

# UPS Asia Business Monitor

Final Report 2010



# Overview of Methodology

Fieldwork period: March 11, 2010 – April 20, 2010

Interviewing method: Computer Assisted Telephone Interviewing using native-language B2B interviewers

Average interview length: 36 minutes

Total sample: n=1,351

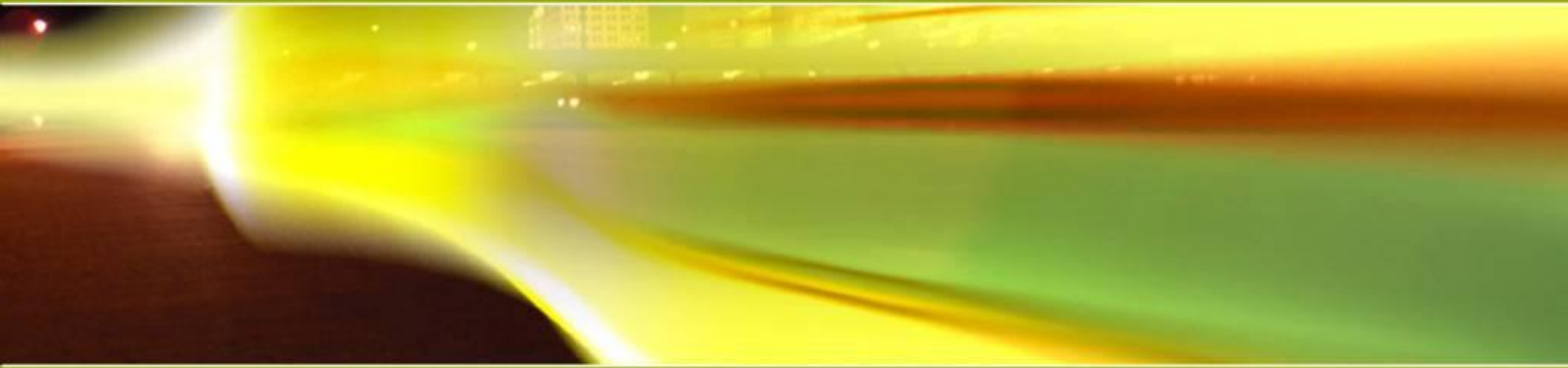
Respondent Qualification:

- Locally-based & Privately held companies
- Maximum 250 employees
- Key Strategic Decision-Makers

Sample breakdown by market:

<b>Australia</b>	<b>China</b>	<b>Hong Kong</b>	<b>India</b>	<b>Indonesia</b>	<b>Japan</b>	
n=100	n=150	n=100	n=101	n=100	n=100	
<b>Korea</b>	<b>Malaysia</b>	<b>Philippines</b>	<b>Singapore</b>	<b>Taiwan</b>	<b>Thailand</b>	<b>Vietnam</b>
n=100	n=100	n=100	n=100	n=100	n=100	n=100

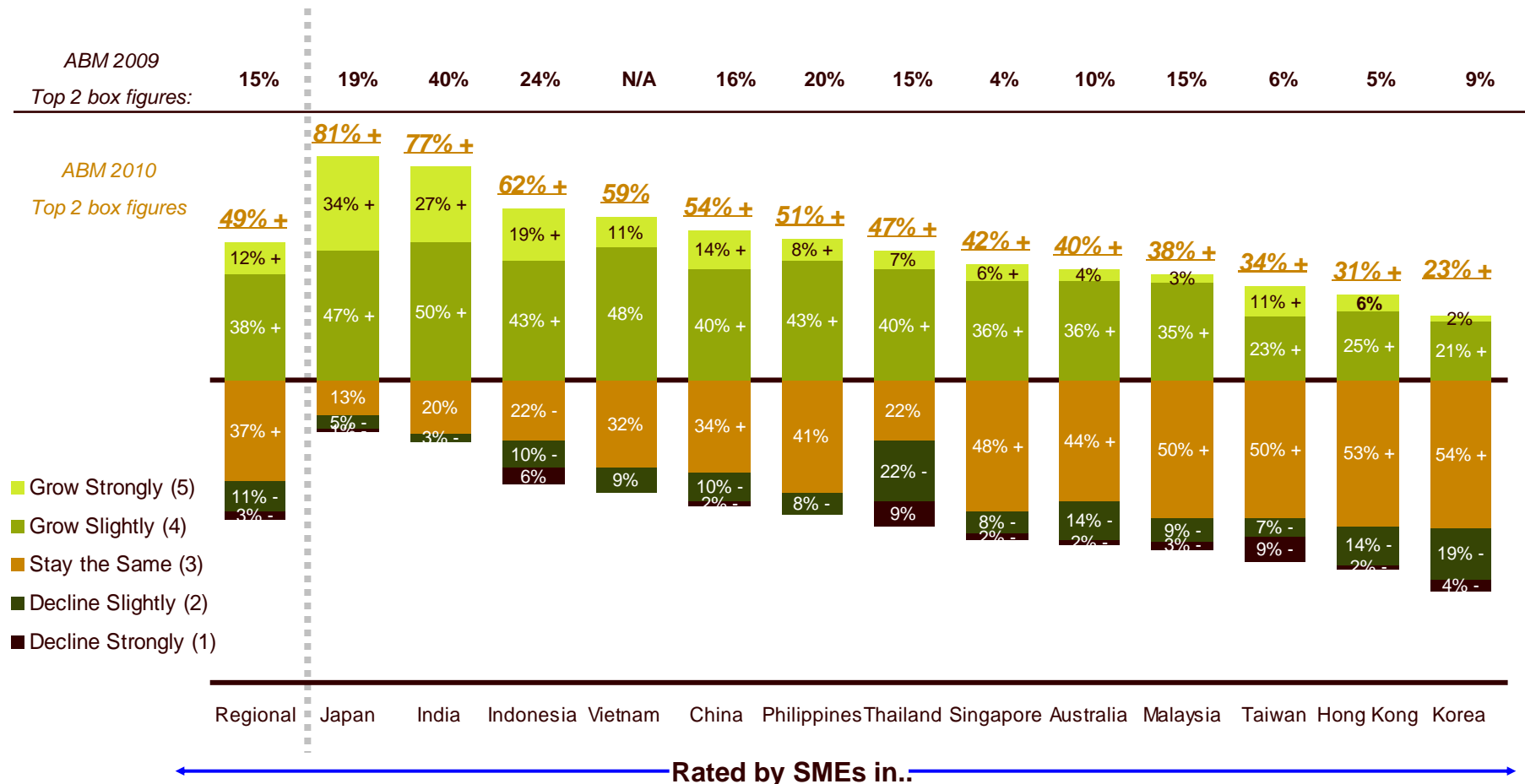
# Asian Economic and Business Prospects



# Perceptions of Economic Growth in Next 12 Months For Asia Pacific

Q1. On a scale of 1 to 5, where 5 equals “grow strongly” and 1 equals “decline strongly”, how do you rate the prospects for economic growth across the region in 2010? SC

**Mean overall top 2 box score for Asia Pacific region: 49%**



Base : Asia Pacific in 2009, 2010

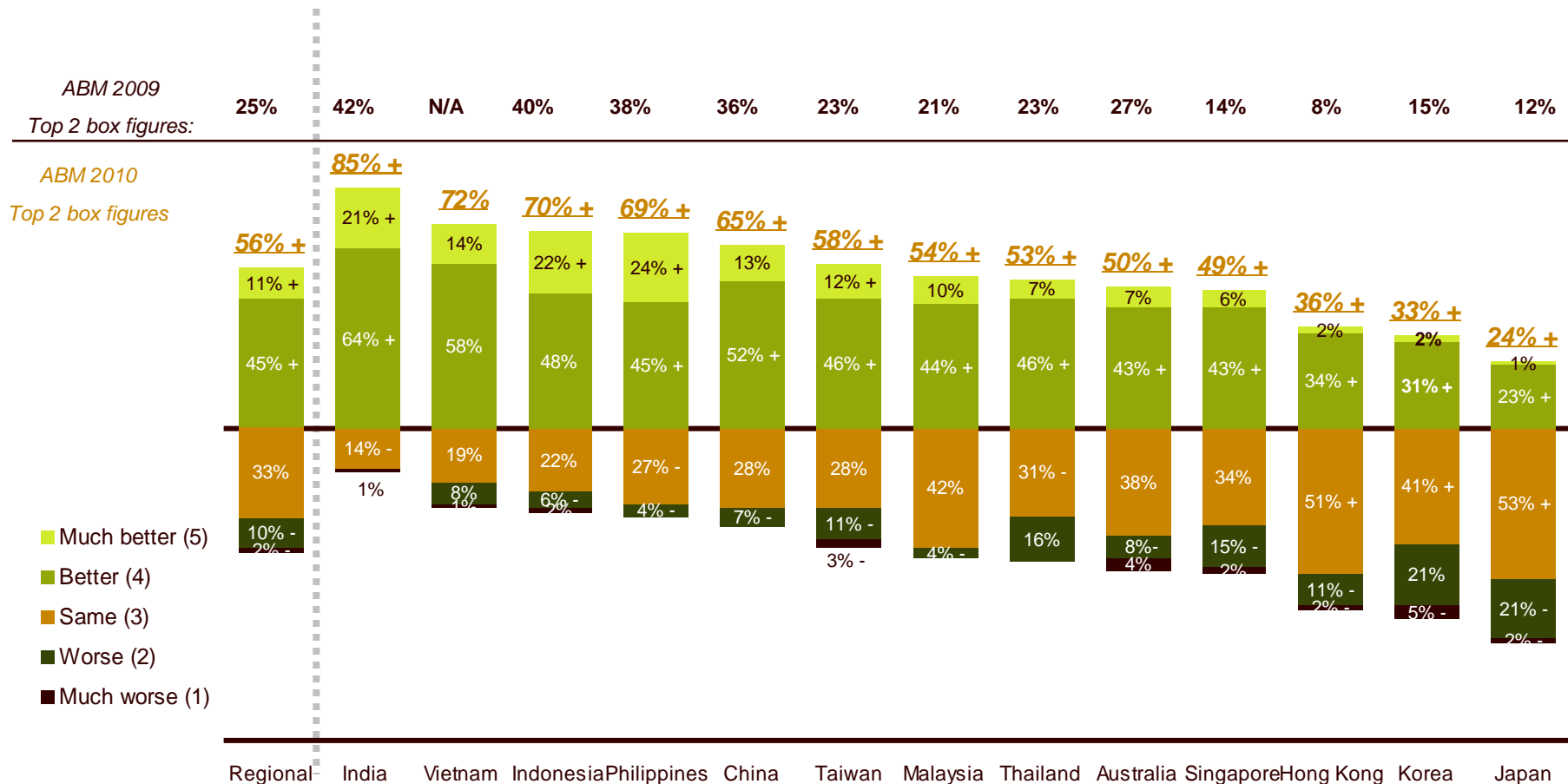
\* Vietnam is new market in 2010

+/- : Significant change versus 2009 (at 95% confidence level)

# Next 12 Months Prospects

Q2. On a scale of 1 to 5, where 5 equals "much better" and 1 equals "much worse", do you think your company's overall prospects 2010 will be better, worse or about the same as 2009? SC

**Mean overall top 2 box score for Asia Pacific region: 56%**



Base : Asia Pacific in 2009, 2010

\* Vietnam is new market in 2010

+/- : Significant change versus 2009 (at 95% confidence level)

# Industry Sector Growth Opportunities

Q5. Which three industry sectors will present the biggest growth opportunities for SMEs in Asia in 2010? MC

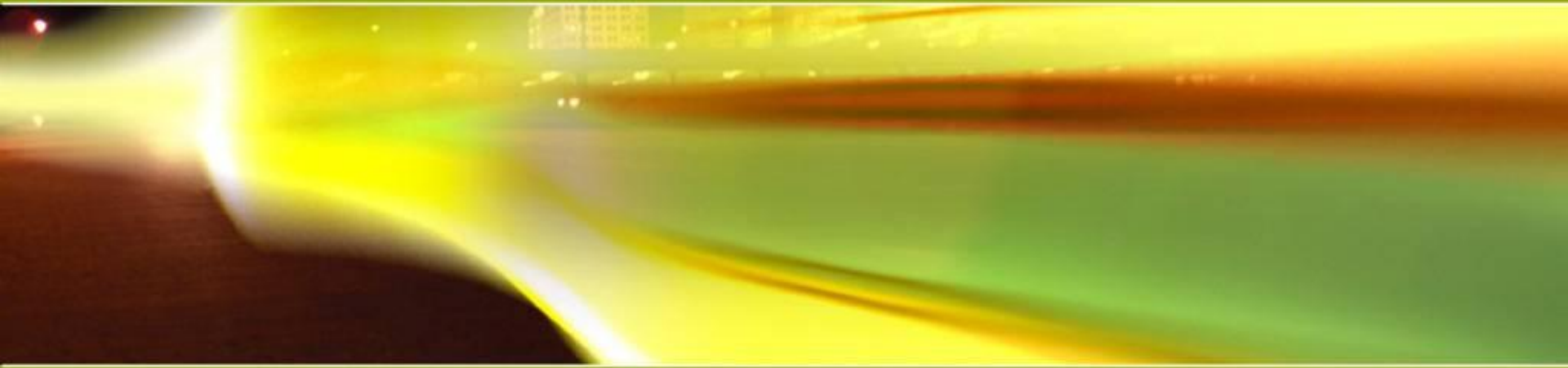
## Industry Ratings

%	IT	Manufacturing	Automotive	Building & construction	Agriculture, forestry and fishing	Leisure and tourism	Financial services	Business services	Healthcare and pharmaceuticals	Renewable resources/renewable energy	Biotechnology	Textiles and apparel	Utilities and energy	Transport & logistics	Mining	Retail	Media
All Markets (2010)	37%	26%	20%	20%	17%	16%	15%	14%	12%	11%	11%	10%	10%	9%	8%	7%	3%
(2009)	27%	23%	7%	18%	26%	14%	10%	17%	23%	N/A	13%	6%	19%	7%	5%	13%	4%
Australia	14%	19%	4%	19%	10%	16%	13%	18%	7%	18%	3%	1%	2%	6%	54%	3%	3%
China	42%	32%	10%	23%	5%	21%	14%	14%	6%	14%	5%	9%	14%	11%	5%	5%	1%
Hong Kong	20%	15%	2%	10%	2%	24%	53%	17%	8%	11%	11%	6%	3%	17%	1%	23%	4%
India	52%	37%	35%	33%	28%	1%	12%	13%	25%	0%	3%	25%	6%	18%	3%	3%	3%
Indonesia	22%	7%	29%	9%	57%	21%	8%	5%	5%	6%	1%	37%	2%	7%	17%	5%	1%
Japan	33%	35%	45%	10%	8%	4%	5%	5%	9%	25%	13%	3%	8%	3%	2%	9%	2%
Korea	62%	23%	29%	17%	5%	6%	6%	4%	5%	19%	24%	3%	11%	3%	1%	0%	9%
Malaysia	41%	35%	15%	22%	14%	20%	16%	27%	16%	5%	20%	0%	15%	7%	2%	4%	3%
Philippines	48%	39%	8%	26%	21%	11%	3%	27%	13%	11%	6%	5%	9%	11%	3%	14%	5%
Singapore	19%	38%	6%	24%	8%	26%	20%	16%	38%	10%	19%	2%	19%	11%	3%	11%	3%
Taiwan	67%	17%	14%	12%	9%	17%	18%	21%	12%	19%	43%	4%	10%	6%	2%	1%	3%
Thailand	22%	14%	36%	5%	40%	13%	1%	5%	8%	5%	1%	23%	30%	8%	2%	5%	0%
Vietnam	36%	22%	26%	53%	18%	28%	19%	10%	9%	1%	3%	14%	4%	4%	6%	4%	5%

