



Navigating the ASEAN Region

An Introduction to the Markets of Southeast Asia

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Senior Commercial Officers

Thailand and Malaysia



Summary Slide

- **What is ASEAN?**



What is ASEAN?

- **Association of SouthEast Asian Nations.**
- **In a nutshell – the countries of SE Asia.**
- **A political and economic partnership.**
- **Created to accelerate economic growth.**
- **Now includes the ASEAN Free Trade Agreement (AFTA).**
- **Goal of creating an ASEAN Economic Community by 2020.**



Who is ASEAN?

- Brunei Darussalam
- Burma
- Cambodia
- **Indonesia**
- Laos
- **Malaysia**
- **Philippines**
- **Singapore**
- **Thailand**
- **Vietnam**

SOUTHEAST ASIA



Scale 1:32,000,000 at 5°N
Mercator Projection



Boundary representation is not necessarily authoritative.
Names in Vietnam are shown without diacritical marks.



Importance of ASEAN to the United States

- Dynamic economies
- Large market
- Key export destination
- Significant agricultural market
- Important services market
- Strategically significant region



What Does ASEAN Have to Offer Your Firm?

- **Almost 600 million consumers**
- **Combined GDP of \$2.8 trillion**
- **Two-way trade of nearly \$168.5 billion in 2006, making it our fifth largest trading partner.**
- **A large export market -- U.S. exports to ASEAN members totaled nearly \$57 billion in 2006, more than exports to China**
- **The U.S. is the second largest source of imports to the ASEAN region.**



Trade Agreements

- **Free Trade Agreement – Singapore**
- **FTA Negotiations – Malaysia and Thailand**
- **Bilateral Trade Agreement – Vietnam**
- **Trade and Investment Framework Agreements – Indonesia, Brunei, Vietnam, Malaysia, the Philippines, and Cambodia**
- **ASEAN-US Enhanced Partnership**



Something for Everyone

- **Mix of developed, developing and least developed economies**
- **Mix of risk and rewards**
- **Strong middle class vs. development projects**
- **High tech vs low tech**



Leading Sectors

Healthcare
Food supplements
Water & Wastewater Treatment Equip.
Oil & Gas Equipment
ICT and Broadcasting
Retail

Municipal Solid Waste Management
Airport & Seaport Security Equip.
Renewable Energy Equipment

Laboratory & Scientific Equipment
Electronic Components
Electric Power Systems
Medical Devices
Electronics Industry Production/Testing Equipment
Pollution Control Equipment
Construction Equipment
Pumps, Valves and Compressors
Building Products
Electronic Components
University Education

Packaging Equipment
Environmental Technologies
Telecommunication Equipment
Safety and Security
Computer hardware

Automotive Aftermarket
Pharmaceuticals
Pet food and Supplies
Biotechnology
Franchising
Cosmetics and Toiletries
Food Processing Equipment



2008 Economic Freedom Ranking

(of 161 Countries)

	Rank	Freedom %	
Singapore	2	87.4	Free
U.S.	5	80.6	Free
Malaysia	51	64.5	Mostly Free
Thailand	54	63.5	Mostly Free
Philippines	92	62.9	Mostly Unfree
Indonesia	119	53.9	Mostly Unfree
Vietnam	135	35.8	Mostly Unfree



2007 Transparency International Corruption Perception Index (of 159 countries)

	Rank	Rating
Singapore	4	9.3
U.S.	20	7.3
Malaysia	43	5.1
Thailand	84	3.3
Vietnam	123	2.6
Philippines	131	2.5
Indonesia	143	2.3

