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Survey of
Japanese-Affiliated Firms
in Asia and Oceania
(FY 2008 Survey)

March 2009

Overseas Research Department
Japan External Trade Organization (JETRO)

Foreword

This report summarizes the results of the survey conducted by the Japan External Trade Organization (JETRO) during the period from September to October 2008 on the 1,852 Japanese-affiliated companies operating in a total of 13 countries, including the member nations of ASEAN, as well as other countries in Southwest Asia and Oceania. This year's survey on the Japanese-affiliated firms in Asia is the 22nd since 1987, when the first survey was conducted.

In addition to the six ASEAN nations (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam) and India, which were covered in previous surveys, this survey includes six other nations (Myanmar, Bangladesh, Pakistan, Sri Lanka, Australia and New Zealand), in order to take an even more comprehensive view of the business activities of Japanese-affiliated firms throughout East Asia. The inclusion of these nations has also enabled a comparison of the three regions of ASEAN, Southwest Asia and Oceania. It is hoped that this survey, taken together with the companion volume covering China, Hong Kong, Taiwan and South Korea, will become helpful in understanding the overall picture of East Asia.

In this survey, questions concerning such recent business issues as countermeasures taken against new strains of influenza, the protection of intellectual property rights and measures on standardization have been incorporated, in addition to questions on business conditions, various management problems, future business developments and the status of FTAs (Free Trade Agreements) and EPAs (Economic Partnership Agreements) utilized in the East Asia region, which has been taken up in previous surveys on an ongoing basis.

The period in which this survey was conducted overlaps with the period in which the impact of the financial crisis, which originated in the U.S., began to rapidly spread across Asia and Oceania. Therefore, it is safe to assume that economic prospects, including the business outlook for 2009, have become increasingly uncertain after the completion of the survey. Consequently, the sense of crisis among Japanese companies has deepened since then.

Finally, we would like to take this opportunity to express our sincere gratitude to all those who took part in this survey. We hope that the results of this survey will be used as a point of reference by those companies operating in the nations of ASEAN, Southwest Asia and Oceania, as well as anyone who is interested in these regions.

March 2009

Project Team for the Survey of Japanese-Affiliated Firms in
Asia and Oceania
Japan External Trade Organization (JETRO)

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◇ Summary of the Survey

1. Purpose of the Survey

The purpose of this survey is to understand the business activities of Japanese-affiliated firms operating in Asia and Oceania and to feed back the results of the survey to the participating companies and other companies.

2. Subject of the Survey

The survey targeted Japanese-affiliated firms (i.e. companies with over 10% of Japanese direct/indirect investment) operating in the 13 countries, comprising the seven ASEAN countries (Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam), the four countries in Southwest Asia (Bangladesh, India, Pakistan and Sri Lanka) and the two countries in Oceania (Australia and New Zealand).

3. Methods of the Survey

Since our 2002 survey, we have sent out an Internet address (URL) for the online questionnaire to each respondent's e-mail address, whereupon the respondents were requested to enter their responses directly into the form on the computer screen. In certain countries, we have continued to employ the method of sending paper-based questionnaires by mail.

4. Period of the Survey

September 25, 2008 to October 31, 2008

5. Collection of Responses

A total of 5,031 companies in the seven ASEAN countries, the four Southwest Asian countries and the two Oceania countries were requested to reply to the questionnaire and 1,852 companies responded (response rate: 36.8%). The respondents by country are as shown in Diagram 1. Diagrams 2 through 4 indicate the breakdown of the respondent companies by industry.

6. Note

Since the figures in the diagrams have been rounded off, there may be discrepancies in the totals (the percentage will not necessarily add up to 100).