Note: - Green text indicates higher than regional average  
 - Red text indicates lower than regional average  
 - Bold/Underline indicates the country with the highest and lowest scores

\* Vietnam is a new market in 2010

# Asian Business Perspectives



# Key Economic Pillars in the Next 3 to 5 years

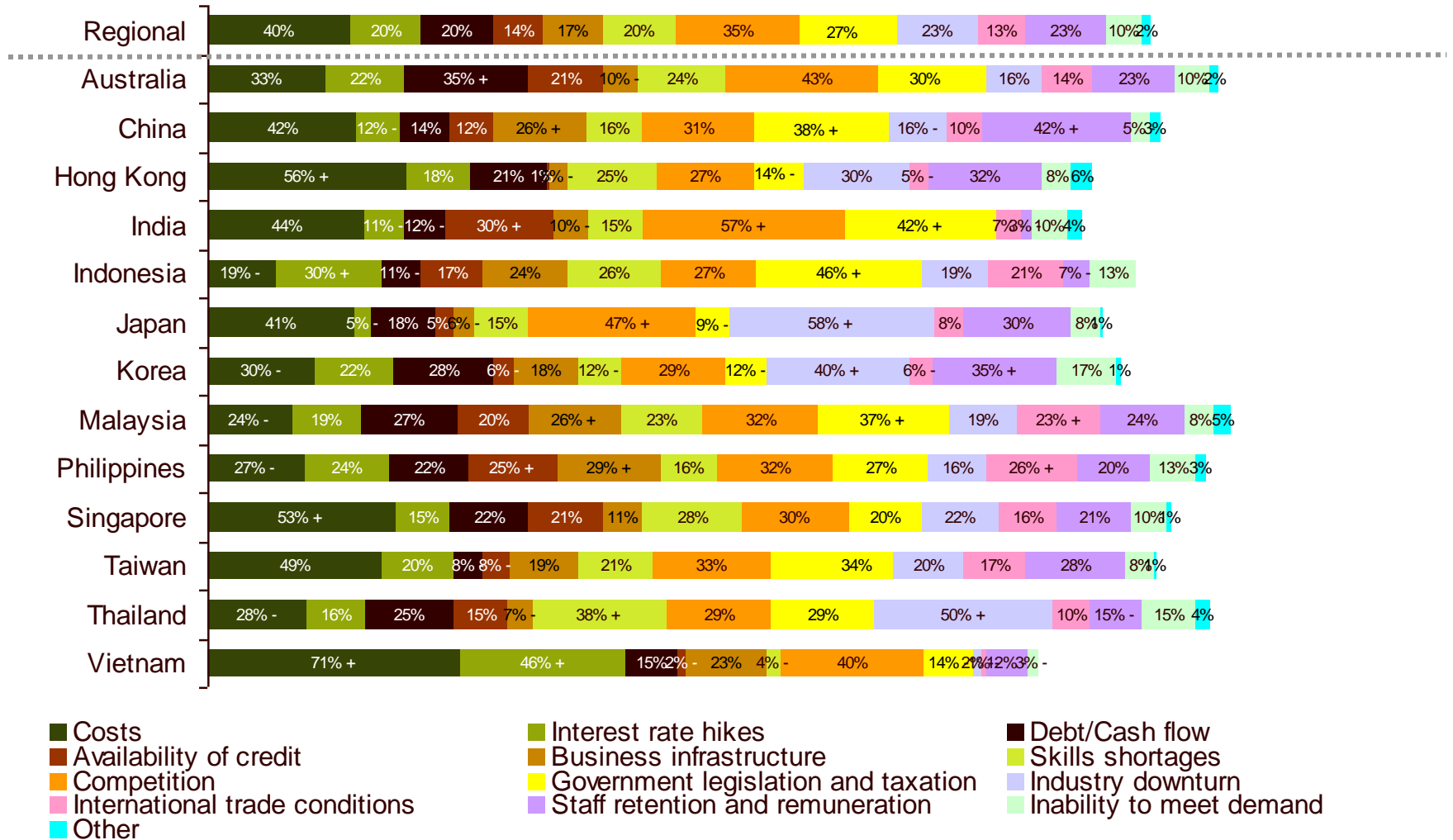
## – By Countries

Q8 (Q9). Given the changes in the financial services sector, which three industries will be the key economic pillars for your country over the next 3 to 5 years? MC

Country	All countries (2010)	All Markets (2009)	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
IT	33%	28%	15%	28%	<u>11%</u>	48%	19%	23%	71%	28%	43%	22%	<b>79%</b>	20%	26%
Manufacturing	23%	25%	6%	25%	<u>4%</u>	36%	10%	30%	20%	32%	<b>40%</b>	32%	24%	21%	18%
Building & construction	22%	21%	23%	34%	22%	31%	6%	7%	20%	21%	26%	21%	12%	<u>5%</u>	<b>53%</b>
Agriculture, forestry and fishing	22%	27%	18%	10%	<u>0%</u>	28%	<b>63%</b>	9%	3%	31%	33%	<u>0%</u>	4%	61%	29%
Automotive	21%	13%	5%	24%	<u>1%</u>	34%	23%	<b>45%</b>	<b>45%</b>	16%	7%	3%	9%	38%	23%
Financial services	20%	22%	24%	20%	<b>80%</b>	14%	5%	6%	8%	26%	6%	35%	21%	<u>0%</u>	17%
Leisure and tourism	20%	22%	19%	21%	<b>42%</b>	<u>1%</u>	19%	5%	7%	26%	7%	37%	20%	23%	29%
Business services	14%	14%	10%	12%	<b>30%</b>	16%	5%	<u>2%</u>	3%	21%	28%	16%	22%	4%	12%
Renewable resources/ renewable energy	12%	N/A	18%	14%	4%	<u>0%</u>	10%	<b>38%</b>	21%	10%	11%	4%	13%	6%	5%
Healthcare and pharmaceuticals	12%	15%	5%	4%	6%	31%	<u>2%</u>	19%	6%	11%	13%	<b>39%</b>	9%	6%	6%
Mining	11%	9%	<b>77%</b>	7%	<u>0%</u>	2%	34%	<u>0%</u>	<u>0%</u>	2%	9%	<u>0%</u>	<u>0%</u>	3%	11%
Biotechnology	10%	14%	4%	7%	3%	3%	2%	20%	15%	19%	5%	23%	<b>36%</b>	<u>0%</u>	1%
Utilities and energy	10%	18%	6%	16%	<u>2%</u>	6%	<u>2%</u>	16%	13%	13%	7%	15%	5%	<b>24%</b>	4%
Transport & logistics	8%	7%	5%	8%	10%	<b>15%</b>	7%	<u>2%</u>	4%	11%	10%	13%	<u>2%</u>	7%	5%
Textiles and apparel	7%	4%	1%	7%	3%	<b>23%</b>	19%	1%	4%	1%	3%	1%	<u>0%</u>	15%	12%
Retail	5%	8%	6%	3%	<b>25%</b>	2%	4%	2%	<u>1%</u>	4%	6%	7%	<u>1%</u>	3%	2%
Media	2%	2%	<u>0%</u>	1%	1%	2%	1%	2%	<b>13%</b>	3%	3%	1%	<u>0%</u>	<u>0%</u>	5%

# Key Business Concerns

Q11. What are your most pressing business concerns this year (2010)? MC



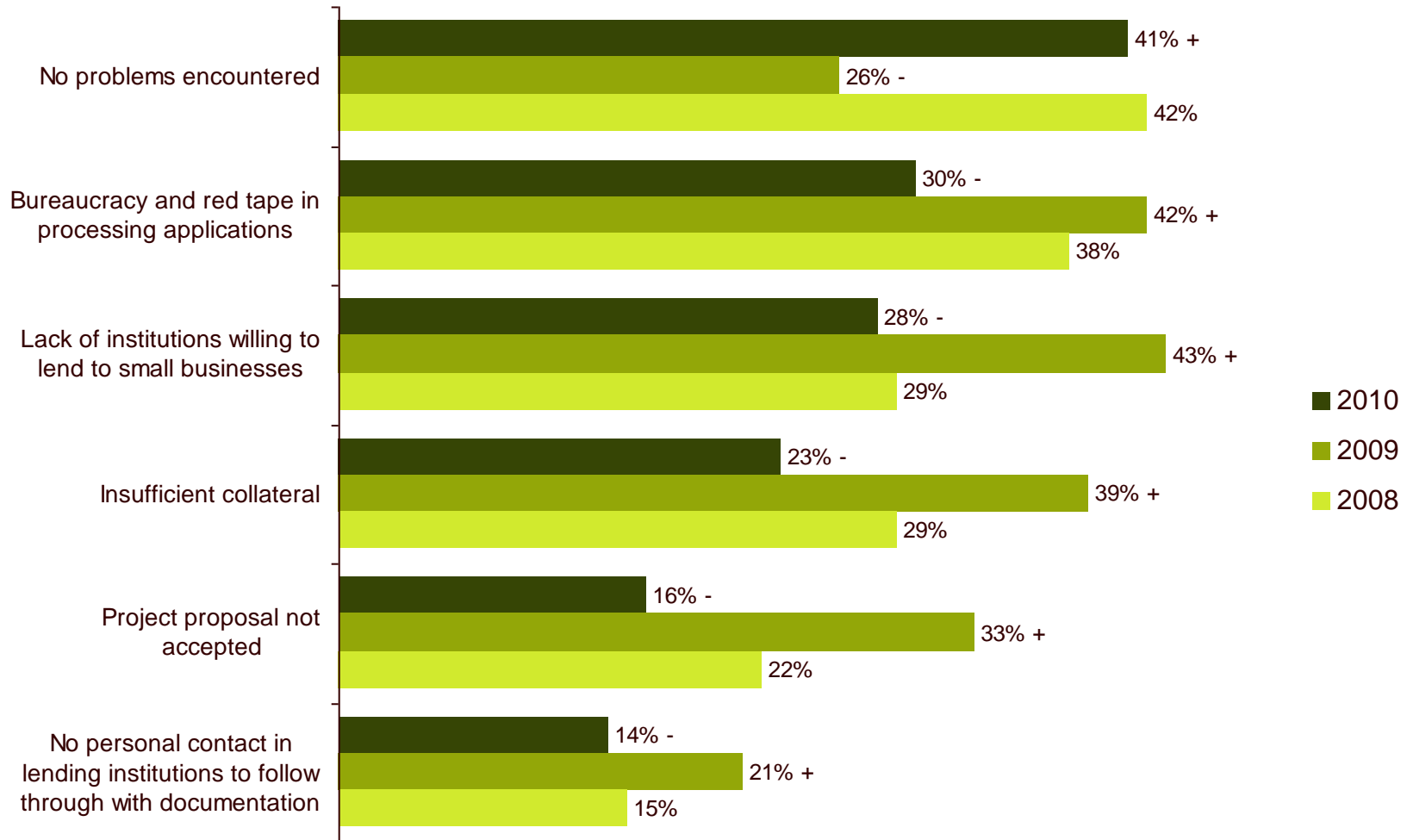
Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

\* New question in 2010

# Problems Encountered in Financing Business – Regional

Q12 (Q22). Which of the following problems have you encountered in financing your business? MC



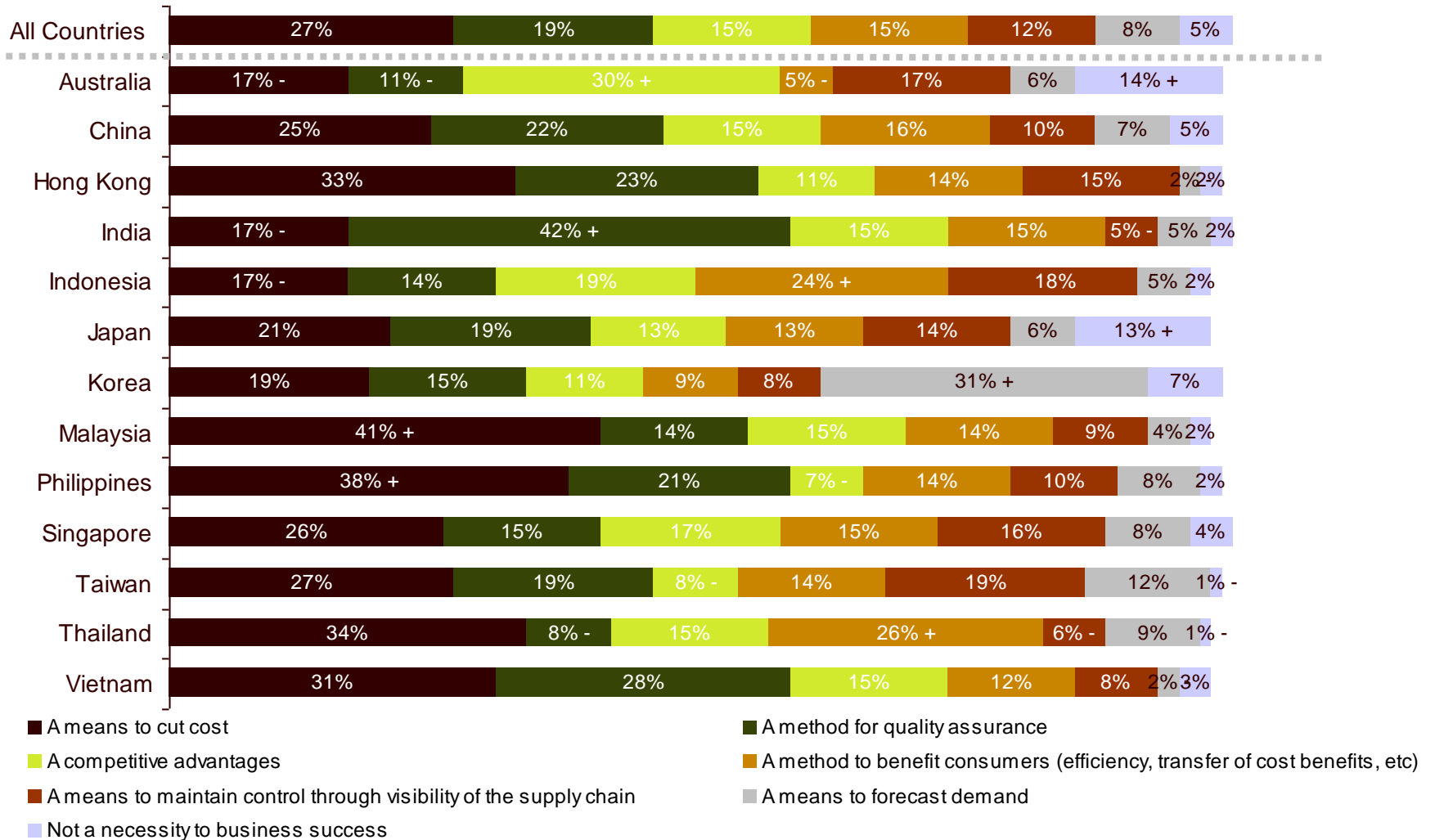
Base : Asia Pacific in 2008, 2009 and 2010

