

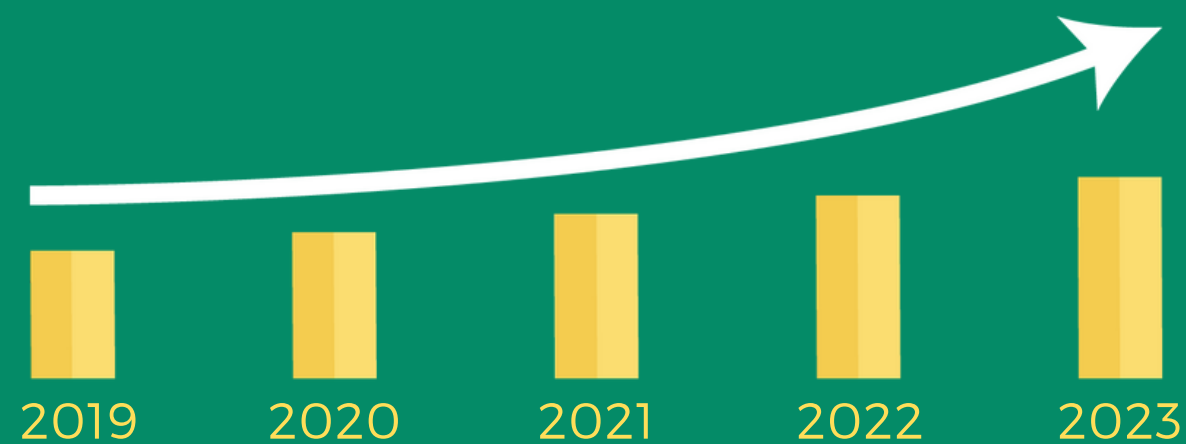


Doing Business in Southeast Asia



INTRODUCTION

According to research by the OECD Development Center, the Southeast Asia (ASEAN) Region is estimated to grow by an annual average of 6.1% during the 2019-23 period.



For the past decade, “Emerging Asia” (an umbrella term encompassing India, China and ASEA) has experienced incredible growth. And, while this tendency will continue at a regional level, it won’t be uniform across countries. For instance, China’s growth is expected to gradually slow, while India’s will remain robust.

But, in spite of changing tides, the forces for progress in this region have remained intact. **A growing private consumption, a stable labour market, overseas transfers, growth in gross exports, and the blooming of entrepreneurship are creating an outstanding landscape for native enterprises, as well as for foreigners aiming to compete in a promising international market.**

This growth comes with some challenges too. As we'll explore, there are some trade and financial policy uncertainties. But, as noted by the aforementioned report,

“

“Several monetary authorities in the region have raised interest rates to address monetary normalisation in advanced economies as well as price and exchange rate pressures. These moves have been accompanied by policies to provide liquidity to support growth. Fiscal positions in the region are generally stable.”

”

Other challenges worth noting are the consequences of the region's growing inequality. International organisms as well as regional private actors have started to discuss social responsibility, access to opportunities and gender equality in the workplace. If you're considering doing business in these regions, there are several dimensions you'll need to have a deep understanding of. In this brief primer, we'll cover five of them.

This is not an all-inclusive guide, but a factually-correct, sensitive selection of key points you'll need to have in mind to start asking strategically constructive questions and conduct an intelligent and accurate viability analysis.



WHAT WE'LL COVER

- MARKET DIVERSITY, FUNDING & FINANCIAL REGULATION
- BUSINESS CULTURE & ETIQUETTE
- MARKETING & COMMUNICATIONS
- CROSS-CULTURAL ALLIES
- SOURCES



DayTranslations

THE ASEAN REGION CONSISTS OF 10 COUNTRIES



BRUNEI
DARUSSALAM



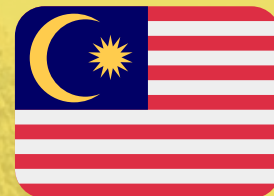
CAMBODIA



INDONESIA



THE PHILIPPINES



MALAYSIA



MYANMAR



VIETNAM



LAOS



SINGAPORE



THAILAND



Market Diversity, Funding & Financial Regulation

As noted by Philip Charles Zerrillo, (*Deputy Dean at the Indian School of Business*), in a 2018 interview, there are great differences across the Asian region, regarding how businesses get spawn, are structured, and adapt to the region's macroenvironment.

