



**KANTAR**

**HSBC Trade Research**

Global report

February 2018

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# Introduction

# Introduction to the trade survey: content, sample and methodology

## What is the trade survey?

It is a global survey sponsored by HSBC.

The study gauges sentiment and expectations of the businesses in the near to mid term future, and covers the following areas:

1. General trade outlook
2. Trade in services
3. Supply chain
4. Trade policies
5. Trade finance
6. Benefits of trade

## Who is surveyed?

Key decision makers or those having significant input into the decision making process in eligible companies.

A total of **26 markets** were surveyed.

Countries surveyed

- **Europe:** France, Germany, Ireland, Netherlands, Poland, UK, Czech Republic
- **Asia Pacific:** Australia, Bangladesh, China, Hong Kong, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam
- **MENA:** Egypt, Saudi Arabia, UAE
- **North America:** USA, Canada, Mexico
- **South America:** Argentina

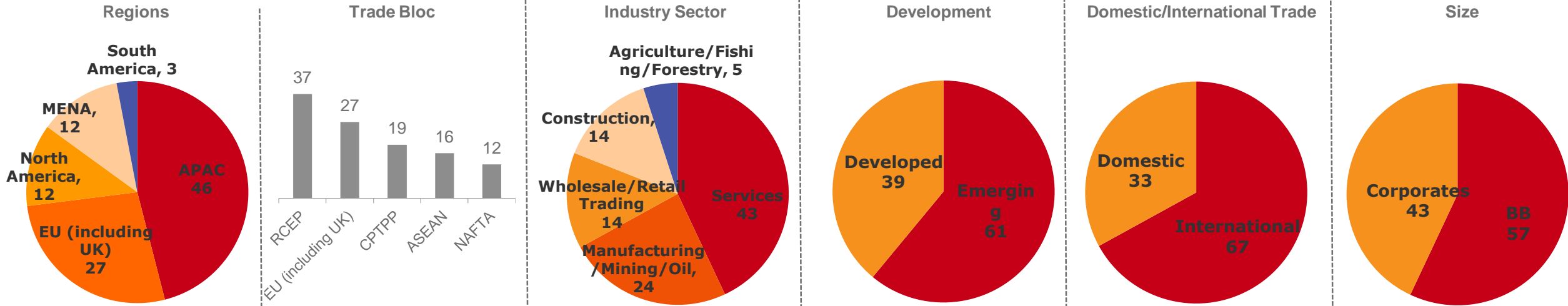
Fieldwork for the survey happened in December 2017 – January 2018.

## Sample & methodology notes

- Total global sample : 6033
- Survey method : Online self administered interview – 21 markets  
: Computer assisted telephone interview – 3 markets  
: Pen & paper personal interview – 1 market  
: Offline computer assisted personal interview – 1 market
- Company turnover limit : USD 5 mn or more, *except Indonesia (USD 1.75 mn or more), Bangladesh and Ireland (USD 2.5 mn or more), Vietnam (USD 3.5 mn or more), and Argentina (USD 3.5 mn or more)*
- Corporates limit : USD 50 mn or more, *except Indonesia (USD 16.5 mn or more), Bangladesh (USD 25 mn or more), Argentina and Vietnam (USD 40 mn or more), Egypt and Saudi Arabia (USD 45 mn or more)*
- Results in this report have been weighted to be representative of the universe of annual turnover taking into account the contribution of services & goods businesses according to WTO data for 2016.

# Introduction to the trade survey: global sample structure

Global sample structure (%)



Global sample structure (N=#)

Region	N=#
APAC	2757
EU (including UK)	1626
North America	750
MENA	700
South America	200

Trade Bloc	N=#
RCEP	2206
EU (including UK)	1626
CPTPP	1150
ASEAN	956
NAFTA	750

Industry Sector	N=#
Services	2574
Manufacturing/Mining/Oil	1473
Wholesale/Retail Trading	866
Construction	823
Agriculture/Fishing/Forestry	297

Development	N=#
Emerging	3657
Developed	2376

Trade Type	N=#
International	4019
Domestic	2014

Size	N=#
BB	3428
Corporates	2605

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam

Country sample structure refers to the percentage of respondents in each group mentioned.

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# Theme 1

Overall outlook and evolution ‘winds of change’, growth strategies and challenges

The background of the slide is a light-colored, marbled paper with a complex, organic pattern of veins and swirls. A prominent feature is a vertical crackle pattern that runs down the right side of the page, where the paper appears to be cracked and a gold-leaf material is applied, creating a shimmering, textured effect.

# Chapter 1

## Future Outlook

## **Trade outlook for 2018 and beyond is highly positive with APAC and Europe as the strongest growth regions and with most trade today being conducted within their home region, a pattern projected to continue**

The overall outlook for international trade is highly positive with more than three quarters of businesses who are trading internationally projecting growth. This is stronger amongst corporates, manufacturing businesses, those in emerging markets and those in the RCEP trading bloc. The latter two are likely to have more room for growth. Within APAC, four countries – Bangladesh, India, Thailand and Vietnam – are projecting growth in excess of ninety percent.

There are three consistent and almost equal drivers of this projected growth. A favourable economic environment, creating the right conditions; greater use of technology, which acts as an enabler, and customer demand. Greater use of technology is relatively more important for corporates, international businesses and those in emerging markets. Looking at the three markets with the highest growth projections, Bangladesh and Vietnam see the favourable economic environment as being most important while for India, it is technology.

Current trade flows show that, in all regions, trade within the 'home' region dominates. For Europe and APAC, it accounts for three quarters of current trading partners; in Central and South America, it accounts for two-thirds and in NAM and MENA it is around half. Outside Europe, and with the exception of Central and South America where it is North America, Europe is the next most significant trading partner.

APAC is projected to be the strongest area for growth across the world in the next three to five years and Europe to be the second most important. The projected growth in trade with both regions is expected to be in excess of forty percent and this compares to just over twenty five percent for NAM.

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam



# Over three quarters of businesses are projecting increases in their trade volume; Corporates are more bullish than BBs and businesses in the Indian sub-continent and Thailand are the most optimistic

## Trade outlook

Expect an increase in trade volume (Q14)

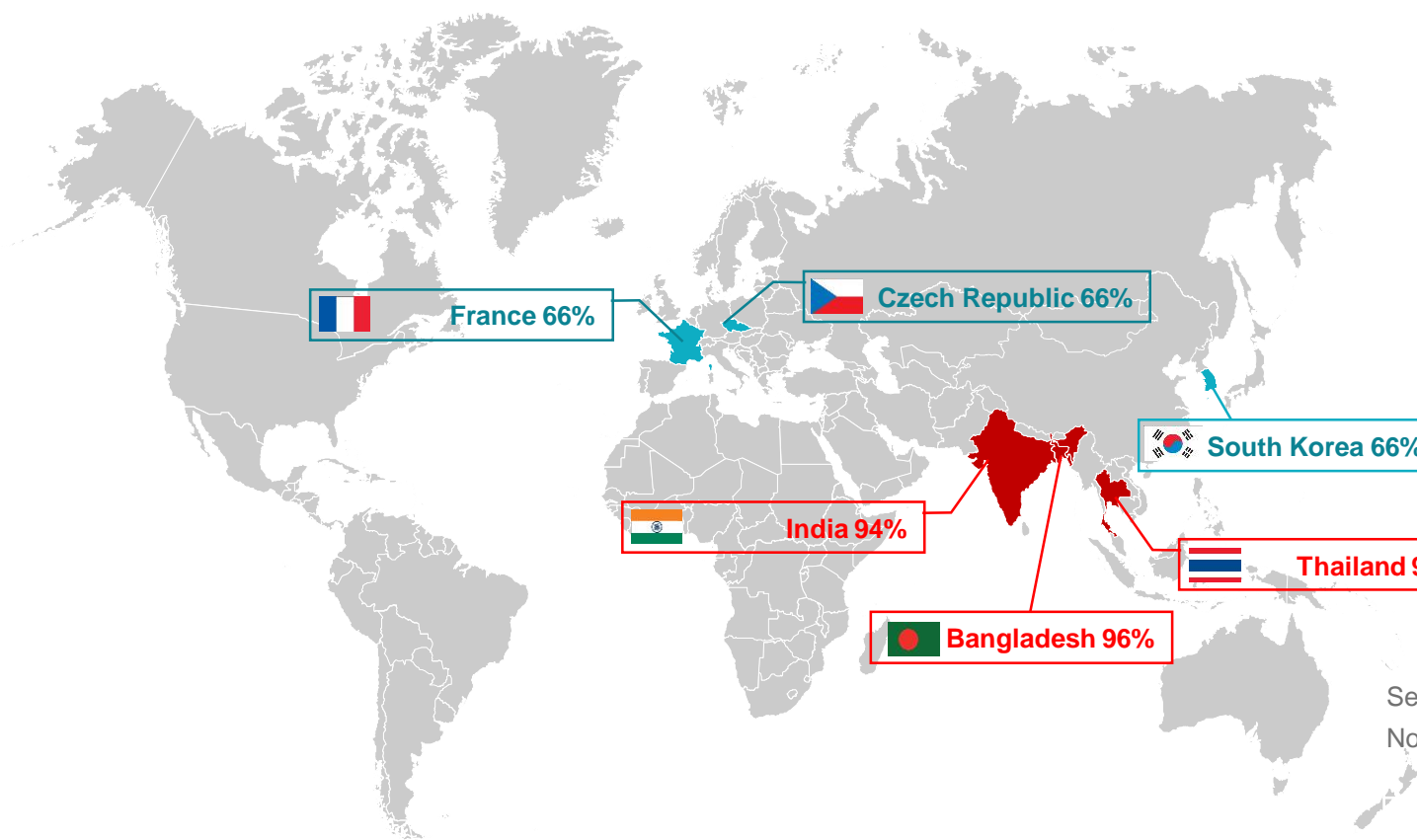
# 77%

### Regions

Argentina/South America	84%
Asia Pacific	82%
North America	77%
MENA	75%
Europe	71%

### Trade Blocs

RCEP	84%
ASEAN	80%
CPTPP	77%
NAFTA	77%
EU (including UK)	71%
EU (excluding UK)	71%



Countries with the most positive outlook – top 3

Countries with the least positive outlook – top 3

### Emerging/Developed countries

Emerging	82%
Developed	73%

### Size of company

Business Banking	72%
Corporates	81%

### Industry Sectors

Services	74%
Non-Services	79%
Wholesale / Retail Trading	77%
Construction	76%
Manufacturing / Mining / Oil	81%
Agriculture / Fishing / Forestry	74%