+/- : Significant difference versus previous year (at 95% confidence level)

\* Vietnam is a new market in 2010

# Perception of Supply Chain Management

Q13. Do you see supply chain management as: SC



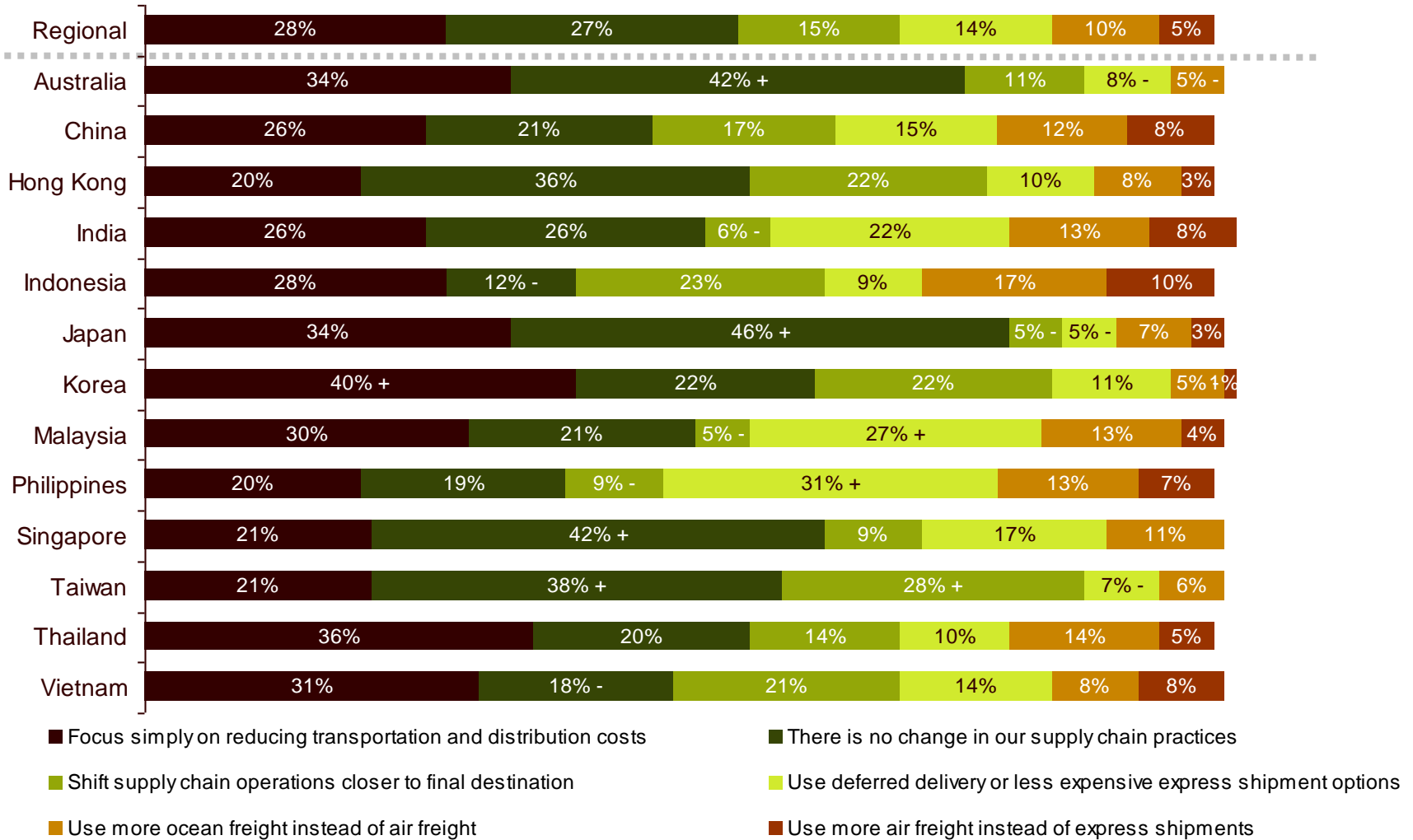
Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

\* Vietnam is a new market in 2010

# Changes of Supply Chain Management

Q14. What changes are needed in your supply chain practices to support future growth? SC

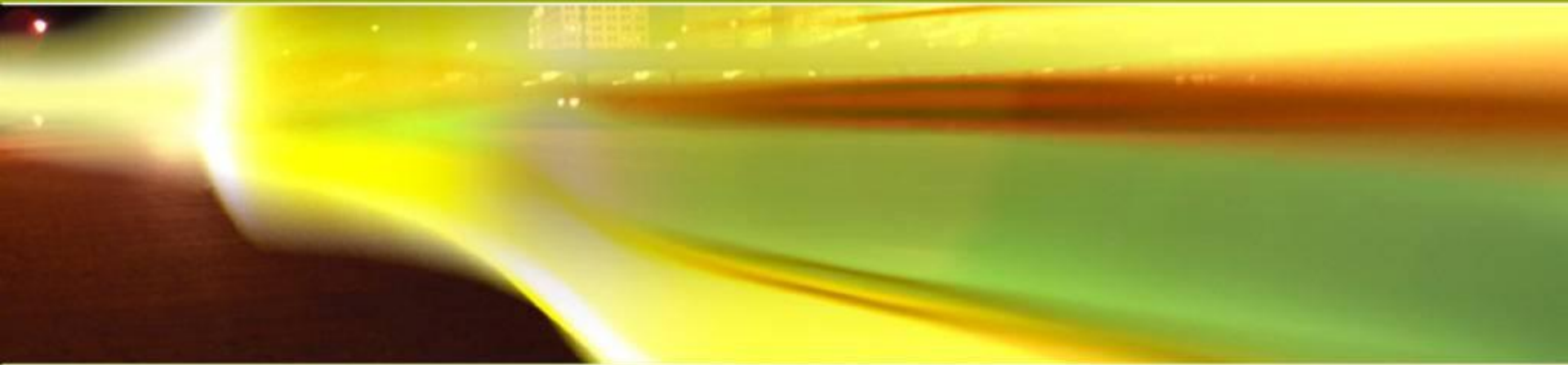


Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

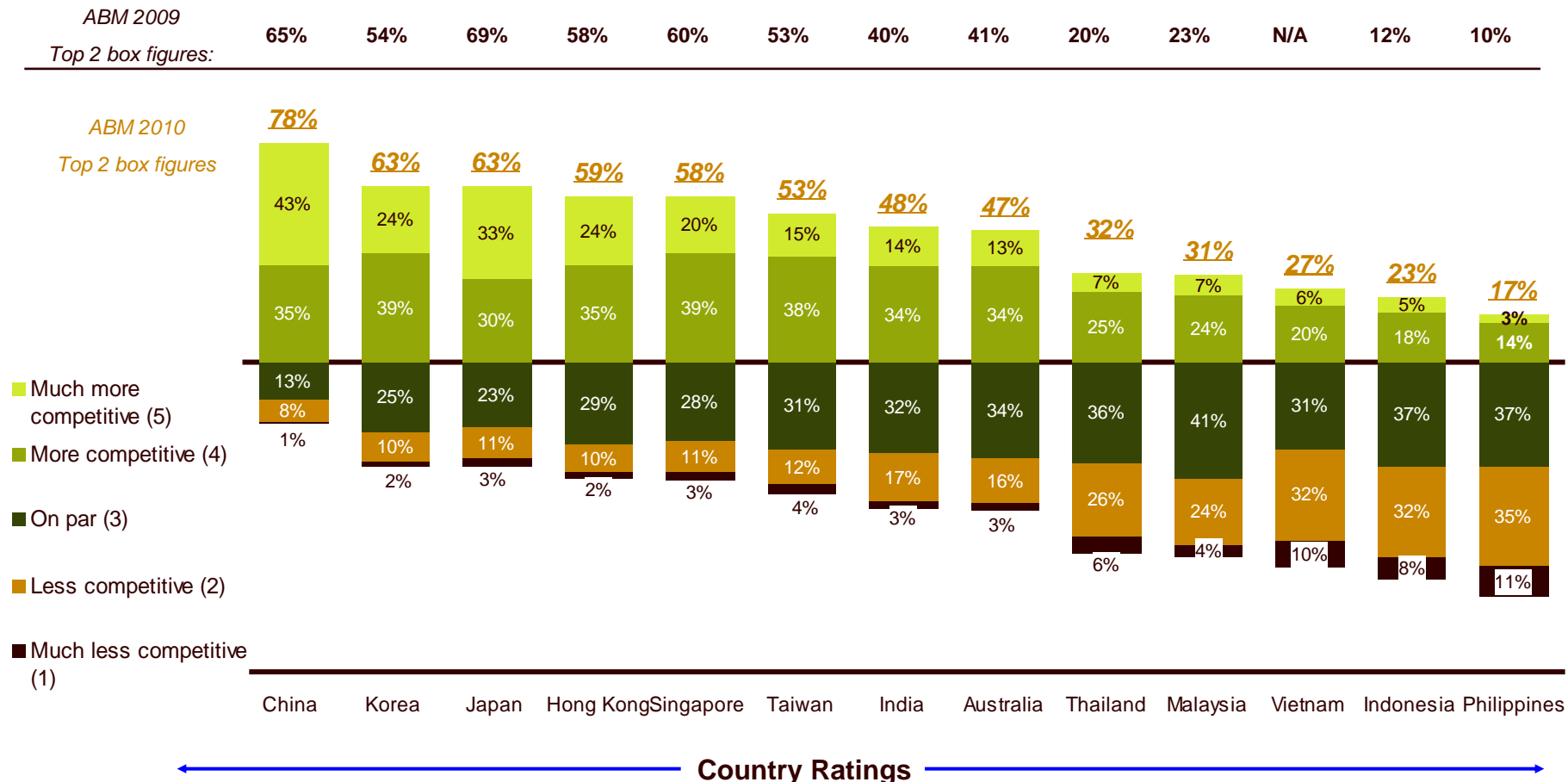
\* New question in 2010

# SME Competitiveness

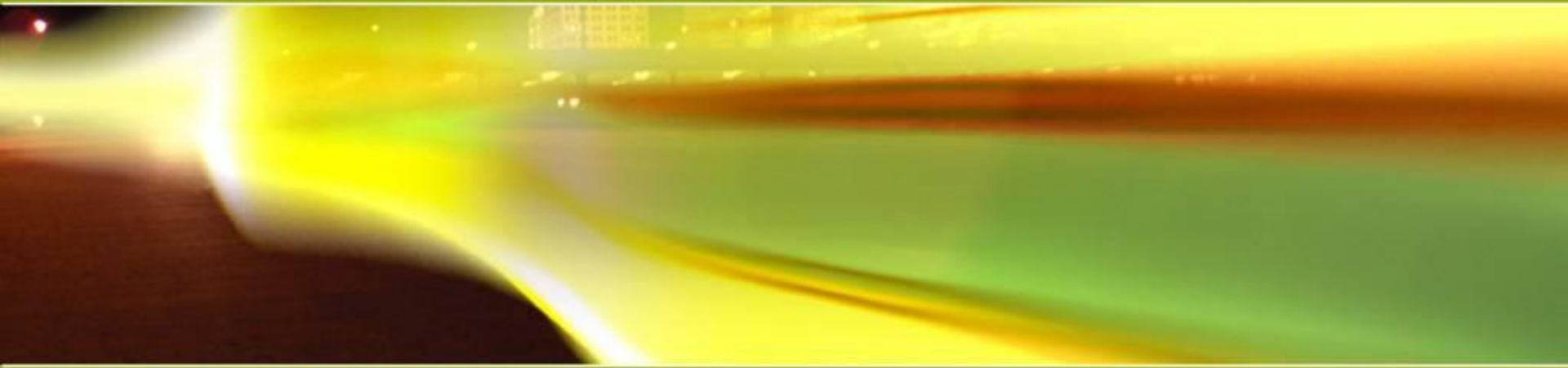


# SME Competitiveness – All Countries

Q15 (Q17). How would you rate SMEs in each of the following countries compared with SMEs in your own country? Please rate on a scale of 1 to 5, where 5 equals “much more competitive than my own country” and 1 equals “much less competitive than my own country”?



