

FOREWORD



A.3 China, Japan and the US are perceived to be the most influential partners in ASEAN's trade and investment with

Executive Summary



B. **Qualitative Survey Insights**

The qualitative analysis complements the quantitative survey as it yielded insights that were largely aligned with the findings of the quantitative survey but with nuances observed.

1.0 Introduction



1.1.3 Investment trends (2012-2020)

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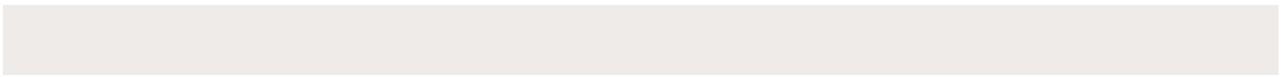
(Figure 3).



115 Inward FDI to ASEAN from Japan by sector (2012-2020)

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in ASEAN (Figure 5).

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116 The Next Chapter

ASEAN and Japan will be embarking on the “Next Chapter of ASEAN and Japan Economic Cooperation in the Post-Pandemic Era” underpinned by the Asia-Japan Investing for the Future (AJIF) Initiative.⁶

Asia-Japan Investing for

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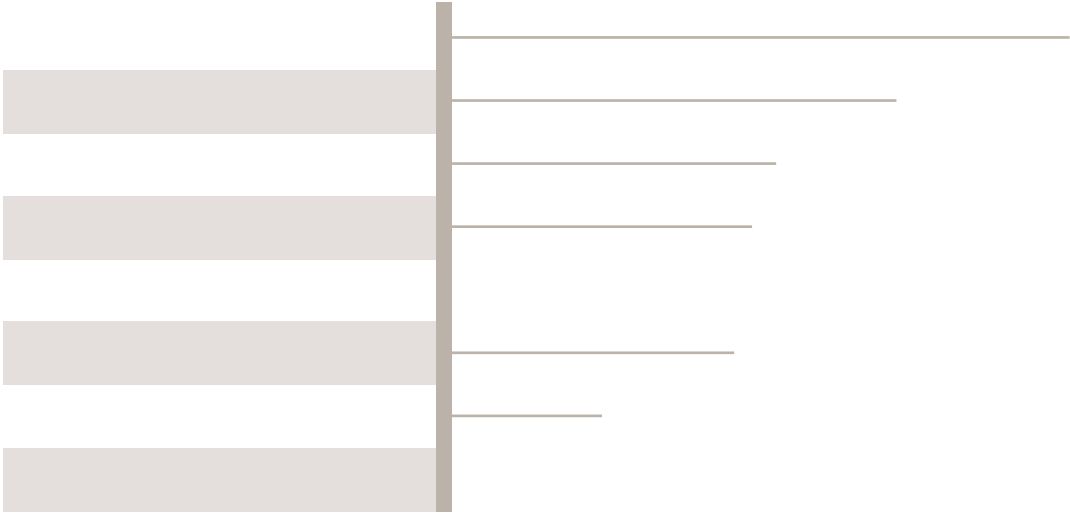
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12 About the project

2.0

21 Respondents' Information

Figure 6 Respondents by ASEAN countries



2.2.4 Digitalisation, supply chain

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226 Chinese and Japanese governments' support for their private sectors are perceived to be the strongest

Both countries' governments are perceived to provide strong support to their private sector with China (33.8%)

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Figure 24: LTC -0.0372 (c)6-0.ive
Industrial strength of
selein Q17)
compared to Japan in the
past 10 years
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2.3.3 Faster speed is p.0372 (c)6-0.ive

234. Japan's well-established industrial and manufacturing capabilities in ASEAN were seen as the main reason that the selected comparable country's industrial strength had improved less than Japan's in the last decade

Conversely, for the 8.8% of minority respondents who viewed their chosen country's industrial strength as

237 Over 24% of respondents believe that their selected country's industrial strength will lag behind Japan's in the next decade mainly due to its well established industrial and manufacturing capabilities

Separately, out of the combined 8.3% of minority respondents who perceived that the selected country's industrial compatibility will diminish compared to Japan's in the next decade in Q20 (Figure 27), the ranking of chosen reasons are almost identical to those

of the reasons in the past decade as in Q19b (Figure 26).