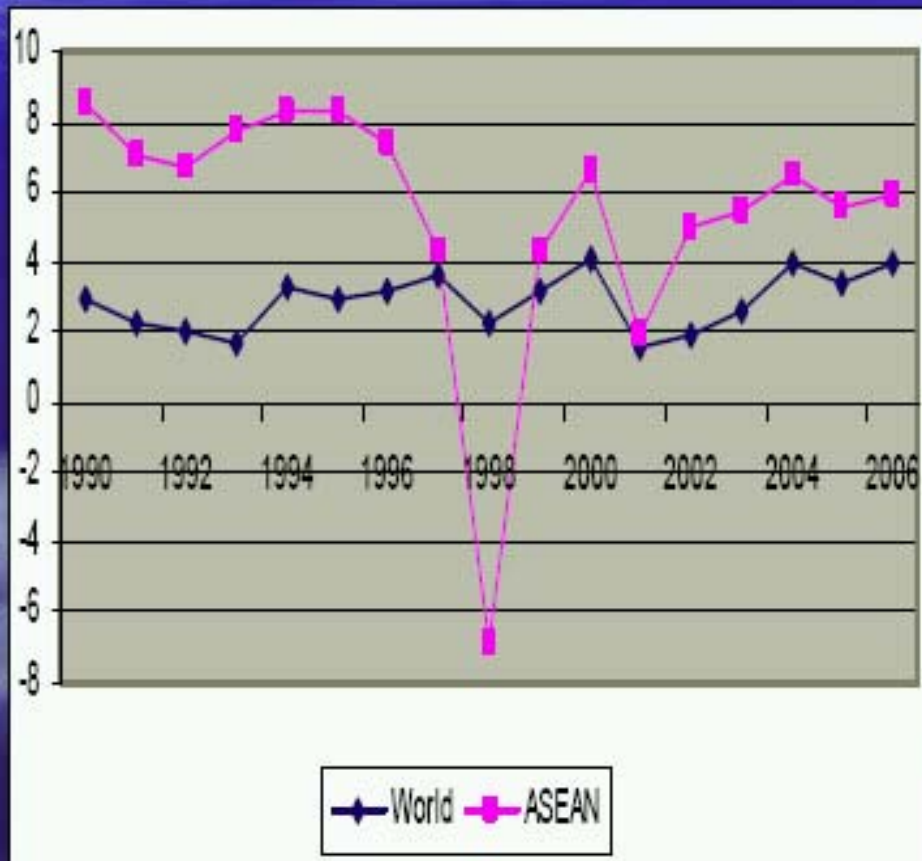


Dynamic Economies

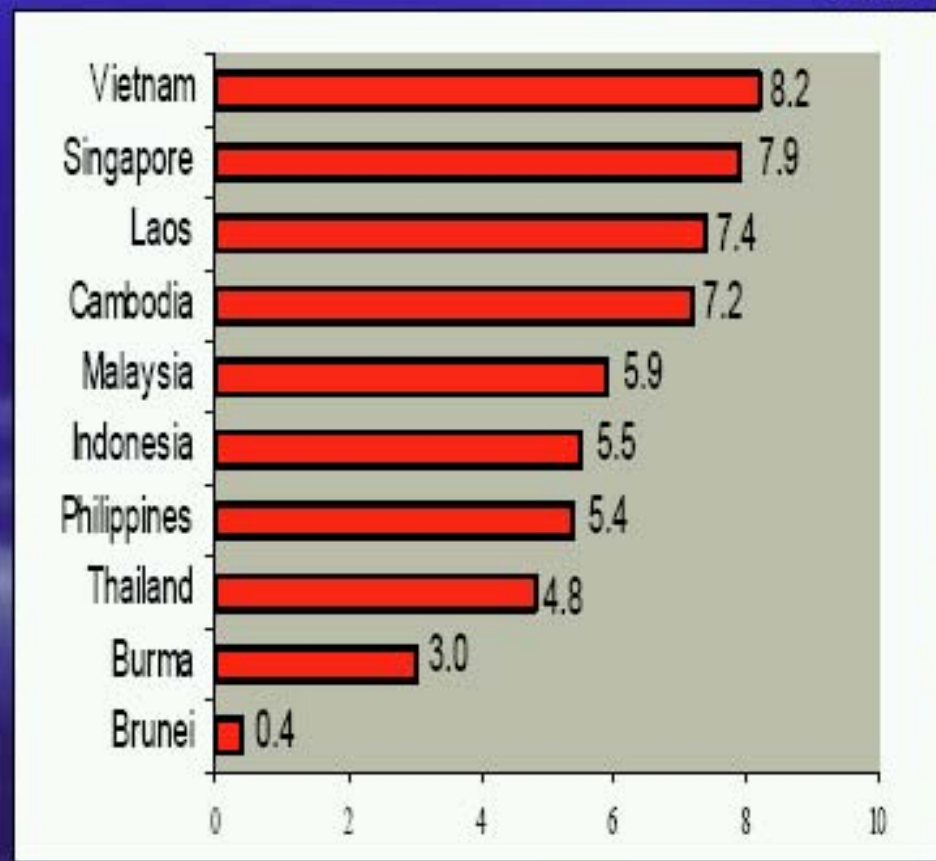
GDP Growth ASEAN vs. World Average

GDP Growth 2006

Percent



Percent

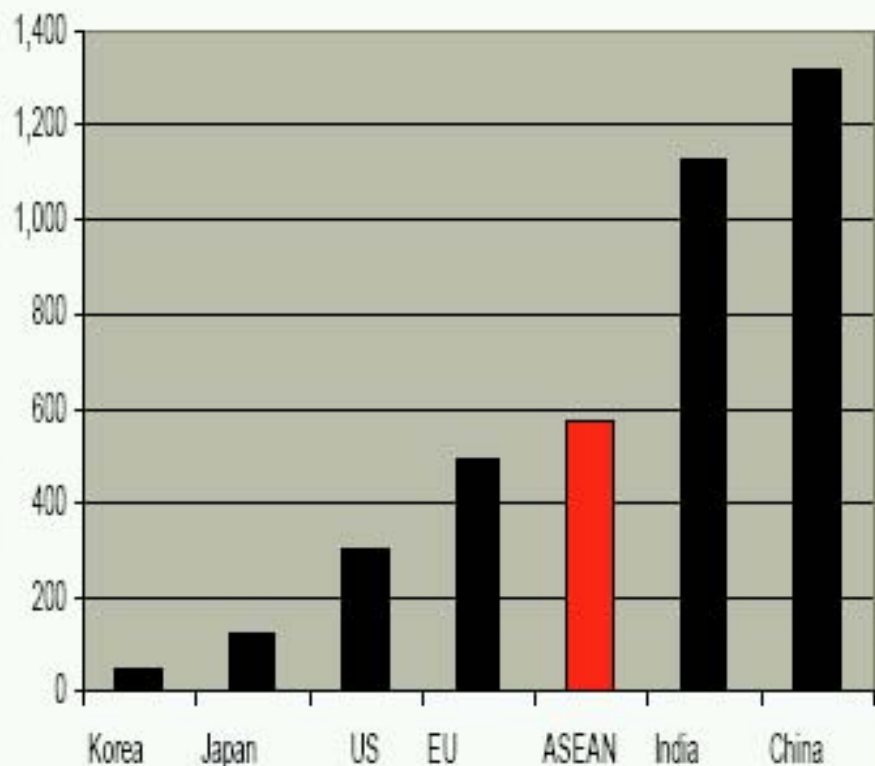




