

AUSTCHAM ASEAN

**Australian Business in ASEAN
COVID-19 Impact Update: July 2020**

Annual Australian Business in ASEAN Survey



ANNUAL SURVEY OF AUSTRALIAN (and ASEAN) FIRMS ON BUSINESS CONDITIONS

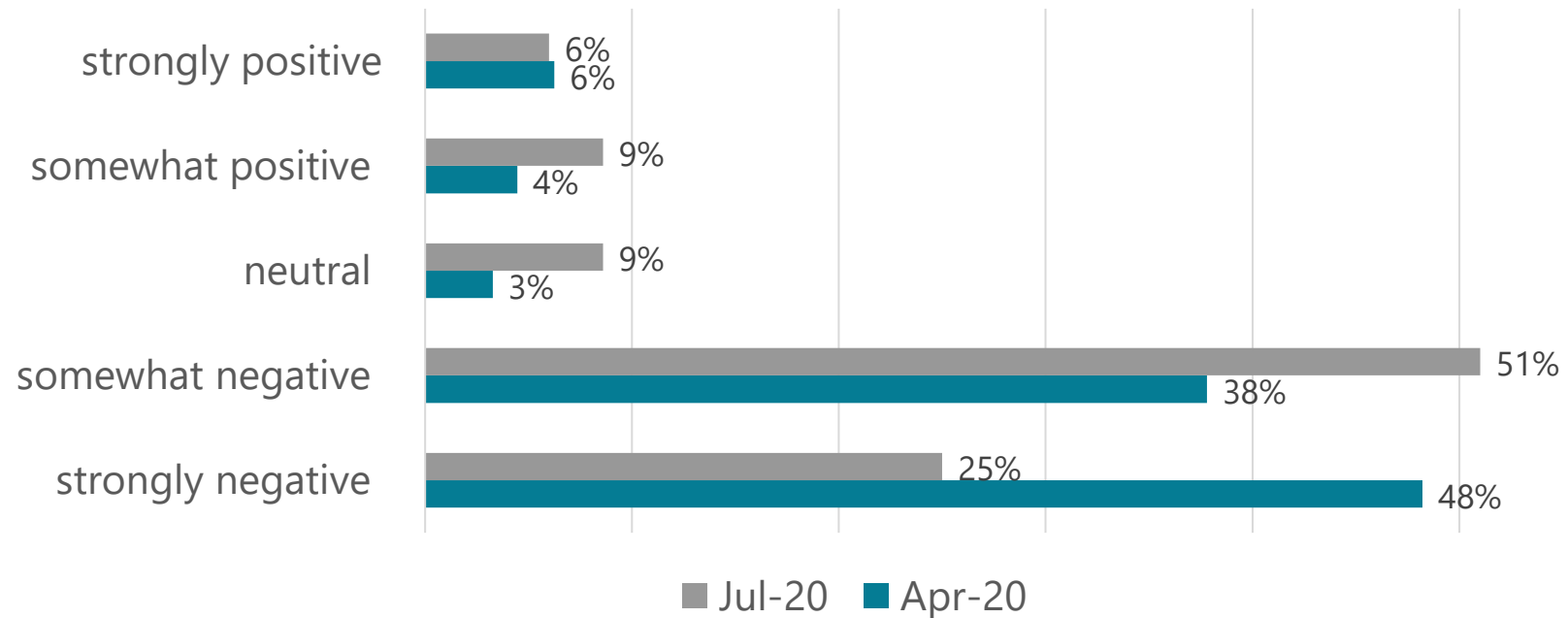
Surveys used to understand:

- Perspectives on local and regional business conditions in ASEAN
- Key opportunities
- Key challenges and advocacy priorities

Impact of COVID-19 on business across next six months

COVID-19 will have a negative impact on business in the next 6 months, but sentiment has improved since April











What impact do you anticipate the COVID-19 pandemic will have on your business in the next 6 months?