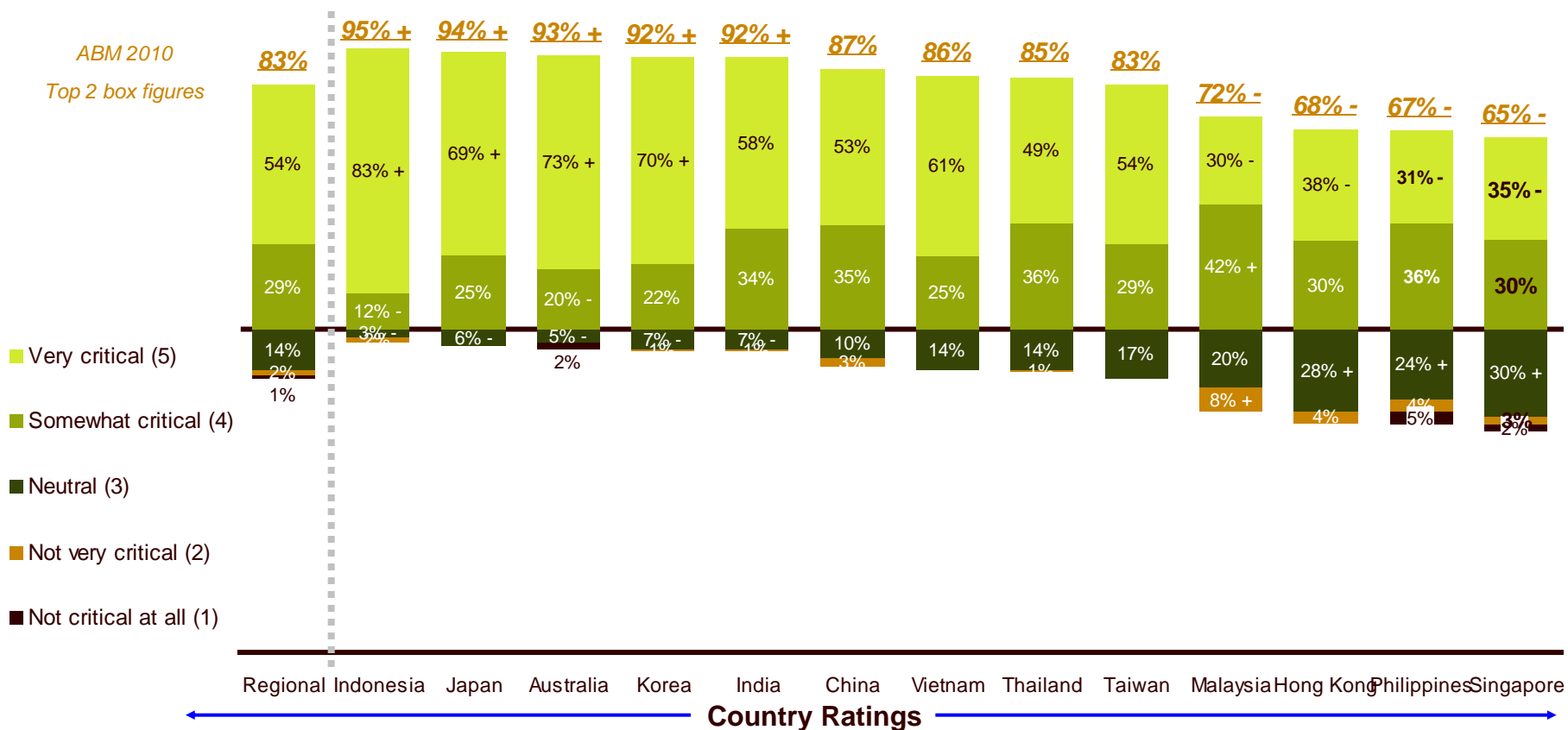
# Role of SMEs in the Economy/ Environment



# Strategic Importance of SMEs to the Economy – All Markets

Q17. How critical are SMEs to the future of your country's economy? Please rate on a scale of 1 to 5, where 5 equals "very critical in driving competitiveness" and 1 equals "not critical at all in driving competitiveness". SC

**Mean overall top 2 box score for Asia Pacific region: 83%**



Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

\* New question in 2010

# Strengths of SMEs – By Markets

Q18a. What can SMEs do/ contribute that cannot be offered by the big enterprises? O/E

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Sample size	n=1351	n=100	n=150	n=100	n=101	n=100	n=100	n=100	n=100	n=100	n=100	n=100	n=100	n=100
More flexible/ flexibility	20%	27%	19%	45%	8%	6%	40%	1%	5%	9%	27%	40%	26%	11%
Local/ Personalised/ Tailored service	8%	36%	3%	6%	10%	2%	6%	6%	6%	7%	16%	5%	2%	N/A
Faster services/ prompt services/ quicker services	8%	15%	4%	17%	9%	N/A	20%	4%	3%	3%	14%	1%	7%	8%
Better Customer service – E.g., Attention to details, Friendly, Building closer relationship	7%	20%	N/A	6%	4%	2%	10%	2%	5%	2%	4%	N/A	10%	30%
Better services/ better quality/ Quality service	7%	13%	2%	7%	16%	5%	3%	4%	7%	8%	16%	1%	7%	1%
More employment opportunity	6%	3%	30%	1%	3%	8%	N/A	2%	1%	3%	3%	8%	5%	N/A
Offer better prices/ cheaper rates	5%	4%	1%	2%	12%	5%	7%	N/A	11%	8%	6%	1%	1%	10%
Give you innovative/ creative ideas/ solutions	5%	11%	7%	3%	2%	6%	8%	3%	6%	4%	2%	7%	2%	N/A
Cheaper labour cost - more workers available/ manpower supply	5%	4%	7%	5%	1%	4%	1%	5%	6%	4%	4%	2%	1%	16%
Target a niche market	4%	7%	11%	N/A	3%	2%	14%	9%	2%	2%	4%	N/A	N/A	N/A
More efficient than large company	4%	5%	4%	1%	10%	8%	N/A	N/A	2%	2%	2%	3%	9%	2%
Provide varieties/ more choices	3%	4%	9%	1%	1%	N/A	13%	2%	1%	4%	N/A	1%	N/A	1%
SME business helps the economy to improve better	3%	2%	17%	N/A	N/A	3%	N/A	1%	1%	1%	N/A	1%	7%	N/A
Less Red Tape	2%	5%	2%	7%	1%	2%	3%	1%	3%	1%	1%	N/A	1%	5%
Competitiveness services	1%	6%	3%	2%	1%	N/A	1%	N/A	1%	3%	2%	N/A	N/A	N/A
Available of new product/ new product development/ has own patent	1%	1%	3%	2%	N/A	2%	2%	3%	1%	N/A	N/A	3%	N/A	1%
With lower operational cost, SMEs are able to produce more	1%	N/A	N/A	2%	N/A	2%	N/A	N/A	1%	1%	1%	N/A	4%	8%
Artisan skills	1%	N/A	1%	N/A	N/A	N/A	15%	2%	N/A	N/A	N/A	N/A	N/A	N/A
More specialised in specific area	1%	1%	1%	1%	N/A	N/A	11%	N/A	N/A	N/A	2%	N/A	N/A	N/A
Using higher technology/ following the latest technology	1%	N/A	2%	N/A	N/A	N/A	N/A	10%	N/A	N/A	1%	N/A	N/A	N/A
SME could penetrate the lower market	1%	N/A	N/A	3%	1%	3%	N/A	N/A	N/A	1%	N/A	1%	N/A	4%
Able to give credit/ Longer Credit terms	1%	N/A	1%	N/A	N/A	6%	N/A	N/A	N/A	N/A	N/A	N/A	4%	N/A
Agribusiness/ entrepreneurship done more by SME	1%	1%	1%	N/A	N/A	4%	N/A	N/A	N/A	N/A	N/A	1%	N/A	N/A
Opportunity for partnership/ United together/ Form union and association	0%	N/A	N/A	N/A	N/A	1%	N/A	1%	2%	1%	1%	N/A	N/A	N/A
The supply consistency must be more equal with either large or small company.	0%	N/A	N/A	N/A	N/A	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
The tax is lower so total quotation cost will low	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1%	N/A
Can't be better than big enterprises	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1%	N/A	N/A
Others	13%	16%	N/A	7%	41%	27%	N/A	N/A	15%	20%	7%	8%	11%	28%

Base : Asia Pacific in 2010

Note: - Green text indicates higher than regional average

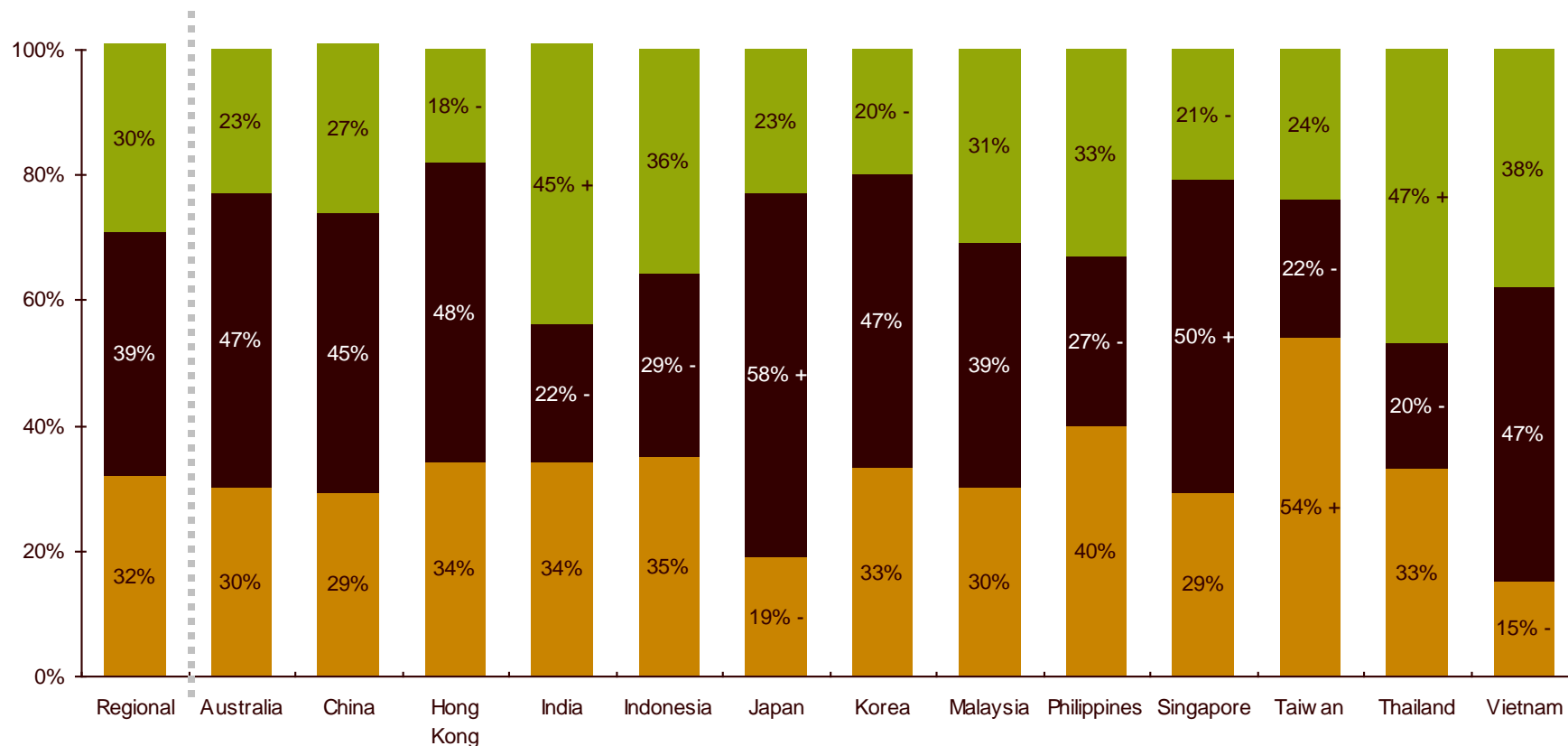
- Red text indicates lower than regional average

- Bold/underline indicates the country with the highest and lowest scores

\* New question in 2010

# Environmental Commitment of SMEs

Q20. Which of the following answer best describes your current thinking about your company and the environment? SC



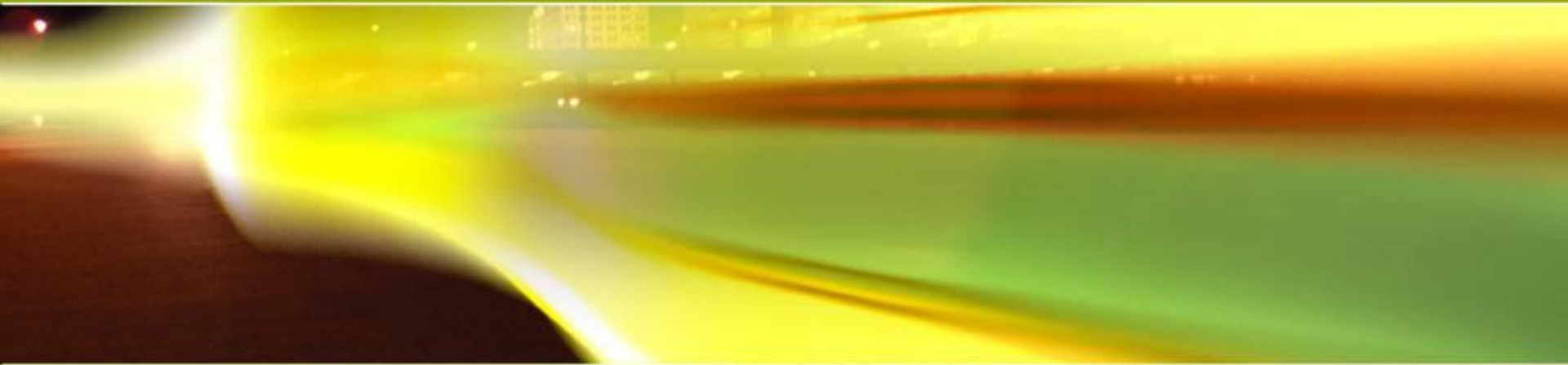
- I can achieve long-term cost savings by investing in environmentally conscious mechanisms today
- Investing in environmentally conscious mechanisms has a place - but not in my 2010 plans
- Investing in environmentally conscious mechanisms should be addressed by government and big businesses, not SMEs

Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

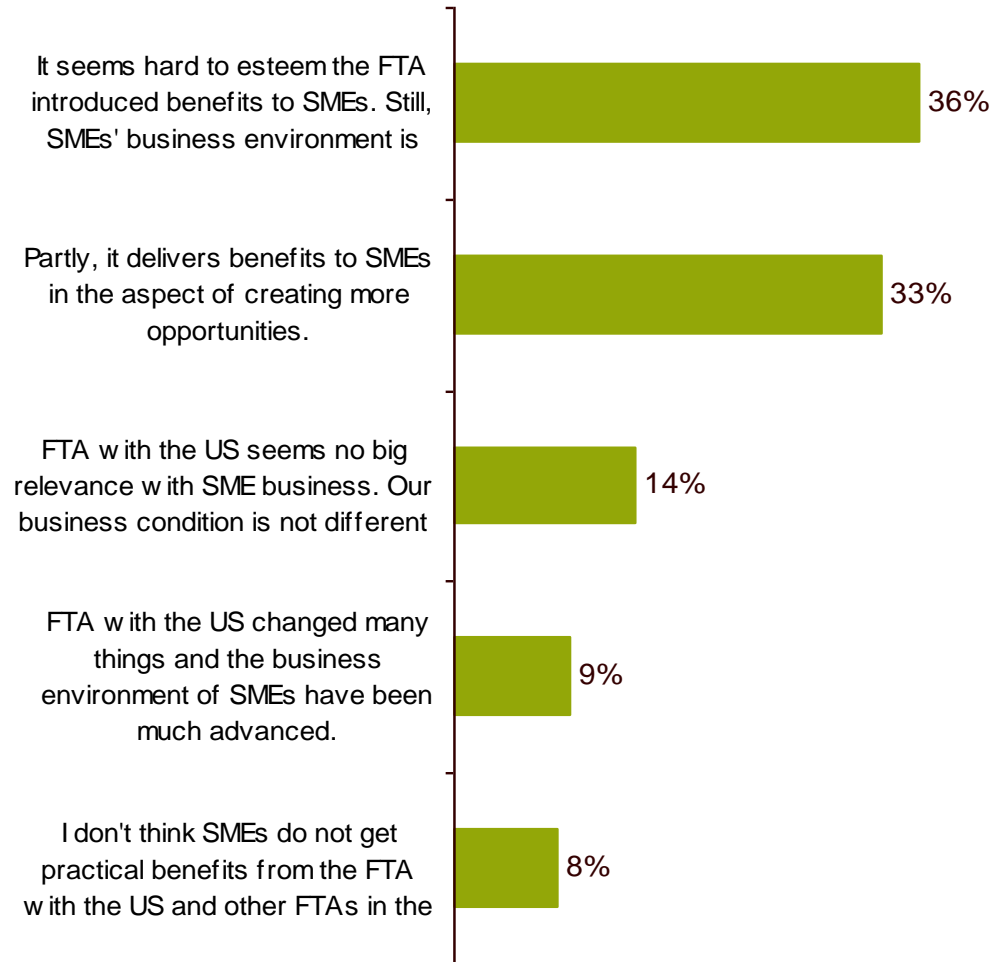
\* New question in 2010

# Macroeconomic Issues

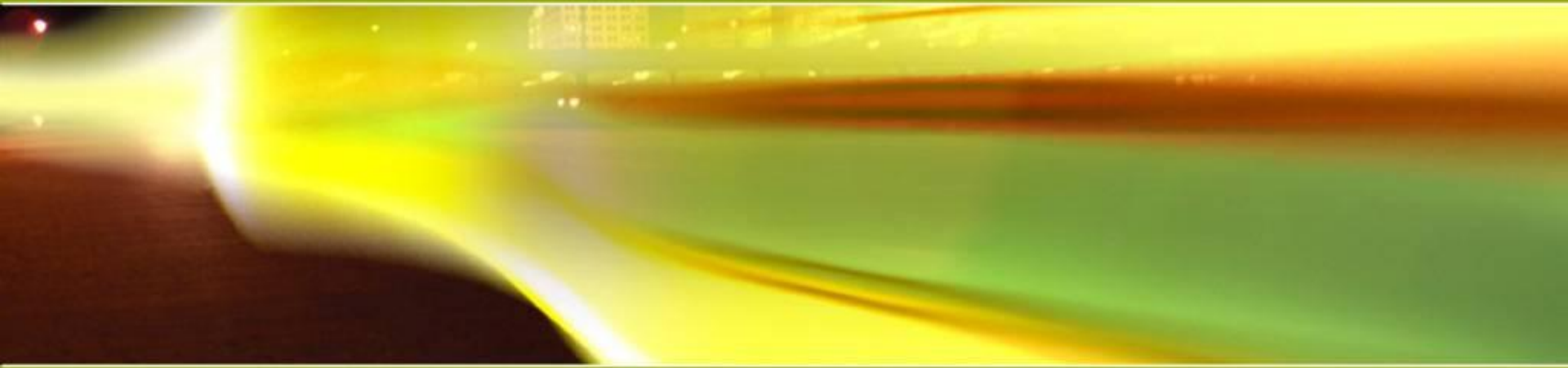


# Business Issues in Korea: Benefits of US FTA

Q27. The Korean government is preparing to expand FTAs with Chile, ASEAN, and Europe after the agreement with the US. Do you think SMEs get practical benefits from FTAs with the US? SC



# Regional



# Prospects for Trade Growth in Next 12 Months

## - Middle Box

Q4. On a scale of 1 to 5, where 5 equals "grow strongly" and 1 equals "decline strongly", how do you rate the prospects for volume of trade growth between your country and the following in 2010?

Region Trade Growth Ratings

% Growth	Africa	Latin America	North America	Middle East	Europe	Asia Pacific
<b>All Countries</b>	<b>49%</b>	<b>49%</b>	<b>43%</b>	<b>42%</b>	<b>40%</b>	<b>24%</b>
<b>Australia</b>	58%	<b>62%</b>	<b>63%</b>	<b>57%</b>	64%	31%
<b>China</b>	<u>35%</u>	43%	37%	37%	36%	24%
<b>Hong Kong</b>	57%	54%	36%	51%	42%	<b>33%</b>
<b>India</b>	41%	<u>32%</u>	<u>24%</u>	36%	20%	<u>10%</u>
<b>Indonesia</b>	44%	50%	45%	32%	<u>16%</u>	21%
<b>Japan</b>	<b>60%</b>	58%	56%	53%	<b>72%</b>	<u>10%</u>
<b>Korea</b>	59%	<b>62%</b>	57%	40%	52%	30%
<b>Malaysia</b>	48%	48%	47%	39%	32%	<b>33%</b>
<b>Philippines</b>	41%	44%	32%	37%	38%	25%
<b>Singapore</b>	48%	49%	41%	39%	42%	22%
<b>Taiwan</b>	49%	39%	50%	49%	49%	31%
<b>Thailand</b>	40%	60%	47%	<u>28%</u>	37%	21%
<b>Vietnam</b>	58%	41%	30%	55%	27%	16%

Rated BY SMEs in...

Note: - Green text indicates higher than regional average  
 - Red text indicates lower than regional average  
 - Bold/ underline indicates the country with the highest and lowest scores  
 - North America past figures are from combining US and Canada. Asia Pacific labeled as Intra-Asia in 2008-2009

# Prospects for Trade Growth in Next 12 Months

## - Bottom 2 Box

Q4. On a scale of 1 to 5, where 5 equals "grow strongly" and 1 equals "decline strongly", how do you rate the prospects for volume of trade growth between your country and the following in 2010?

Region Trade Growth Ratings

% Growth	Africa	Europe	North America	Middle East	Latin America	Asia Pacific
<b>All Countries</b>	<b>20%</b>	<b>19%</b>	<b>19%</b>	<b>17%</b>	<b>17%</b>	<b>7%</b>
<b>Australia</b>	34%	20%	24%	18%	<b>31%</b>	10%
<b>China</b>	13%	16%	21%	22%	15%	6%
<b>Hong Kong</b>	15%	25%	24%	19%	14%	7%
<b>India</b>	<u>3%</u>	<u>5%</u>	<u>4%</u>	<u>5%</u>	<u>3%</u>	2%
<b>Indonesia</b>	20%	22%	17%	8%	15%	6%
<b>Japan</b>	7%	15%	24%	17%	7%	<u>1%</u>
<b>Korea</b>	17%	15%	9%	10%	9%	9%
<b>Malaysia</b>	24%	25%	21%	17%	28%	10%
<b>Philippines</b>	<b>41%</b>	24%	<b>25%</b>	25%	29%	9%
<b>Singapore</b>	28%	26%	24%	21%	20%	5%
<b>Taiwan</b>	30%	<b>29%</b>	<b>25%</b>	<b>27%</b>	27%	<b>14%</b>
<b>Thailand</b>	14%	18%	17%	18%	12%	12%
<b>Vietnam</b>	13%	13%	9%	15%	10%	3%

Rated BY SMEs in...

Note: - Green text indicates higher than regional average  
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# Contributions & Obstacles to SME Competitiveness

## – All Markets

Q15a (Q18). How important are each of the following factors in contributing to SME competitiveness in your country?

Q15b (Q19). Which of the following factors do you consider to be lacking and which therefore are obstacles to SME competitiveness in your country?

	T2B Important Factors	Lacking
Innovation	85%	59%
IT adoption	83%	42%
Access to funding and working capital	83%	62%
Access to market intelligence and other business information	83%	46%
Entrepreneurial spirit	82%	45%
Access to overseas markets	82%	48%
Supply-chain efficiency	82%	48%
Transportation infrastructure	80%	45%
Labour costs	79%	56%
Free-market economy	78%	46%
Legal framework	76%	57%
Government support	76%	71%

# Key External Factors of Development

## – Middle Box

Q9. How do you think each of the following external factors will develop in your country in the coming year (i.e., 2010)?

Please rate on a scale of 1 to 5. MC

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Legal framework	46%	58%	42%	61%	33%	<u>22%</u>	<b>69%</b>	53%	48%	47%	49%	39%	41%	36%
Property leasing and management costs	38%	40%	43%	30%	<u>19%</u>	24%	<b>52%</b>	50%	35%	41%	42%	50%	38%	34%
Free-market economy/ Free Trade Agreements	37%	54%	37%	51%	26%	<u>19%</u>	<b>61%</b>	36%	47%	31%	30%	35%	32%	24%
Government support	37%	40%	27%	<b>58%</b>	30%	30%	38%	50%	39%	41%	37%	31%	<u>24%</u>	37%
Access to funding and working capital	36%	33%	35%	<b>48%</b>	<u>23%</u>	32%	41%	<b>48%</b>	36%	36%	32%	37%	33%	33%
Labour costs	34%	30%	26%	<b>45%</b>	27%	26%	<b>45%</b>	44%	35%	37%	36%	37%	41%	<u>21%</u>
Transportation infrastructure	34%	35%	33%	45%	23%	27%	<b>56%</b>	42%	30%	27%	27%	44%	39%	<u>18%</u>
Availability of qualified workforce	34%	35%	39%	46%	<u>18%</u>	30%	46%	39%	30%	<u>18%</u>	39%	<b>48%</b>	25%	34%
Access to market intelligence and other business information	33%	41%	31%	45%	<u>19%</u>	27%	31%	<b>47%</b>	32%	31%	37%	38%	25%	23%
Access to overseas markets	32%	44%	36%	<b>47%</b>	19%	23%	44%	30%	30%	<u>17%</u>	25%	41%	38%	22%

Base : Asia Pacific in 2010

Note: - Green text indicates higher than regional average, Red text indicates lower than regional average

- Bold/underline indicates the country with the highest and lowest scores

- New question in 2010

# Key External Factors of Development

## – Bottom 2 Box

Q9. How do you think each of the following external factors will develop in your country in the coming year (i.e., 2010)?

Please rate on a scale of 1 to 5. MC

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Government support	26%	<b>40%</b>	<b>25%</b>	30%	26%	28%	36%	26%	<b>12%</b>	26%	<u>4%</u>	<b>40%</b>	31%	<b>9%</b>
Labour costs	24%	36%	<b>19%</b>	29%	<b>10%</b>	<b>12%</b>	41%	25%	<b>18%</b>	<b>15%</b>	28%	<b>49%</b>	<b>23%</b>	<u>5%</u>
Legal framework	20%	24%	<b>16%</b>	<b>12%</b>	<b>17%</b>	<b>36%</b>	21%	22%	<b>10%</b>	22%	<u>5%</u>	<b>36%</b>	27%	9%
Property leasing and management costs	19%	28%	21%	<b>33%</b>	<u>4%</u>	<b>12%</b>	32%	28%	<b>13%</b>	6%	15%	27%	<b>18%</b>	<b>13%</b>
Access to funding and working capital	17%	33%	21%	9%	<u>3%</u>	9%	<b>40%</b>	30%	<b>13%</b>	8%	9%	16%	16%	5%
Availability of qualified workforce	15%	<b>34%</b>	<b>13%</b>	13%	7%	10%	22%	26%	15%	<u>5%</u>	9%	13%	16%	10%
Free-market economy/ Free Trade Agreements	12%	15%	15%	4%	5%	16%	16%	16%	<b>10%</b>	<b>11%</b>	7%	<b>20%</b>	15%	<u>2%</u>
Transportation infrastructure	11%	<b>25%</b>	<b>5%</b>	7%	8%	<b>25%</b>	16%	9%	14%	<u>4%</u>	<u>4%</u>	11%	18%	<u>4%</u>
Access to overseas markets	9%	<b>6%</b>	<b>17%</b>	7%	<u>1%</u>	9%	8%	8%	10%	7%	4%	<b>17%</b>	14%	4%
Access to market intelligence and other business information	6%	<b>5%</b>	<b>5%</b>	<u>2%</u>	<u>2%</u>	7%	5%	11%	10%	3%	4%	13%	<b>16%</b>	0%

Base : Asia Pacific in 2010

Note: - Green text indicates higher than regional average, Red text indicates lower than regional average

- Bold/underline indicates the country with the highest and lowest scores

- New question in 2010

# Key Internal Factors of Development

## – Top 2 Box

Q10. To what extent do you see your company focusing on each of the following? Please rate on a scale of 1 to 5. MC

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Higher quality standards	79%	78%	85%	67%	87%	79%	79%	<u>63%</u>	73%	<b>88%</b>	69%	82%	83%	85%
Better Management practices	73%	73%	82%	54%	<b>93%</b>	72%	76%	<u>46%</u>	79%	81%	61%	73%	79%	76%
Customized products and services	68%	62%	64%	63%	<b>90%</b>	79%	58%	<u>44%</u>	63%	79%	54%	67%	76%	87%
Maximizing use of IT/ Technology	67%	68%	73%	64%	75%	68%	57%	<u>45%</u>	68%	75%	66%	61%	<b>76%</b>	75%
Innovation in products/ service offerings	66%	60%	<b>84%</b>	49%	81%	71%	51%	<u>42%</u>	67%	72%	53%	78%	71%	71%
Better supply-chain efficiency	63%	53%	75%	52%	<b>79%</b>	60%	<u>33%</u>	39%	69%	66%	56%	78%	78%	73%
Faster to enter market	62%	43%	<b>75%</b>	55%	74%	71%	<u>38%</u>	40%	54%	73%	53%	72%	73%	<b>75%</b>
Lower operational costing	61%	51%	77%	58%	73%	48%	77%	<u>35%</u>	45%	64%	39%	<b>82%</b>	74%	65%
Greater risk taking ability and entrepreneurial spirit	56%	40%	57%	48%	<b>81%</b>	67%	37%	<u>34%</u>	53%	66%	41%	75%	70%	64%
Expanding into other markets	53%	<u>33%</u>	57%	49%	<b>72%</b>	59%	34%	37%	62%	51%	45%	66%	61%	65%

Base : Asia Pacific in 2010

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- Bold/underline indicates the country with the highest and lowest scores

- New question in 2010

# Key Internal Factors of Development

## – Middle Box

Q10. To what extent do you see your company focusing on each of the following? Please rate on a scale of 1 to 5. MC

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Greater risk taking ability and entrepreneurial spirit	33%	44%	33%	42%	<u>15%</u>	25%	40%	<b>53%</b>	35%	29%	45%	18%	21%	29%
Faster to enter market	30%	40%	22%	33%	<u>15%</u>	22%	45%	<b>49%</b>	34%	25%	36%	26%	21%	23%
Better supply-chain efficiency	29%	32%	19%	37%	16%	27%	<b>51%</b>	49%	27%	29%	36%	21%	<u>12%</u>	22%
Lower operational costing	28%	37%	20%	33%	23%	28%	17%	<b>48%</b>	38%	28%	34%	<u>14%</u>	15%	28%
Expanding into other markets	28%	31%	27%	32%	<u>20%</u>	21%	30%	40%	28%	26%	<b>41%</b>	23%	27%	21%
Innovation in products/ service offerings	25%	22%	<u>13%</u>	31%	16%	17%	42%	<b>44%</b>	24%	25%	37%	21%	19%	23%
Maximizing use of IT/ Technology	24%	24%	22%	31%	<u>16%</u>	24%	30%	<b>35%</b>	24%	18%	27%	30%	17%	21%
Customized products and services	24%	27%	27%	26%	<u>7%</u>	12%	38%	<b>43%</b>	26%	16%	37%	25%	15%	11%
Better Management practices	23%	22%	17%	36%	<u>3%</u>	22%	23%	<b>47%</b>	14%	17%	33%	25%	16%	24%
Higher quality standards	18%	16%	15%	26%	<u>6%</u>	16%	19%	<b>36%</b>	18%	11%	27%	17%	12%	15%

