
NEWS RELEASE

Canadian businesses in Southeast Asia confident about future profitability and investment prospects

Singapore, 9 October 2013 – Southeast Asia is emerging as a major source of growth for Canadian businesses with operations in Asia, according to a survey¹ by United Overseas Bank (UOB) and the Asia Pacific Foundation of Canada (APF Canada).

The ‘*Survey of Canadian Businesses in ASEAN, 2013*’, released at the Canada-ASEAN Business Forum today, is the first-of-its-kind survey to measure the current operations and outlook of Canadian businesses operating in Southeast Asia. The survey found that 63 per cent of Canadian businesses had achieved profitability within three years of beginning their operations in the region. The majority of respondents (63 per cent) also said that their investment in Southeast Asia had increased in the past two years.

Mr Ian Wong, Managing Director, International, UOB Group, said, “Southeast Asia’s young, growing population and rising wealth are driving domestic consumption in the region. At the same time, its competitive cost of doing business makes it an attractive manufacturing base for multinationals. This makes it a compelling location for Canadian businesses seeking expansion opportunities. UOB’s Southeast Asian heritage and regional knowledge make us the ideal partner to help Canadian companies harness the potential from the region’s economic transformation.”

Mr Yuen Pau Woo, President and CEO of APF Canada, said, “The vast majority of Canadian businesses in the region are profitable and most project that profitability from their Southeast Asian operations will increase in the next two years. Despite ongoing concerns about growth prospects for emerging markets, Canadian companies on the ground expect continued success with their Southeast Asian operations.”

¹ The survey was conducted by the Asia Pacific Foundation of Canada in September 2013. It was developed in partnership with the Canada-ASEAN Business Council and was based on responses from 138 Canadian companies with a turnover of from less than C\$1 million to C\$1 billion or more.

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Southeast Asian markets an attractive venue for investment

The top Southeast Asian markets that Canadian businesses are targeting for investment in the next two years are Indonesia (52 per cent), Vietnam (40 per cent), Malaysia (35 per cent), Singapore (27 per cent) and Thailand (26 per cent).

Most respondents (81 per cent) are optimistic that their investment opportunities in the region will be positive and believe that their companies' investment in Southeast Asia will increase within the next five years.

The top three countries where Canadian businesses are most active include Singapore (60 per cent), Indonesia (58 per cent) and Malaysia (53 per cent). Although only 14 per cent of Canadian businesses are currently active in Myanmar, 35 per cent of businesses surveyed are interested in future investment in the country.

Trade between Canada and Southeast Asia increased 15 per cent from 2010 to S\$19.1 billion in 2012². To help Canadian companies with their expansion plans in Southeast Asia, UOB has established dedicated Foreign Direct Investment (FDI) Advisory Units to provide these companies with access to the Bank's full suite of corporate and personal banking products and its extensive banking network in the region.

Mr Dave Newby, Vice President Finance and Treasurer of Talisman Energy Inc., said, "UOB is a core partnership bank to Talisman in North America, Europe and Southeast Asia. UOB's strong regional franchise in Asia, combined with its ability to understand and satisfy non-standard trade finance requirements, has greatly contributed to Talisman's growth in the region."

– Ends –

² Source: Trade Data Online, Industry Canada. Based on exchange rate of C\$1:S\$1.21.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. In Asia it operates through its branches and representative offices as well as banking subsidiaries in China, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

UOB plays an active role in the community, focusing on the arts, education and children. For more than three decades UOB has held the prestigious UOB Painting Of The Year Competition and Exhibition. In recognition of its contributions to the arts, UOB was conferred the National Arts Council's Distinguished Patron of the Arts Award for the ninth consecutive year in 2013. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run/Walk which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

About APF Canada

The Asia Pacific Foundation of Canada is an independent, not-for-profit think tank on Canada's relations with Asia. APF Canada brings together people and knowledge to provide current and comprehensive research, analysis and information on Canada's transpacific relations.

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