Base: GLOBAL; Businesses with international trade N=4019

- **Region:** Argentina/South America n=105, Asia Pacific n=1887, North America n=459, MENA n=453, Europe n=880
- **Trade Bloc:** RCEP n=1477, ASEAN n=630, CPTPP P n=750, NAFTA n=459, EU (including UK) n=1115, EU (excluding UK) n=880

- **Development:** Emerging n=2438, Developed n=1581
- **Size:** Business Banking n=3428, Corporates n=2605
- **Industry Sector:** Services n=1631, Non-services n=2388 (Wholesale/ Retail Trading n=580, Construction n=501, Manufacturing n=1119, Agriculture n=188)

Significantly higher than Global average  
 Significantly lower than Global average

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam

# The smallest differences between overall trade and services growth projections are seen in APAC in Singapore, Bangladesh, Thailand and India and the biggest in European countries

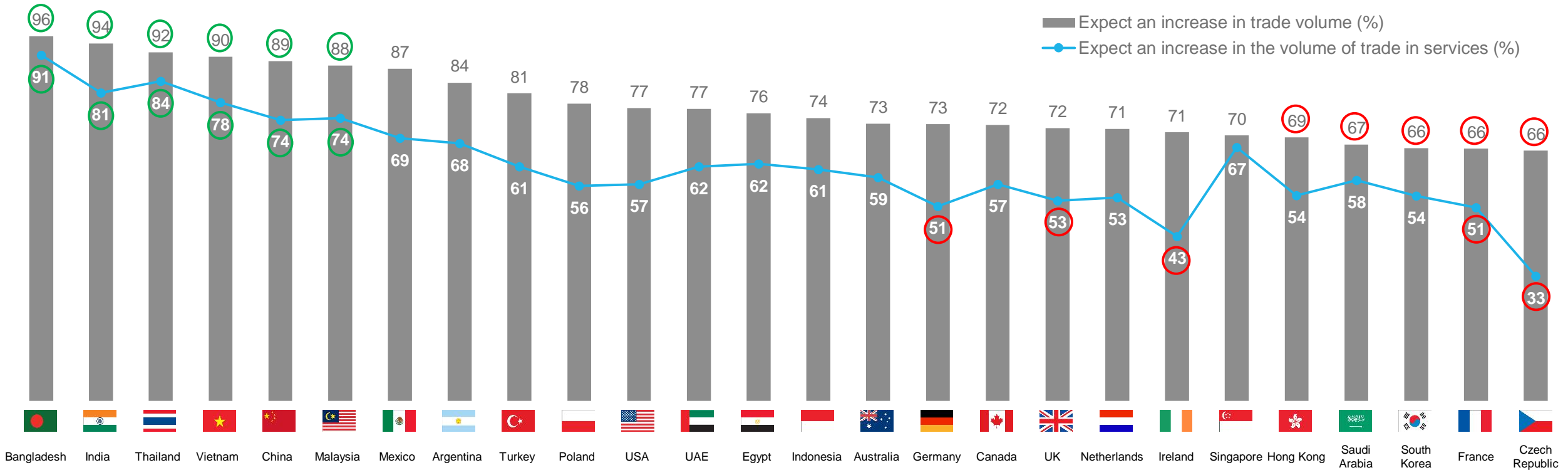
## Trade outlook

Expect an increase in trade volume (%) (Q14)

Expect an increase in the volume of trade in services (%) (Q23)

# 77%

# 61%



Base: GLOBAL; Businesses with international trade N=4019  
 Q14: How would you expect the business performance of your company to change in the next 12 months?  
 Q23: Thinking specifically about services, how do you expect the volume of your import/export of services to change in the next 12 months?

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

# Increasing demand engendered by favourable economic and political environments are the leading drivers of growth but greater use of technology and appropriate labour are important further enablers

## Trade outlook - Drivers of growth of trade (by region)

Drivers of growth of trade (Q13)

	Top driver of growth		Second driver of growth		Third driver of growth	
GLOBAL	Increasing demand for your product <b>33%</b>		Favourable economic environment <b>31%</b>		Greater use of technology <b>22%</b>	
Asia Pacific	Favourable economic environment	31%	Increasing demand for your product	30%	Greater use of technology	23%
Europe	Increasing demand for your product	35%	Favourable economic environment	35%	Availability of skilled labour	24%
North America	Increasing demand for your product	36%	Favourable economic environment	28%	Greater use of technology	22%
Argentina/ South America	Favourable economic environment	34%	Favourable political environment	30%	Increasing demand for your product	25%
MENA	Favourable economic environment	28%	Increasing demand for your product	26%	Affordability of labour	24%

Base: GLOBAL, N=3459

• **Region:** Asia Pacific n=1672, Europe n=916, North America n=416, Argentina/ South America n=104, MENA n=351

Q13: Please tick the 3 most important factors for your business that will drive growth in imports/exports in the next 12 months. Rank 1 to 3, with 1 being the most important driver of growth.

# Drivers of growth of trade – By country

## Trade outlook - Drivers of growth of trade



Drivers of growth of trade (Q13)

	Top driver of growth Increasing demand for your product <b>33%</b>	Second driver of growth Favourable economic environment <b>31%</b>	Third driver of growth Greater use of technology <b>22%</b>
GLOBAL			
Top 10 markets indicating ...			
	Ireland (54%)	Czech Republic (53%)	Singapore (29%)
	South Korea (45%)	Bangladesh (51%)	India (28%)
	Vietnam (40%)	Vietnam (42%)	Mexico (28%)
	Poland (39%)	Malaysia (40%)	Turkey (28%)
	Bangladesh (39%)	Ireland (39%)	UAE (27%)
	USA (38%)	Hong Kong (37%)	UK (26%)
	Germany (37%)	Germany (37%)	South Korea (25%)
	Canada (36%)	Turkey (37%)	Poland (25%)
	Czech Republic (36%)	France (36%)	Hong Kong (25%)
	Malaysia (34%)	Argentina (34%)	Thailand (24%)

Base: GLOBAL, N=3459

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Q13: Please tick the 3 most important factors for your business that will drive growth in imports/exports in the next 12 months. Rank 1 to 3, with 1 being the most important driver of growth.

 Significantly higher than Global average  
 Significantly lower than Global average

# There are only small differences across business type or location although corporates, international and emerging market businesses are making greater use of technology to drive growth

## Trade outlook - Drivers of growth of trade (by market development, size and international trading or not)

Drivers of growth of trade (Q13)

	Top Driver		Second Driver		Third Driver	
GLOBAL	Increasing demand for your product <b>33%</b>		Favourable economic environment <b>31%</b>		Greater use of technology <b>22%</b>	
<b>Emerging/Developed countries</b>						
Emerging	Favourable economic environment	30%	Increasing demand for your product	30%	Greater use of technology	24%
Developed	Increasing demand for your product	36%	Favourable economic environment	32%	Favourable political environment	21%
<b>Size of company</b>						
Business Banking	Increasing demand for your product	32%	Favourable economic environment	31%	Decreasing costs of shipping, logistics & storage	23%
Corporates	Increasing demand for your product	33%	Favourable economic environment	31%	Greater use of technology	23%
<b>Domestic/International operator</b>						
Domestic	Increasing demand for your product	31%	Favourable economic environment	30%	Availability of skilled labour	23%
International	Increasing demand for your product	34%	Favourable economic environment	31%	Greater use of technology	22%

Base: GLOBAL n=3459

- **Development:** Emerging n=2103, Developed n=1356,
- **Size:** Business Banking n=2010, Corporates n=1449,
- Domestic n=1071, International n=2388

Q13: Please tick the 3 most important factors for your business that will drive growth in imports/exports in the next 12 months. Rank 1 to 3, with 1 being the most important driver of growth.

# More than half, and almost three quarters in Europe and APAC, of businesses' trade is currently within their own region. Strongest future growth focus is projected to follow the same pattern in all regions

## Trade outlook - Trade flows

Trading partners & growth markets (Q11 & Q12)

	Global		Europe		Asia Pacific		North America		Middle east & North Africa		Argentina / South America	
	Current partners	Growth Markets	Current partners	Growth Markets	Current partners	Growth Markets	Current partners	Growth Markets	Current partners	Growth Markets	Current partners	Growth Markets
Europe	54 %	41 %	74%	54%	44%	36 %	48 %	31 %	45 %	44 %	39%	20%
Asia Pacific	51 %	44 %	30%	26%	74%	68%	43 %	33%	39%	33%	24%	15%
North America	40 %	26 %	29%	19 %	44 %	29 %	52%	33 %	18%	14%	49 %	28 %
Middle East & North Africa	15 %	12 %	14 %	12 %	12 %	10 %	10 %	7 %	55%	47%	9 %	5 %
Central & South America	13 %	13 %	10 %	10 %	10 %	11 %	23%	21 %	4 %	6 %	65%	60%
Rest of Africa	1 %	2 %	1 %	1 %	0 %	0 %	3 %	3 %	4 %	4 %	0 %	1 %
Don't know	1 %	15 %	2 %	19 %	0 %	7 %	3 %	24 %	2 %	13 %	2 %	20 %

Base: GLOBAL (Question on current trading partners); Businesses with international trade N=4019

• **Region:** Asia Pacific n=1887, Europe n=1115, North America n=459, Argentina/ South America n=105, MENA n=453

• GLOBAL (Question on growth markets); N=6033,

• **Region:** Asia Pacific n=2757, Europe n=1626, North America n=750, Argentina/ South America n=200, MENA n=700

Q11: Which are the top 3 countries with which you currently conduct most of your business with?

○ Significantly higher than Global average  
○ Significantly lower than Global average

Q12: Which are the top 3 countries with which your business will look to expand in the next 3 – 5 years?

The background of the slide is a light-colored, marbled paper with a complex, organic pattern of veins and swirls. A prominent feature is a vertical crackle pattern on the right side, where the paper has been cracked and a gold-leaf material has been applied, creating a shimmering, textured effect. The overall aesthetic is elegant and classic.

## **Chapter 2**

# **The Growth/Status Of Trade In Services**

## **Trade in services outlook for 2018 is positive but slightly weaker, especially in developed markets, than overall trade; expansion into new markets is the primary growth strategy for all.**

The outlook for trade in services is positive but behind that for overall trade. Just over sixty percent are projected growth compared to over three quarters for international trade overall. Businesses in the ASEAN and RCEP trading blocs are projecting the highest growth, in excess of seventy percent and Bangladesh, Thailand and India are projecting growth of over eighty percent. The difference in the projected growth for services between the emerging and developed markets (69% and 53%) is almost double than it is for trade overall (82% compared to 73%).