Large Market

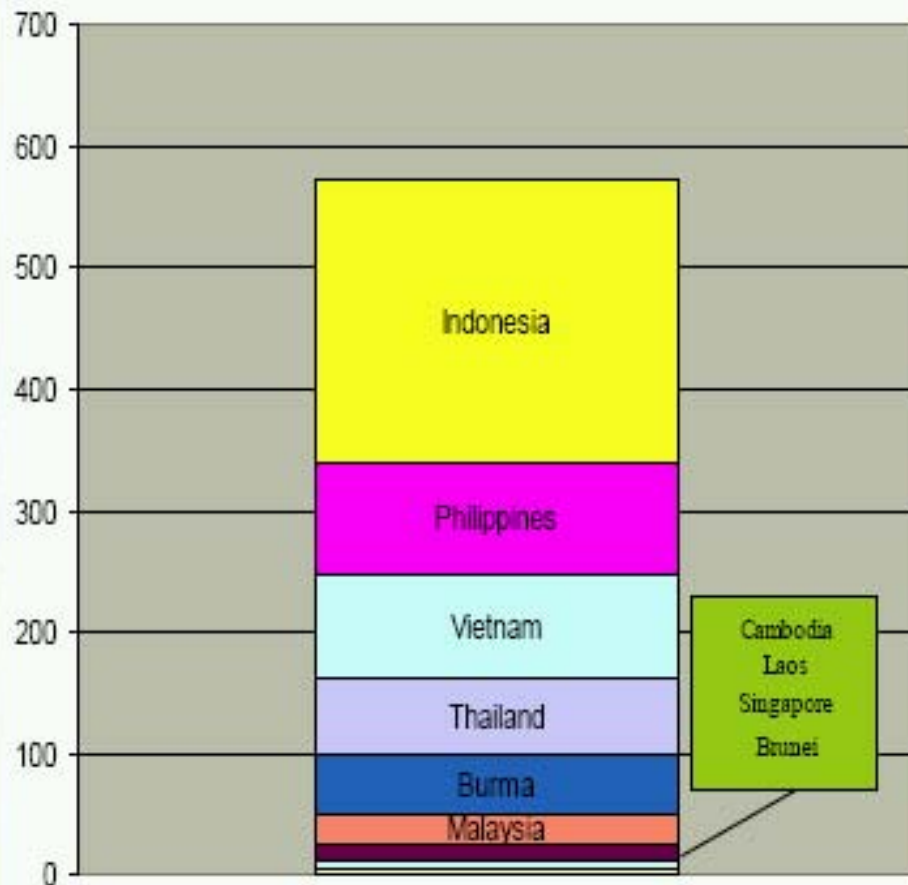
Population 2006

Millions



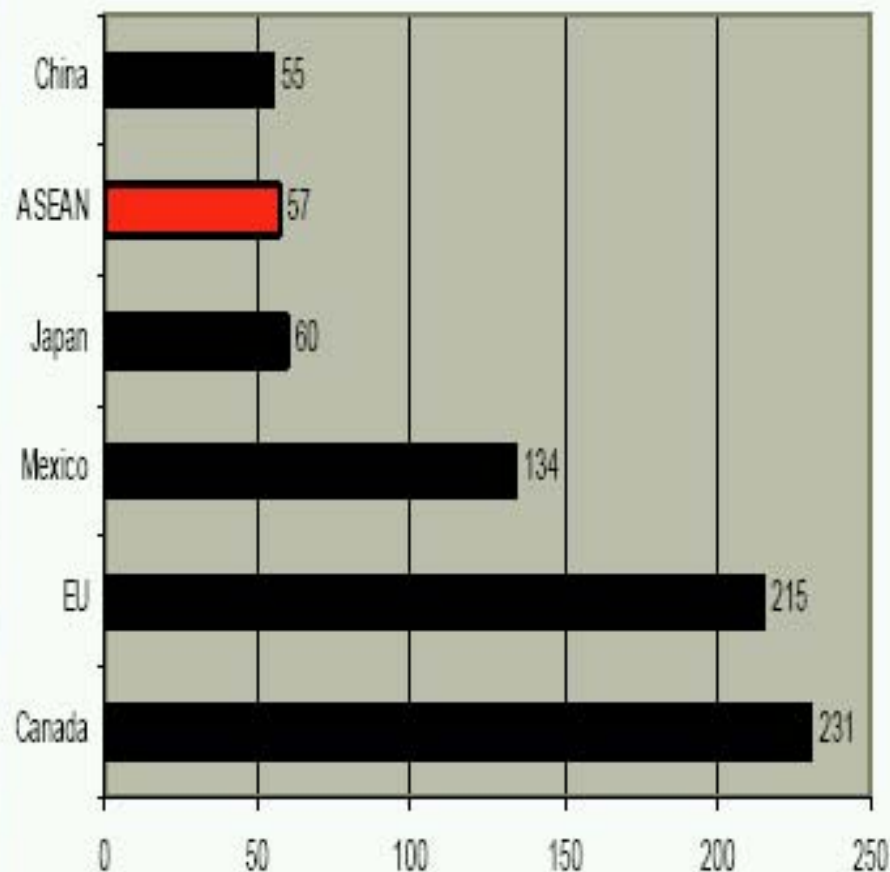
ASEAN Population 2006

Millions

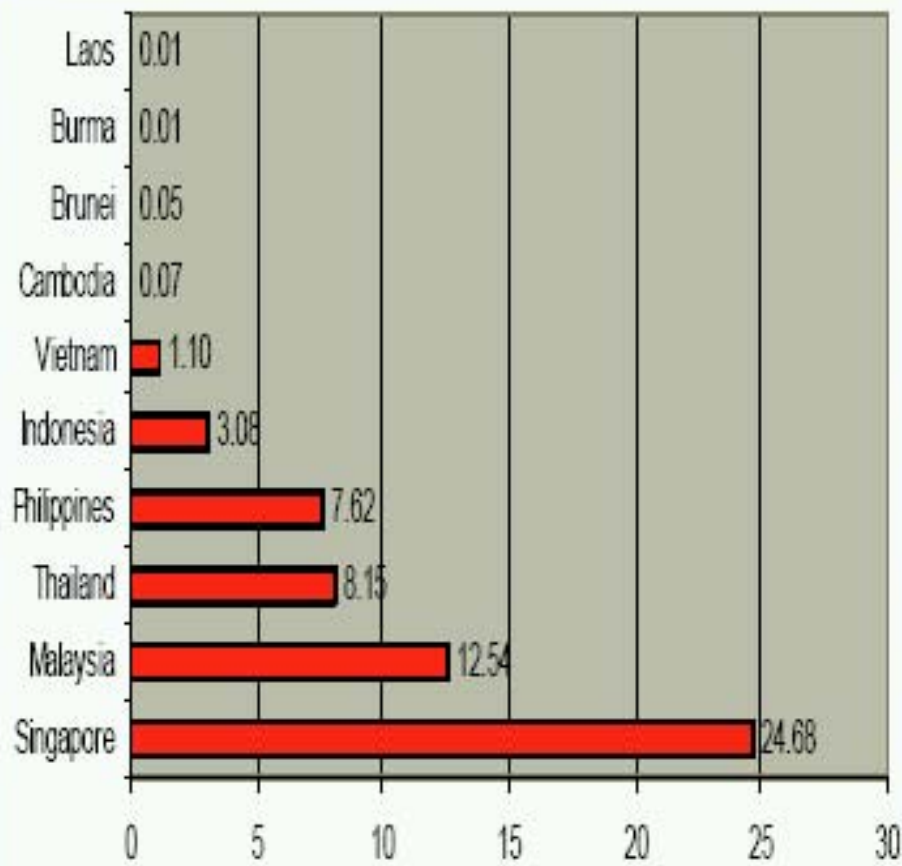