Diagram 1: Breakdown of respondent companies (by country/region, by industry)

	Registered Companies	Survey Participants	Respondent Companies	Industry		Valid Responses (%)	Composition Ratio (%)
				Manufacturing	Non-manufacturing		
Total	5,385	5,031	1,852	944	908	36.8	100.0
ASEAN Total	4,251	4,028	1,354	786	568	33.6	73.1
Indonesia	812	746	166	110	56	22.3	9.0
Malaysia	353	346	180	108	72	52.0	9.7
Myanmar	20	20	20	6	14	100.0	1.1
Philippines	328	333	172	115	57	51.7	9.3
Singapore	742	761	194	48	146	25.5	10.5
Thailand	1,709	1,545	493	317	176	31.9	26.6
Vietnam	287	277	129	82	47	46.6	7.0
Southwest Asia Total	504	453	235	107	128	51.9	12.7
Bangladesh	95	70	35	18	17	50.0	1.9
India	286	268	139	61	78	51.9	7.5
Pakistan	50	47	32	13	19	68.1	1.7
Sri Lanka	73	68	29	15	14	42.6	1.6
Oceania Total	630	550	263	51	212	47.8	14.2
Australia	528	457	201	35	166	44.0	10.9
New Zealand	102	93	62	16	46	66.7	3.3

Diagram 2: Breakdown of respondent companies (by industry)

<Manufacturing Industry>			<Non-Manufacturing Industry>		
Industry	Respondent Companies	Composition Ratio (%)	Industry	Respondent Companies	Composition Ratio (%)
Manufacturing Industry Total	944	100.0	Non-Manufacturing Industry Total	908	100.0
Foods, processed agricultural or marine products	66	7.0	Fish and marine products	3	0.3
Textiles (yarn, cloth, synthetic fabrics)	18	1.9	Agricultural and forestry products	8	0.9
Apparel and textile products	21	2.2	Mining	15	1.7
Lumber and wood products	13	1.4	Distribution	19	2.1
Furniture and interior products	5	0.5	Trading company	182	20.0
Paper and pulp	7	0.7	Sales company	169	18.6
Chemical	69	7.3	Banking	26	2.9
Petroleum products	7	0.7	Insurance	22	2.4
Plastic products	62	6.6	Securities	4	0.4
Pharmaceuticals	7	0.7	Transport/warehousing	95	10.5
Rubber products	29	3.1	Real estate	12	1.3
Ceramics and cement	15	1.6	Judicial affairs/taxation	2	0.2
Iron and steel (including cast and forged products)	42	4.5	Hotel/travel/restaurant	40	4.4
Nonferrous metals and products	28	3.0	Communications/software	44	4.9
Fabricated metal products (including plated products)	73	7.7	Construction/plants	91	10.0
General machinery (including metal molds and machine tools)	44	4.7	Other	176	19.4
Electric machinery and electronic equipment	67	7.1			
Electric and electronic parts and components	102	10.8			
Motor vehicles and motorcycles	35	3.7			
Motor vehicle and motorcycle parts and accessories	115	12.2			
Precision instruments	12	1.3			
Other	107	11.3			

Diagram 3: Breakdown of respondent companies in the manufacturing industry (By country/region, by sector)