The growth drivers for trade in services are very similar to those for trade overall but greater use of technology is relatively more important for services. This is most evident in Singapore, where approaching half of businesses say that it is the most important factor. Demand is a stronger driver in APAC and a favourable economic environment is important for more than half of businesses in Vietnam and Argentina. A favourable economic environment is relatively more important for emerging rather than developed markets (33% compared to 26%) and the reverse is true for technology (28% compared to 32%). In a similar way, the economic environment is relatively more important for international rather than domestic businesses (31% compared to 27%) and conversely demand is relatively more important for domestic businesses (36% compared to 29%). Overall all three lead drivers are of equal importance.

There is broad consensus on the top three barriers. Two, negative changes in the economic or the political environment, are outside the control of businesses and the third, higher labour costs is likely to be driven by external factors too. In Europe and North America, negative changes in the political environment are the potential barrier while in APAC and MENA, changes in the economic environment are the concern. High labour costs are the highest concern in North America and for domestic businesses but are not identified in the top three potential barriers in Europe or by international businesses. For both corporates and international businesses, uncertainties about global trade policies are their primary or secondary concern.

There is complete consensus that expanding into new markets is the primary growth strategy. This is particularly seen in Bangladesh, where it is identified by almost three quarters of businesses, and in Vietnam, Mexico, Saudi Arabia, Argentina and Turkey, where it is identified by around half of businesses. Diversification and greater use of e-commerce are the next and equally important growth strategies; e-commerce is relatively more important in APAC and particularly in Singapore, where it is the primary strategy, mentioned by almost two-fifths of businesses. It is relatively higher on the agenda for corporates, international businesses and those based in emerging markets. Diversification is considered most important in Bangladesh where it is mentioned by two-thirds of businesses and is relatively more important for BBs and domestic businesses and those in developed markets.

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam



# The outlook for trade in services is notably higher in the APAC region.

## Trade in services outlook

Expect an increase in the volume of trade in services (Q23)

### GLOBAL

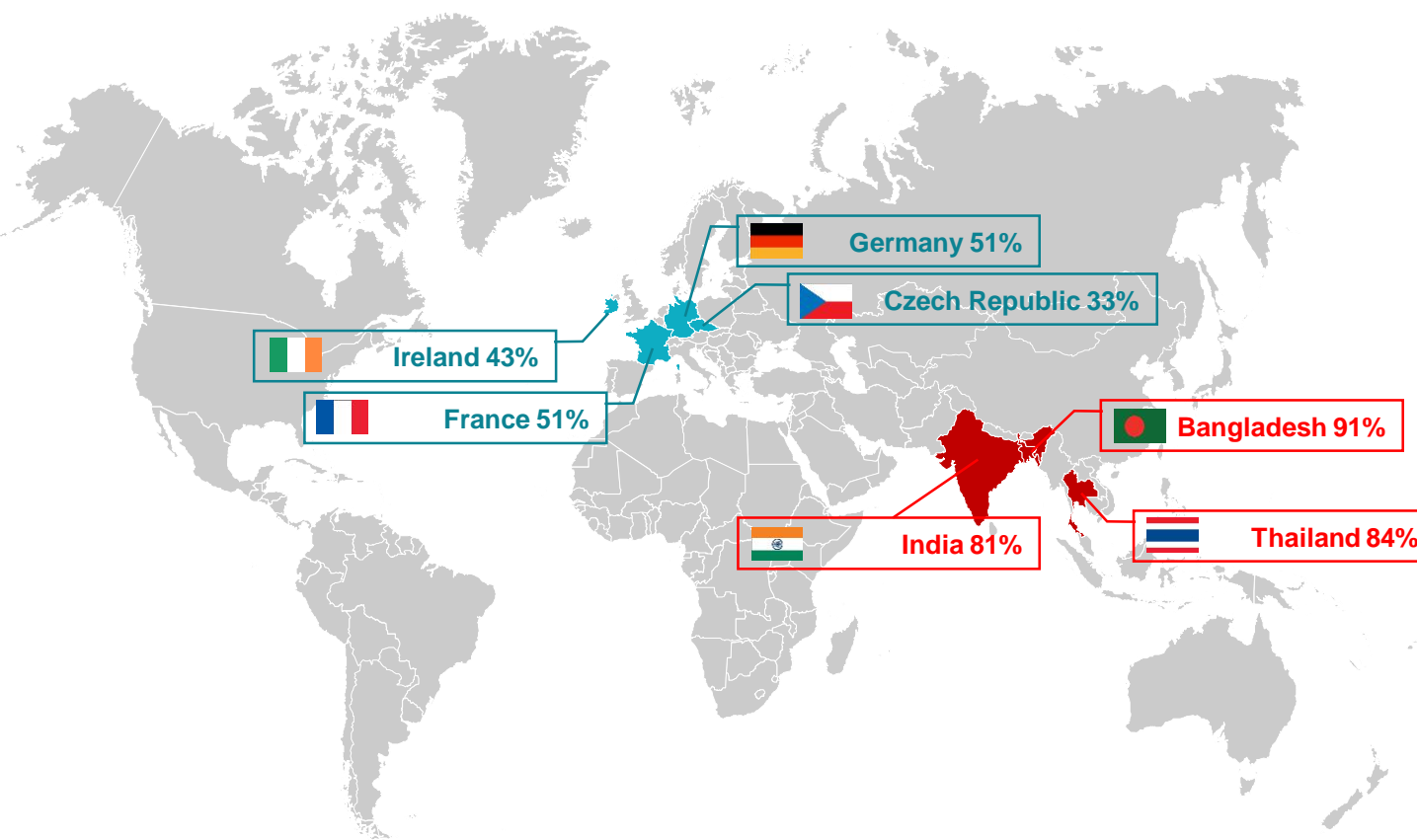
# 61%

#### Regions

Asia Pacific	69%
Argentina/ South America	68%
MENA	61%
North America	59%
Europe	51%

#### Trade Blocs

ASEAN	73%
RCEP	71%
CPTPP	66%
NAFTA	59%
EU (with UK)	51%
EU (without UK)	51%



Countries with the most positive outlook – top 3

Countries with the least positive outlook – top 3

#### Emerging/Developed countries

Emerging	69%
Developed	53%

#### Size of company

Business Banking	56%
Corporates	66%

#### Domestic/International operator

Domestic	55%
International	63%

Base: GLOBAL; Businesses with sales turnover from services N=5196

- **Region:** Asia Pacific n=2417, Argentina/ South America n=159, MENA n=634, North America n=613, Europe n=1373
- **Trade Bloc:** ASEAN n=811, RCEP n=1942, CTPP n=1003, NAFTA n=613, EU (with UK) n=1373, EU (without UK) n=1070

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam

- **Development:** Emerging n=3216, Developed n=1980
- **Size:** Business Banking n=2883, Corporates n=2313
- **Domestic:** 1659, International n=3537

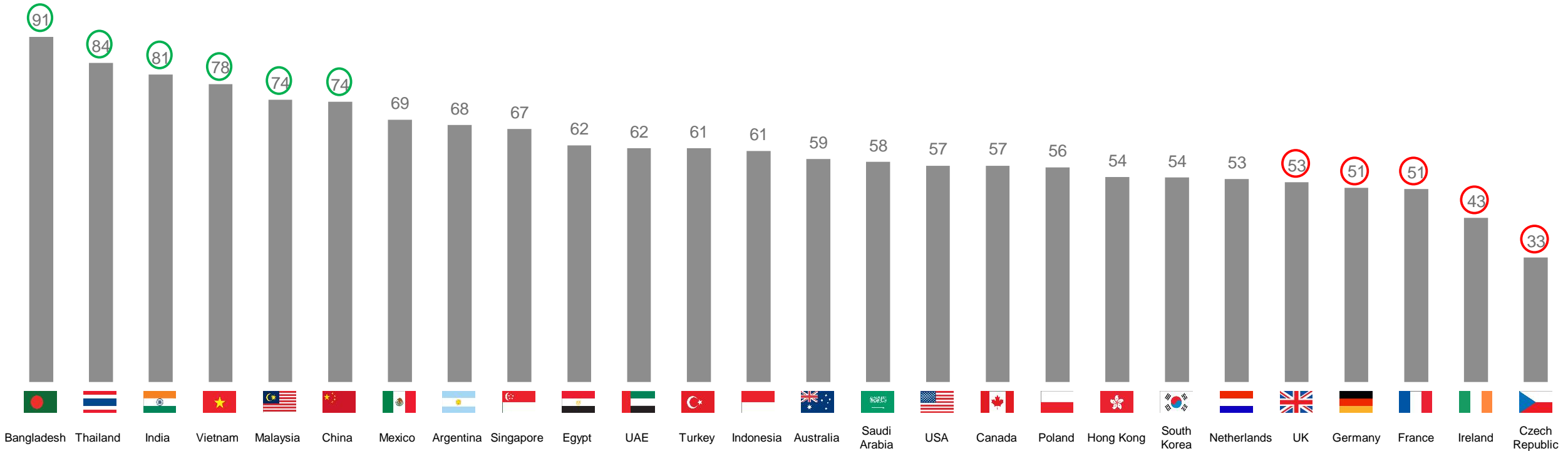
Significantly higher than Global average  
 Significantly lower than Global average

# The range of growth projections for trade in services is almost twice that for trade overall; European markets expect a lower than average increase in services trade

## Trade in services outlook

Expect an increase in the volume of trade in services (%) (Q23)

# 61%



Base: GLOBAL; Businesses with sales turnover from services N=5196  
 Q23: Thinking specifically about services, how do you expect the volume of your import/export of services to change in the next 12 months?

