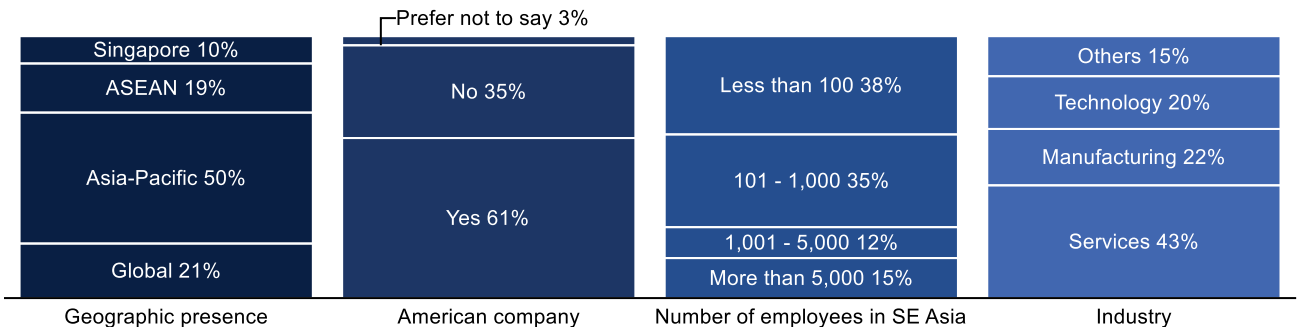


SETTING THE CONTEXT

In 2018, AmCham conducted an online survey of its members to gauge the perceptions and impact on businesses in the region. As the US-China Trade War continues to heat up, AmCham conducted a second survey in 2019 of its members to see how things have changed over the past few months. The profile of 144 respondents is shown below.

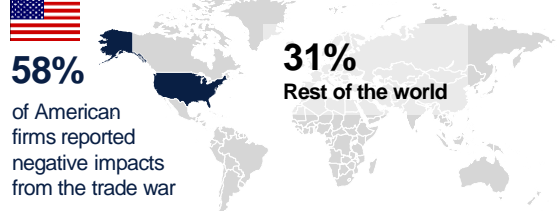


Survey demographics



KEY FINDINGS

- 1** Compared to '18, **fewer companies appear to be affected by the trade war**, however, American firms continue to be more likely to be affected. 58% of American firms reported negative impacts from the trade war, while only 31% of non-American firms reported the same.


- 2** **Perception of the trade war appears to be worse than the reality.** 81% of respondents are concerned about the US-China trade war, though 78% of firms see either a positive (48%) or neutral (30%) overall business outlook over the next 6 months (9% reported being unsure).

Concern about the trade war and business outlook for the next six months

Business outlook next 6 months	Positive 48%	Neutral/ unsure 39%	Negative 13%
Are you concerned about the trade war?	No 11%	Unsure 8%	Yes 81%
- 3** **US tariffs have had a larger impact on respondent businesses than Chinese tariffs.** 37% of respondents that saw 'Slight' or 'Strong' negative impacts from the trade war declared Chinese and US tariffs as equally impactful, while 39% reported US tariffs as more impactful on their business.

KEY FINDINGS



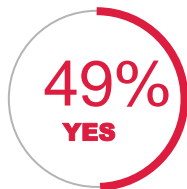
The worst for us, at the moment, is the uncertainty. There are a lot of big investment decisions for us to increase our presence in China on hold, tying up capital indefinitely while we wait for more information.

- 4** **The trade war is expected to continue.** Less than 1 in 3 respondents believe that the trade war will be resolved soon. 40% of respondents believe that the trade war will deteriorate further, with 30% of respondents believing it will remain the same indefinitely.

Will the trade war be resolved soon or further deteriorate?



- 5** **Have tariffs and the trade war impacted your business strategy?**



Firms are increasingly considering exiting China

- 42% of respondents impacted by the trade war are considering moving sourcing away from China
- 37% of are considering moving sourcing away from the US
- 11% are considering exiting China altogether.

- 6** **The outlook for Southeast Asia is positive.** Almost 9 out of 10 of respondents reported Southeast Asia is an equally attractive or more attractive place to do business.



In the medium term we should see positive impact on ASEAN and India, as we will see more manufacturing shift here.

