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**EU-ABC survey:**  
**ASEAN remains a bright spot for EU business amid global uncertainty; more regional integration & EU engagement needed**

- *ASEAN is top region for economic opportunity for third consecutive year despite global shocks; scores well in other indicators of business confidence, including importance to global revenues, business expansion plans, relocation destination for EU businesses*
- *Vietnam, Indonesia, Malaysia and Thailand seen as top markets in Southeast Asia, but smaller share of respondents indicate plans to increase trade and investment regionwide*
- *Survey gathered 474 responses from representatives of European businesses in its eleventh edition, displaying continued positive sentiment towards ASEAN over the past decade, but also signs of concern over increasing geoeconomic uncertainty, slow regional integration in ASEAN and inadequate engagement from EU institutions*

**SINGAPORE, 10 SEPTEMBER 2025** – ASEAN has emerged as the region of best economic opportunity for European businesses, beating India and China for the third year running in the [\*\*EU-ASEAN Business Sentiment Survey\*\*](#), published in its eleventh edition today by the EU-ASEAN Business Council (EU-ABC).

The findings indicate that European business confidence in ASEAN has withstood global trade uncertainty, as respondents say the region has become more important to global revenues, with many expecting to expand business operations in top ASEAN markets, namely Vietnam, Indonesia, Malaysia and Thailand.

Yet, positive sentiment appears to be tempered by concern over global trade uncertainty this year, as a smaller share of respondents expect to see increased levels of trade and investment regionwide in the short term. This comes with growing frustration over slow progress on ASEAN's regional integration and insufficient engagement from European institutions.

The survey gathered 474 responses from representatives of European businesses. Its **key findings** include:

- **73 per cent** say ASEAN has become more important to their global revenues over the past two years.
- **71 per cent** (versus 86 per cent in 2024) say they expect their companies to increase trade and investment in ASEAN over the next five years, with **56 per cent** saying ASEAN is the region of best economic opportunity within the same timeframe.
- While nearly **nine out of 10** respondents say that ASEAN regional economic integration is important to their businesses, **less than half** have a business strategy based on it.
- **77 per cent** of respondents report that there are too many barriers to the efficient use of supply chains in ASEAN, with **58 per cent** indicating that they feel non-tariff barriers to trade are increasing, up from 40 per cent in 2024.
- **Europe is tied with China as the best dialogue partner** to support ASEAN's economic growth.
- **Over six out of 10** respondents believe that the EU institutions are not engaged enough with the ASEAN region, with **close to eight out of 10** respondents saying that European businesses operate at a disadvantage compared to their counterparts from Japan, China, Australia, New Zealand and India due to the lack of region-to-region FTA with ASEAN.

"ASEAN continues to be viewed as the most promising region for growth, but at the same time, European businesses report frustration at the slow pace of regional integration. Non-tariff measures, regulatory inconsistencies, and persistent bottlenecks continue to add cost and complexity, limiting the full benefits of ASEAN's market potential. Unless greater effort is made to address these barriers, the region risks falling short of its ambition to function as a truly single, integrated market," said **Chris Humphrey, Executive Director of the EU-ABC**.

## **MEDIA RELEASE**

He added: “The 2025 survey points to a critical juncture for both ASEAN and Europe. European companies remain committed to expanding in the region, but fully capitalising on ASEAN’s growth requires faster progress on reducing barriers and deepening integration. At the same time, the EU must step up its engagement to stay competitive, with a region-to-region FTA now seen as a strategic necessity. As global trade realignments continue, ASEAN must accelerate integration, and Europe must prioritise engagement to secure its place in the region’s growth story.”

### **ASEAN remains key to European business growth amid global uncertainty**

The survey highlights that ASEAN remains central to European business growth strategies, despite some signs that recent economic turbulence has dampened the region’s business outlook. 73 per cent of respondents say ASEAN has become more important to their global revenues – a figure that has held remarkably steady at around 73-74 per cent since 2023 (Figure 1) withstanding ongoing global economic shocks and uncertainty. That is not to say the impact has not been felt, as a smaller share of respondents this year – 71 per cent – expect to increase trade and investment in the region within a five-year timeframe, compared to 86 per cent in 2024 (Figure 2).

Despite this, ASEAN has maintained its position for the third consecutive year as the best region for economic opportunity within a five-year timeframe (Figure 3), far ahead of India and China. The share of respondents who pick ASEAN has declined since 2023, though it is possible that numbers for this year are skewed by threats of disproportionately high tariffs on ASEAN countries by the US. Yet, it is promising that the majority of respondents expect to expand operations in key ASEAN markets, namely Vietnam, Indonesia, Malaysia and Thailand (Figure 4), despite potential US tariffs of 19-20 per cent in these countries.