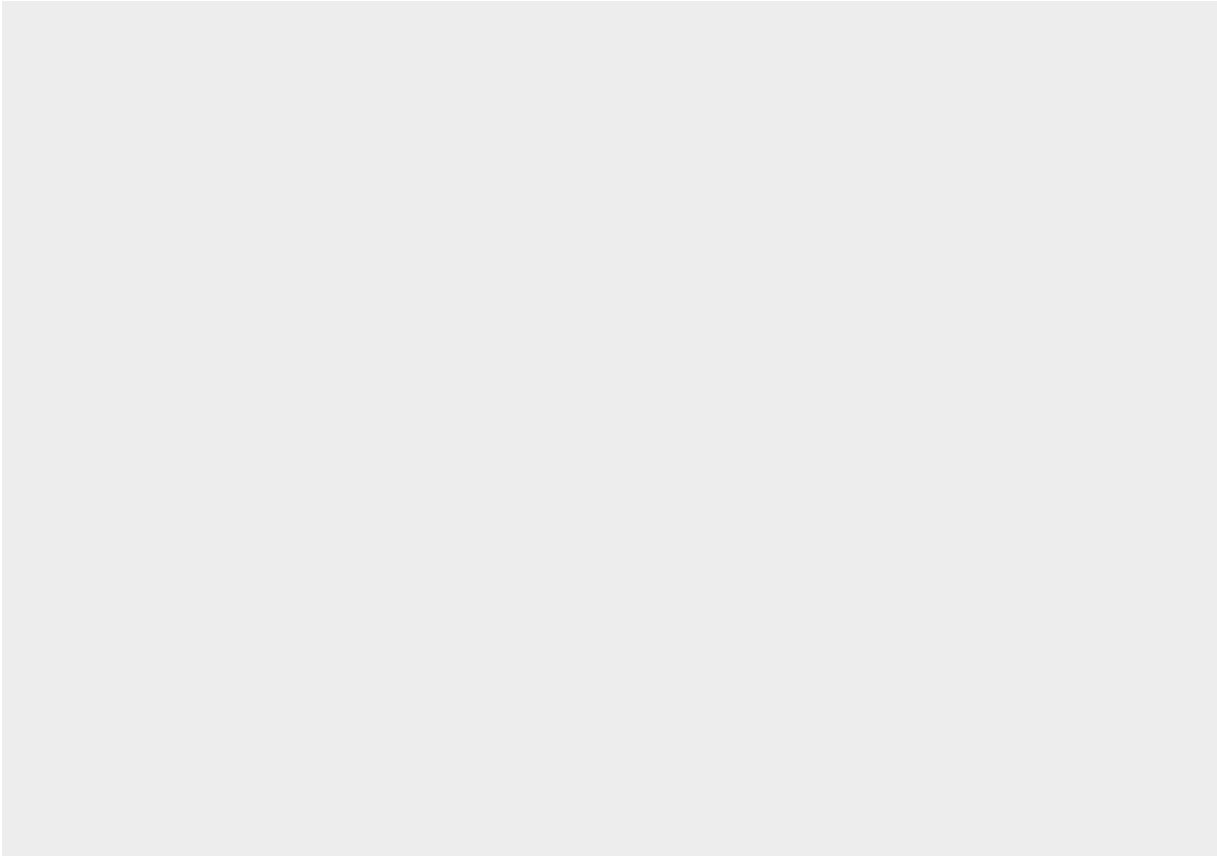
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Spotlight 3: How the ASEAN business community views Japan's compatibility with IR4.0- Opportunities for Japan

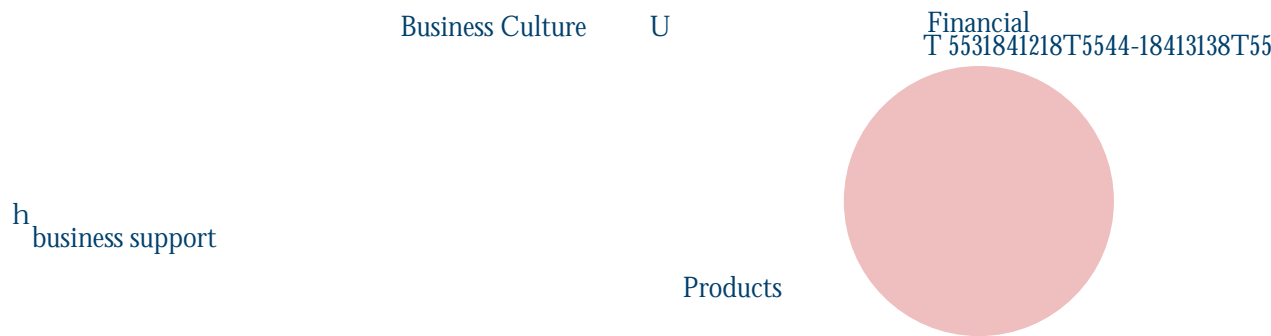
Unmatched compatibility with IR4.0

- 95.6% of the ASEAN business community surveyed felt that Japan's technology was compatible with IR4.0 on the whole, out of which 52.5% of respondents viewed Japan as

242 China, South Korea and the US
are most likely to challenge Japan's
competitive advantage in the



244 Regulation, business support and business culture are perceived to be the least compelling reasons to partner with a Japanese company



245 Japanese companies' service quality is top-notch

A strong consensus is observed by respondents that superior service quality (80.4%) and advanced technology (79.3%) are the top two advantages that set

two areas where Japanese companies have distinctive competitive advantages are their solid reputation (73.2%) and strong brand equity (60.8%). Most respondents did not consider their pricing (15.5%) and ease of doing business (11.5%) to be competitive.