Expected impact differs by industry and country

NET SENTIMENT SCORE (2 = MOST NEGATIVE, -2 = MOST POSITIVE)	
Agriculture	1.33
Consumer goods	0.50
Education and Training	0.13
Energy / Resources	1.17
Environment Services	-0.33
Financial Services	0.82
Government	1.00
Healthcare	0.00
ICT	1.00
Industrial / Manufacturing	0.85
Other Services	0.80
Professional Services	0.85
Property / Construction / Infrastructure	0.22
Travel / Hospitality / Entertainment	1.45
Marketing / Media / Communications	1.50
Transport / Logistics	1.00

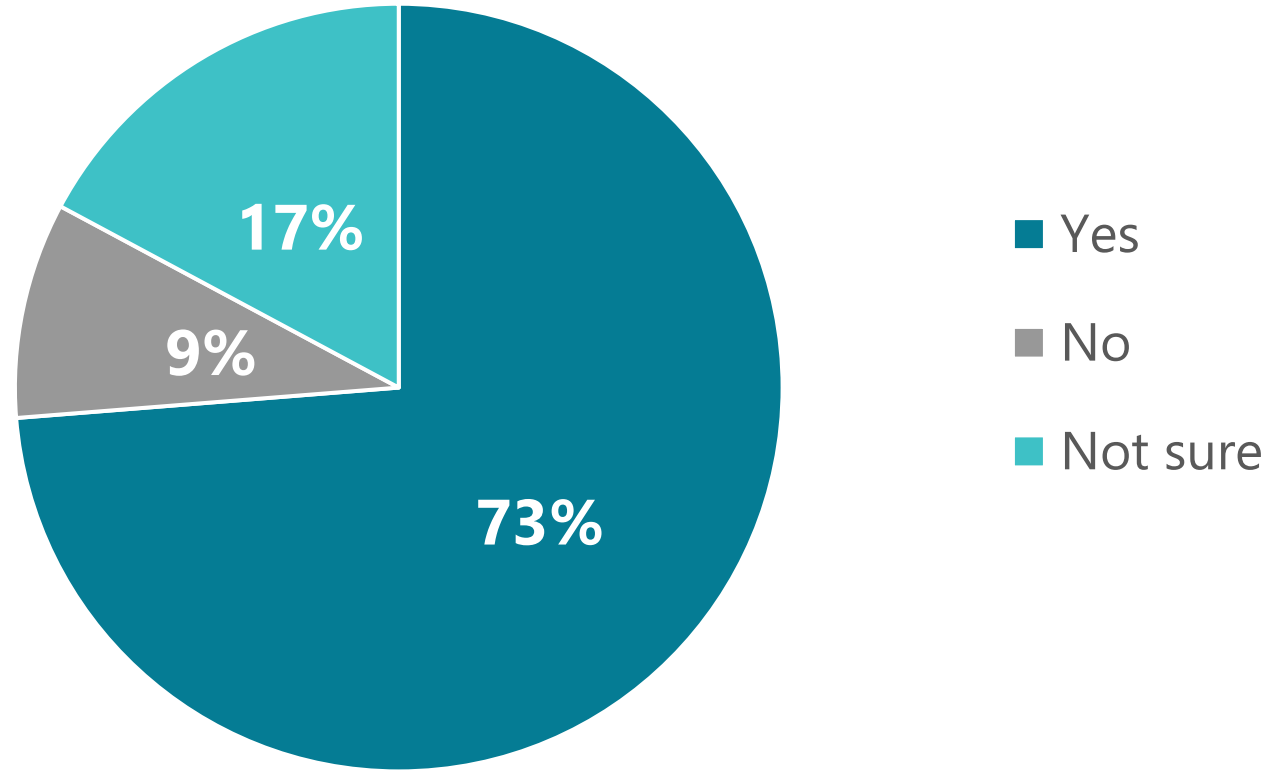
What impact do you anticipate the COVID-19 pandemic will have on your business in the next 6 months?

NET SENTIMENT SCORE (2 = MOST NEGATIVE, -2 = MOST POSITIVE)	
 Brunei	1.33
 Cambodia	0.63
 Indonesia	0.75
 Lao PDR	1.09
 Malaysia	0.85
 Myanmar	1.41
 Philippines	0.24
 Singapore	0.80
 Thailand	0.79
 Vietnam	1.00