In the aforementioned interview, Professor Zerrillo refers to the banking and financial sector as an example.

For instance,

"In The Philippines there is little credit scoring, there's very little credit information, so hence, very little scoring of credit information. And it tends to be a bank-based lending system.

So, when someone needs to get money to start a business, they walk in the door, and the first thing the bank is gonna do is look for collateral, but the people don't have any collateral. So it's very different for, say, a poor person or a person with limited collateral to get funding for an idea."

Professor Zerrillo compares this landscape to that of The United States of America, where “Capital finds you.”

Singapore: The Ally Against Heavy Financial Regulation

Vietnamese businesses, on the other hand, are **mostly settled in Singapore and flow their capital towards Vietnam as they need it.** The main reason behind this is that, in Vietnam, investment capital that is not spent is treated as profit and therefore, taxed.

This is also the case in Myanmar, a country where the banking system is still very fragile and there isn't a legal frame for startups yet. Myanmar-based incubators require that the beneficiaries of their programs establish themselves in Singapore.



Why "Doing Business in Southeast Asia" is an inaccuracy

A few years ago, in 2015, at a symposium titled “Doing Business in Southeast Asia”, specialized consultant Richard O’Brien pointed out that the phrase sounds bland and is uninformative, as uninformative as the phrase “Doing Business in Europe”.

You'll notice that, for every topic we cover in this guide, you'll find us separating strategies within cultures and countries, – **that's for a reason.**

Merely talking about "Doing Business in Southeast Asia" erases the region's diversity, as well as the richness and diversity within its nations. And, acknowledging international and national diversity is key to developing an intelligent plan and to executing it effectively.



MYANMAR



SINGAPORE



CAMBODIA

O'Brien suggests: *"When we talk about doing business in Asia, and indeed, in Southeast Asia, it is vital, at the very outset, to recognize that **we are talking of a region with huge populations, with important cultural as well as legal and governmental diversities, and with impressive economies of scale.** And it's that broad landscape which also focuses us on the need to be selective. We can't do business in Asia, but we can do business in a very well targeted country, region or province within Asia. And hence, at the top of our to-do list, I suggest that we must identify where best to focus our own business efforts."*

Specific regulatory differences between provinces and countries are key to identifying where you should expand.

Which sets of regulations are of your interest differ depending on your industry.

WHERE TO FIND THE INFORMATION YOU NEED

- Industry organizations
- Your country's Chamber of Commerce
- Specialized law firms, consultants
- Business Councils (such as the US-ASEAN Business Council, if you're in the USA)

BUSINESS CULTURE & ETIQUETTE

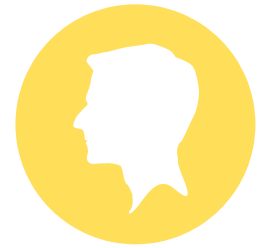
As noted by Day Translations' Senior Writer Bernadine Racoma, in a recent guide published on the company's blog:

“Personal friendships and trust are vital to people in the East. Thus, you need to make frequent trips to the country you want to enter. You need to conduct several face-to-face meetings before you can secure a firm commitment. This is one of the reasons why you have to change your timelines when you're thinking of doing business in Southeast Asia. You cannot force the decision-makers to hurry. They have their own rules and for you to get that all-important approval to do business in the country, you should have plenty of patience.”

BUSINESS CULTURE & ETIQUETTE

But this doesn't mean that punctuality is not important. Social gatherings might be more flexible, but business meetings tend to be timed very strictly.