Key U.S. Export Destinations

Top U.S. Export Markets 2006



U.S. Exports to ASEAN 2006

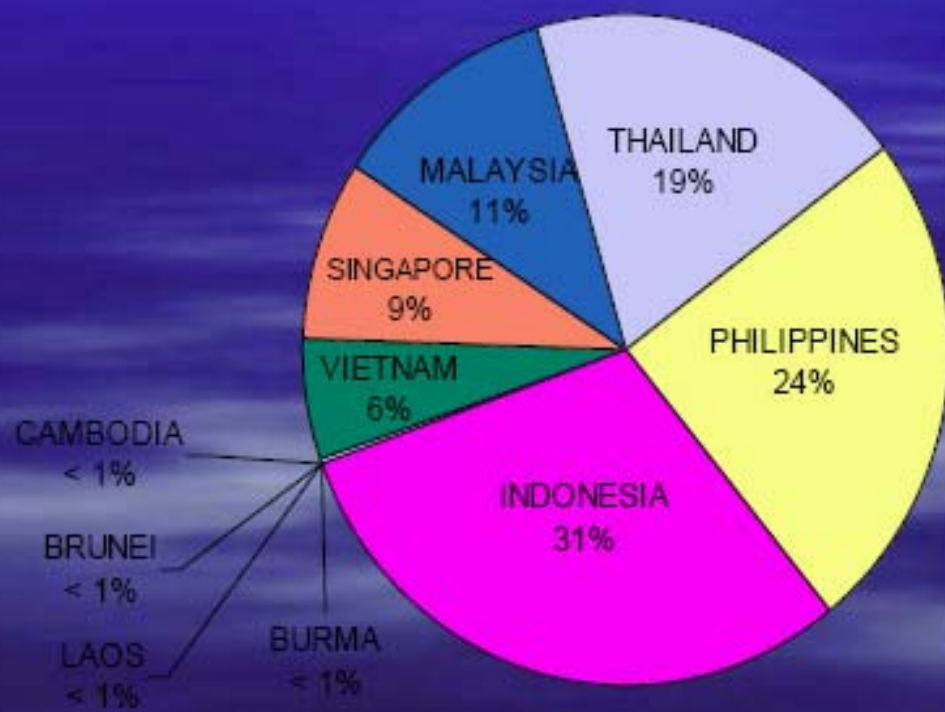


Significant Agricultural Export Market

Top U.S. Agriculture Export Markets, 2006

1. Canada	\$12.2 billion
2. Mexico	\$11.0 billion
3. Japan	\$ 9.5 billion
4. EU	\$ 7.9 billion
5. China	\$ 6.8 billion
6. ASEAN	\$ 3.6 billion
7. Korea	\$ 2.8 billion
8. Taiwan	\$ 2.4 billion

