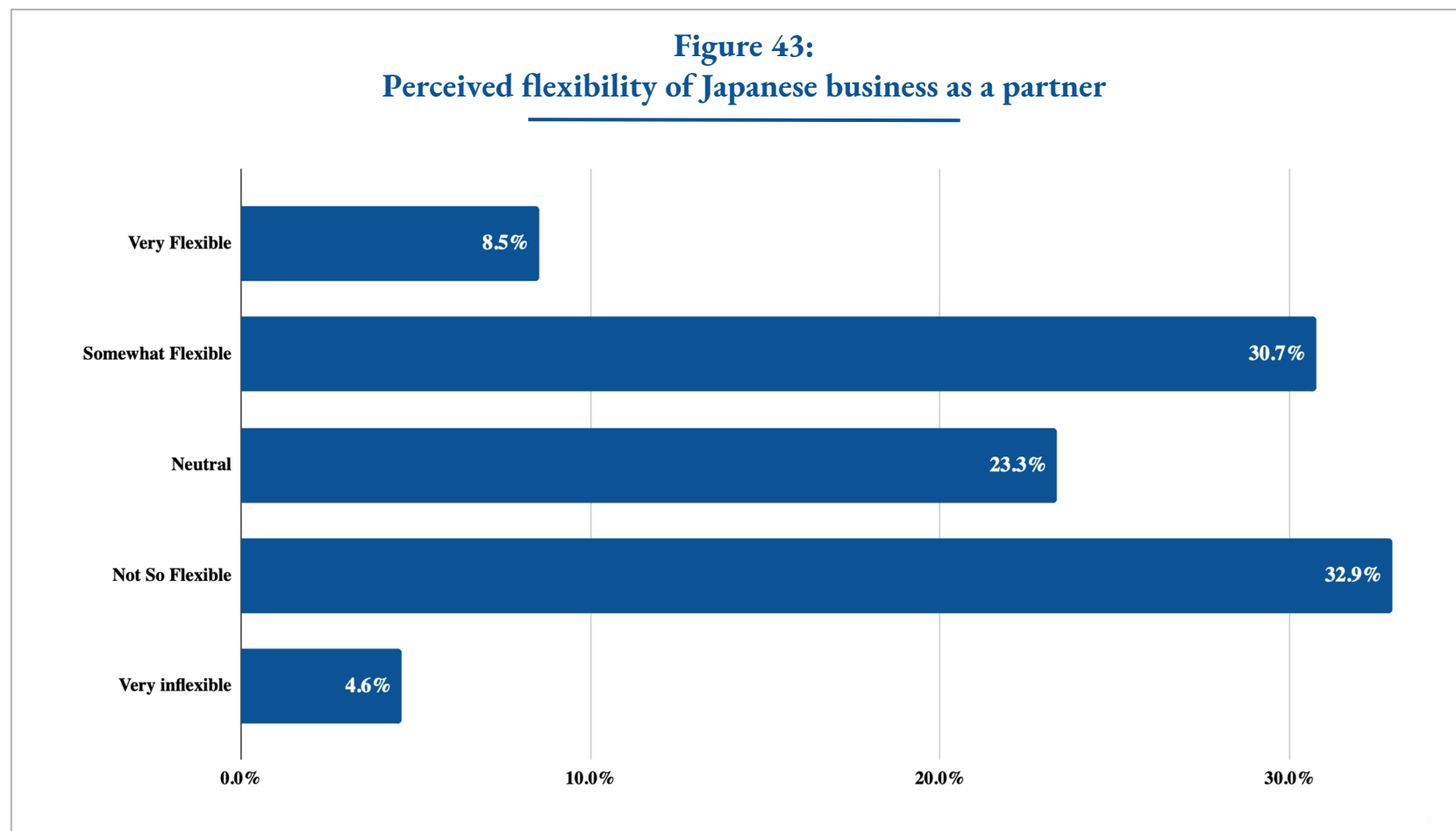
## A combined 76.7% of respondents believe that Japan is likely to lose its competitiveness in pricing in the next decade



**Figure 41:**  
Areas Japan will likely lose its competitiveness in the next decade

- **Top 3:**
  - **Pricing (76.7%)**
  - **human capital (66.9%)**
  - **and marketing promotion (56.2%)**

## Mixed reviews on Japanese businesses' flexibility which can be improved



- **Mixed reviews on Japanese businesses' flexibility as a business partner.**
- **Qualitative survey: Less flexible and more rigid due to a regulation mindset. Due diligence process before making decisions.**

# Japanese businesses are less known for their communication and openness while trailing far behind other countries in speed of decision making