Economic Integration

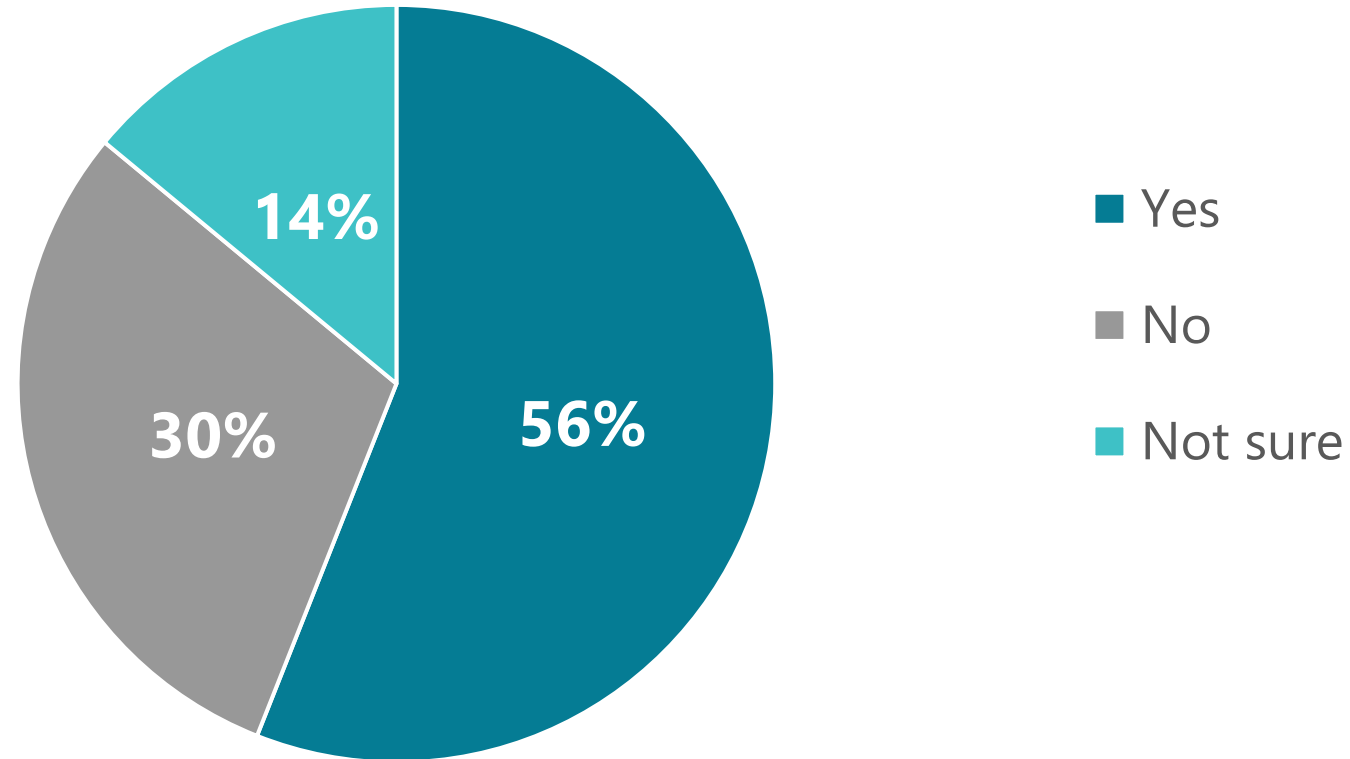
A slow down in ASEAN economic integration is predicted

Will the pandemic slow down economic integration in ASEAN?



However, almost half do not anticipate a slow down in integration would be bad for their business