U.S. Agricultural Exports to ASEAN, 2006



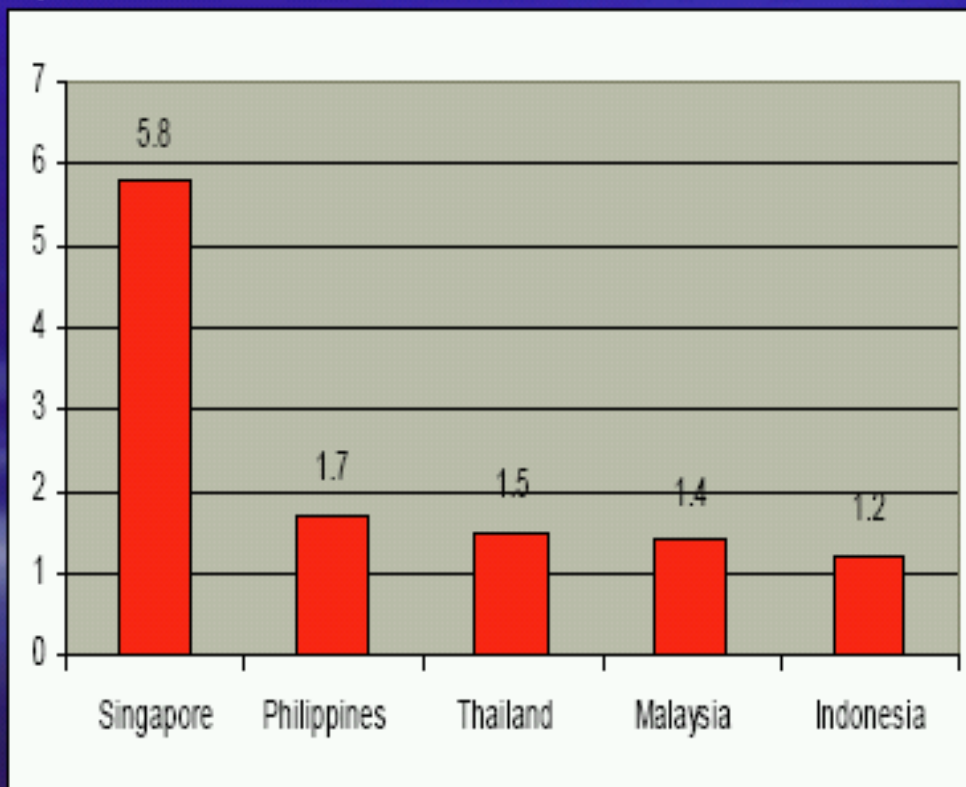
Important Services Market

Top U.S. Services Export Markets, 2005

1. EU	\$ 128 billion
2. Japan	\$ 42 billion
3. Canada	\$ 33 billion
4. Mexico	\$ 21 billion
5. ASEAN	\$ 11.6 billion*

U.S. Services Exports to ASEAN, 2005

\$U.S billion



*ASEAN figure only includes Singapore, Philippines, Thailand, Malaysia and Indonesia data



What are We Doing?



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- **Market Access and Compliance**



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Exporting to Southeast Asia region

Welcome to Southeast Asia - ASEAN! Southeast Asia is a region of great opportunity for all types of U.S. companies - not just large multinationals. But doing business in Southeast Asia can still be challenging. This site will help open the ASEAN market for your company.

Start Now!

- [ASEAN: Opportunities and challenges for the U.S.](#)
- [Navigating the ASEAN region](#)
- [Best prospects for ASEAN by sector](#)
- [Top 6 export prospects for ASEAN in common](#)

Upcoming Events

- [Asia Pacific Business Outlook Conference, April 7-8, Los Angeles](#)
- [Anti-Counterfeiting Health Products Seminar, Jan. 13-15, Singapore](#)
- [Biofuels and the Automotive Seminar, Oct. 24-25, 2007 - Bangkok, Thailand](#)
- [ASEAN Roundtable Discussion, Sept. 20, 2007 - Danang, Vietnam](#)
- [Medical Devices Capacity Building Workshop, July 30-31, 2007 - Hanoi, Vietnam](#)



Click here to ask the IP Attache



Click here for Trade Statistics



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Navigating the Southeast Asia region

The Southeast Asia region is made up of mostly developing economies, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. These 10 countries are grouped together formally in a political and economic partnership known as the Association of Southeast Asian Nations, or ASEAN. As individual markets, much of Southeast Asia is overlooked by U.S. firms looking for export growth opportunities in China or India. However, according to the United States' National Export Strategy, "On a regional basis, the emerging markets of Asia and Eastern and Central Europe are expected to experience the fastest growth." Indeed, the emerging markets of Southeast Asia represent an impressive market that deserve closer examination:



- Over a **half billion consumers**.
- Combined **gross domestic product of over \$1 trillion in 2006**.
- **U.S.-ASEAN bilateral trade reached \$169 billion in 2006**, making the region our fourth largest overseas market.
- A large export market -- **U.S. exports to Southeast Asia totaled nearly \$58 billion in 2006**.
- The **U.S. is the second largest source of Southeast Asian imports**.
- **ASEAN is the fifth largest market for U.S. services exports**, the sixth largest of market for U.S agricultural exports.