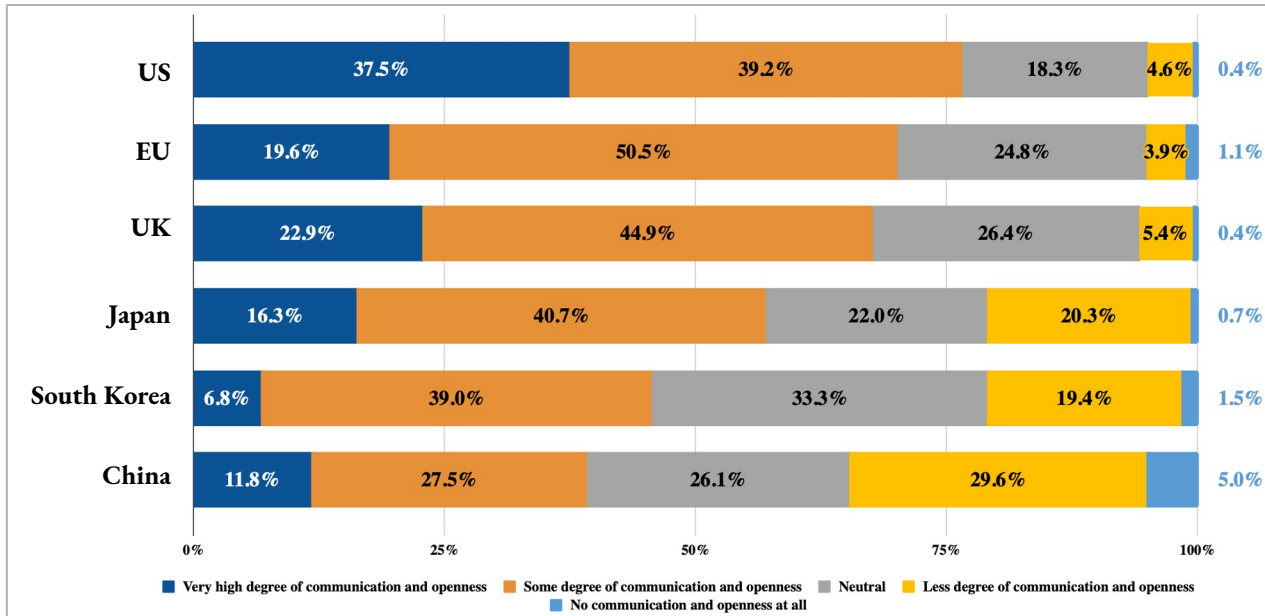


Figure 47: Perceived communication and openness of Japanese businesses compared to other countries

- Japan (57%) ranked 4th in communication and openness.
- Qualitative survey: Communication barriers observed and openness is required.

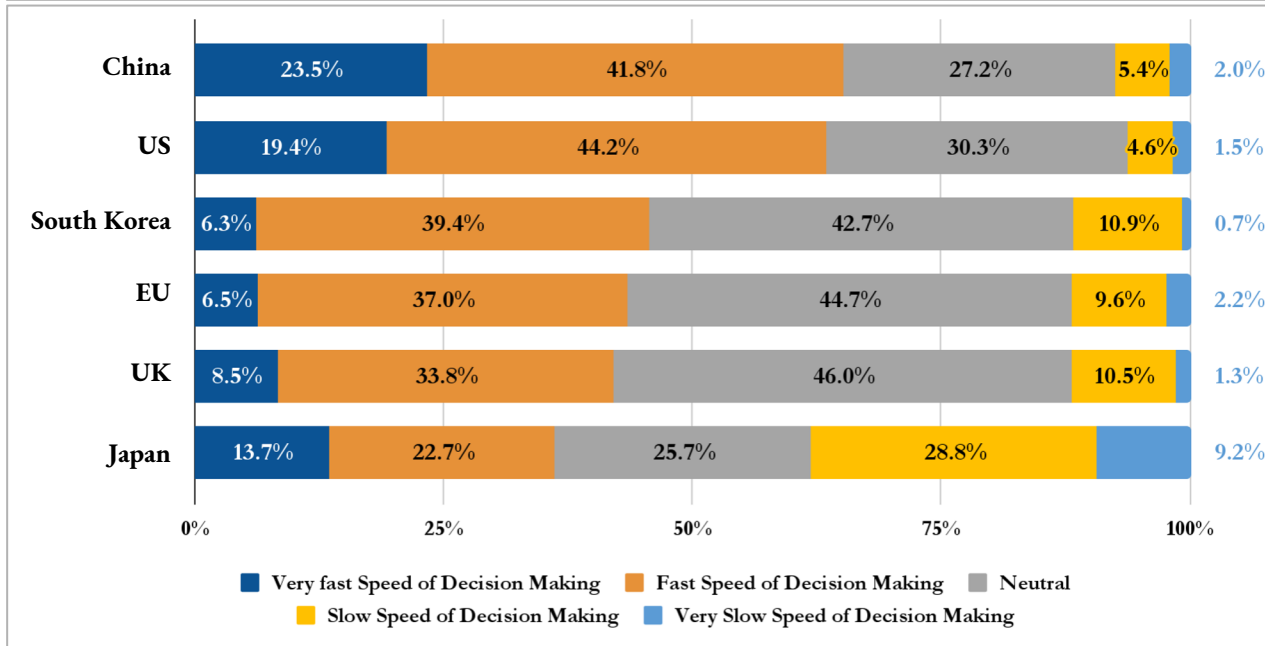


Figure 51: Perceived speed of decision making of Japanese businesses compared to other countries

- 36.4% - very fast / fast decision makers.
- Qualitative survey: Meticulous planning compromise speed in decision-making and multi-layered approval is time consuming.

# Japan's Perceived Areas of Weaknesses



## GOVERNMENT REGULATION / BUSINESS SUPPORT

**24.4%**

government regulation / business support is **the least compelling reason to partner with Japanese companies**