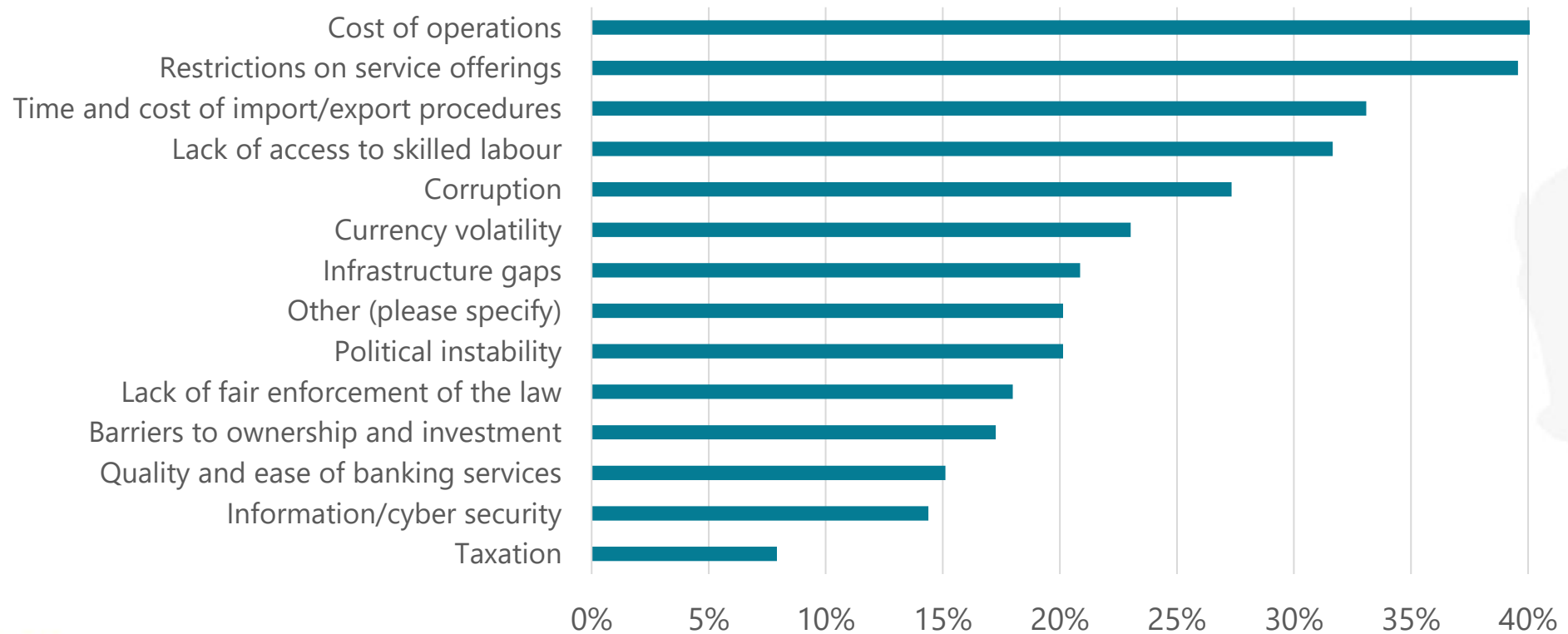
If there is a slowdown in economic integration in ASEAN, would that be bad for your business?



Impact on Existing Trade Barriers

Cost of operations and restrictions on service offerings have worsened because of the pandemic

**Which existing barriers to trade and investment have been made worse by COVID-19?
(select all that apply)**



Many countries shared similar concerns about trade barriers that had been worsened by COVID-19