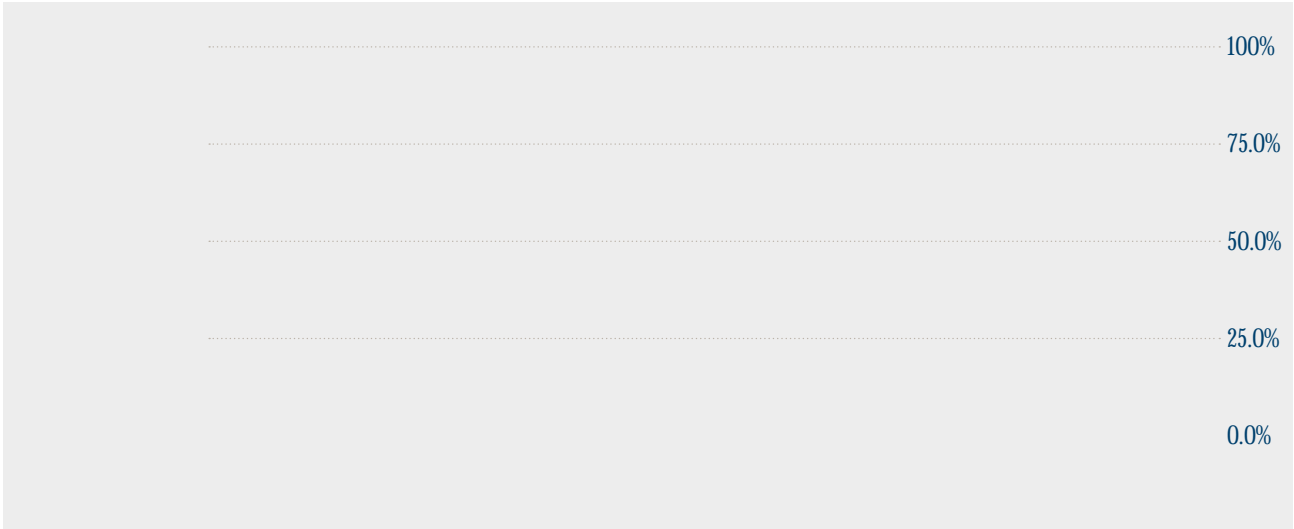
263. Japanese businesses ranked highest in planning and efficiency of project execution when compared to other major economies

A combined 88% of respondents believe that Japanese businesses have either a high or very high level of

$$\hat{A}_{\pm} \pm j$$

Figure 48 Perceived planning and efficiency of project execution of Japanese businesses compared to other countries

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264. Japanese businesses are perceived to have the highest level of technical know-how and knowledge when compared to other countries

A combined 92% of respondents see Japanese businesses as the leader when it comes to technical

$$\hat{A}_j ; \hat{A}_{\pm} \pm j$$

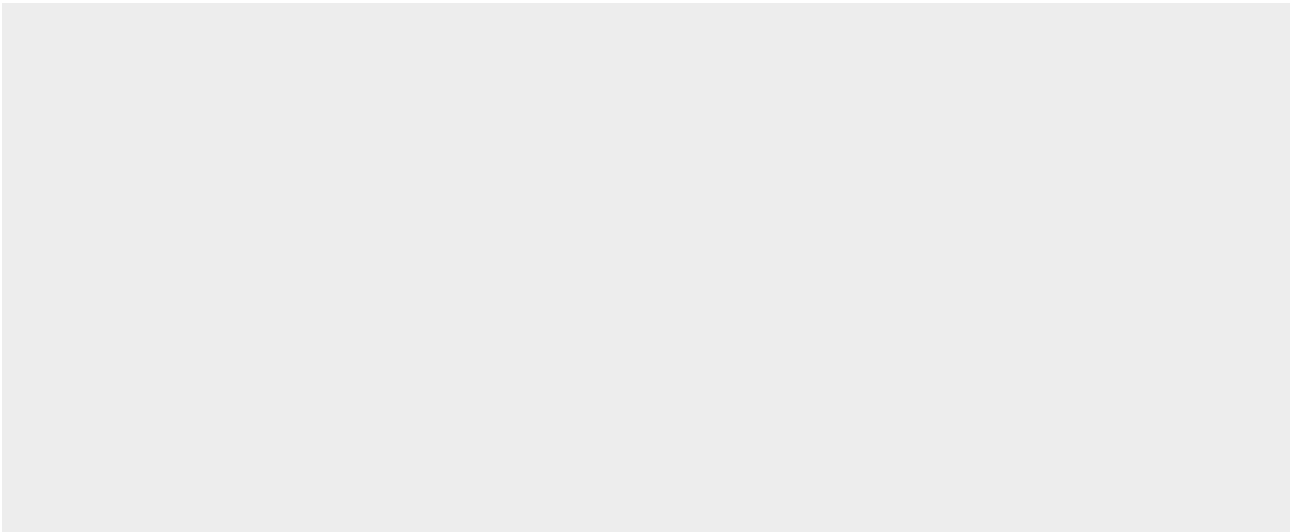
Figure 49 Perceived technical know-how of Japanese businesses compared to other countries