Base : Asia Pacific in 2010

Note: - Green text indicates higher than regional average, Red text indicates lower than regional average

- Bold/underline indicates the country with the highest and lowest scores

- New question in 2010

# Key Internal Factors of Development

## – Bottom 2 Box

Q10. To what extent do you see your company focusing on each of the following? Please rate on a scale of 1 to 5. MC

Market	All Markets	Australia	China	Hong Kong	India	Indonesia	Japan	Korea	Malaysia	Philippines	Singapore	Taiwan	Thailand	Vietnam
Expanding into other markets	19%	<b>36%</b>	<b>16%</b>	19%	<u>8%</u>	20%	<b>36%</b>	23%	<b>10%</b>	23%	14%	11%	12%	14%
Lower operational costing	11%	12%	<u>3%</u>	9%	4%	24%	6%	17%	17%	8%	<b>27%</b>	4%	11%	7%
Greater risk taking ability and entrepreneurial spirit	11%	16%	9%	10%	<u>4%</u>	8%	<b>23%</b>	13%	12%	5%	14%	7%	9%	7%
Innovation in products/ service offerings	9%	18%	3%	<b>20%</b>	3%	12%	7%	14%	9%	3%	10%	<u>1%</u>	10%	6%
Better supply-chain efficiency	9%	15%	7%	11%	5%	13%	<b>16%</b>	12%	4%	5%	8%	<u>1%</u>	10%	5%
Faster to enter market	8%	<b>17%</b>	3%	12%	11%	7%	<b>17%</b>	11%	12%	<u>2%</u>	11%	<u>2%</u>	6%	<u>2%</u>
Maximizing use of IT/ Technology	8%	8%	5%	5%	9%	8%	13%	<b>20%</b>	8%	7%	7%	9%	7%	<u>4%</u>
Customized products and services	8%	11%	9%	11%	3%	9%	4%	<b>13%</b>	11%	5%	9%	8%	9%	<u>2%</u>
Higher quality standards	4%	6%	<u>1%</u>	7%	7%	5%	2%	<u>1%</u>	<b>9%</b>	<u>1%</u>	4%	<u>1%</u>	5%	0%
Better Management practices	4%	5%	<u>1%</u>	<b>10%</b>	4%	6%	<u>1%</u>	7%	7%	2%	6%	2%	5%	0%

Base : Asia Pacific in 2010

Note : - Green text indicates higher than regional average, Red text indicates lower than regional average

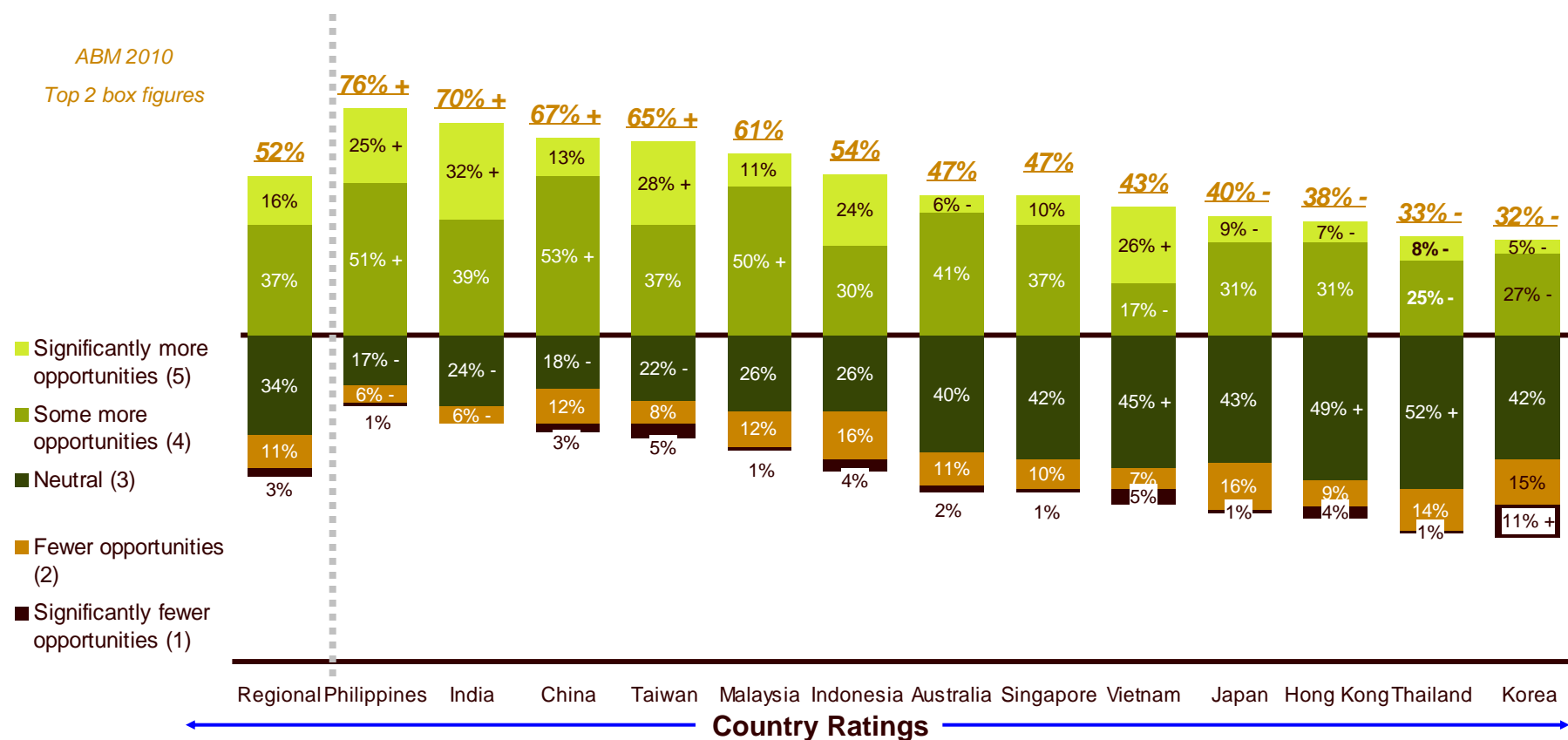
- Bold/underline indicates the country with the highest and lowest scores

- New question in 2010

# Level of Business Opportunity for SMEs – All Markets

Q16. Looking specifically at opportunities for SMEs in your country this year (2010) versus last year, what level of opportunities do you see for your business in 2010? Would you say there are.... SC

**Mean overall top 2 box score for Asia Pacific region: 52%**

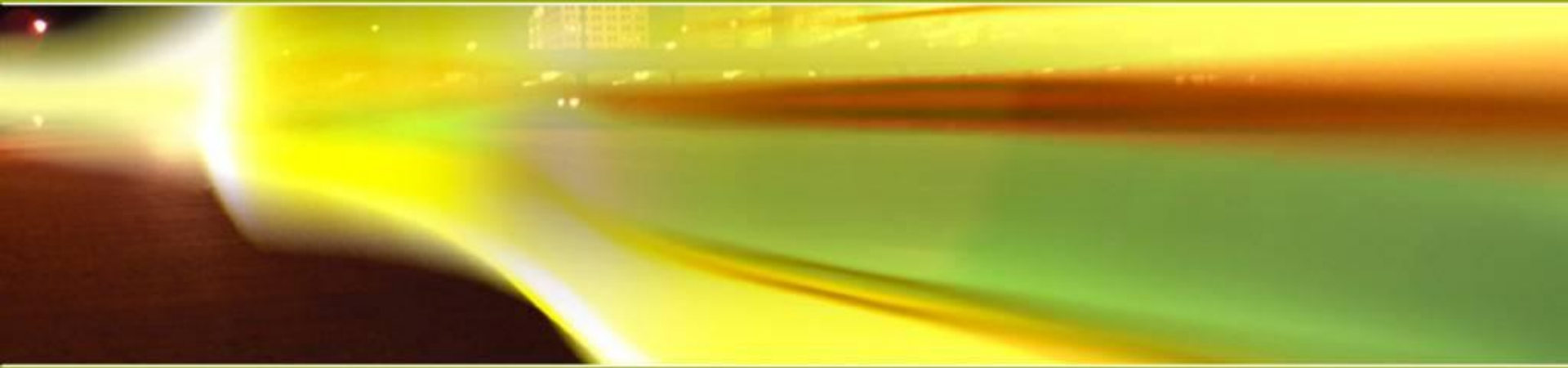


Base : Asia Pacific in 2010

+/- : Significant difference versus Total (at 95% confidence level)

\* New question in 2010

# Korea



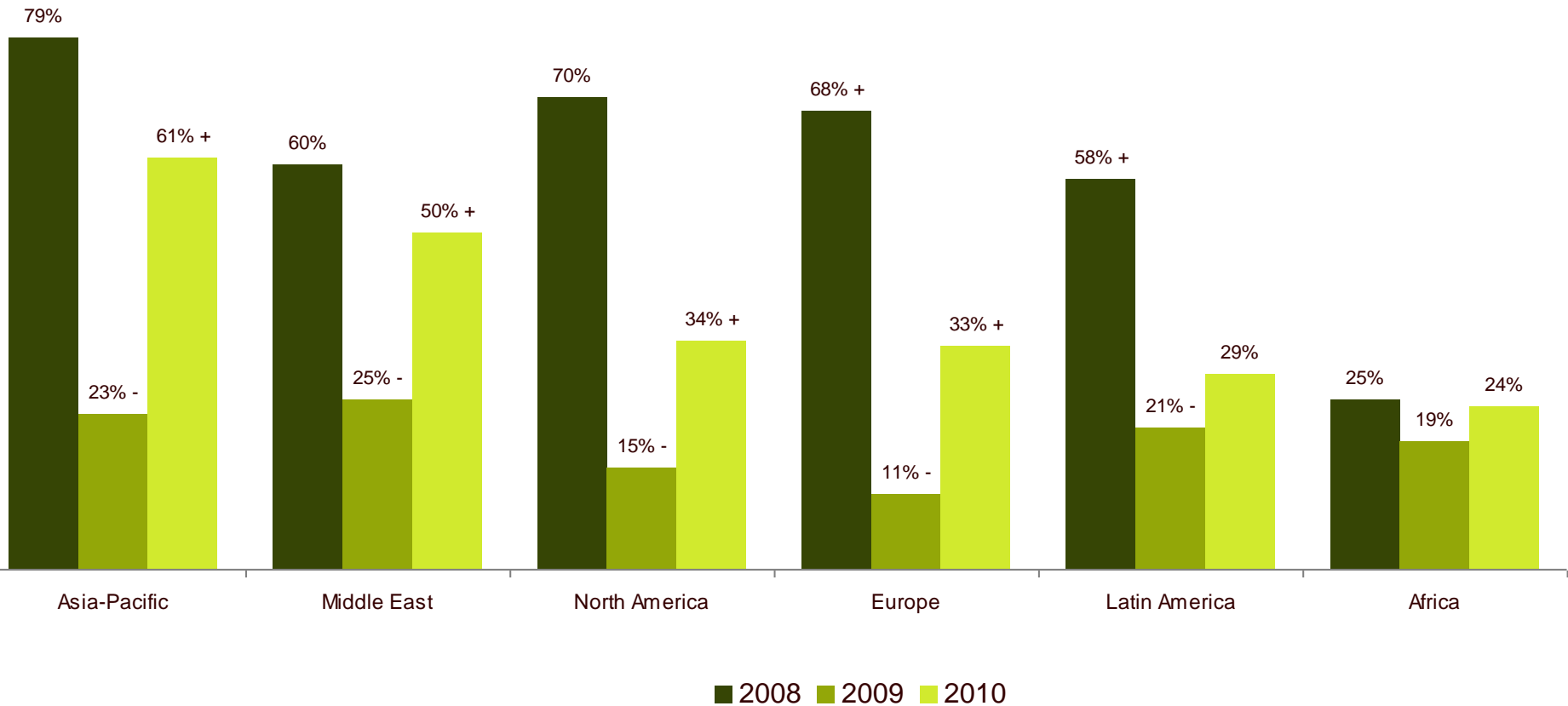
# Prospects for Trade Growth from 2008 to 2010



## – Korea

Q4. On a scale of 1 to 5, where 5 equals "grow strongly" and 1 equals "decline strongly", how do you rate the prospects for volume of trade growth between your country and the following in 2010?