## PRICING

**75.4%**

pricing is area Japan face **most competition**

**76.7%**

pricing is area Japan **will lose competitiveness in next decade**



## FLEXIBILITY

**39.2%**

perceive Japan to be a **flexible partner**



## COMMUNICATION

**57.0% NO.4**

perceive Japan to have **high / some degree of communication and openness**



## DECISION MAKING

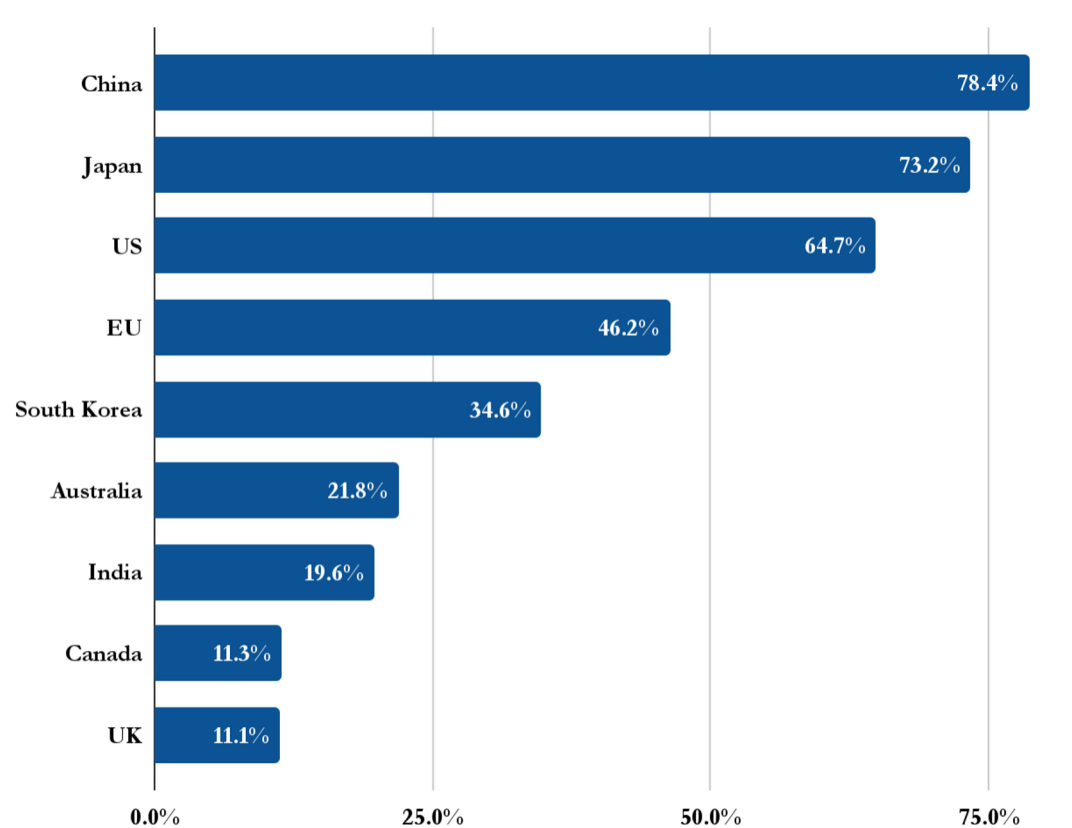
**36.4% LAST**

perceive Japan to be **very fast / fast decision makers**

# Opportunities

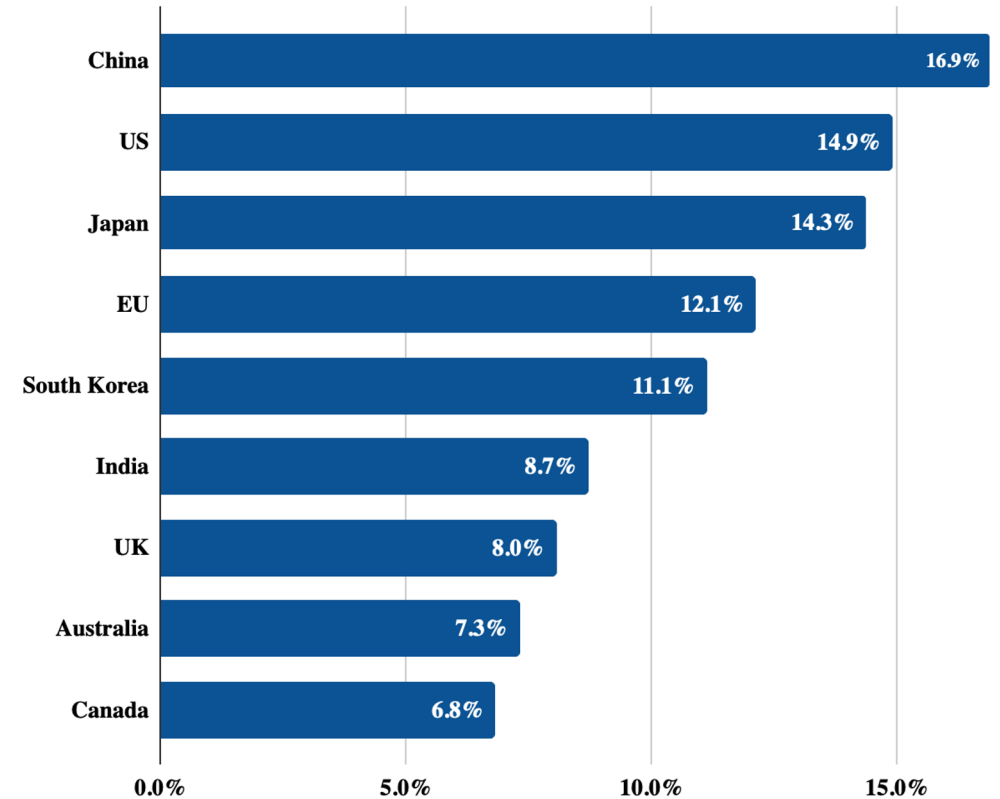
# ASEAN businesses look to China, Japan and US to help boost economic recovery with Japan among the top three in terms of its industrial capability strength

**Figure 14: Top 3 countries perceived that will help boost ASEAN's economic recovery**



- China (78.4%), Japan (73.2%) and the US (64.7%) are most able to help boost ASEAN's economic recovery.
- Qualitative survey: China expected to contribute most to ASEAN's economic recovery (geographical proximity). Japan also benefits from proximity but more needs to be done.