From the individual markets, to the region as a whole, Southeast Asia countries provide U.S. exporters with a wealth of business opportunities. The Southeast Asia region is also an excellent first step for U.S. firms interested in entering other Asian markets, providing companies with essential exporting experience in the region.



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Southeast Asia Market Access

Market Access

The U.S. Department of Commerce is engaging East Asian nations in a variety of market access dialogues to improve U.S. competitiveness in this important region. The U.S. Government is looking to gain our ASEAN trading partners' firm legal commitments to uphold fair and transparent trade practices, through the World Trade Organization discussions, bilateral trade and investment framework agreements (TIFAs) with Indonesia, Philippines, and Malaysia, bilateral trade agreements (BTAs) with Vietnam and Laos, a negotiated Free Trade Agreement (FTA) with Singapore, and FTA negotiations pending with Thailand and Malaysia.

Sometimes, however, U.S. trading partners intentionally or unintentionally impose trade barriers that go against their legal obligations, hindering or blocking completely a company's access to a given market. The Department of Commerce can offer free assistance to help your company deal with foreign countries not in compliance with their legal commitments-- but the first step is for you, the company, to recognize a potential market access barrier, and [contact us](#).

The following table offers market access questions that may indicate whether unfair trade barriers are affecting your international business dealings. (Click [here](#) for a more extensive list of questions.) Learning how to recognize these barriers, adopt preventive measures, and confront market access issues as they arise, will strengthen your ability to take on successful international business pursuits. The following pages present trade policy questions and answers commonly asked by companies like yours, list of the types of action the Department of Commerce may be able to take, and give a sampling of collaborative results achieved. Since no two market access barriers are identical, the Department of Commerce customizes approaches to meet the circumstances presented in individual cases.



Potential Market Access Issues

Recognizing a Market Access Barrier



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Top 6 Export Prospects for ASEAN in common

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2. [Information Technology](#)
3. [Telecommunication Equipments & Services](#)
4. [Medical Equipments and Supplies](#)
5. [Electric Power Systems](#)
6. [Water and Wastewater Equipments](#)



Top Export Prospects



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Medical Equipment & Supplies

INDONESIA

Market Overview

- Forecasted growth rate of 15%
- Over 85% of medical equip. and supplies are imported – us\$262 M (est.) in 2007
- U.S. import market share was 17% in 2007.

Best Prospects

- Electro-medical and diagnostic equipment
- Respiratory appliances
- Disposable products
- Surgical Instruments

MALAYSIA

Market Overview

- Forecasted growth rate of 8-10%
- 90% of medical equip. & supplies are imported
- U.S. import market share was 26% of total 2006 imports

Best Prospects

- Electro-medical app.
- Orthopedic appliances
- Diagnostic & therapeutic radiation devices

PHILIPPINES

Market Overview

- Forecasted growth rate of 10% till 2008.
- Over 73% of medical equipment and supplies are imported.
- U.S. import market share was 25% in 2006.

Best Prospects

- Electromedical Equipment
- Ultrasonic Scanning Machines
- X-ray and Radiation Equipment

SINGAPORE

Market Overview

- Forecasted growth rate of 4.5%-6.5%
- Over 80% of medical equip. & supplies are imported
- U.S. import market share was 25% of total imports

Best Prospects

- Health & cancer screening/diagnostics
- Disease management

THAILAND

Market Overview

- Forecasted growth rate of 20% over 2007-2008.
- Imports account for 90 % of demand and totaled US\$637 million in 2006
- U.S. led the imported market with a 34% share in 2006.

Best Prospects

- Heart valves & artificial blood vessels
- Implant devices
- Diagnostic testing devices
- Rehabilitation equipment

VIETNAM

Market Overview

- Forecasted growth rate of 10% of medical equip.
- 90% of medical supplies are imported
- U.S. import market share was 30% of total imports in 2007

Best Prospects

- Imaging diagnostic equip.
- Operation theatre devices
- Laboratory Equip.

Pre-Market Approval Requirements

Most ASEAN nations require that imported medical products be registered through a duly appointed local agent or a distributor. Please view the below matrix for pre-market approval requirements for each ASEAN nation. The objective of this report is to assist the U.S. medical device industry in understanding the country's regulatory process in order to work more effectively in gaining the necessary approvals.