# The smallest differences between overall trade and services growth projections are seen in APAC in Singapore, Bangladesh, Thailand and India and the biggest in European countries

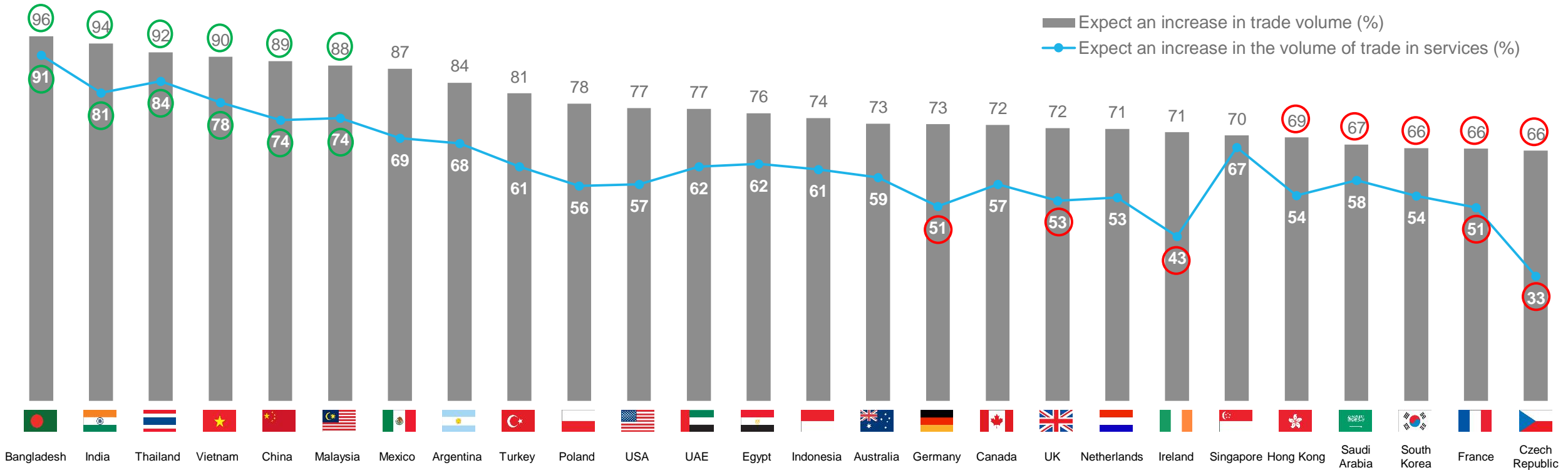
## Trade outlook

Expect an increase in trade volume (%) (Q14)

Expect an increase in the volume of trade in services (%) (Q23)

# 77%

# 61%



Base: GLOBAL; Businesses with international trade N=4019  
 Q14: How would you expect the business performance of your company to change in the next 12 months?  
 Q23: Thinking specifically about services, how do you expect the volume of your import/export of services to change in the next 12 months?

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

# The smallest differences between overall trade and services growth projections are seen in APAC and the biggest in Europe (followed by North America); or NAFTA; or developed markets

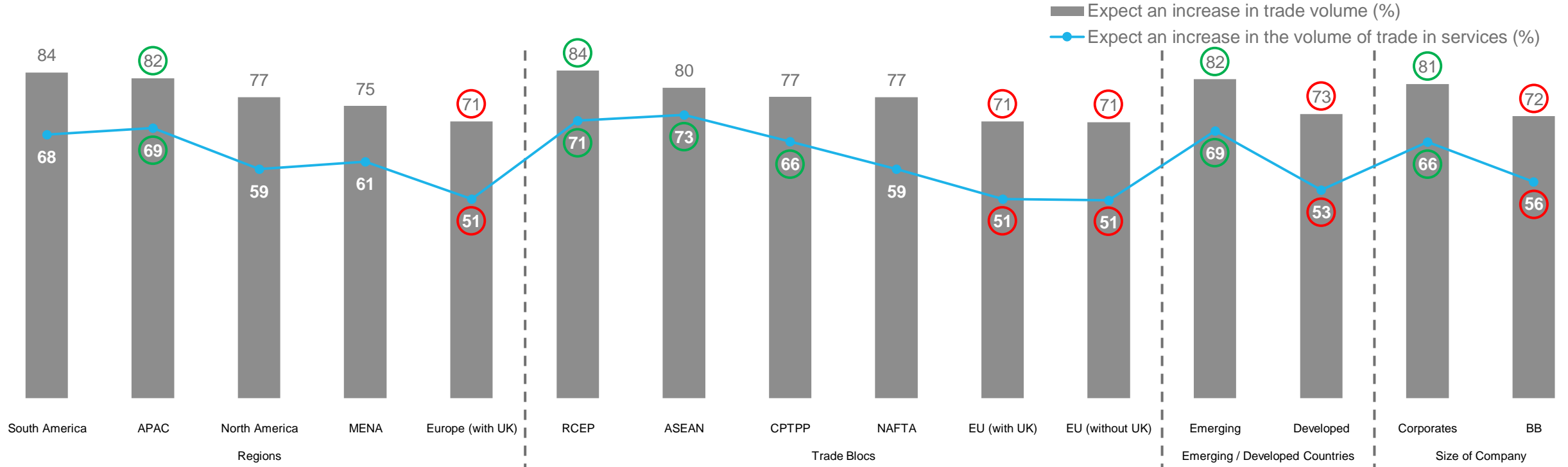
## Trade outlook

Expect an increase in trade volume (%) (Q14)

Expect an increase in the volume of trade in services (%) (Q23)

# 77%

# 61%



Base: GLOBAL; Businesses with international trade N=4019; Base: GLOBAL; Businesses with sales turnover from services N=5196

Q14: How would you expect the business performance of your company to change in the next 12 months?

Q23: Thinking specifically about services, how do you expect the volume of your import/export of services to change in the next 12 months?

○ Significantly higher than Global average  
○ Significantly lower than Global average

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam

# Technology and e-commerce are key drivers of growth of trade in services in NAM.

## Trade in services outlook - Drivers of growth of trade (by region)

Drivers of growth of trade in services (Q24)

	Top Driver		Second Driver		Third Driver	
GLOBAL	Increasing demand for services <b>31%</b>		Favourable economic environment <b>30%</b>		Greater use of technology <b>30%</b>	
Asia Pacific	Favourable economic environment	33%	Increasing demand for services	30%	E-commerce growth	29%
Europe	Increasing demand for services	33%	Greater use of technology	31%	Favourable economic environment	28%
North America	Greater use of technology	35%	Increasing demand for services	33%	E-commerce growth	27%
Argentina/ South America	Favourable economic environment	<b>51%</b>	Increasing demand for services	40%	Favourable political environment	<b>38%</b>
MENA	Increasing demand for services	29%	Favourable economic environment	29%	Greater use of technology	26%

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

• **Region:** Asia Pacific n=1837, Europe n=758, North America n=401, Argentina/ South America n=115, MENA n=409

Q24: Please tick the 3 most important factors for your business that will drive growth in imports/exports of services in the next 12 months. Rank 1 to 3, with 1 being the most important driver of growth.

# Increased demand and a favourable economic environment are both much more significant drivers for businesses in Vietnam and Bangladesh, two of the top five countries projecting services growth

## Trade in services outlook - Drivers of growth of trade

Drivers of growth of trade in services (Q24)

	Top Driver		Second Driver		Third Driver	
	<b>Increasing demand for services</b>		<b>Favourable economic environment</b>		<b>Greater use of technology</b>	
GLOBAL	<b>31%</b>		<b>30%</b>		<b>30%</b>	
Top 10 markets indicating ...						
	Vietnam	44%	Vietnam	60%	Singapore	42%
	Poland	41%	Argentina	51%	Mexico	38%
	Bangladesh	41%	Bangladesh	43%	Netherlands	36%
	South Korea	40%	Netherlands	39%	USA	35%
	Argentina	40%	Egypt	37%	Argentina	34%
	Mexico	35%	Hong Kong	36%	South Korea	34%
	Hong Kong	35%	Saudi Arabia	36%	UAE	34%
	UK	35%	China	35%	India	33%
	Netherlands	35%	Singapore	34%	UK	33%
	Egypt	34%	Ireland	34%	Ireland	32%

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

Note : Czech Republic excluded here since it has sample lower than 30.

# The top three drivers are universal; a favourable economic environment is the lead driver for international and emerging market businesses, greater use of technology has increased in importance for all

## Trade in services outlook - Drivers of growth of trade (by market development, size and international trading or not)

Drivers of growth of trade in services (Q24)

	Top Driver		Second Driver		Third Driver	
GLOBAL	Increasing demand for services	31%	Favourable economic environment	30%	Greater use of technology	30%
<b>Emerging/Developed countries</b>						
Emerging	Favourable economic environment	33%	Increasing demand for services	30%	Greater use of technology	28%
Developed	Increasing demand for services	33%	Greater use of technology	32%	Favourable economic environment	26%
<b>Size of company</b>						
Business Banking	Increasing demand for services	33%	Favourable economic environment	31%	Greater use of technology	30%
Corporate	Greater use of technology	30%	Increasing demand for services	30%	Favourable economic environment	29%
<b>Domestic/International operator</b>						
Domestic	Increasing demand for services	36%	Greater use of technology	28%	Favourable economic environment	27%
International	Favourable economic environment	31%	Greater use of technology	31%	Increasing demand for services	29%

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

• **Development:** Emerging n=2376, Developed n=1144

• **Size:** Business Banking n=1905, Corporates n=1615

• **Domestic:** 1091, International n=2429

Q24: Please tick the 3 most important factors for your business that will drive growth in imports/exports of services in the next 12 months. Rank 1 to 3, with 1 being the most important driver of growth.

# Negative changes in the political/economic environment will act as brake on growth but high labour costs could undermine growth if there is strong competition and consequent price erosion

## Trade in services outlook - Barriers of growth of trade in services (by region)

Barriers of growth of trade in services (Q25)

	Top Barriers		Second Barriers		Third Barriers	
GLOBAL	Negative changes in the economic environment <b>30%</b>		Higher labour costs <b>27%</b>		Negative changes in the political environment <b>26%</b>	
Asia Pacific	Negative changes in the economic environment	41%	Higher labour costs	31%	Unfavourable exchange rate	29%
Europe	Negative changes in the political environment	32%	Stronger competition/ price erosion	29%	Reduction in consumer demand	29%
North America	Higher labour costs	34%	Global trade policy uncertainties	31%	Negative changes in the political environment	31%
Argentina/ South America #						
MENA	Negative changes in the economic environment	35%	Stronger competition/ price erosion	33%	Higher labour costs	31%

Base: GLOBAL, Businesses expecting decline in services trade outlook N=351  
 • **Region:** Asia Pacific n=117, Europe n=115, North America n=35, Argentina/ South America n=14, MENA n=70

Q25: Please tick the 3 main barriers for your services business in the next 12 months? Rank 1 to 3, with 1 being the main barrier to your services business.