**Figure 16: Perceived strengths in industrial capability among ASEAN's trade partners**

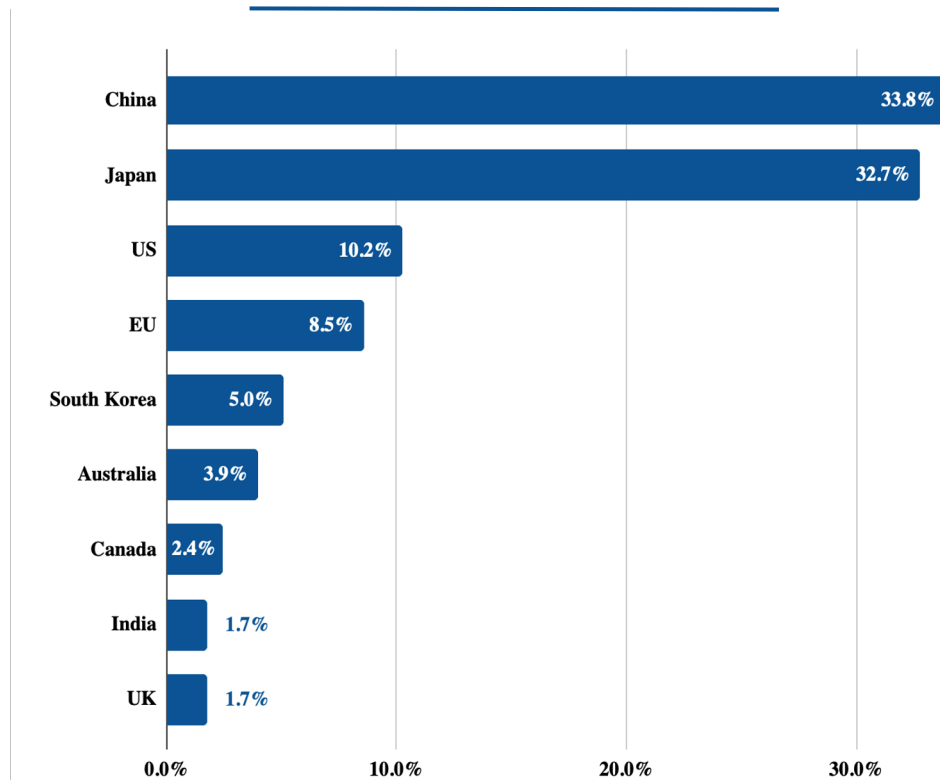


- 16.9% - China has the strongest industrial capability among ASEAN's trade partners.



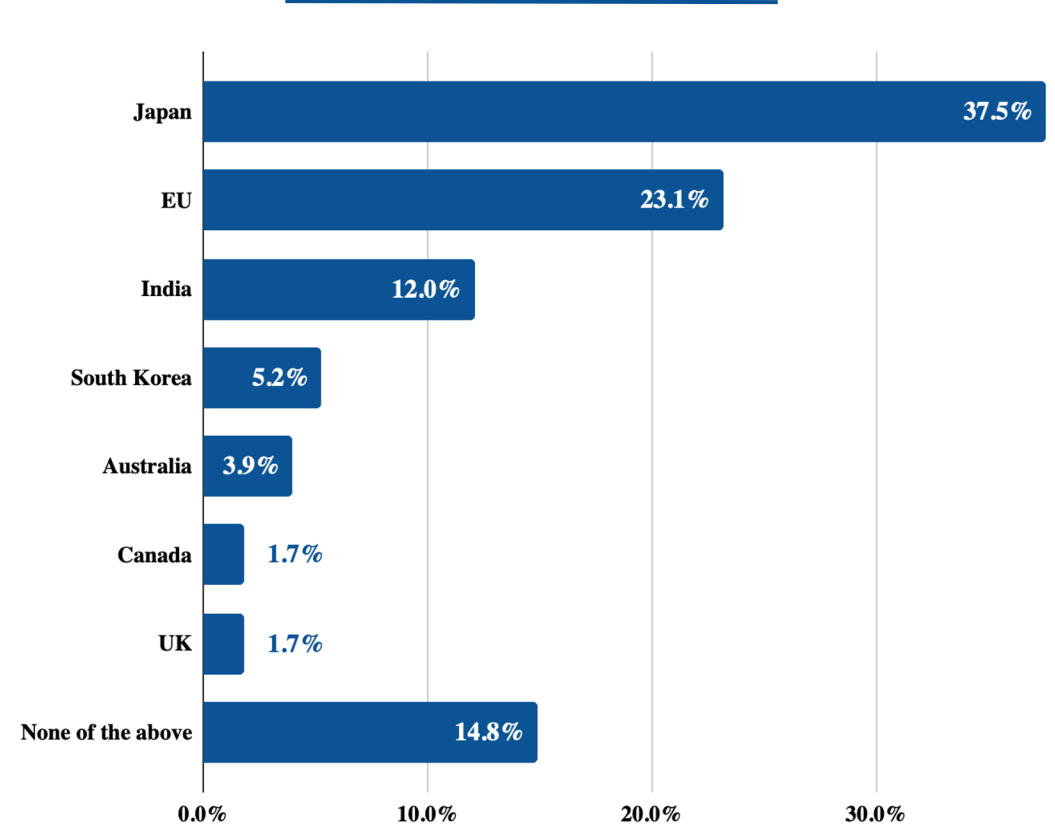
# Japan ranked among the top three when it came to government support and is seen as the best alternative trade partner to ASEAN in view of US-China trade tension

**Figure 17: Governments perceived to be most supportive in providing overall support to its private sector establishing business**



- Chinese (33.8%) and Japanese (32.7%) governments' support for their private sectors are strongest.
- Qualitative survey: Japanese government and agencies have provided beneficial support but most have not engaged them.