Most commonly identified trade barrier exacerbated by COVID-19



Cost of operations



Cost of operations/restrictions on service offerings



Corruption



Cost of operations



Restrictions on service offerings



Restrictions on service offerings



Corruption



Cost of operations



Time and cost of import/export procedures



Lack of access to skilled labour

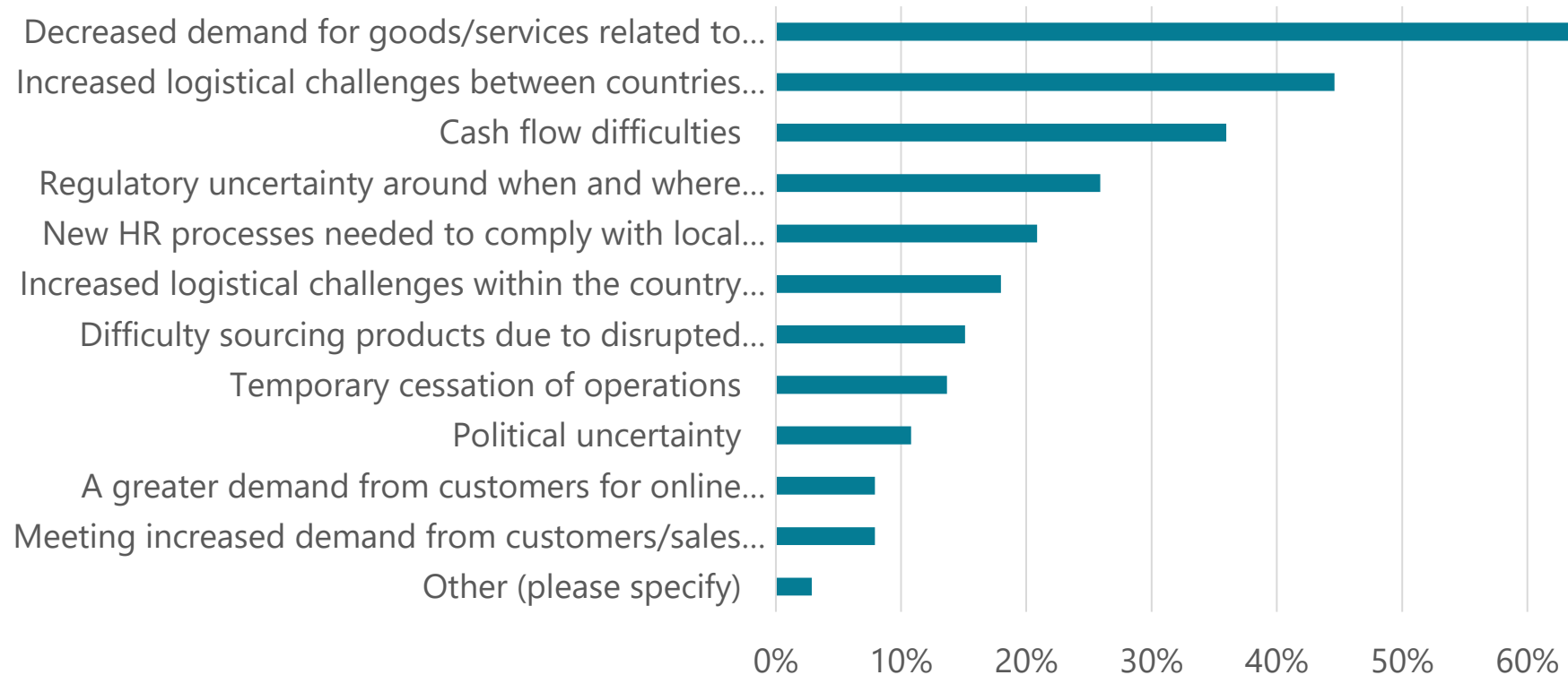
Most industries were concerned about cost of operations and restrictions on service offerings

- Healthcare and ICT were most worried about cost of operations
- Energy/resources were most worried about restrictions on service offerings
- Consumer goods and ICT were most concerned about time and cost of import/export procedures

Future Challenges

Decreased demand for goods/services is a major challenge for business in the next 6 months

What are the greatest challenges to your business in the next 6 months?



Decreased demand for goods/services dominated country-level responses

Most commonly identified challenge for next 6 months



Decreased demand for goods/services



Increased logistical challenges between countries



Decreased demand for goods/services



New HR processes needed to comply with local regulations on COVID-19



Decreased demand for goods/services



Regulatory uncertainty



Cash flow difficulties



Decreased demand for goods/services



Decreased demand for goods/services



Several

Business Opportunities from COVID-19

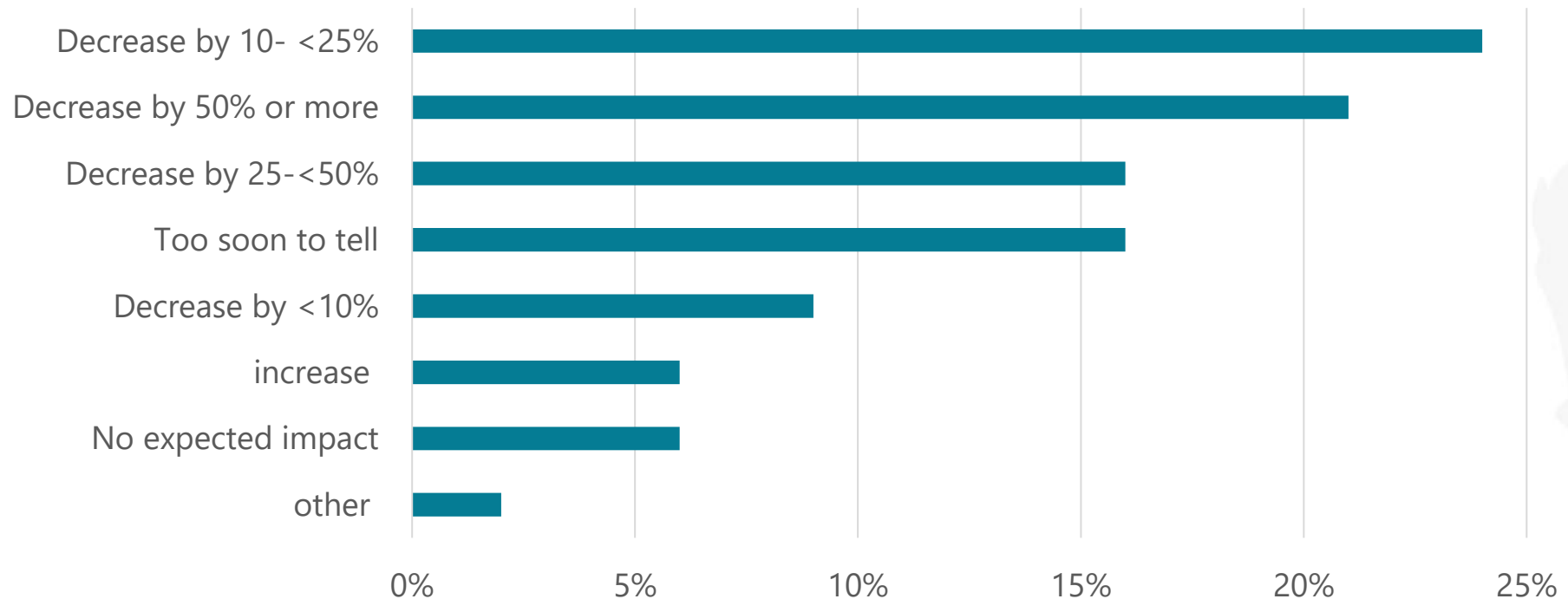
Businesses have adopted more efficient working practices and experienced greater staff productivity