# Caution extremely low sample: Base < 30  
 And data are not shown

○ Significantly higher than Global average  
 ○ Significantly lower than Global average



# For corporates, international and mature market businesses, global trade policy uncertainties can undermine growth. High labour costs are a bigger threat for domestic and emerging market businesses

## Trade in services outlook - Barriers of growth of trade in services (by market development, size and international trading or

### Barriers of growth of trade in services (Q25)

	Top Barriers		Second Barriers		Third Barriers	
GLOBAL	Negative changes in the economic environment <b>30%</b>		Higher labour costs <b>27%</b>		Negative changes in the political environment <b>26%</b>	
<b>Emerging/Developed countries</b>						
Emerging	Negative changes in the economic environment	36%	Higher labour costs	31%	Unfavourable exchange rates	30%
Developed	Negative changes in the political environment	31%	Lack/shortage of skilled labour	27%	Global trade policy uncertainties	26%
<b>Size of company</b>						
Business Banking	Negative changes in the economic environment	35%	Reduction in consumer demand	26%	Negative changes in the political environment	25%
Corporate	Global trade policy uncertainties	31%	Lack/shortage of skilled labour	31%	Higher labour costs	30%
<b>Domestic/International operator</b>						
Domestic	Higher labour costs	33%	Negative changes in the political environment	29%	Negative changes in the economic environment	29%
International	Negative changes in the economic environment	30%	Global trade policy uncertainties	29%	Negative changes in the political environment	25%

Base: GLOBAL, Businesses expecting decline in services trade outlook N=351

- **Development:** Emerging n=202, Developed n=149
- **Size:** Business Banking n=226, Corporates n=125
- **Domestic:**89, International n=262

Q25: Please tick the 3 main barriers for your services business in the next 12 months? Rank 1 to 3, with 1 being the main barrier to your services business.

Expansion into new markets is the primary growth strategy followed by diversification into new services areas. Increasing use of e-commerce is an important enabler.

Trade in services outlook - Approach to growth of services businesses (by region)

Approach to growth of services businesses (Q26)

	Top Approach		Second Approach		Third Approach	
	Entering new markets		Increasing use of e-commerce		Entering new service areas	
GLOBAL	32%		24%		24%	
Asia Pacific	Entering new markets	30%	Increasing use of e-commerce	27%	Entering new service areas	25%
Europe	Entering new markets	29%	Entering new service areas	23%	Increasing use of e-commerce	20%
North America	Entering new markets	35%	Better use of data capability	25%	Increasing use of e-commerce	25%
Argentina/ South America	Entering new markets	47%	Entering new service areas	30%	Providing value added services to your products	29%
MENA	Entering new markets	40%	Entering new service areas	23%	Upscaling digital/ technological capability of your employees	21%

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

• **Region:** Asia Pacific n=1837, Europe n=758, North America n=401, Argentina/ South America n=115, MENA n=409

Q26: Which of the following ways do you plan to grow your service business? Please select up to 3.

# Expansion into new markets is the dominant strategy for growing service businesses, increasing use of e-commerce is just ahead in Singapore and diversification an important secondary driver in Bangladesh

## Trade in services outlook - Approach to growth of services businesses

Approach to growth of services businesses (Q26)

	Top Approach	Second Approach	Third Approach																																																												
	Entering new markets	Increasing use of e-commerce	Entering new service areas																																																												
GLOBAL	32%	24%	24%																																																												
Top 10 markets indicating ...	<table border="1"> <tr><td>Bangladesh</td><td>73%</td></tr> <tr><td>Vietnam</td><td>57%</td></tr> <tr><td>Mexico</td><td>48%</td></tr> <tr><td>Saudi Arabia</td><td>47%</td></tr> <tr><td>Argentina</td><td>47%</td></tr> <tr><td>Turkey</td><td>45%</td></tr> <tr><td>Malaysia</td><td>41%</td></tr> <tr><td>Hong Kong</td><td>39%</td></tr> <tr><td>Singapore</td><td>36%</td></tr> <tr><td>Egypt</td><td>36%</td></tr> </table>	Bangladesh	73%	Vietnam	57%	Mexico	48%	Saudi Arabia	47%	Argentina	47%	Turkey	45%	Malaysia	41%	Hong Kong	39%	Singapore	36%	Egypt	36%	<table border="1"> <tr><td>Singapore</td><td>39%</td></tr> <tr><td>Malaysia</td><td>33%</td></tr> <tr><td>Egypt</td><td>30%</td></tr> <tr><td>China</td><td>30%</td></tr> <tr><td>India</td><td>28%</td></tr> <tr><td>Ireland</td><td>27%</td></tr> <tr><td>USA</td><td>26%</td></tr> <tr><td>Mexico</td><td>24%</td></tr> <tr><td>UK</td><td>24%</td></tr> <tr><td>Germany</td><td>24%</td></tr> </table>	Singapore	39%	Malaysia	33%	Egypt	30%	China	30%	India	28%	Ireland	27%	USA	26%	Mexico	24%	UK	24%	Germany	24%	<table border="1"> <tr><td>Bangladesh</td><td>65%</td></tr> <tr><td>Vietnam</td><td>32%</td></tr> <tr><td>Argentina</td><td>30%</td></tr> <tr><td>Saudi Arabia</td><td>29%</td></tr> <tr><td>Germany</td><td>29%</td></tr> <tr><td>Egypt</td><td>27%</td></tr> <tr><td>Poland</td><td>27%</td></tr> <tr><td>UK</td><td>27%</td></tr> <tr><td>China</td><td>25%</td></tr> <tr><td>India</td><td>25%</td></tr> </table>	Bangladesh	65%	Vietnam	32%	Argentina	30%	Saudi Arabia	29%	Germany	29%	Egypt	27%	Poland	27%	UK	27%	China	25%	India	25%
Bangladesh	73%																																																														
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UK	24%																																																														
Germany	24%																																																														
Bangladesh	65%																																																														
Vietnam	32%																																																														
Argentina	30%																																																														
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Egypt	27%																																																														
Poland	27%																																																														
UK	27%																																																														
China	25%																																																														
India	25%																																																														

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

Note : Czech Republic excluded here since it has sample lower than 30.

# Looking across the different businesses, the same top three growth strategies predominate. Gaining entry to new markets is vital for the achievement of the projected growth in services

## Trade in services outlook - Approach to growth of services businesses (by market development, size and international trading or not)

Approach to growth of services businesses (Q26)

	Top Approach		Second Approach		Third Approach	
	Entering new markets		Increasing use of e-commerce		Entering new service areas	
GLOBAL	32%		24%		24%	
<b>Emerging/Developed countries</b>						
Emerging	Entering new markets	33%	Increasing use of e-commerce	26%	Entering new service areas	25%
Developed	Entering new markets	31%	Entering new service areas	23%	Increasing use of e-commerce	22%
<b>Size of company</b>						
Business Banking	Entering new markets	33%	Entering new service areas	25%	Increasing use of e-commerce	23%
Corporate	Entering new markets	31%	Increasing use of e-commerce	26%	Providing value added services to your products	23%
<b>Domestic/International operator</b>						
Domestic	Entering new markets	29%	Entering new service areas	27%	Better use of data capability	24%
International	Entering new markets	33%	Increasing use of e-commerce	25%	Entering new service areas	23%

Base: GLOBAL, Businesses expecting growth in services trade outlook N=3520

- **Development:** Emerging n=2376, Developed n=1144
- **Size:** Business Banking n=1905, Corporates n=1615
- Domestic=1091, International n=2429

Q26: Which of the following ways do you plan to grow your service business? Please select up to 3.

The background of the slide is a light-colored, marbled paper with a complex, organic pattern of veins and swirls. A prominent feature is a vertical crackle pattern that runs down the right side of the page, filled with a shimmering gold leaf. The overall aesthetic is elegant and textured.

## **Chapter 3**

# **The Need For Trade Finance/Access To Trade Finance**

## **Trade finance – an increased need for trade finance is strongest in emerging market and increased accessibility is expected although there are concerns about cost and exchange rate volatility**

The expected growth in the need for trade finance is strongest in APAC and MENA, in line with their higher projected growth in international trade. The need for trade finance in Europe is much lower in relation to their expected increases in trade volume. In APAC and MENA, need for trade finance is ten percent below their projected growth in international trade (APAC 74% compared to 82%) whereas in Europe and NAM, it is twenty percent below (NAM 55% compared to 77%) suggesting perhaps that in developed markets, there are other ways to finance expansion. This is a similar picture for corporates where two-thirds are projecting an increase in the need for trade finance compared to eighty percent projecting an increase in their trade volume (66% compared to 81%)

The expected ability to access trade finance follows the same pattern as the increased need for trade finance with over ninety percent of those with an increased need for trade finance saying that they expect to have increased access to it. Only in two countries, Saudi Arabia and Argentina are more than one in ten businesses projecting a decline in their ability to access trade finance (17% and 10% respectively)

Businesses identified four main barriers to meeting their trade finance needs, three of which – high transaction costs, exchange rate volatility and unfavourable changes in the political environment – are almost universal but are weighted differently and regulatory barriers, which is more specific to developed markets and some sectors.

- Transaction costs are a bigger concern for businesses in emerging markets; services and retail and smaller businesses (BBs).
- Exchange rate volatility is a bigger concern for businesses in APAC; for international businesses, corporates and those in manufacturing
- Political environment concerns are strongest in NAM and LATAM and Germany and for services businesses in developed markets
- Regulatory barrier concerns are highest in NAM and Europe and are the top concern for agricultural businesses and a significant concern for manufacturing and service businesses

Business size is the top concern for domestic businesses and the secondary concern for smaller businesses (BBs)

# In line with projected trade growth, almost two-thirds of businesses overall, and almost three quarters of businesses in APAC and across emerging markets, expect their need for trade finance to increase

## Trade finance outlook - Need for trade finance

Expected change in need for trade finance (Q15)