Top two box %



\* North America past figures are from combining US and Canada. Asia Pacific labeled as Intra-Asia in 2008-2009

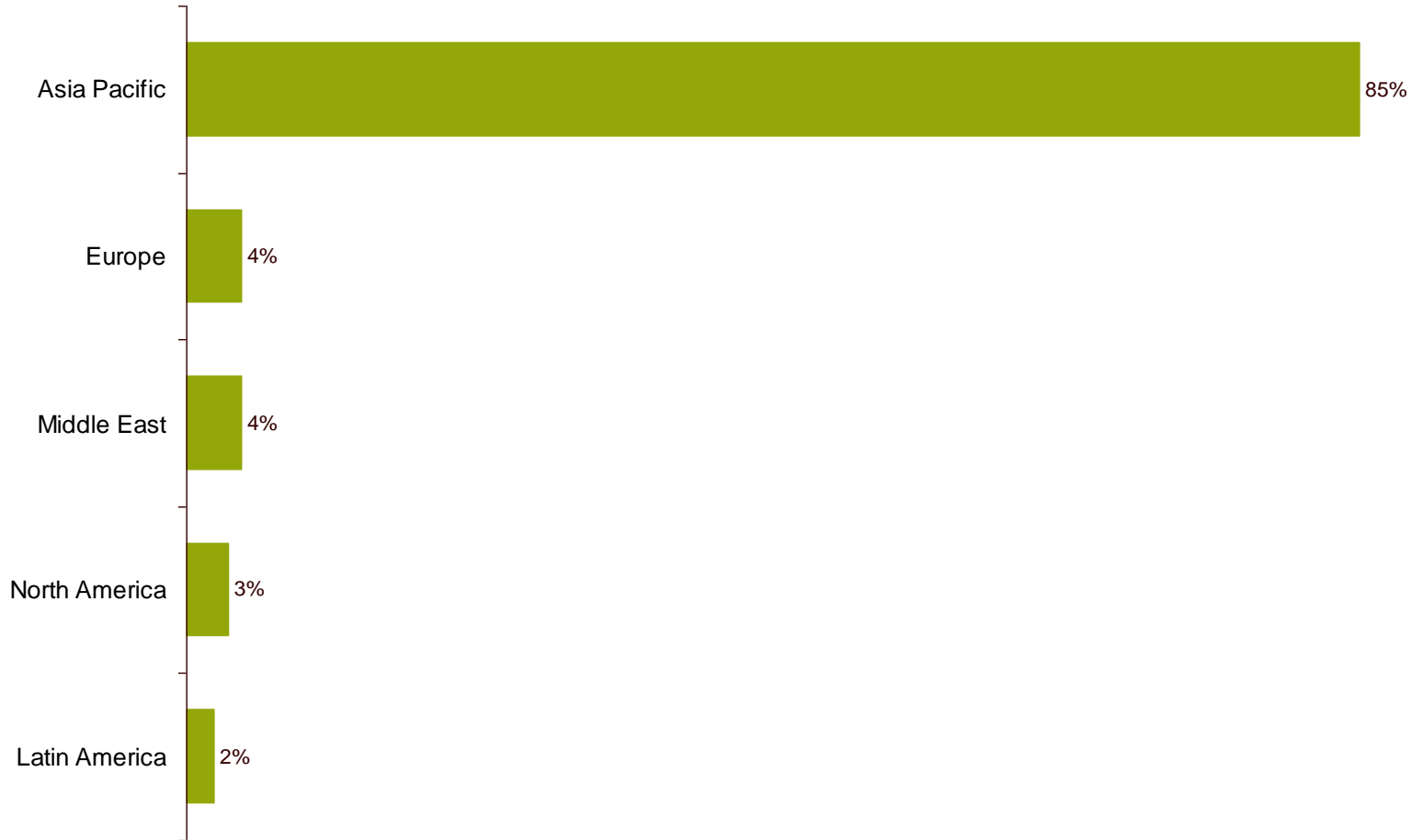
Base : Korea in 2008, 2009 and 2010

+/- : Significant change versus previous year (at 95% confidence level)

# Current Distribution of Business – Korea



Q6. What percentage of your business is with the following regions now? MC

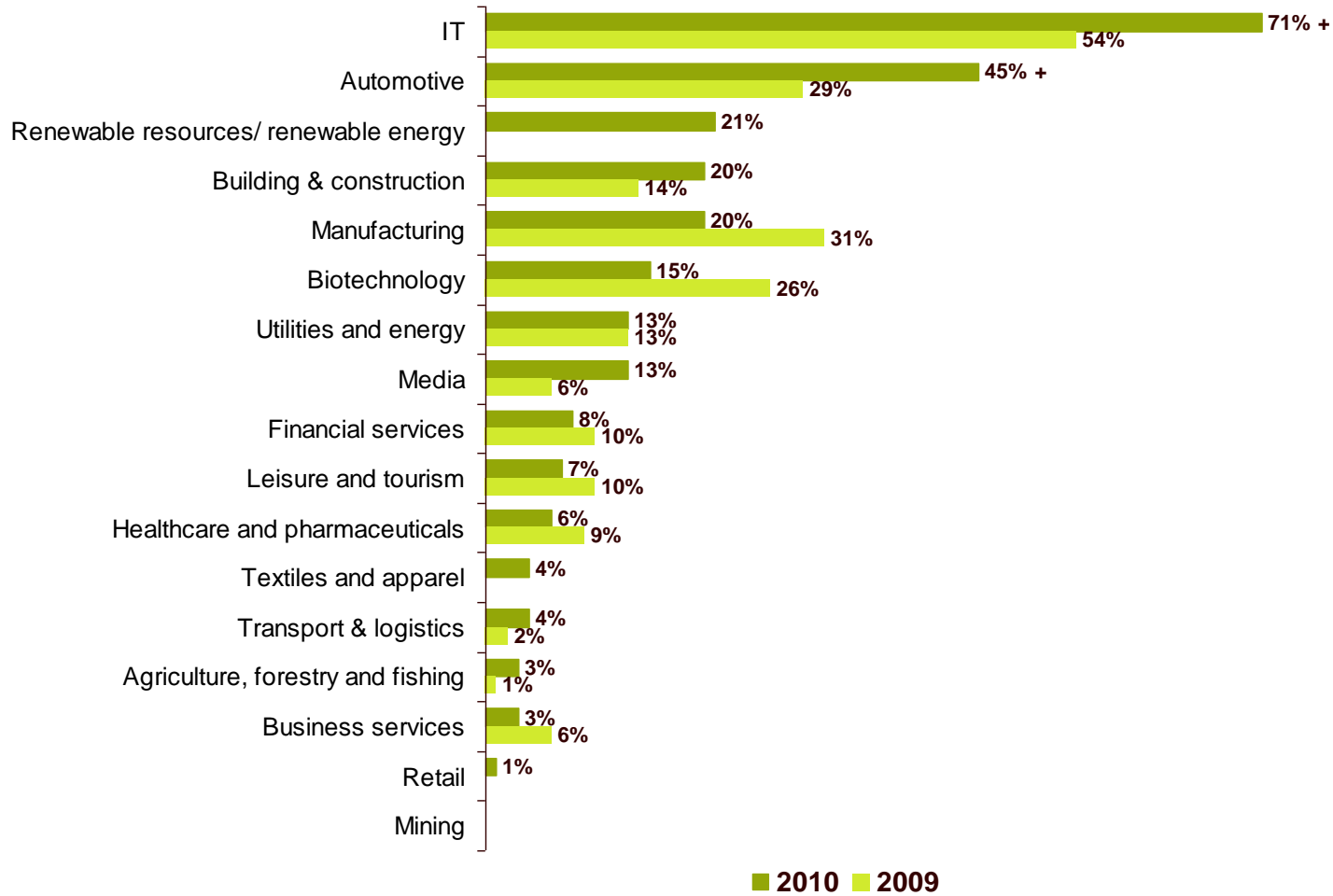


# Key Economic Pillars in the Next 3 to 5 Years

## – Korea



Q8 (Q9). Given the changes in the financial services sector, which three industries will be the key economic pillars for your country over the next 3 to 5 years? MC



Base : Korea in 2010

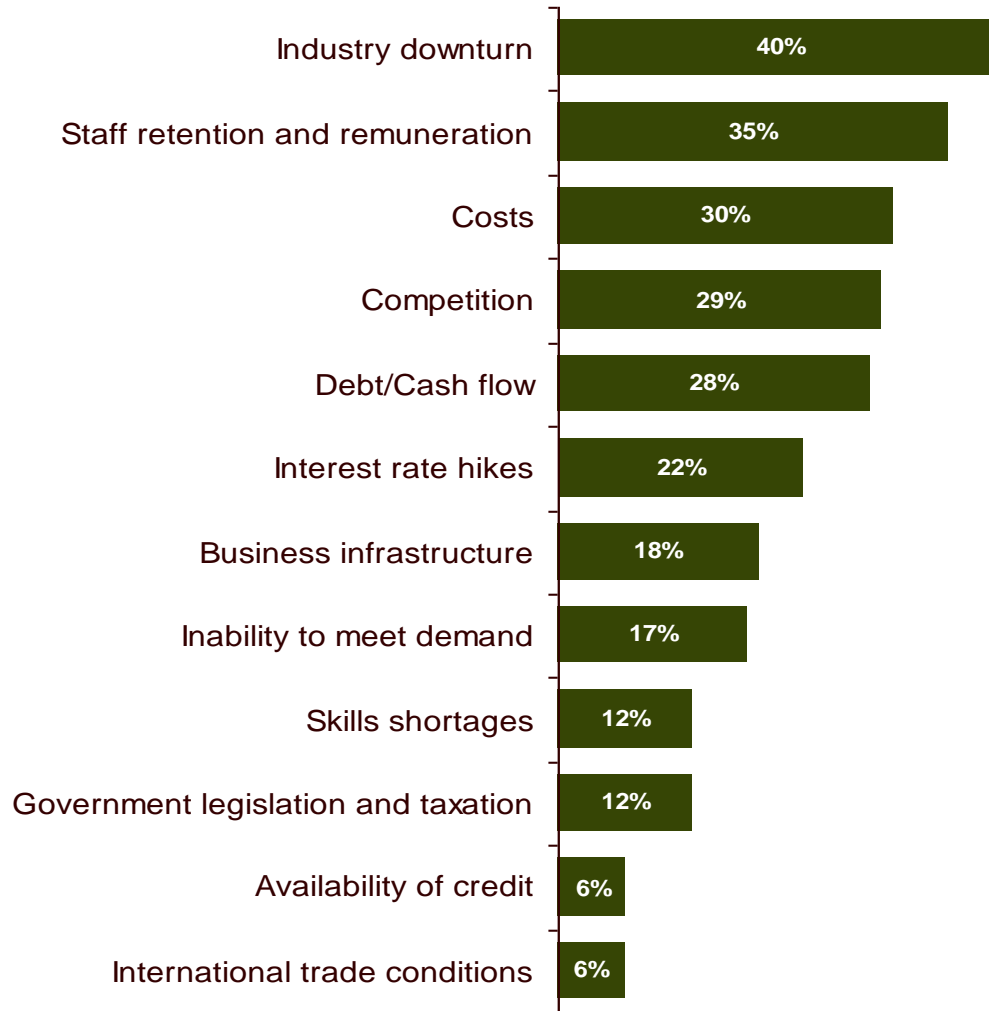
\* "Renewable resources/ renewable energy" is a new code in 2010

+/- : Significant difference versus previous year (at 95% confidence level)

# Key Business Concerns – Korea



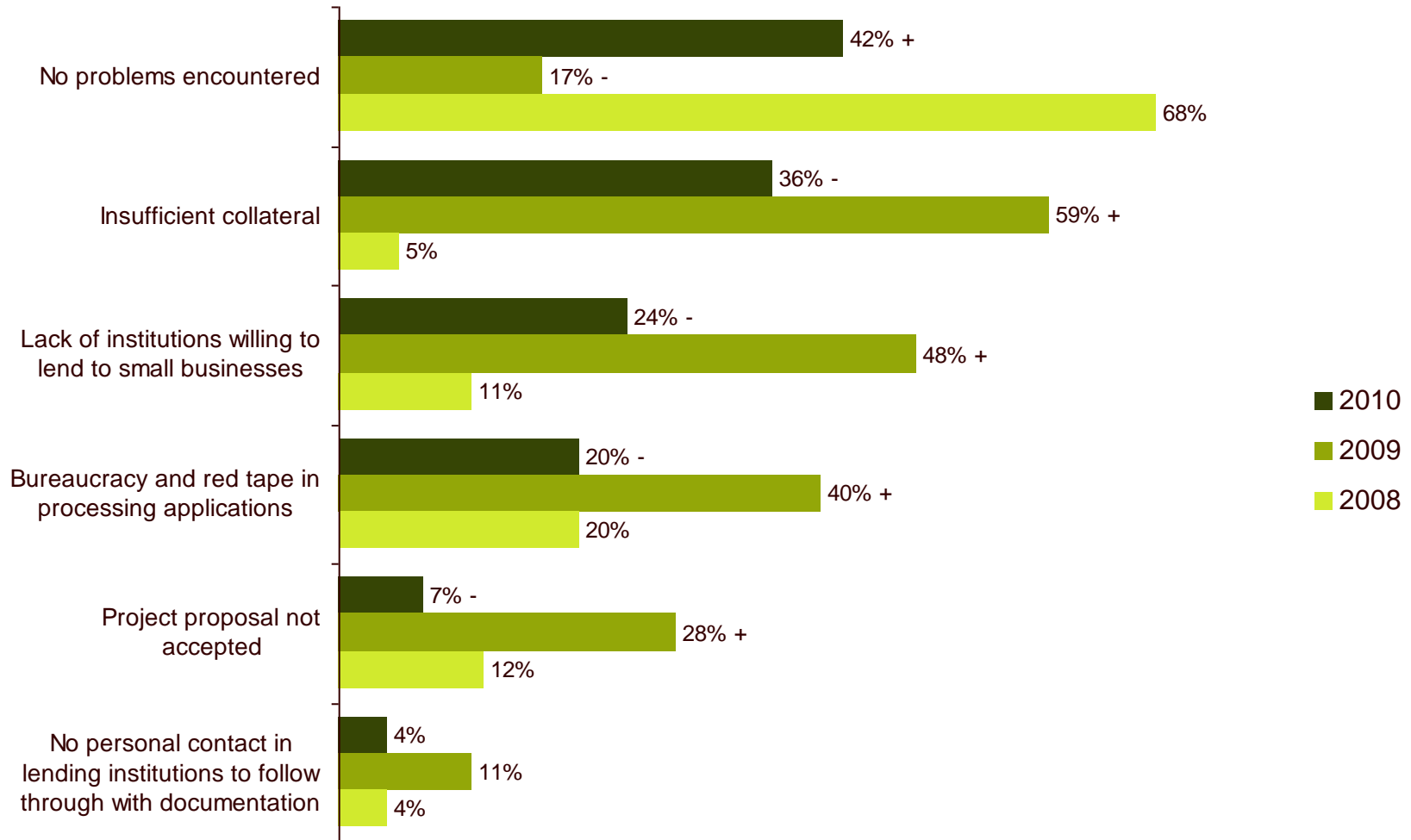
Q11. What are your most pressing business concerns this year (2010)? MC