OTHER CONSIDERATIONS TO HAVE IN MIND ARE:



In Buddhist, Arabic and Hindu traditions, the head is considered sacred. Don't touch anyone's head. **If you're in Laos or Thailand, this is strictly forbidden.**



Business cards are considered particularly important in this region. Print yours in the local language, offer them with both hands when adequate. Receive your business partners' cards using both hands as well. Read the cards you receive, and don't put them in your wallet or pocket immediately, have them among your business papers.



Beware of your body gestures. **Don't point your finger, use your knuckle or extend your hand with the palm facing to the floor instead.**



Inspired by the best and latest research, Day Translations' international marketing team recommends that, in order to market successfully in **ASEAN**, one should localize their message, reach out to local influences, work on SEO and consider the lasting power of traditional advertising and media.

LOCALIZATION GOES BEYOND TRANSLATION. IT'S A PROCESS CONSISTING OF ADAPTING A PRODUCT OR MESSAGE TO ANOTHER CULTURE. LOCALIZING YOUR MESSAGE IS KEY TO GUARANTEE YOUR BRAND RESOUNDS WITH LOCAL CUSTOMERS.



Column, bar, and pie charts compare values in a single category, such as the number of products sold by each salesperson. Pie charts show each category's value as a percentage of the whole.

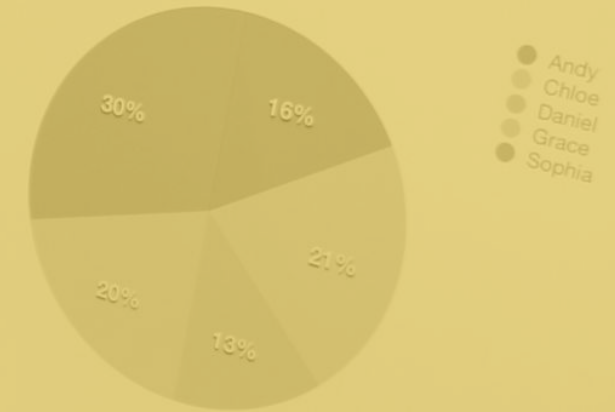
Column Chart



Fundraiser Results by Salesperson

PARTICIPANT	UNITS SOLD
Andy	11
Chloe	15
Daniel	9
Grace	14
Sophia	21

Pie Chart



58% of Southeast Asia's 635 million population being online, and more than 50% of them being actively on social media. Last year, according to a Socialbakers report, the incidence of influencer marketing rose 189%, being vital to reach out to younger demographics.

While localized, region-sensitive **Search Engine Optimization is key across the globe**, a good presence in search engines is one of the main factors that makes a business attention-worthy and reliable to the eyes of ASEAN audiences.



On the other hand, brands in this region tend to spend most of their marketing budget on traditional media.



According to a 2017 report by **IAB Singapore & eMarketer**, digital advertisements during said year were expected to be less than 20% of the year's media investment.

And, while this number was expected to grow through the following years, so was the investment in TV advertisement.

58% ONLINE
POPULATION



+ 50% ACTIVE
ON SOCIAL
MEDIA



189% GROWTH
INFLUENCER
MARKETING



WHO WE ARE & WHAT WE DO



We help the best players in their industry succeed at a global scale.
How? **By providing them high-quality language solutions.**

We offer translation, localization, interpreting (either over the phone or in person), international marketing solutions and app development solutions, helping businesses adapt or create products with international markets in mind.

WHAT WE BRING TO THE TABLE



A network of >10,000 mother-tongue professionals, trained to serve specific industries and disciplines. All our translators and interpreters are highly educated, properly certified and working with an ever-growing set of skills.

24/7 customer support in your language.



A multidisciplinary team of developers and marketing professionals with extensive cross-cultural knowledge.



>12 years of industry experience and a solid record of excellent reviews.

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 - **HBO** (clients since 2010)
 - **Samsung** (clients since 2012)
 - **JP Morgan Chase & Co** (clients since 2014)
 - **H&M** (clients since 2016)
- And many more...

GET IN TOUCH

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