When asked if companies are considering recalibrating or relocating supply chains due to the US tariffs, 13 per cent of respondents say they are. Within this group, ASEAN emerged as the top choice for relocation, followed by India, then Europe and China (Figure 5).

### **Integration stalls despite clear business demand**

Almost nine in 10 respondents say ASEAN economic integration is important to their business, yet fewer than half have regional strategies based on the 2025 ASEAN Economic Community (AEC) Blueprint. Lack of progress on ASEAN integration is the most common reason for this; other reasons cited by respondents include interest in only a limited number of ASEAN markets and local business strategies being sufficient.

In terms of ASEAN’s supply chain efficiency, 77 per cent of respondents say too many obstacles hinder their efficient use, a notable drop from 88 per cent in 2024 (Figure 6). While this is an improvement, 58 per cent of respondents still say that non-tariff barriers are increasing, a sharp rise from 40 per cent in 2024 and the highest level recorded in recent years (Figure 7), reflecting growing frustration with non-tariff barriers.

More than nine in 10 respondents say their companies would make greater use of ASEAN’s regional supply chains if these barriers were removed. This is a clear sign that European businesses are more than eager to tap into ASEAN’s potential for connectivity – a significant economic opportunity that the region will continue to miss with these barriers in place.

However, there are signs of improvement – for the first time since the topic was introduced in 2020, the majority of respondents (61 per cent) find customs procedures to be acceptable. In previous years, respondents were evenly divided between “acceptable” and “overly burdensome” (Figure 8).

## **MEDIA RELEASE**

### **Europe risks losing ground without deeper engagement**

The survey highlights both the strength of Europe's relationship with ASEAN and the risks of falling behind. As a dialogue partner, Europe ranks far ahead of the US – a long-time partner of ASEAN – but is tied with China as best placed to support ASEAN's economic growth (Figure 9). Europe and China were each selected by 38 per cent of respondents, with Japan lagging at just 10 per cent and other partners scoring single digits. With China as Europe's main competitor in the region, there is an urgent need for Europe to accelerate its efforts to solidify its relevance and leadership in ASEAN.

The survey also found strong backing for a more ambitious trade agenda, with 84 per cent of respondents saying an EU-ASEAN region-to-region FTA would deliver greater benefits than a series of bilateral agreements.

Further, 78 per cent of respondents believe European companies are disadvantaged compared to counterparts from Japan, China, Australia, New Zealand, and India – all of which already benefit from region-to-region or bilateral FTAs with ASEAN. That is why European businesses are calling for deeper and more visible EU engagement. The proportion of respondents who wish to see increased engagement has tripled in just two years – from 21 per cent in 2023 to 64 per cent in 2025 (Figure 10) – despite a notable uptick in high-level visits to the region by the European Commission in 2025.

Overall, the 2025 survey findings bode well for EU-ASEAN trade – European businesses remain confident in ASEAN's immense economic potential despite global uncertainty. But they are also a call to action: for ASEAN to double down on its economic goals, and for the EU to intensify efforts to engage the region.

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## **MEDIA RELEASE**

### **About the EU-ASEAN Business Sentiment Survey**

This publication is the 11<sup>th</sup> edition of the annual EU-ASEAN Business Sentiment Survey. As always, it aims to serve as a barometer for the European Business outlook in Southeast Asia regarding key issues such as macroeconomic conditions, the policy and regulatory environment, and the development of free trade agreements in the region. The Survey is produced with the support of the European Chambers of Commerce in ASEAN. You may also view this report and its previous editions online at [www.eu-asean.eu/publications](http://www.eu-asean.eu/publications).

### **About the EU-ASEAN Business Council**

The EU-ASEAN Business Council is the leading voice for European businesses within the ASEAN region. Established to champion the interests of European businesses operating in ASEAN, the Council collaborates closely with governments and stakeholders to improve the investment and trade environment, benefiting both regions.