	Composition ratio by country/region	Valid response	Foods, processed agricultural or marine products	Textiles (yam, cloth, synthetic fabrics)	Apparel and textile product	Lumber and wood products	Furniture and interior products	Paper and pulp	Chemicals	Petroleum products	Plastic products	Pharmaceuticals	Rubber products	Ceramics and cement	Iron and steel (including cast and forged products)	Nonferrous metals and products	Fabricated metal products (including plated products)	General machinery (including metal molds and machine tools)	Electric machinery and electronic equipment	Electric and electronic parts and components	Motor vehicles and motorcycles	Motor vehicle and motorcycle parts and accessories	Precision instruments	Other
Total	100.0	944	66	18	21	13	5	7	69	7	62	7	29	15	42	28	73	44	67	102	35	115	12	107
ASEAN Total	83.3	786	44	16	18	6	5	5	58	7	60	5	26	11	40	23	69	37	59	93	20	97	9	78
Indonesia	11.7	110	4	4	4	3	1	-	12	1	7	2	5	2	5	2	11	3	2	7	6	16	-	13
Malaysia	11.4	108	6	1	-	3	2	2	8	-	4	1	6	3	3	6	12	3	13	17	1	4	1	12
Myanmar	0.6	6	1	1	3	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
Philippines	12.2	115	2	-	-	-	1	-	5	-	10	1	7	1	7	4	10	4	9	18	3	15	3	15
Singapore	5.1	48	7	-	-	-	-	-	9	3	3	-	-	-	1	-	5	4	1	7	-	2	1	5
Thailand	33.6	317	18	10	7	-	1	2	21	3	24	-	6	4	21	7	25	19	29	35	7	54	4	20
Vietnam	8.7	82	6	-	4	-	-	1	3	-	12	1	2	1	2	4	6	4	5	9	3	6	-	13
Southwest Asia Total	11.3	107	8	1	3	-	-	-	8	-	2	2	2	2	2	2	2	5	5	8	11	15	3	26
Bangladesh	1.9	18	2	-	1	-	-	-	-	-	1	-	1	-	-	-	1	-	-	2	-	2	1	7
India	6.5	61	5	1	-	-	-	-	8	-	-	2	1	1	1	1	-	4	5	3	4	11	2	12
Pakistan	1.4	13	-	-	-	-	-	-	-	-	1	-	-	-	1	1	-	-	-	-	6	2	-	2
Sri Lanka	1.6	15	1	-	2	-	-	-	-	-	-	-	-	1	-	-	1	1	3	1	4	3	-	5
Oceania Total	5.4	51	14	1	-	7	-	2	3	-	-	-	1	2	-	3	2	2	3	1	4	3	-	3
Australia	3.7	35	10	-	-	2	-	1	2	-	-	-	1	2	-	2	1	2	3	1	4	3	-	1
New Zealand	1.7	16	4	1	-	5	-	1	1	-	-	-	-	-	-	1	1	-	-	-	-	-	-	2

Diagram 4: Breakdown of respondent companies in the non-manufacturing industry (By country/region, by sector)

Composition ratio by country/region	Valid response	Fish and marine products	Agricultural and forestry products	Mining	Distribution	Trading company	Sales company	Banking	Insurance	Securities	Transport/warehousing	Real estate	Judicial affairs/taxation	Hotel/travel/restaurant	Communications/software	Construction/plans	Other	
Total	100.0	908	3	8	15	19	182	169	26	22	4	95	12	2	40	44	91	176
ASEAN Total	62.6	568	0.3	0.9	1.7	2.1	20.0	18.6	2.9	2.4	0.4	10.5	1.3	0.2	4.4	4.9	10.0	19.4
Indonesia	6.2	56	2	-	-	-	11	4	2	2	-	5	1	1	1	3	11	13
Malaysia	7.9	72	-	-	-	2	10	14	4	-	-	9	-	-	-	2	13	18
Myanmar	1.5	14	-	-	-	1	2	-	-	-	1	-	1	-	1	1	5	2
Philippines	6.3	57	-	-	-	1	8	4	-	2	-	9	3	-	2	6	11	11
Singapore	16.1	146	1	-	-	-	30	48	6	4	-	13	-	-	3	3	13	25
Thailand	19.4	176	-	-	-	7	48	25	4	2	-	27	2	1	3	7	17	33
Vietnam	5.2	47	-	1	-	1	2	2	3	2	-	7	1	-	2	7	4	15
Southwest Asia Total	14.1	128	-	-	1	-	39	13	2	3	1	13	2	-	8	7	16	23
Bangladesh	1.9	17	-	-	-	-	8	-	-	-	-	1	-	-	2	1	-	5
India	8.6	78	-	-	-	-	23	12	1	3	1	12	-	-	3	5	5	13
Pakistan	2.1	19	-	-	-	-	8	1	1	-	-	-	1	-	1	-	4	3
Sri Lanka	1.5	14	-	-	1	-	-	-	-	-	-	-	1	-	2	1	7	2
Oceania Total	23.3	212	-	7	14	7	32	59	5	7	2	12	2	-	20	8	1	36
Australia	18.3	166	-	3.3	6.6	3.3	15.1	27.8	2.4	3.3	0.9	5.7	0.9	-	9.4	3.8	0.5	17.0
New Zealand	5.1	46	-	-	-	5	9	9	1	2	-	4	-	-	7	4	-	5