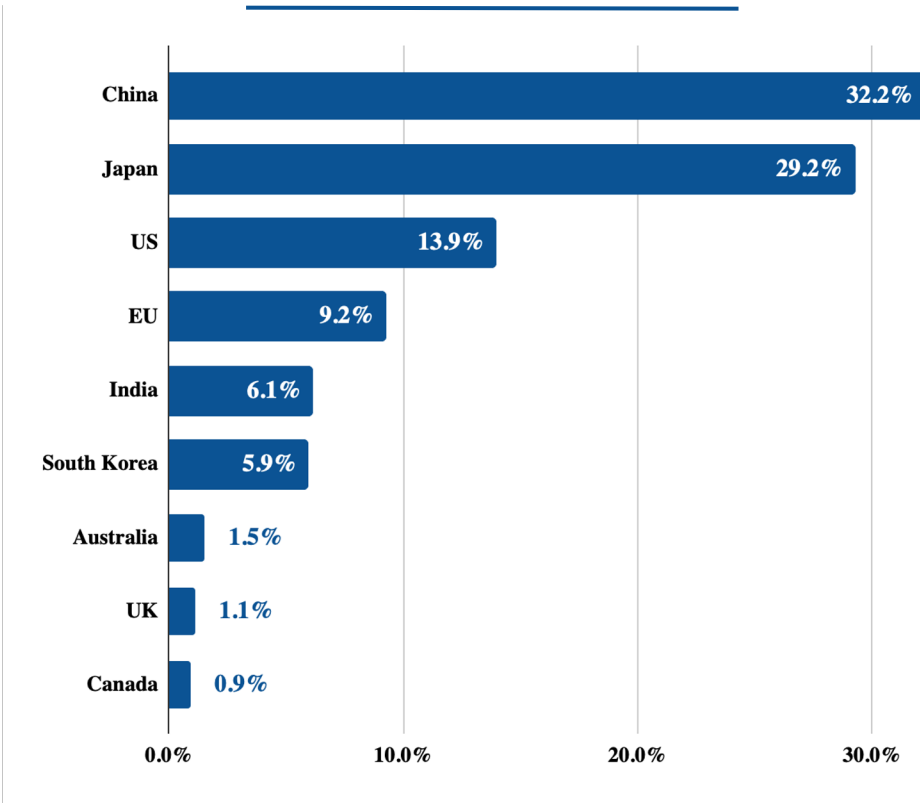
**Figure 20: Country perceived to be the best balancing alternative as trade partners of ASEAN amidst of US-China trade tension**



- 37.5% - Japan is the best alternative trade partner for ASEAN in view of US-China trade tensions.

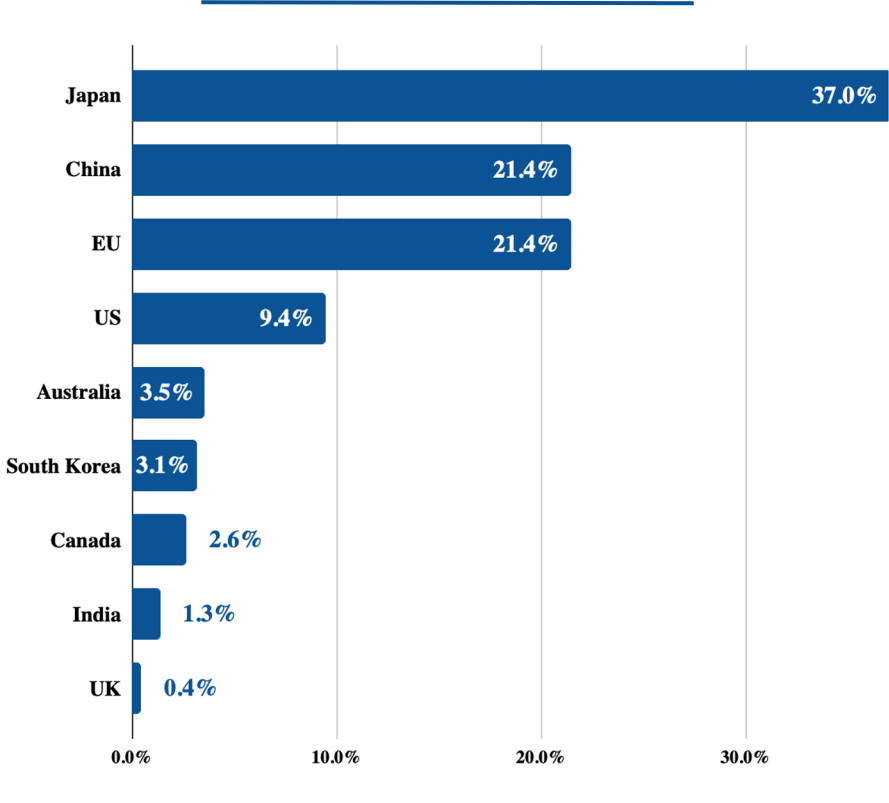
# Japan is seen as a leader in helping ASEAN transform digitally and sustainably

**Figure 21: Countries perceived to be the most likely leader in helping ASEAN’s industry 4.0 transformation**



- 32.2% - China to take the lead in helping ASEAN with industry 4.0 transformation.