GLOBAL

Regions

Emerging/Developed countries

Size of company

Domestic/International operator

Expect increase in need for trade finance

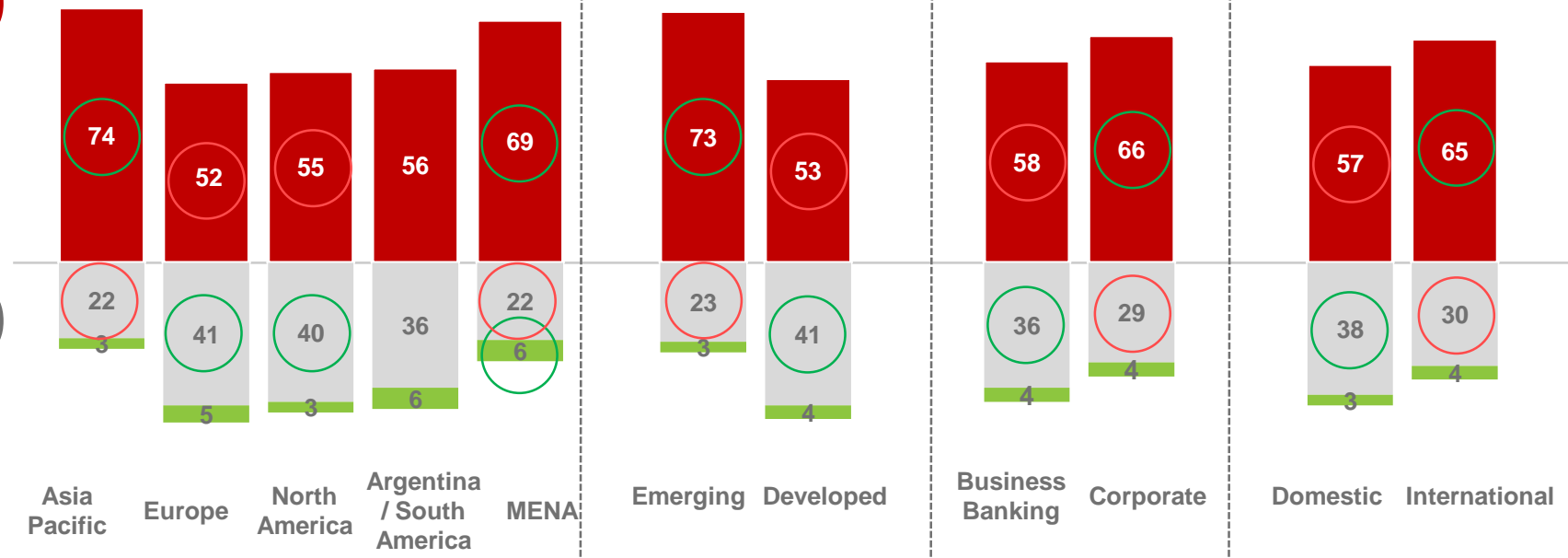
62%

No change in need for trade finance

32%

Expect decrease in need for trade finance

4%



Base: GLOBAL N=6033

- **Region:** Asia Pacific n=2757, Europe n=1626, North America n=750, Argentina/ South America n=200, MENA n=700
- **Development:** Emerging n=3657, Developed n=2376
- **Size:** Business Banking n=3428, Corporates n=2605
- Domestic=2014, International n=4019

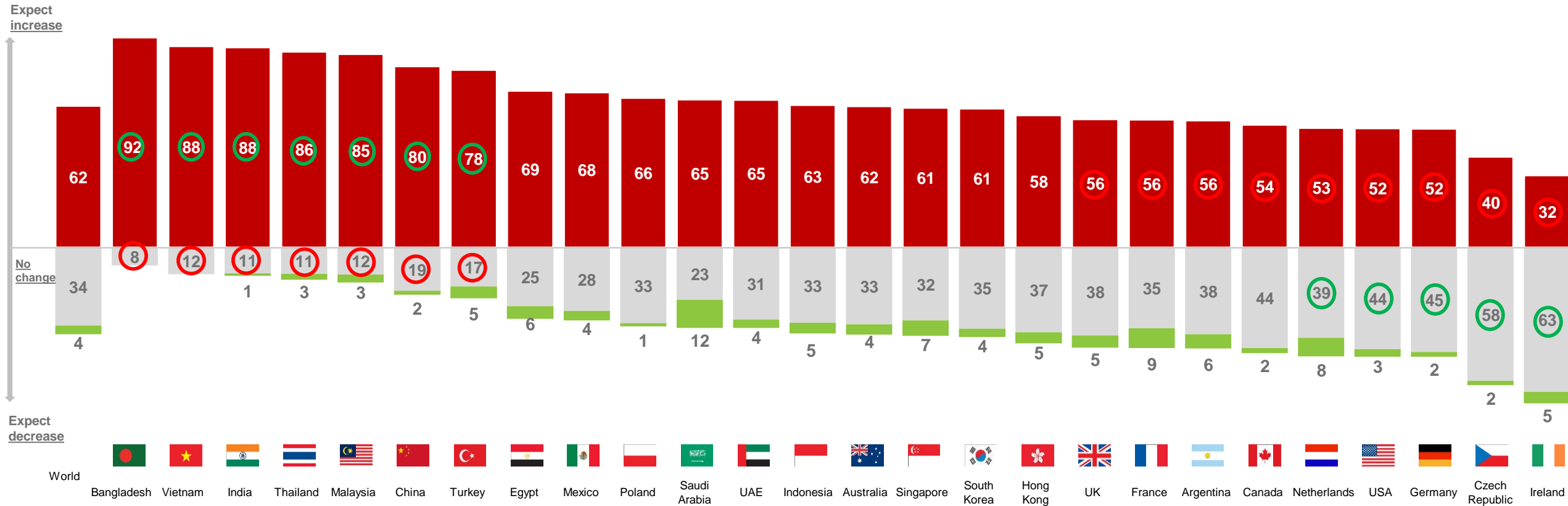
Q15: In the next 12 months, how do you expect your need for trade finance to change?  
Need for trade finance refers to the 'need' only, regardless of the fact whether the company can get it or not.

○ Significantly higher than Global average 31  
○ Significantly lower than Global average

# The expected increased need for trade finance reflects the projected increase in trade. Specifically, markets in the APAC region demonstrate an increased need for trade finance.

## Trade finance outlook - Need for trade finance

Expected change in need for trade finance (Q15)



Base: GLOBAL N=6033



Q15: In the next 12 months, how do you expect your need for trade finance to change?  
Need for trade finance refers to the 'need' only, regardless of the fact whether the company can get it or not.

○ Significantly higher than Global average 32  
○ Significantly lower than Global average



# A very similar proportion expect their ability to access trade finance to increase although almost half in Europe and NAM expect it to stay the same, and one in ten in LATAM and MENA expect it to decrease

## Trade finance outlook – Accessibility to trade finance

Expected change in accessibility to trade finance (Q16)

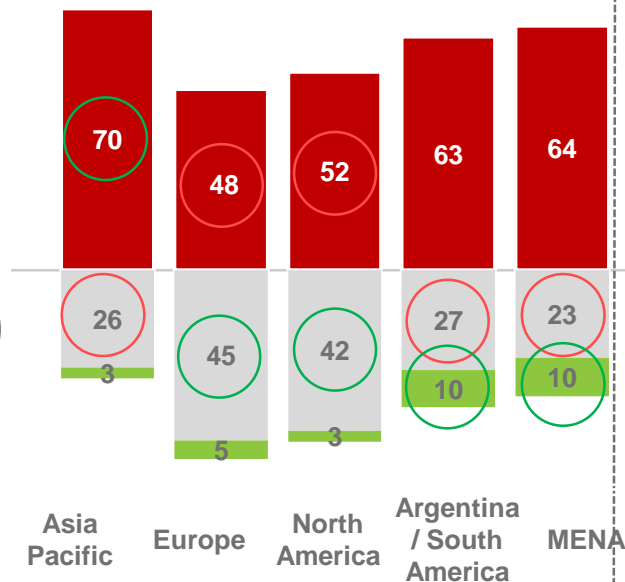
GLOBAL

Expect increase in accessibility to trade finance  
**59%**

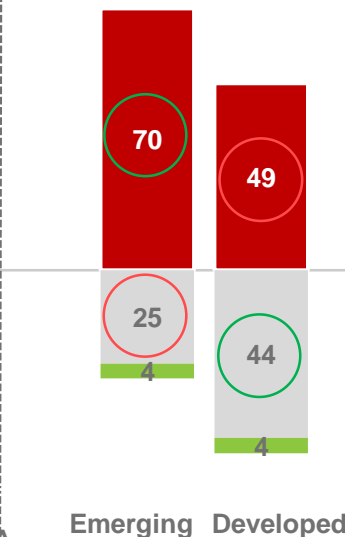
No change in accessibility to trade finance  
**35%**

Expect decrease in accessibility to trade finance  
**4%**

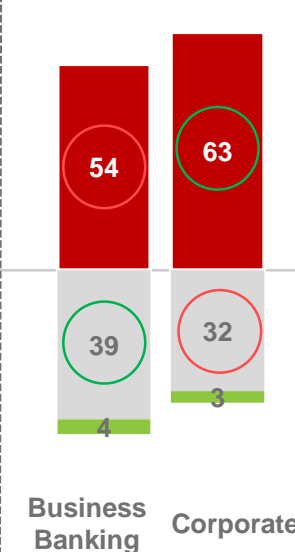
Regions



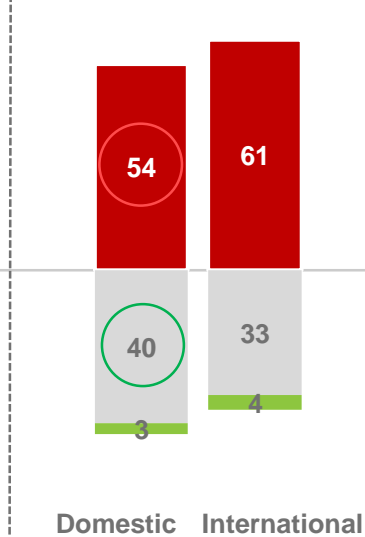
Emerging/Developed countries



Size of company



Domestic/International operator



Base: GLOBAL N=6033

- **Region:** Asia Pacific n=2757, Europe n=1626, North America n=750, Argentina/ South America n=200, MENA n=700
- **Development:** Emerging n=3657, Developed n=2376
- **Size:** Business Banking n=3428, Corporates n=2605
- Domestic=2014, International n=4019

Q16: In the next 12 months, how do you expect your ability to access trade finance to change?

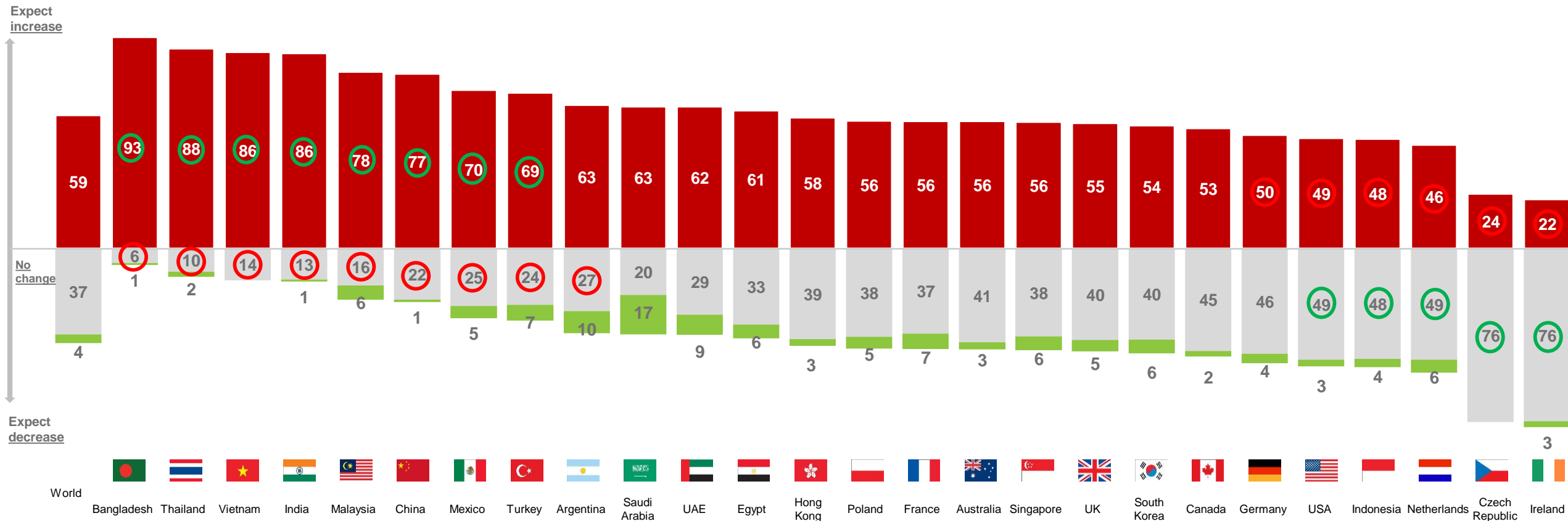
'Ability to access trade finance' refers to the capacity/capability to obtain trade finance, such as import loans or supply chain finance from banks.

