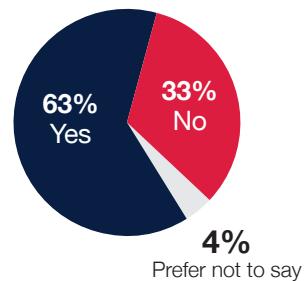


SETTING THE CONTEXT

As part of a protectionist trade policy aimed at reviving the US domestic industry, the announcements of tariffs (both imposed and implied) by the Trump Administration have led to trade-related tensions in what has come to be known as the 'US-China Trade War'. Aiming to understand the sentiments of businesses towards this Trade War, AmCham conducted an online survey of its members. A quick profile of the 179 respondent firms is shown below.

American Company



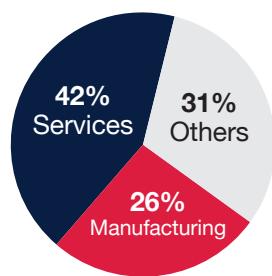
Geographic Coverage



Staff Strength in Southeast Asia



Industry Sector



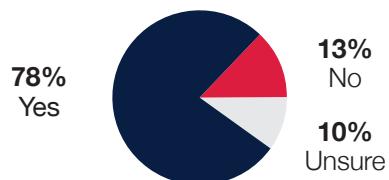
KEY FINDINGS

1

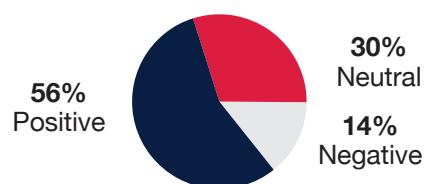
Businesses are concerned about the US-China Trade War but maintain a cautiously positive outlook. 8 out of 10 business leaders surveyed

expressed concern, and 1 in 4 reported that it has become harder to do business in Southeast Asia (SEA) since the onset of the Trade War. Concern is higher among firms with large staff strength in SEA (94%), and among American firms (84%). Despite these concerns, only 14% of respondents have a negative business outlook for the coming 6 months, with the majority (56%) feeling positive about business prospects.

Concerned about the Trade War?



What is your business outlook for the coming 6 months?



KEY FINDINGS

2

Companies in the manufacturing industry are more concerned with the unfolding trade war, with 91% of business leaders in the industry surveyed expressing this. In comparison, only 66% of business leaders in the services industry expressed concerns.

3

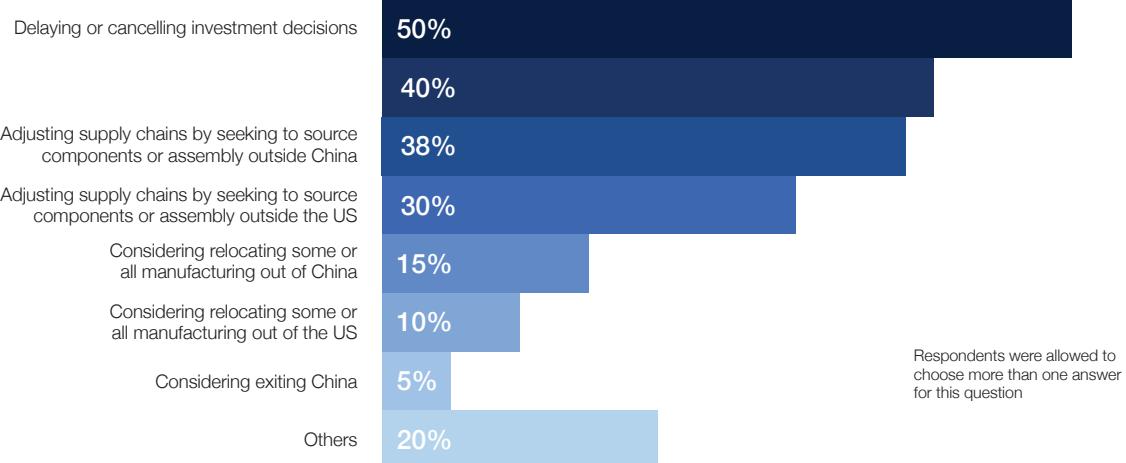
Almost 4 in 10 firms reported negative effects from the first round of tariffs imposed by the US and by China. Firms with large staff strength and regional/global footprint are the most affected. Digging deeper, 45% of American companies reported negative impact from Chinese tariffs, vis-à-vis just 18% of non-American companies. This speaks perhaps to the targeted nature of the Chinese tariffs. Looking ahead, 1 in 2 firms are anticipating adverse impact from the second round of US/China tariffs, with higher pessimism among American firms (57% of total) than among non-American firms (33% of total).

4

More than 2 in 3 (68%) business leaders indicated that their business strategy has been altered by the US-China trade tensions. A higher proportion (85%) of firms in the manufacturing sector reported having to review their business strategies, compared to 61% for the services sector.

5

In response to the ongoing uncertainty, business leaders are delaying or canceling investment decisions; as well as taking steps to safeguard their businesses by adjusting their supply chains and diversifying into other markets. Among those respondents that are reviewing their business strategies in light of the Trade War, 1 in 2 reported delaying or canceling planned investments. 40% of them are increasing their company's presence in other markets, and around 35% are adjusting their supply chains by reducing reliance on the US or China.


6

A positive side effect of the Trade War has been increased attractiveness of SEA as a business destination. 40% of

respondents indicated that the imposition of tariffs made SEA a more attractive place to do business.

Has the Trade War made Southeast Asia a more attractive place for business?