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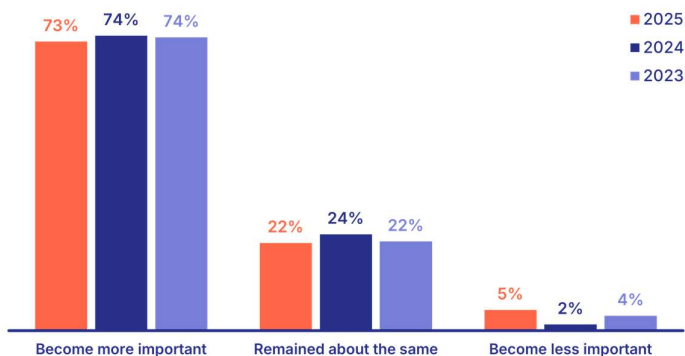
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### ANNEX

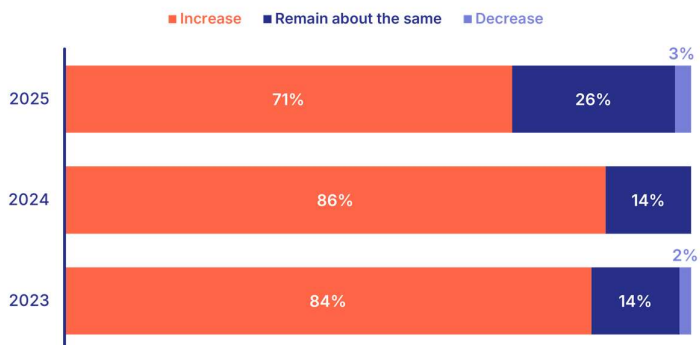
*Figure 1*

Q: ASEAN Markets in terms of Worldwide Revenues have \_\_\_\_ over the past 2 years.



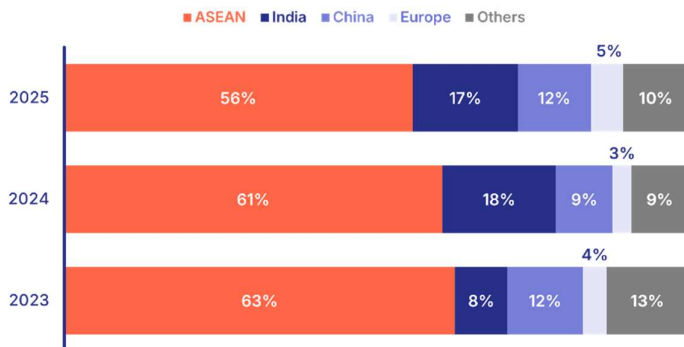
*Figure 2*

Q: Over the next 5 years, you expect your level of trade and investment in the ASEAN region to \_\_\_\_.



*Figure 3*

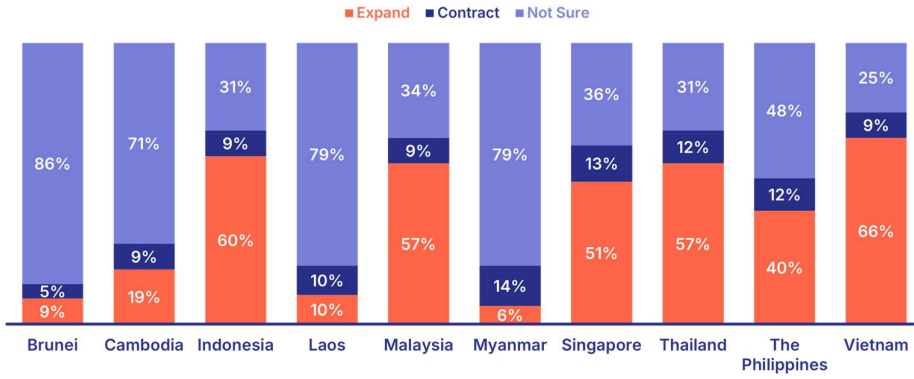
Q: Which region/country do you think offers the best economic opportunities over the next 5 years?



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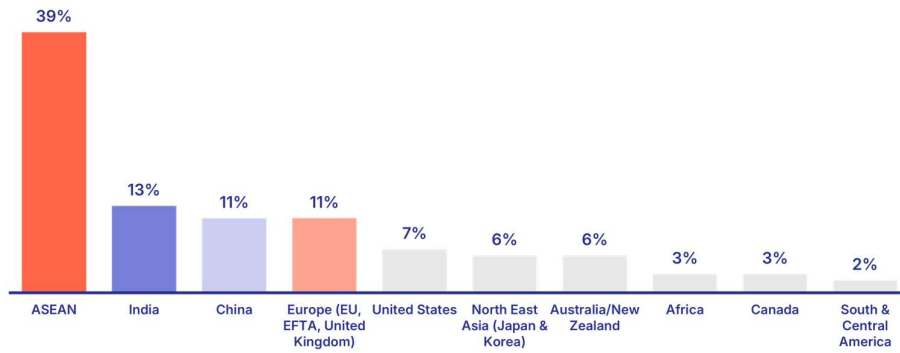
**Figure 4**

Q: In the following ASEAN countries, does your company plan to expand or contract?



