



Press release

Singapore is top of choice for US companies seeking growth opportunities in ASEAN

A Standard Chartered survey reveals that US companies are highly optimistic about growth in ASEAN over the next 12 months

21 September 2021, Singapore – Singapore is ranked the top market in ASEAN for expansion by US companies seeking growth opportunities in the region, according to a survey¹ commissioned by Standard Chartered for its “*Borderless Business: US-ASEAN Corridor*”, a strategic report that explores high-potential opportunities for cross-border growth in this trade corridor. The majority of US corporates also expect robust business growth in the region over the next 12 months (93% of respondents expect an increase in revenue and 86% anticipate an expansion in production).

The survey reveals that close to 60 per cent of the executives polled are focusing on expansion in Singapore (58%) to capture sales and production opportunities, followed by Indonesia (45%) and Thailand (43%). Among the US companies keen to tap Singapore for expansion opportunities, 57 per cent consider the city-state the most desirable place to set up their regional headquarters for sales and marketing and corporate functions while 43 per cent expect Singapore to be their regional R&D / innovation centres.

With a population projected to rise to 723 million by 2030 and 67 per cent of it forecast to be in the middle class², ASEAN will continue to be an attractive market for US companies. Besides the potential increase in demand for higher quality goods, access to ASEAN’s strong pool of talent with high proficiency in the English language also offers a strong supply-side proposition to US companies looking to tap the region’s labour resources.

Access to the large and growing ASEAN consumer market (70%), availability of abundant and skilled workforce (53%) and diversification of production footprint (40%) were among the most important drivers³ for expansion into the region, according to the surveyed senior executives in the US. In addition, close to half (43%) of the respondents indicated they plan to increase

¹ Survey commissioned by Standard Chartered in July 2021 targeting senior executives at 40 US companies focusing on the US-ASEAN corridor

² World Economic Forum, Future of Consumption in Fast-Growth Consumer Markets: ASEAN, June 2020

³ Values refer to the % of survey respondents who included the option as one of their top 3 choices

investments in ASEAN over the next 3-5 years so as to leverage opportunities that the ratification of the Regional Comprehensive Economic Partnership (RCEP) agreement will bring.

Despite their optimism, the US executives polled recognise that there are risks in the region to be tackled. The top three identified risks are geopolitical uncertainty and trade conflicts (73%), the slow revival of the economy and drop in consumer spending (65%) and the ongoing COVID-19 pandemic or other health crises (63%).⁴ Furthermore, the respondents also agreed that adapting their business model to industry practices and conditions in ASEAN (68%), understanding regional regulations, payment methods and infrastructure (60%), as well as building relationships with suppliers and adapting supply chain logistics (55%) are the most significant challenges⁵ they anticipate in the next 6-12 months.

To drive resilient and rebalanced growth in ASEAN and to mitigate these risks and challenges, the surveyed executives identified entering new partnerships / joint ventures to increase market presence (68%), investing in leadership and talent development (53%) and executing digital transformation programmes (48%) as the most important areas⁶ for their companies to focus on. To support their growth, these companies say they are seeking banking partners with one-stop corporate financing and capital-raising services (50%), foreign exchange hedging and comprehensive multicurrency settlement services (48%) and a comprehensive cross-border network and understanding of the local markets (48%).⁷

Heidi Toribio, Regional Co-Head, Client Coverage, Asia, Corporate, Commercial and Institutional Banking, Standard Chartered, said: “ASEAN is core to Standard Chartered’s business strategy. An attractive growing market for consumer goods, medical devices and pharmaceuticals, the region offers US companies significant opportunities to expand their production and supply networks. As the only international bank with full presence in all 10 markets in ASEAN, we play a critical role in supporting our clients’ growth ambitions in the region. Our network and capabilities facilitate our clients’ market penetration and expansion and enable seamless cross-border trade and investments, while our digital co-creations allow them to streamline operations and enhance their customers’ experience.”

Steven Cranwell, CEO, Americas, Standard Chartered, said: “Thanks to a sizeable market, increased adoption of new technology and a rapidly expanding middle class, ASEAN continues to be full of exciting business opportunities for US companies across various sectors. As US companies push ahead with their growth ambitions, their ability to diversify their production presence to increase supply chain resilience, align with consumer expectations and government

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priorities - such as Environmental, Social and Governance practices - and partner with local industry players, financial institutions and government agencies will influence their growth in this dynamic region.”

Standard Chartered today launched the fifth edition of Borderless Business series for 2021. To download the Standard Chartered “*Borderless Business: US-ASEAN Corridor*” report and find out more about the key areas of focus for US companies to succeed in the region, visit:

www.sc.com/en/borderless. To hear from our expert panellists on how US businesses can capitalise on the burgeoning trade and investment opportunities in ASEAN, please register to receive a playback link of the ***Borderless business: US-ASEAN Opening doors to opportunities webinar*** [here](#) (Live session - Date: 22 September 2021; Time: 12:00-01:00am SGT).

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Note to editors

Standard Chartered Singapore

Standard Chartered Bank in Singapore is part of an international banking group, with more than 160 years of history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, here for good.

The Bank has a history of 162 years in Singapore, where we opened our first branch in 1859. In October 1999, we were among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's long-standing commitment to our business in the country.

Singapore is home to the majority of our global business leadership, our technology operations, as well as SC Ventures, our innovation hub. In 2013, the Bank transferred our Singapore Retail and SME businesses to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL"). And in May 2019, we fully consolidated our business operations in Singapore through the transfer of our Commercial Banking, Corporate & Institutional Banking and Private Banking

businesses to SCBSL. SCBSL is one of the highest-rated banks globally: A1/Stable by Moody's Investor Services, A/Stable by Standard & Poor's and A/Stable by Fitch Ratings. In August 2020, we were the first and only bank to be awarded the "Significantly Rooted Foreign Bank" (SRFB) status by the Monetary Authority of Singapore. In December 2020, we were granted enhanced SRFB privileges, in recognition of the significantly higher degree of rootedness exceeding the SRFB baseline criteria.

In Singapore, we support both individual and corporate needs to build wealth and drive commerce at every step of their journey. We do this by offering an entire range of financial services across personal, priority and private banking as well as our business, and corporate, commercial & institutional banking teams. The Bank has a network of 13 branches, 5 Priority Banking centres, 1 International Banking and Priority Private Centre and 24 ATMs.

For more information please visit www.sc.com/sg.