**Figure 22: Countries perceived to be most likely leader in helping ASEAN transform to be a sustainable ASEAN**



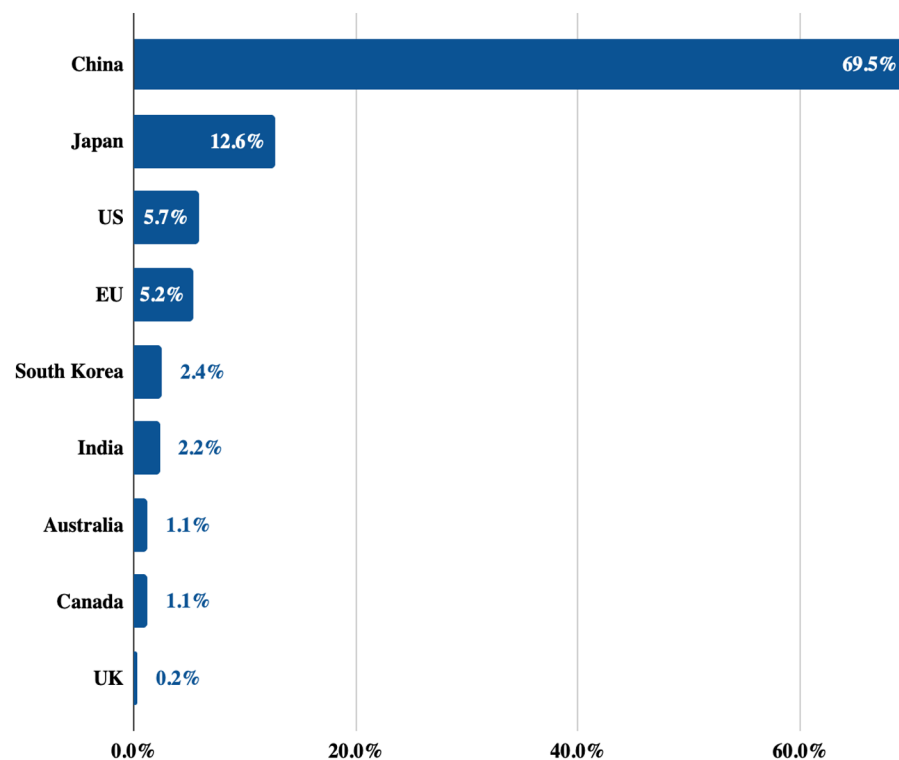
- 37.0% - Japan to be playing a key leading role in assisting the transformation to sustainable ASEAN.

<div style="display: flex; align-items: center; gap: 10px;"> <span style="width: 15px; height: 15px; background-color: #c6e0b4; border: 1px solid black; display: inline-block;"></span> Top Rank                     <span style="width: 15px; height: 15px; background-color: #a6c9ec; border: 1px solid black; display: inline-block;"></span> Second Rank                     <span style="width: 15px; height: 15px; background-color: #ffe599; border: 1px solid black; display: inline-block;"></span> Third Rank                 </div> <div style="text-align: right; margin-left: 20px;">(Value in %)</div>	China	Japan	US	EU	South Korea	Australia	India	Canada	UK
<b><u>OPPORTUNITIES</u></b>									
Top 3 countries that will help boost ASEAN's economic recovery	<b>78.4</b>	<b>73.2</b>	<b>64.7</b>	46.2	34.6	21.8	19.6	11.3	11.1
Countries with the strongest industrial capability among ASEAN's trade partners	<b>16.9</b>	<b>14.3</b>	<b>14.9</b>	12.1	11.1	7.3	8.7	6.8	8.0
Governments that are most supportive to their private sector establishing a presence in ASEAN	<b>33.8</b>	<b>32.7</b>	<b>10.2</b>	8.5	5	3.9	1.7	2.4	1.7
Countries perceived to be the best balancing alternative trade partners of ASEAN in the midst of US-China trade tensions	<b>X</b>	<b>37.5</b>	<b>X</b>	<b>23.1</b>	5.2	3.9	<b>12.0</b>	1.7	1.7
Countries perceived to be the most likely leader in helping ASEAN's Industry 4.0 digital transformation	<b>32.2</b>	<b>29.2</b>	<b>13.9</b>	<b>9.2</b>	5.9	1.5	6.1	0.9	1.1
Countries perceived to be the most likely leader in helping ASEAN transform to become a Sustainable ASEAN	<b>21.4</b>	<b>37.0</b>	<b>9.4</b>	<b>21.4</b>	3.1	3.5	1.3	2.6	0.4

# Threats (Competition)

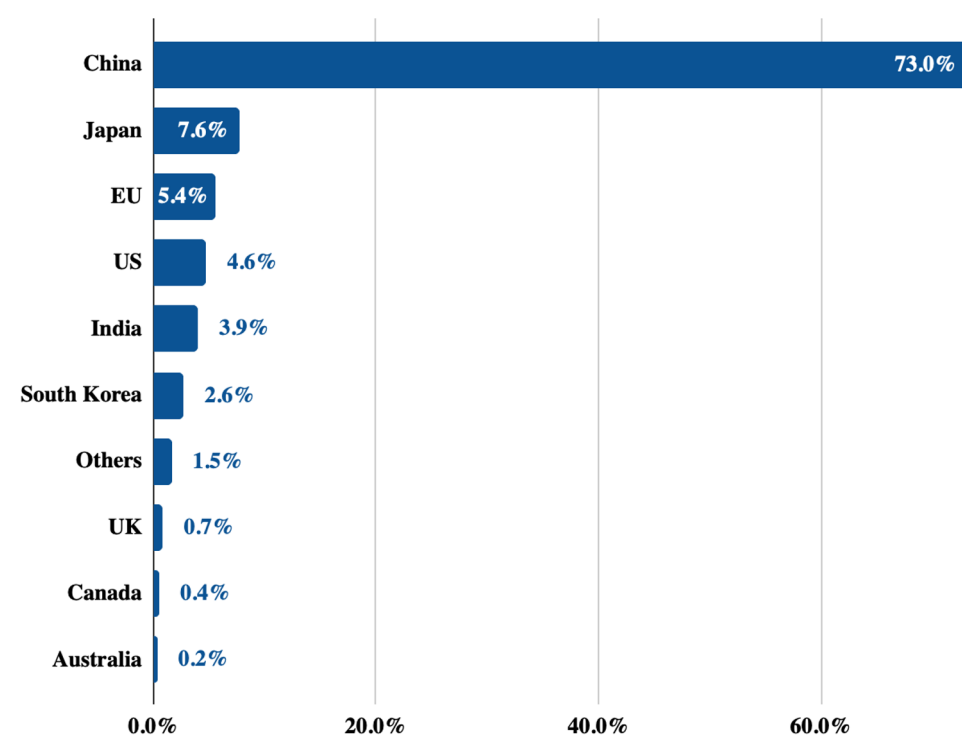
## Japan ranked among the top three when it comes to likeliness to dominate ASEAN's trade, investment and economy in the next decade

Figure 18: Countries likely to dominate ASEAN's trade and investment in the next decade