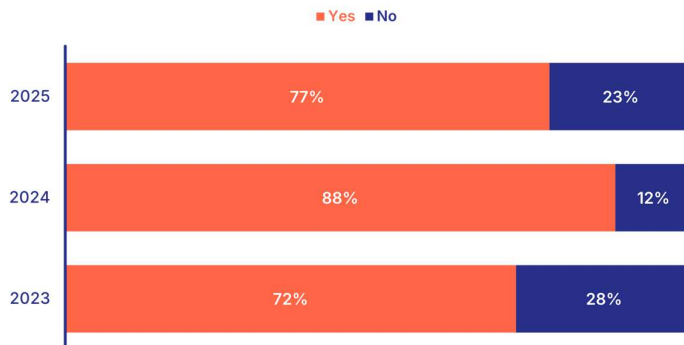
**Figure 5**

Q: If you are looking to recalibrate your supply chains or relocate manufacturing facilities, which regions or countries are you considering?



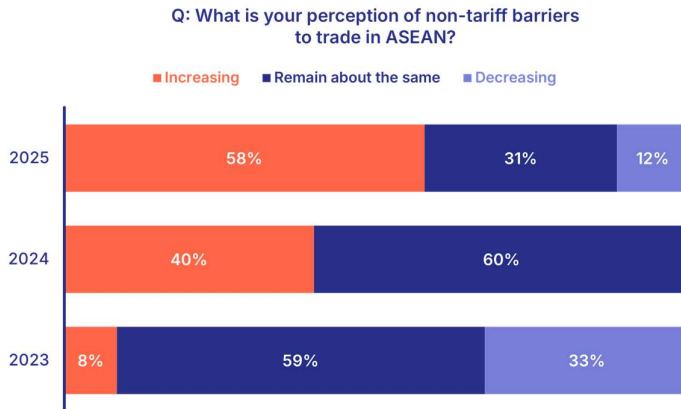
**Figure 6**

Q: Are there too many barriers to the efficient use of supply chains in ASEAN?

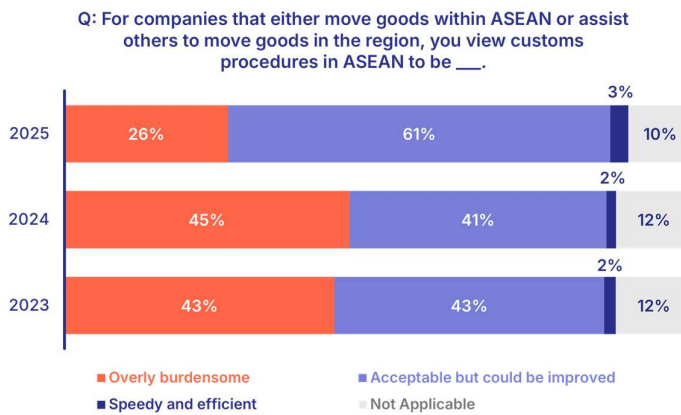


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**Figure 7**



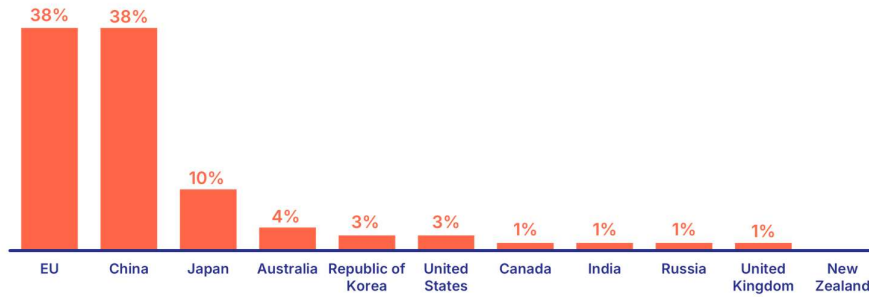
**Figure 8**



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**Figure 9**

Q: Which ONE of the following ASEAN dialogue partners do you think is best placed to support ASEAN in its economic growth and development?



**Figure 10**

Q: Do you believe that the level of engagement from EU institutions (EU Commission, EU Delegation, EU Parliament, etc) adequately supports European companies operating in Southeast Asia?