	Indonesia 	Malaysia 	Philippines 
Governing Body	Directorate General of Pharmacy & Medical Devices Services, Ministry of Health	Ministry of Health	Department of Health
Local Clinical Trial Required	Yes, for some high risk products (i.e. in-vitro diagnostics).	No, though legislation is currently in the works.	None. Acceptable int'l standards for machineries/equipment are recognized in the Philippines.
FDA Certificate of Foreign Gov. Required	FDA (US), CE (EU), TPP (Canada), TGA (Australia)	FDA (US), CE (EU), TGA (Australia), TPP (Canada), MLHW (Japan)	None for equipment of U.S. origin. (Certificates are usually required for consumables.)
Number of days for registration (from submission of data)	The standard administrative time clock for the approval process is three months	Regulation is being drafted	No registration required for medical equipment/instruments at this point. Importer-distributors must be licensed by the Dept of Health.
Classification system of Medical Devices	Products are classified into three categories, low, middle and high risk.	Regulation is being drafted but at this point all medical devices except radiation emitting devices are freely imported.	Freely importable, except for radiation emitting devices, which need pre-registration.
Requirement for Market Clearance	Products must comply with regulatory provisions in the country of origin and meet the quality, safety and performance standards. Registration must be done by local agent/distributor. The agent/distributor must obtain license to import and distribute products from Ministry of Health.	Voluntary registration is on-going before full enforcement by 2008	A distributor-representative of imported medical equipment must have a license to import such devices, and a license to operate as a distributor.
Contacts	Ms. Sharon Chandra Commercial Specialist US Commercial Service U.S. Embassy, Jakarta Sharon.Chandra@mail.dhs.gov Phone: 62-21 526 2850 Ext.3007 Fax: 62-21 526 2855	Ms. Natila Ahmad Commercial Specialist U.S. Commercial Service U.S. Embassy, Kuala Lumpur Natila.Ahmad@mail.dhs.gov Phone: 603-2168-5101 Fax: 603-2168-8350	Ms. Dey Robles Commercial Specialist U.S. Commercial Service U.S. Embassy, Manila Dey.Robles@mail.dhs.gov Phone: (632)888-6078 Fax: (632)888-6606



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Electric Power Systems

INDONESIA

Market Overview

Generation capacity – 24.57 GW
Growth in electricity demand – 8%
Fuel mix – oil-51.66%, hydro-3.11%, geothermal-1.32%, coal-15.34%, gas-28.57%
Total imports of electrical power equipment – \$898 mil (2007 est.)
U.S. market share – 14%

Best Prospects

- Turbines & parts
- Equipment for Substations and parts
- Transmission lines and systems

MALAYSIA

Market Overview

Generation capacity – 21 GW
Growth in electricity demand – 7%
Fuel mix – gas-58%, coal-34%, hydro-5.5%, oil-1%
Total imports of transmission and distribution equipment – \$800 mil
U.S. market share – 11%

Best Prospects

- Gas turbines
- Transformers, static converters & inductors
- Capacitors
- Circuit breakers & controls

PHILIPPINES

Market Overview

Installed Generation Capacity – 15.9GW (2007)
Growth in electricity demand – 7%
Fuel mix – coal-26%, gas-18%, geothermal-12%, hydro-21%, oil-23%, renewable - <1%
Total imports of electrical power equipment – \$698 mil (2006 est.)

Best Prospects

- Metering Devices
- Transmission & Distribution Hardware
- Protection Devices
- Transformers
- Energy Efficiency Products

SINGAPORE

Market Overview

Generation capacity – 11.5 GW
Growth in electricity demand – 5%
Fuel mix – gas-70%, oil-30%
U.S. market share of imports of transmission and distribution equipment – 20% (2007 estimates)

Best Prospects

- Micro power systems or generator sets for chemical & semicon industries
- Power quality equipment
- Future LNG terminal

THAILAND

Market Overview

Generation capacity – 28.52 GW
Growth in electricity demand – 5%
Fuel mix – gas-65.8%, coal-21.6%, hydro-7.1%, renewable-1.6%, oil and others – 3.9%
Total imports of electrical power equipment – \$3.6 bil
U.S. market share – 8.10%

Best Prospects

- Generators, parts, and nuclear power technology
- Power transmission & distribution equipment
- Substations equipment
- Energy efficiency equipment

VIETNAM

Market Overview

Generation capacity – 12.270 MW
Growth in electricity demand – 17%
Fuel mix – gas-39%, oil and imported electricity-11%, coal-13%, hydro-37%
Total imports of transmission and distribution equipment – \$1.3B
U.S. market share – 6%

Best Prospects

Best Prospects in various power generation, transmission and distribution equipment and services.



Thank You

**Our Staff Looks Forward to
Working with You to Enter this
Dynamic Regional Market!**

http://www.buyusa.gov/asianow/asean_home.html