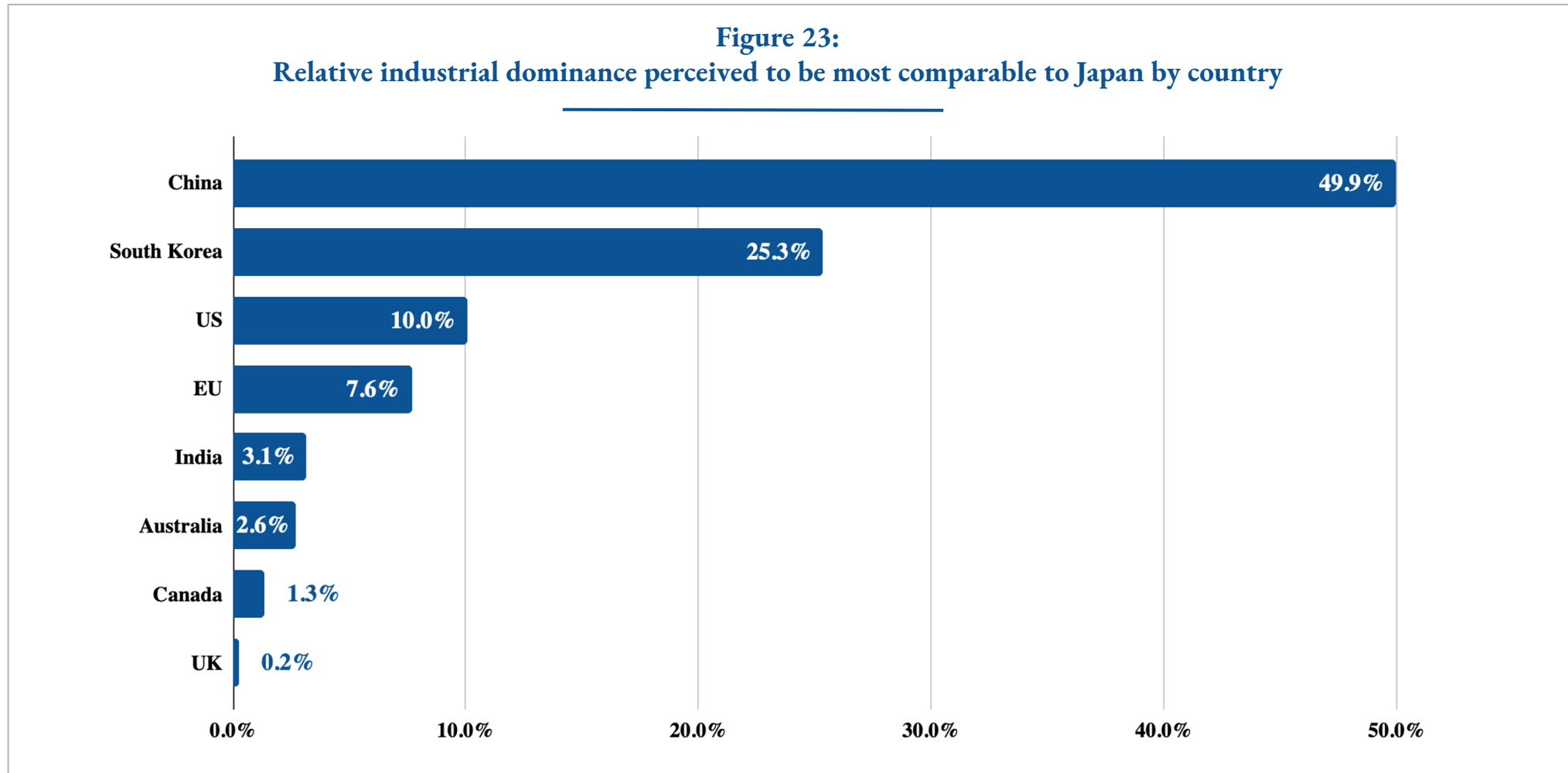
- 69.5% - China to most certainly dominate ASEAN trade and investment in the coming decade.
- Qualitative survey: China, US and Japan - domination continues

Figure 19: Countries perceived to achieve economic dominance in ASEAN in the next decade



- 73.0% - China to gain economic dominance in ASEAN in the next ten years.

# China's industrial dominance in ASEAN is viewed as most comparable to Japan's

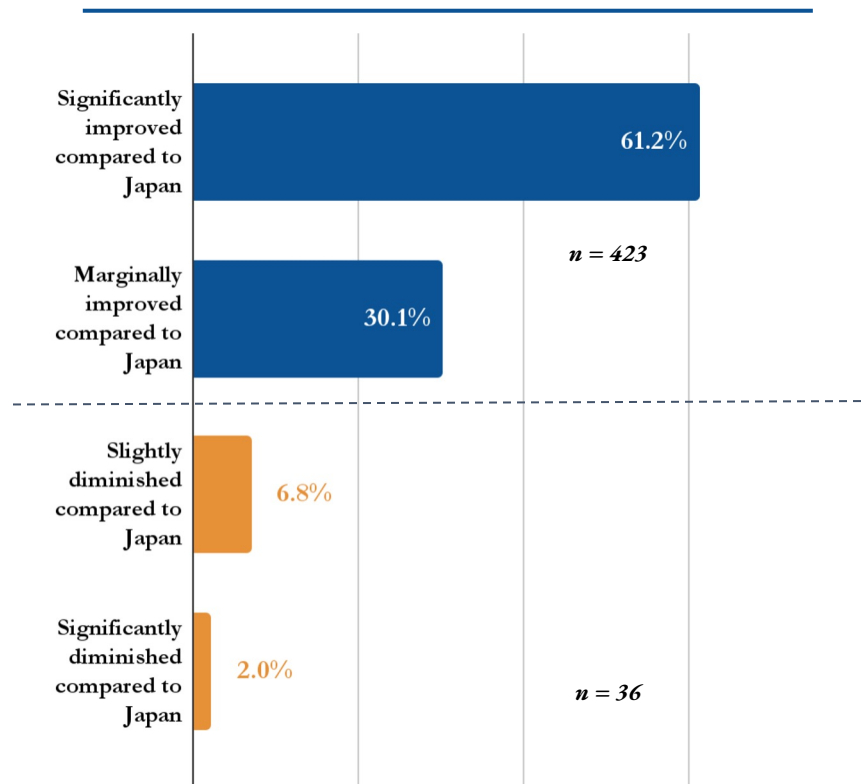


- 49.9% - China most comparable to Japan's industrial dominance in ASEAN.