What opportunities have emerged for your business from COVID-19?



A negative impact on 2020 revenue is expected; a minority see a positive impact

What impact do you expect COVID-19 to have on your 2020 revenue?



Singapore was most optimistic about 2020 revenue;
Thailand was most negative

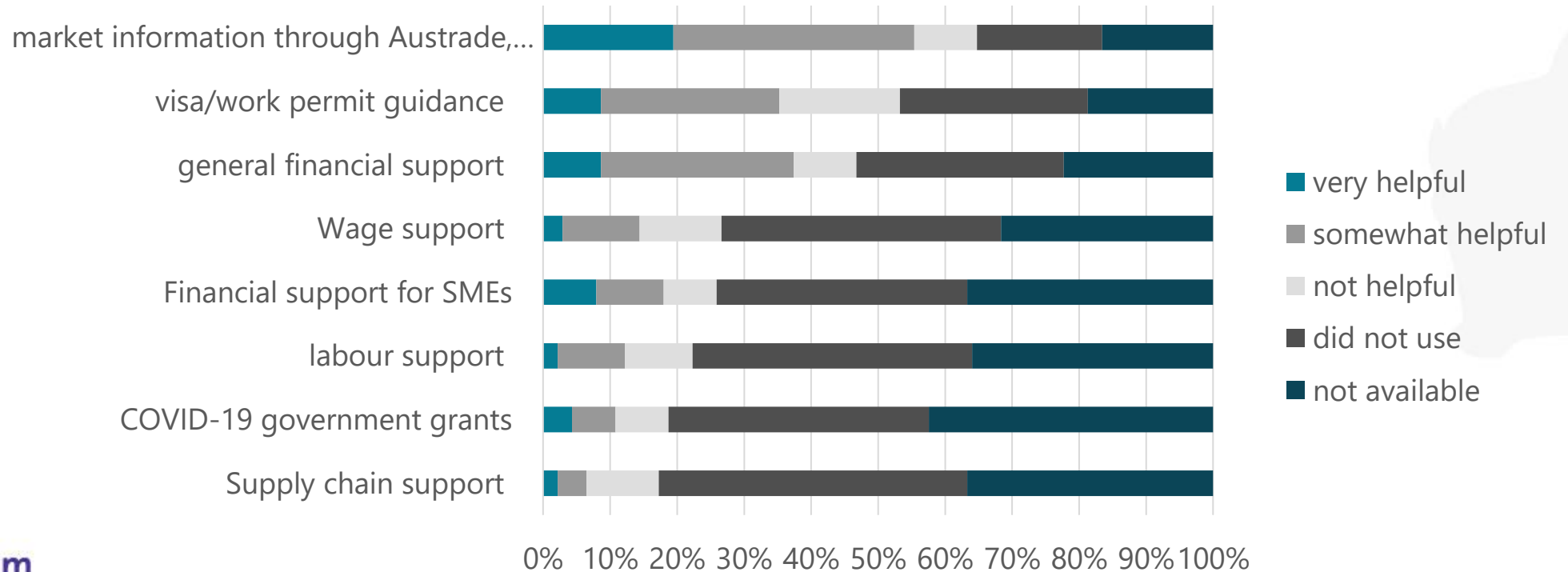
NET SENTIMENT SCORE
(2 = MOST NEGATIVE, -2 = MOST POSITIVE)

