

# **PREFACE**

Japanese businesses are focusing more and more on the Association of Southeast Asian Nations (ASEAN). Japanese businesses are casting their gaze towards ASEAN with heightened interest as a target for business expansion against the background factors of market expansion accompanying a high level of growth, the engagement in building an economic community by 2015, the seminal stirrings of the least developed countries in the region such as Myanmar and Cambodia, and the free trade agreement (FTA) network that is broadening with ASEAN at the core. The problems of a rapidly rising cost of labor and deteriorating relations with Japan in China, which had been the primary export destination, also are stimulating an interest in ASEAN.

In accordance with this situation, the Japan Center for Economic Research (JCER), a public interest incorporated association, published its 2012 Asia Research Report: “The ASEAN Economy and Business Strategy.” This report compiles information regarding such topics as: the movement towards building an economic community, which is indispensable knowledge for considering the ASEAN economy; the latest economic developments in the so-called CLM countries of Cambodia, Laos, and Myanmar, which are the least developed countries in the region; the regional economic partnership strategy promoted by ASEAN; and furthermore the mid- to long-term issues of the ASEAN economy. Significant space is allocated in particular to the ASEAN strategy of businesses, the investment trends of companies from Japan, the US, Europe, China, South Korea, and the like are detailed based on foreign direct investment (FDI) data, the management trends of Japanese and overseas corporations are compiled by industry for consumer electronics, automobiles, and retail, and recommendations are made regarding corporate ASEAN strategies.

It is hoped that this report will be useful to those who have an interest in ASEAN and will contain information that is beneficial to businesses seeking to engage in business in ASEAN.

The Japan Center for Economic Research, members of the 2012 ASEAN research group.