# Perspective of past and future: Over 91% of respondents consider another major economy's industrial strength to have improved compared to Japan's in the last decade; and will improve compared to Japan in the future decade

## PAST

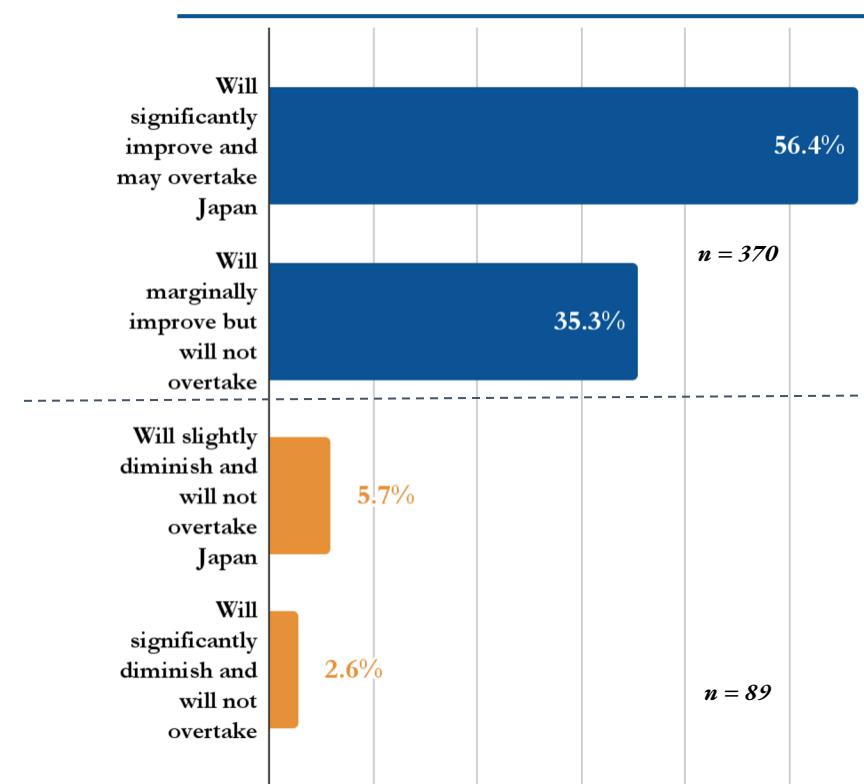
Figure 24: Perceived industrial strength of the selected country (in Q17) compared to Japan in the past 10 years



- Top 3 reasons:
  - Faster Speed to market
  - better pricing and more value for money
  - better technology and innovation
- Qualitative survey: already threatened by China and S. Korea

## FUTURE

Figure 27: Perceived industrial strength of the selected country (in Q17) compared to Japan in the next 10 years



- Top 3 reasons:
  - Faster speed to market
  - Better pricing and more value for money
  - More aggressive in marketing their offerings

# Japan's Perceived Areas of Threats (Competition)

<div style="display: flex; align-items: center; gap: 10px;"> <span style="width: 15px; height: 15px; background-color: #c6e0b4; border: 1px solid black; display: inline-block;"></span> Top Rank                     <span style="width: 15px; height: 15px; background-color: #a6c9ec; border: 1px solid black; display: inline-block;"></span> Second Rank                     <span style="width: 15px; height: 15px; background-color: #ffd966; border: 1px solid black; display: inline-block;"></span> Third Rank                 </div> (Value in %)	China	Japan	US	EU	South Korea	Australia	India	Canada	UK
<b><u>THREATS (COMPETITION)</u></b>									
Countries likely to dominate ASEAN's trade and investment in the next decade	69.5	12.6	5.7	5.2	2.4	1.1	2.2	1.1	0.2
Countries perceived to achieve economic dominance in ASEAN in the next decade	73.0	7.6	4.6	5.4	2.6	0.2	3.9	0.4	0.7
Relative industrial dominance perceived to be most comparable to Japan by country	49.9	X	10.0	7.6	25.3	2.6	3.1	1.3	0.2



## INDUSTRIAL STRENGTH

**>91%**

another country's industrial strength either **had improved** (past decade) or **will improve** (next decade).  
 Top reason: **faster speed to market by the other countries**



# Summary

QUANTITATIVE SURVEY	
Outshining competitors	trustworthiness, business ethics, service quality, and transparency
Japan ranks 1st	technical know-how, planning and project management efficiency, and technology transfer.
Respondents' hope	Japan will continue investing in and providing <b>technology, efficient practices and products</b> to ASEAN, especially <b>automotive industry</b> .
Enhancement needed	<b>speed of decision making, flexibility, pricing, human capital development, and marketing and promotion</b> as competitors are catching up
Japanese SMEs	<b>most strategic partners</b> to ASEAN businesses.

QUALITATIVE SURVEY	
Findings	<b>similar with slight nuances</b>
Well regarded	Japan, Japanese businesses and Japanese people
With Experience	Regard partnerships to be most valued partnership due to the <b>unwavering commitment and ethics</b>
Suggestions for improvements	with the intent of seeing the continued blossoming of Japanese businesses,



# THANK YOU



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