	1.33		2.57
	2.20		2.33
	1.90		1.55
	1.90		2.69
	1.80		1.78

Government Support

In market, business most accessed market information, visa/work permit advice and general financial support

Which COVID-19 support measures from your host government has your business taken advantage of?



In market, business most desired increased general financial support

Most commonly desired COVID-19 support measure



Several



Visa/work permit guidance



Visa/work permit guidance



General financial support



General financial support/market information



Financial support for SMEs



Visa/work permit guidance



General financial support



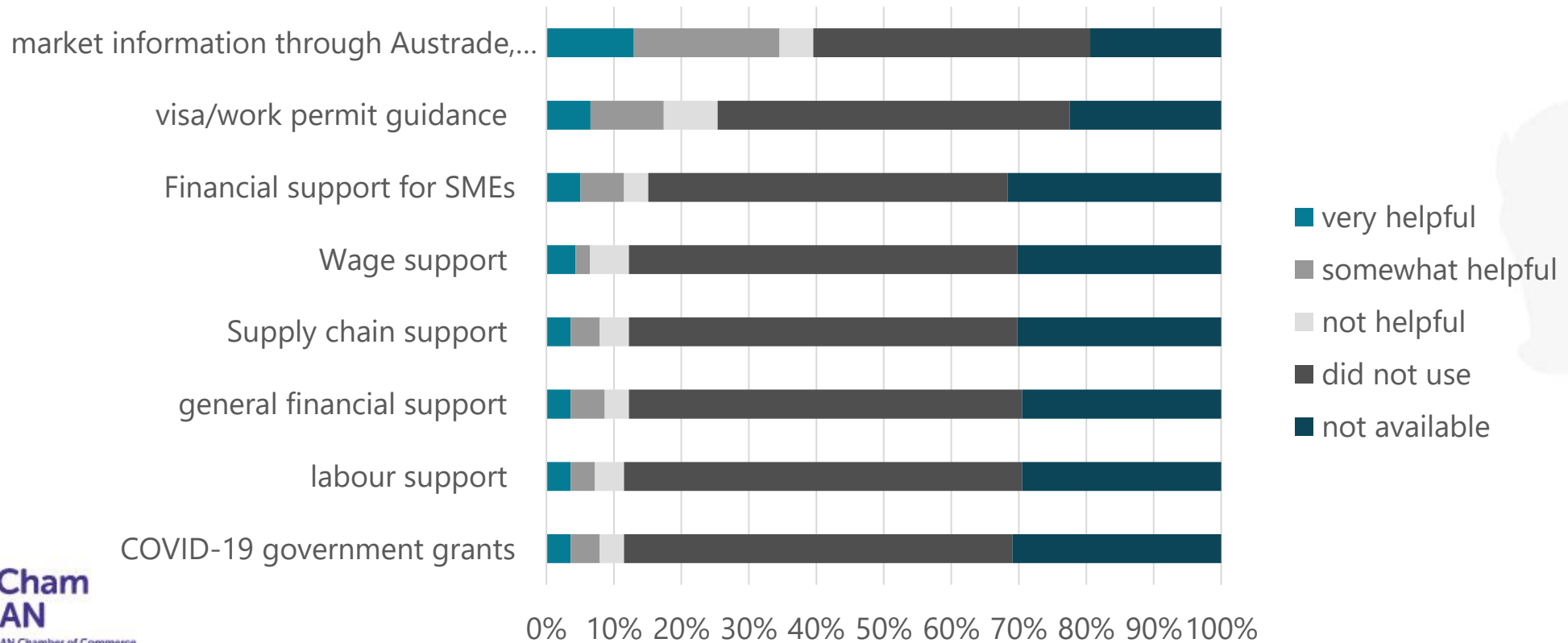
Financial support for SMEs



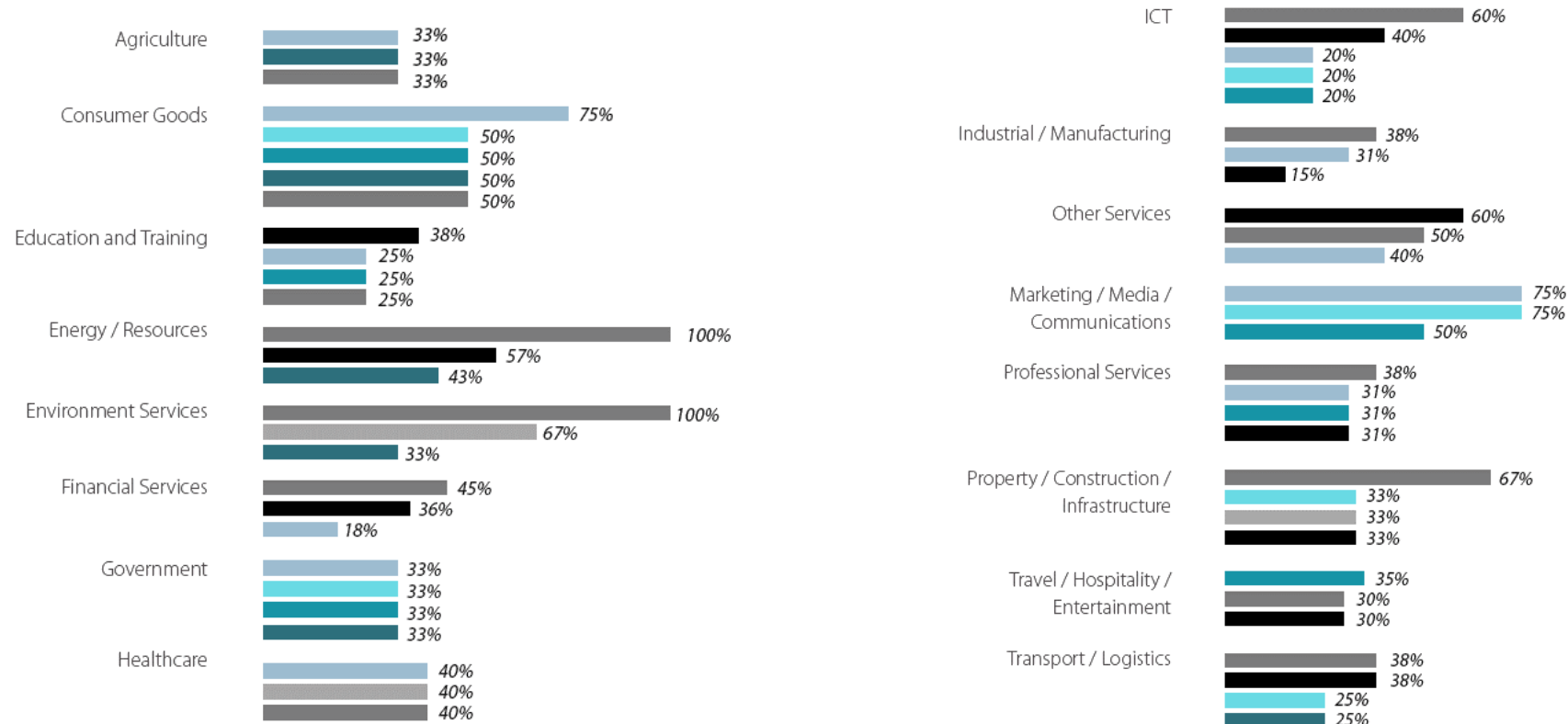
Visa/work permit guidance

From the Australian government, business most accessed market information and visa/work permit guidance

Which COVID-19 support measures from the Australian government has your business taken advantage of?



From the Australian government, business most desired market information and visa/work permit guidance



THANK YOU

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THIS COVID-19 IMPACT UPDATE: JULY 2020 IS SUPPORTED BY THE AUSTRALIAN GOVERNMENT THROUGH THE AUSTRALIA-ASEAN COUNCIL OF THE DEPARTMENT OF FOREIGN AFFAIRS AND TRADE



Australian Government



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BRINGING TOGETHER THE PEOPLES OF AUSTRALIA & SOUTH-EAST ASIA

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