# Problems Encountered in Financing Business – Korea



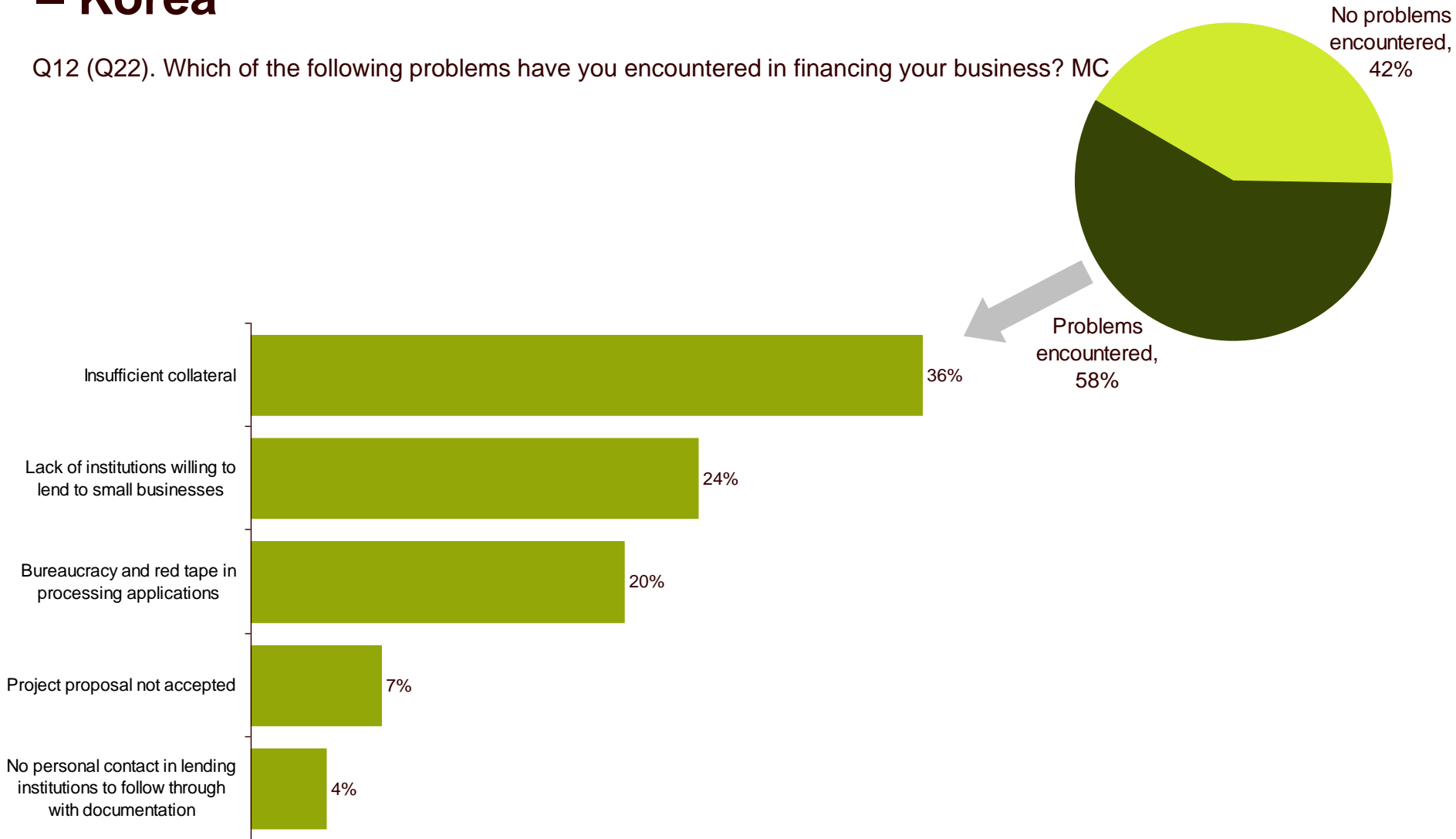
Q12 (Q22). Which of the following problems have you encountered in financing your business? MC



# Problems Encountered in Financing Business – Korea



Q12 (Q22). Which of the following problems have you encountered in financing your business? MC

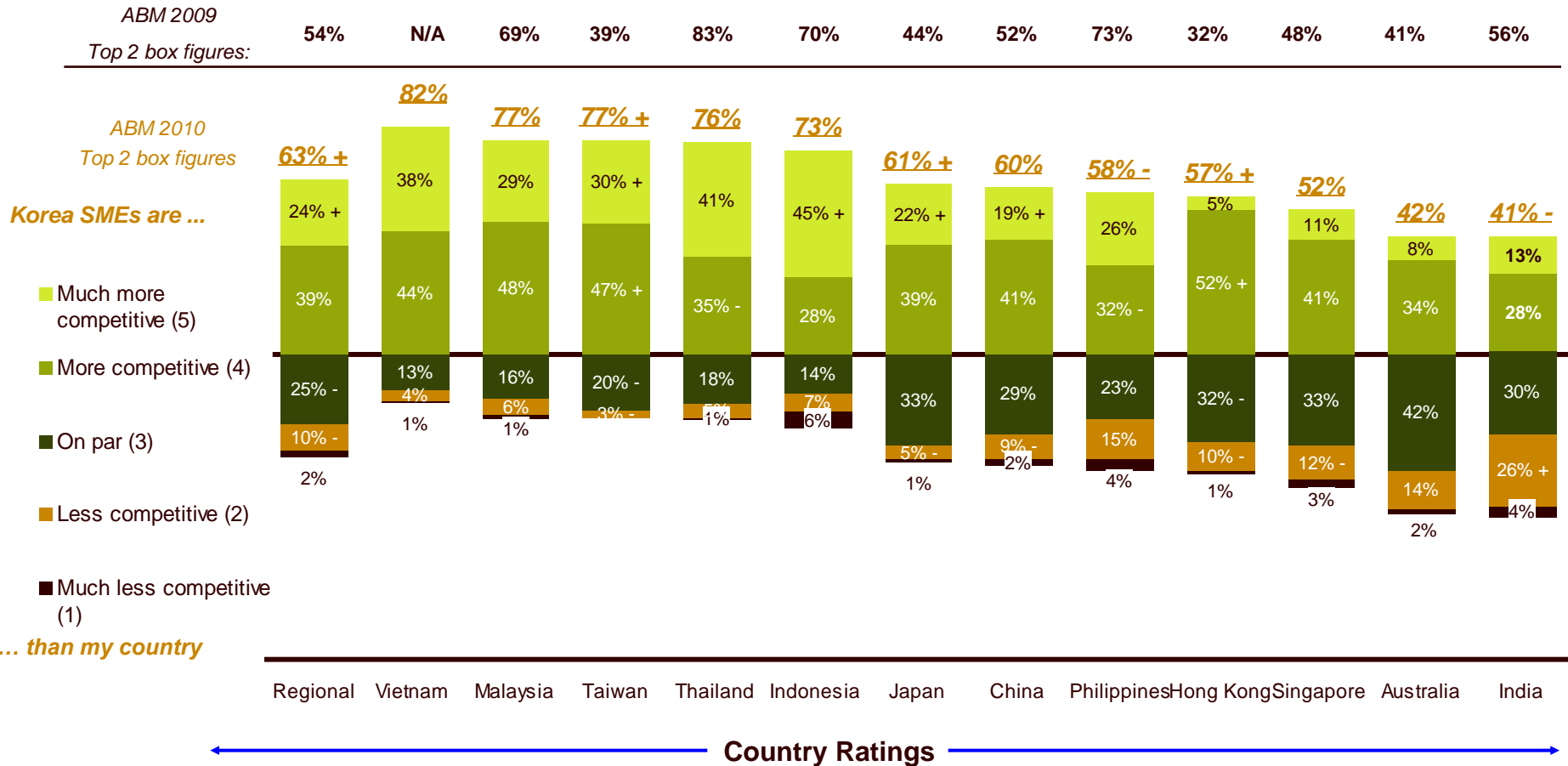




# Competitiveness of Korea SMEs

## – Rated by Each Market

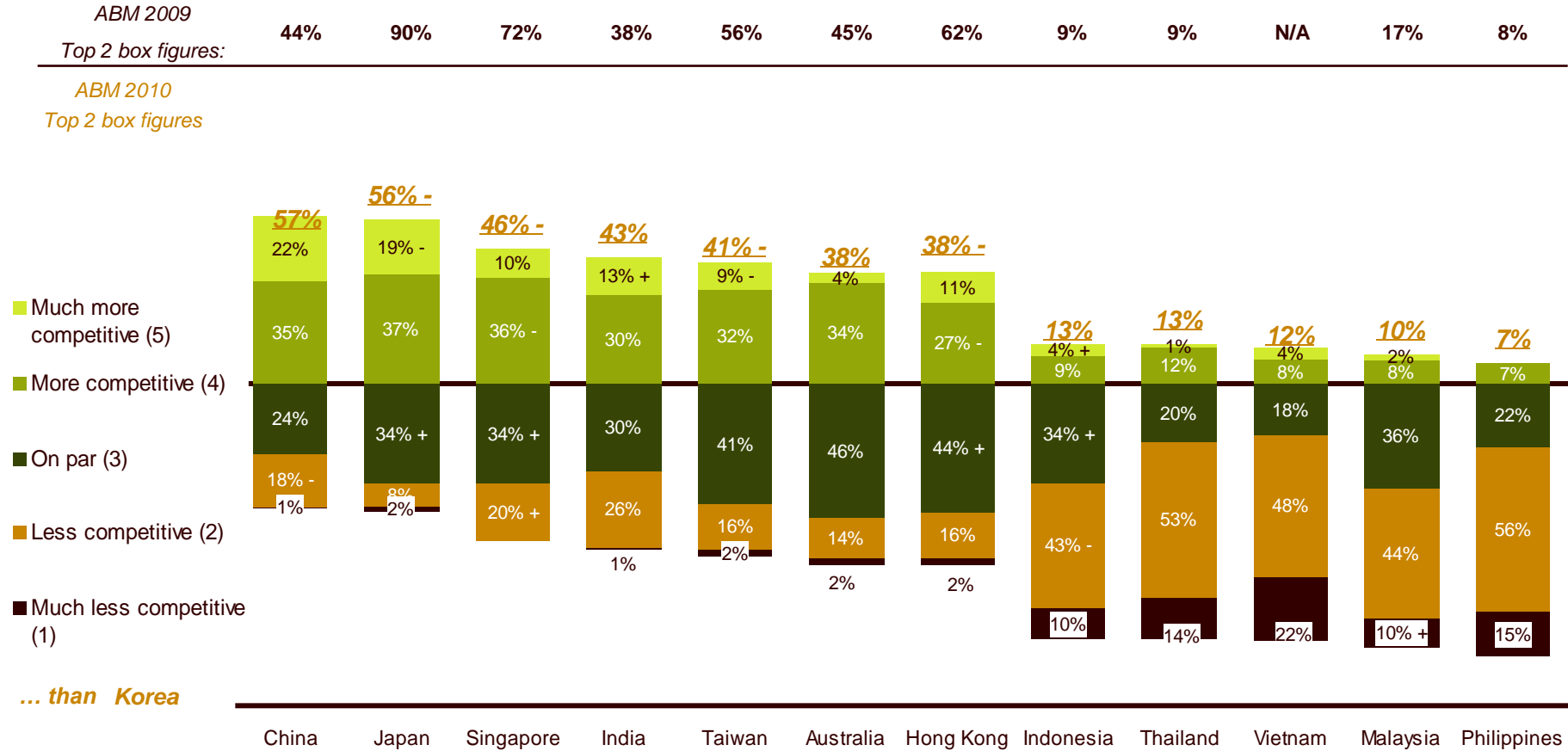
Q15 (Q17). How would you rate SMEs in each of the following countries compared with SMEs in your own country?  
Please rate on a scale of 1 to 5, where 5 equals “much more competitive than my own country” and 1 equals “much less competitive than my own country”?



# Korea SMEs: Rating of SMEs in Other Markets



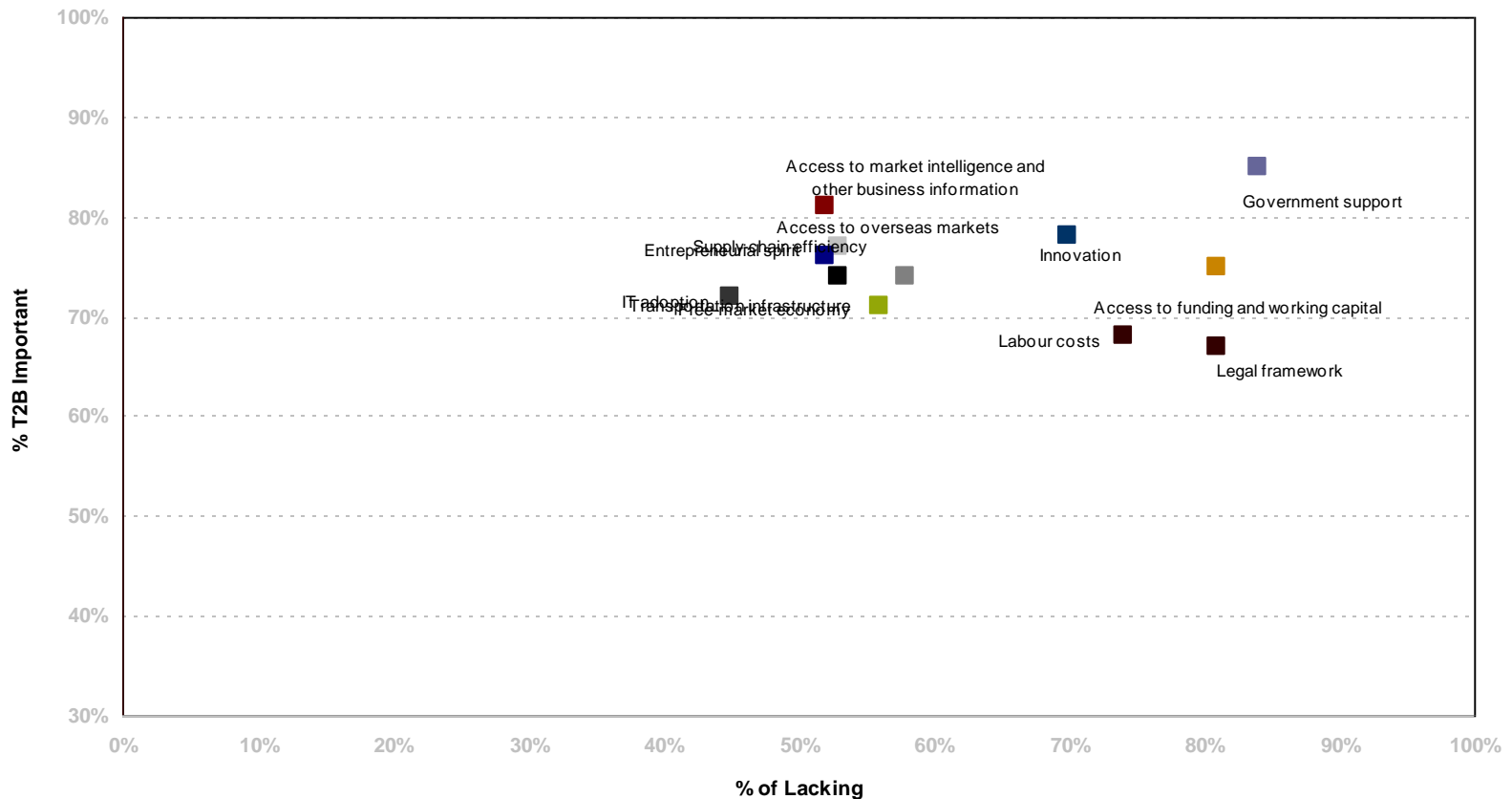
Q15 (Q17). How would you rate SMEs in each of the following countries compared with SMEs in your own country? Please rate on a scale of 1 to 5, where 5 equals “much more competitive than my own country” and 1 equals “much less competitive than my own country”?



# Contributions & Obstacles to SME Competitiveness – Korea



Q15a (Q18). How important are each of the following factors in contributing to SME competitiveness in your country?  
 Q15b (Q19). Which of the following factors do you consider to be lacking and which therefore are obstacles to SME competitiveness in your country?



# Types of Business Opportunity – Korea



Q16a. What type of opportunity would that be? O/E