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265. Japanese businesses are perceived to have the highest levels of technology transfer when compared to other countries

A combined 70.6% of respondents believe that Japanese businesses have either a high or very high level of technology transfer, followed by \hat{A}_{\pm} ; $\hat{A}_{\hat{j}}$ South Korea (41.7%).

266. Japanese businesses are far behind other countries in the speed of decision making



27Ref ec



7.1%

Non-Senior
Management
(Others)

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3.4.4 Top three challenges in the next three years

a Supply chain disruptions remain the top challenge for ASEAN businesses

Most ASEAN businesses interviewed said that supply chain issues resulting from the / ..UZ

and shipping delays due to movement restrictions and the sudden spike in cest9srg dm and

35 Japan's Industrial And Technological Dominance

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discussion focuses on the automotive industry's competitiveness, its dominance, Japanese government support, sub-sector support, and technology advancement.

3.5.1 Automotive Industry Competitiveness

a Japan's automotive industry will be challenged by China and South Korea in the next decade

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352 Japanese Industrial Dominance

a Japan's dominance has already been challenged by China and South Korea in the past decade

Respondents generally observed that Japan's dominance has been challenged by China and South Korea in the past decade. China and South Korea have been able to churn out cheaper products in the last decade to challenge Japanese

3.6 Competitiveness Of Services And

39 Working With Japanese Companies

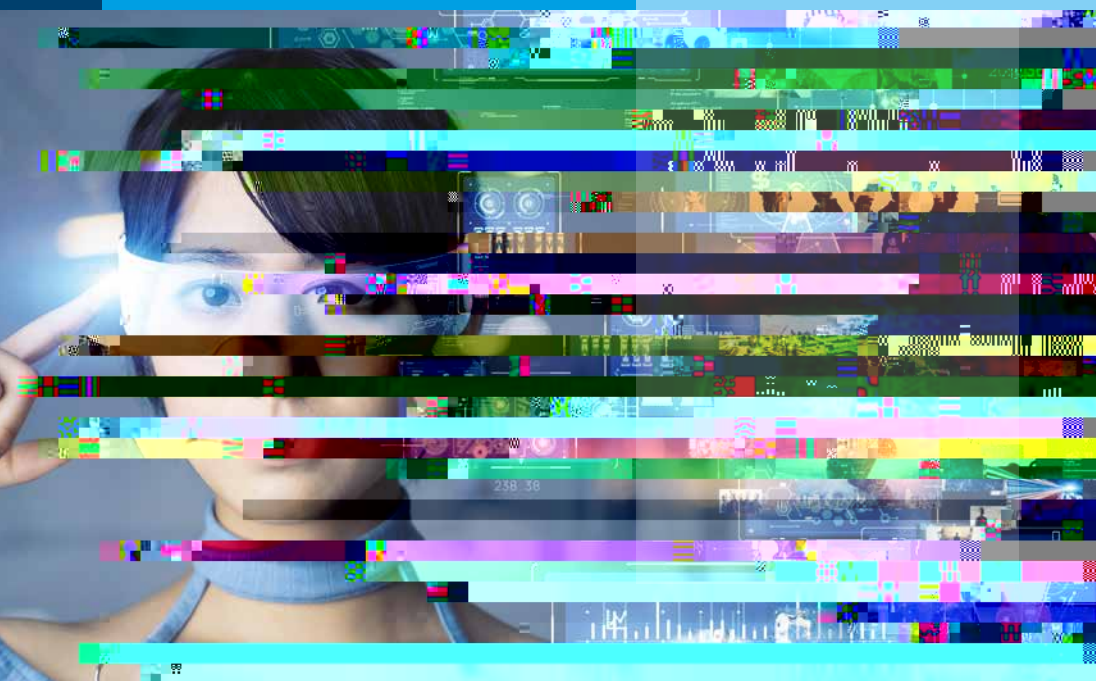
391 Perceptions of respondents with experience working with the Japanese

392 Perceptions of respondents without experience working with the Japanese

The insights from the qualitative section obtained from 42 respondents from 10 ASEAN countries were aligned with the insights found in the quantitative analysis.

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4.0 THE ROAD AHEAD



Supporting