○ Significantly higher than Global average 33  
○ Significantly lower than Global average

# Accessibility to trade finance – By country

## Trade finance outlook - Accessibility to trade finance

Expected change in accessibility to trade finance (Q16)



Base: GLOBAL N=6033

**KANTAR**

Q16: In the next 12 months, how do you expect your ability to access trade finance to change?  
 'Ability to access trade finance' refers to the capacity/capability to obtain trade finance, such as import loans or supply chain finance from banks.

○ Significantly higher than Global average 34  
 ○ Significantly lower than Global average

# The consistent relationship observed at a regional level between the need for trade finance and the accessibility of trade finance is largely repeated at a country level with exceptions in Poland and Indonesia

## Trade outlook, Trade finance outlook – need & ability to access

Expect an increase in trade volume (%) (Q14)

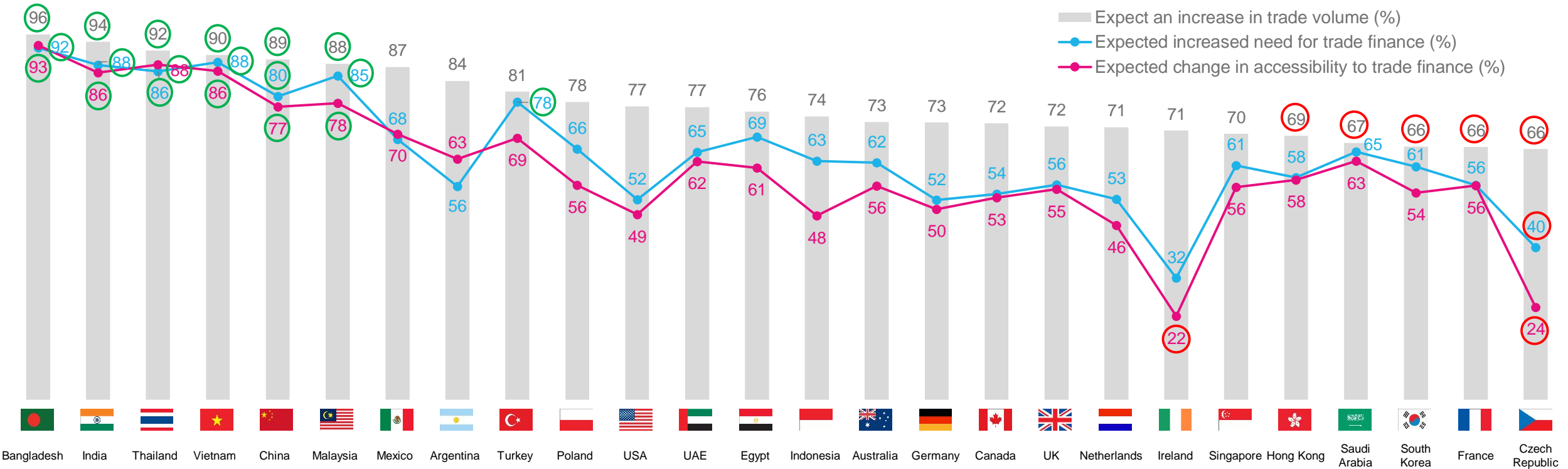
Expected increased need for trade finance (Q15)

Expected change in accessibility to trade finance (Q16)

# 77%

# 62%

# 59%



Base: GLOBAL N=6033; Businesses with international trade N=4019



Q14: How would you expect the business performance of your company to change in the next 12 months?

Q15: In the next 12 months, how do you expect your need for trade finance to change? Need for trade finance refers to the 'need' only, regardless of the fact whether the company can get it or not.

○ Significantly higher than Global average  
○ Significantly lower than Global average

Q16: In the next 12 months, how do you expect your ability to access trade finance to change? 'Ability to access trade finance' refers to the capacity/capability to obtain trade finance, such as import loans or supply chain finance from banks.

# The consistent relationship observed at a regional level between the need for trade finance and the accessibility of trade finance is largely repeated across subgroups with exceptions in South America and Agriculture / Fishing / Forestry

## Trade outlook, Trade finance outlook – need & ability to access

Expect an increase in trade volume (%) (Q14)

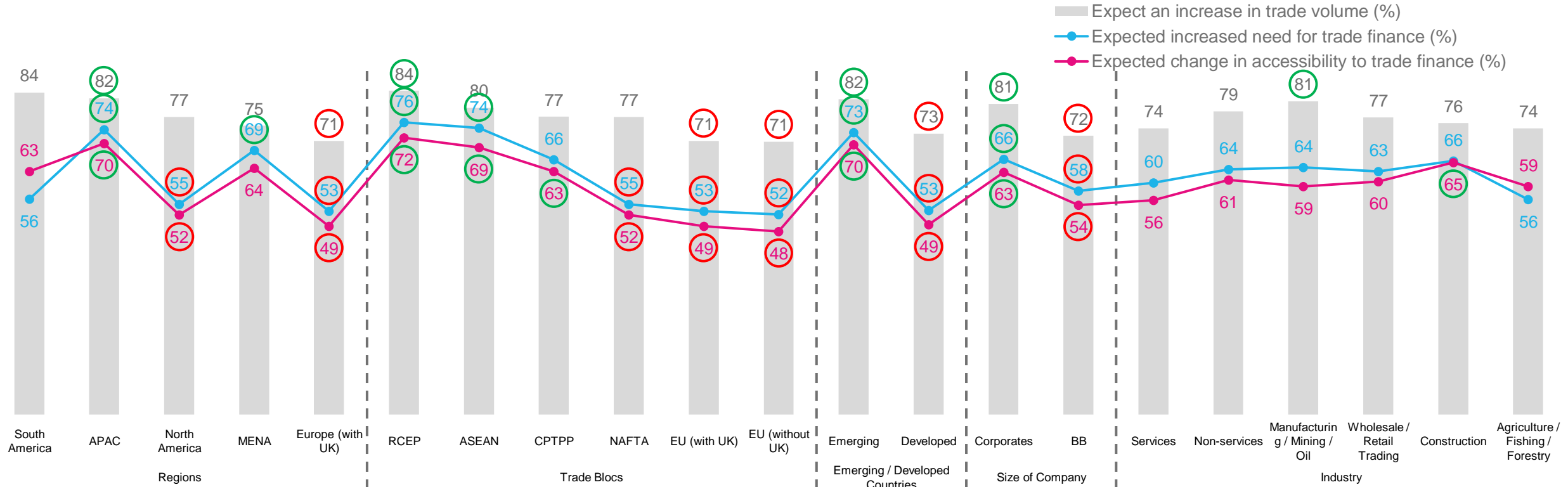
Expected increased need for trade finance (Q15)

Expected change in accessibility to trade finance (Q16)

# 77%

# 62%

# 59%



Base: GLOBAL N=6033; Businesses with international trade N=4019

RCEP: Australia, China, India, Indonesia, Malaysia, Singapore, South Korea, Thailand, Vietnam



Q14: How would you expect the business performance of your company to change in the next 12 months?

Q15: In the next 12 months, how do you expect your need for trade finance to change? Need for trade finance refers to the 'need' only, regardless of the fact whether the company can get it or not.

Green circle: Significantly higher than Global average  
Red circle: Significantly lower than Global average

Q16: In the next 12 months, how do you expect your ability to access trade finance to change? 'Ability to access trade finance' refers to the capacity/capability to obtain trade finance, such as import loans or supply chain finance from banks.

# The political environment is seen as the biggest challenge to meeting trade finance needs in Europe and the Americas, high transaction costs and exchange rate volatility are concerns for all but NAM

## Trade finance outlook - Challenges in meeting trade finance needs (by region)

Top 3 challenges in meeting trade finance needs (Q17)

	Top Challenge		Second Challenge		Third Challenge	
GLOBAL	High transaction cost <b>34%</b>		Exchange rate volatility <b>33%</b>		Political environment <b>32%</b>	
Asia Pacific	High transaction cost	37%	Exchange rate volatility	35%	Size of my business	27%
Europe	Political environment	33%	Exchange rate volatility	33%	Regulatory barriers	32%
North America	Political environment	37%	High transaction cost	35%	Regulatory barriers	32%
Argentina/ South America	Political environment	40%	Exchange rate volatility	36%	High transaction cost	34%
MENA	High transaction cost	39%	Exchange rate volatility	32%	Political environment	30%

Base: GLOBAL N=6033

• **Region:** Asia Pacific n=2757, Europe n=1626, North America n=750, Argentina/ South America n=200, MENA n=700

Q17: Please select the top 3 challenges in meeting your trade finance needs? Rank 1 to 3, with 1 being the key challenge.

