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## NEWS RELEASE

### **UOB survey finds companies from Singapore, Thailand and China keen to expand into Indonesia**

*Singaporean companies most positive about Indonesian expansion*

**Singapore, 26 February 2015** – Companies from Singapore, Thailand and China are seizing new businesses opportunities that have arisen from Indonesia's large and burgeoning middle class, according to *United Overseas Bank (UOB)'s Asian Enterprise Survey 2014*<sup>1</sup>.

More than 90 million Indonesians, or 40 per cent of the population, make up the country's middle class<sup>2</sup> - a large consumer base that is a major factor in attracting businesses from Singapore (26 per cent), Thailand (25 per cent) and China (21 per cent) to Indonesia.

Mr. Iwan Satawidinata, Deputy Chief Executive Officer of Business, UOB Indonesia, said that rising incomes, especially among this middle class, leads to more spending power, changing consumption patterns and higher expectations, and these were all creating opportunities for Asian enterprises keen to expand into Indonesia.

"As incomes rise and urbanisation continues apace, companies that offer products and services that meet the new needs of Indonesia's middle class will be well positioned for sustainable growth. It is through seizing the opportunities that are now opening up in Indonesia that these Asian businesses are fuelling their next phase of growth," Mr. Satawidinata said.

#### **Indonesia's infrastructure needs creating business opportunities**

With Indonesia's domestic economy supported by rising income levels and improved economic conditions, Asian enterprises are keen to participate in building Indonesia's infrastructure.

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<sup>1</sup> The *UOB Asian Enterprise Survey 2014* was completed in late 2014. 1,024 Asian enterprises from China, Hong Kong, Malaysia, Singapore and Thailand were surveyed to understand how they viewed challenges and opportunities in the region as well as their plans for growth.

<sup>2</sup> "*Indonesia's Rising Middle Class and Affluent Consumers: Asia's Next Big Opportunity*", March 2013, Boston Consulting Group.

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Ms Ho Woei Chen, Senior Economist, UOB Group said that Indonesia's infrastructure boom has not gone unnoticed by its regional neighbours. According to the *UOB Asian Enterprise Survey 2014*, construction companies from Malaysia (50 per cent), Singapore (40 per cent), Thailand (33 per cent) and Hong Kong (33 per cent) are most bullish about Indonesia's infrastructure improvement plans.

"Construction spending to meet Indonesia's infrastructural needs will also open up investment and business expansion opportunities for related industries such as the logistics, food and beverage and hotel industries. To facilitate more foreign direct investment, government trade agencies are working across all ministries to reduce bureaucracy and to enhance Indonesia's attractiveness as an investment destination," Ms. Ho said.

The *UOB Asian Enterprise Survey 2014* found that oil and gas and mining (42 per cent), food and beverage (33 per cent), hotels (32 per cent), construction and manufacturing (28 per cent) companies were the top sectors looking at expanding into Indonesia to fuel their next phase of growth.

With its full suite of corporate/commercial and personal banking products and UOB Group's extensive network across Asia, UOB Indonesia has been increasingly focused on helping companies expand into Indonesia, many of which are from the construction, mining, real estate and the services sector.

"As Asian enterprises spread their wings across the region, UOB's network and deep understanding of the local economies put us in good stead to help our customers lay a strong foundation for their growth and expansion," Mr. Satawidinata said.

The *UOB Asian Enterprise Report 2014 – Indonesia* can be downloaded from [www.uobasianenterprises.com](http://www.uobasianenterprises.com).

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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. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year. In recognition of its contributions to the arts, UOB was conferred the National Arts Council's Distinguished Patron of the Arts Award for the tenth consecutive year in 2014. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

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