# There is greater divergence at a country level in the challenges, with cost related concerns dominating but countries with recent/impending political change identifying this as a challenge

## Trade finance outlook - Challenges in meeting trade finance needs

Top 3 challenges in meeting trade finance needs (Q17)

	Top Challenge High transaction cost	Second Challenge Exchange rate volatility	Third Challenge Political environment
GLOBAL	34%	33%	32%
Top 10 markets indicating ...			
	Bangladesh 56%	Czech Republic 61%	Mexico 45%
	Hong Kong 52%	Ireland 48%	Argentina 40%
	Vietnam 52%	Singapore 47%	Germany 38%
	Saudi Arabia 45%	Egypt 44%	Hong Kong 37%
	Singapore 41%	Vietnam 44%	Turkey 37%
	Mexico 41%	South Korea 42%	USA 36%
	Malaysia 40%	Turkey 41%	Malaysia 35%
	UAE 39%	Malaysia 40%	UK 34%
	China 37%	Canada 39%	Thailand 33%
	Turkey 36%	UK 37%	Canada 32%

Base: GLOBAL N=6033

# Looking by sector, the relative hierarchy of challenges is similar with cost related factors dominating, the biggest exception is agriculture where regulatory barriers are identified as the biggest challenge

## Trade finance outlook - Challenges in meeting trade finance needs (by industry sector)

Top 3 challenges in meeting trade finance needs (Q17)

	Top Challenge		Second Challenge		Third Challenge	
GLOBAL	High transaction cost <b>34%</b>		Exchange rate volatility <b>33%</b>		Political environment <b>32%</b>	
Services	High transaction cost	35%	Political environment	34%	Regulatory barriers	31%
Non-services	Exchange rate volatility	35%	High transaction cost	34%	Political environment	30%
Wholesale / Retail Trading	High transaction cost	37%	Exchange rate volatility	35%	Political environment	31%
Construction	Exchange rate volatility	33%	High transaction cost	20%	Political environment	29%
Manufacturing / Mining / Oil	Exchange rate volatility	38%	High transaction cost	36%	Regulatory barriers	31%
Agriculture / Fishing / Forestry	Regulatory barriers	38%	Political environment	28%	Exchange rate volatility	27%

Base: GLOBAL N=6033

• **Industry Sector:** Services n=2574, Non-services n=3459 (Wholesale/ Retail Trading n=866, Construction n=823, Manufacturing n=1473, Agriculture n=297)

Q17: Please select the top 3 challenges in meeting your trade finance needs? Rank 1 to 3, with 1 being the key challenge.

# The same concerns are dominant across different business types but business size is identified as a significant challenge for BB customers and those trading domestically

## Trade finance outlook - Challenges in meeting trade finance needs (by market development, size and international trading or not)

Top 3 challenges in meeting trade finance needs (Q17)

	Top Challenge		Second Challenge		Third Challenge	
GLOBAL	High transaction cost	34%	Exchange rate volatility	33%	Political environment	32%
<b>Emerging/Developed countries</b>						
Emerging	High transaction cost	38%	Exchange rate volatility	35%	Political environment	29%
Developed	Political environment	34%	Exchange rate volatility	32%	Regulatory barriers	32%
<b>Size of company</b>						
Business Banking	High transaction cost	34%	Size of my business	32%	Political environment	31%
Corporate	Exchange rate volatility	36%	High transaction cost	34%	Political environment	32%
<b>Domestic/International operator</b>						
Domestic	Size of my business	35%	High transaction cost	34%	Political environment	32%
International	Exchange rate volatility	37%	High transaction cost	34%	Political environment	32%

Base: GLOBAL N=6033

- **Development:** Emerging n=3657, Developed n=2376
- **Size:** Business Banking n=3428, Corporates n=2605
- Domestic=2014, International n=4019

Q17: Please select the top 3 challenges in meeting your trade finance needs? Rank 1 to 3, with 1 being the key challenge.

○ Significantly higher than Global average  
○ Significantly lower than Global average



The background of the slide is a light-colored, marbled paper with a complex, organic pattern of veins. A prominent, thick, golden-brown vein runs vertically through the right side of the page, with smaller, thinner veins branching off from it. The overall texture is reminiscent of high-quality stationery or book endpapers.

## **Chapter 4**

# **The Growth And Impact Of Protectionism/Regulation**

# The commercial impacts of the perceived growth in protectionism are both diverse and significant - driving up cost, increasing the need for JVs and local subsidiaries and potentially reducing opportunities

Almost two-thirds of businesses think that governments are becoming more protective of their domestic businesses although this is less obvious in Europe and developed markets. It is most strongly felt by a vast majority (86%) of businesses in India. Corporates and international businesses are more likely to feel this than smaller, domestic businesses reflecting their relatively higher levels of exposure and experience.

The commercial impacts of greater protectionism are both diverse and significant. The most fundamental are the increased cost of doing international business, mentioned as the primary impact by two-fifths of businesses overall and reduced opportunities for international business, mentioned by a quarter of businesses. Additionally, around a quarter identified further impacts in the need for greater collaboration through JVs or setting up local subsidiaries (28% and 25% respectively); skills and labour shortages and the challenge in accessing trade finance. Although current and projected trade flows don't yet show changing trade routes/patterns, this was identified as a further impact. Overall, greater protectionism is recognised as potentially disruptive and commercially challenging.

Looking at individual government/economic policies, the majority seem likely to have a positive rather than a negative impact overall. Business outside the particular territories are most likely to think that the particular policy initiative will have no impact on their business although this may change over time. Overall only two of the five 'policies' – the Middle East political environment and BREXIT – veered towards having a negative rather than a positive impact.

The two 'policies' which were seen to have the most positive impact were both based in APAC, China's 'Belt and Road' and ASEAN 2025. The positive impact of China's 'Belt and Road' initiative will be most strongly felt in APAC and by corporates, international businesses and non services businesses, for others the impact is neutral rather than negative with the exception of South Korea and Vietnam where more than a third of businesses think that the impact will be negative. The picture is similar for ASEAN 2025 although both positive and negative impacts are both a little lower.

The impact of the Middle East political environment is polarising within MENA where around two-fifths of businesses see either a positive (36%) or a negative (40%) impact. Outside of MENA and across the different types of business, around half of businesses think that there will be no impact. There are five countries where between a third and half of businesses fear a negative impact – Turkey(48%); Saudi Arabia (41%); Egypt (40%); South Korea (38%) and Hong Kong (34%).

BREXIT is the one policy that is seen to have the most negative impact in its home region, Europe, where approaching twice as many businesses think that the impact will be negative rather than positive (38% compared to 22%). The two countries most immediately impacted, UK and Ireland, fear a negative outcome and almost twice as many businesses in Germany, Netherlands and Poland are negative rather than positive.

Looking at specific trade agreements and where they are relevant, there is a clear view that they will be helpful to businesses in their 'home' regions' and that, where they are not relevant, there will be no impact.

# Almost two-thirds of businesses think governments are becoming more protective on behalf of their domestic businesses, this is strongest in India, MENA and APAC.

## Protectionist policies & their impact on businesses

Governments are becoming more protective of their domestic businesses (%) (Q27)

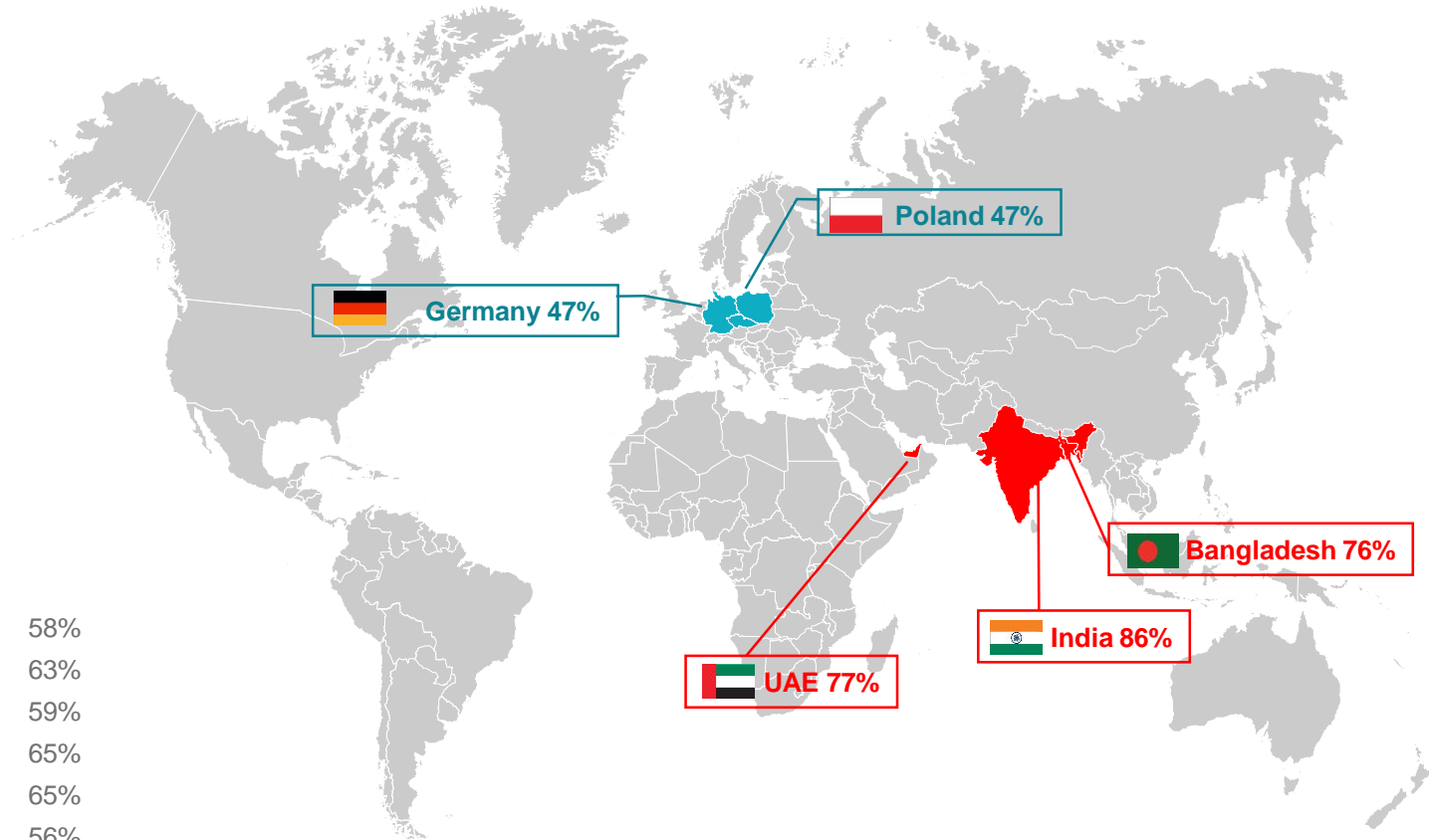
# 61%

### Regions

MENA	70%
Asia Pacific	68%
Argentina/ South America	63%
North America	61%
Europe	50%

### Industry Sectors

Services	58%
Non-Services	63%
Wholesale / Retail Trading	59%
Construction	65%
Manufacturing / Mining / Oil	65%
Agriculture / Fishing / Forestry	56%



**Country with the highest proportion indicating governments are becoming more protective of their domestic businesses**

**Countries with the lowest proportion indicating governments are becoming more protective of their domestic businesses**

### Emerging/Developed countries

Emerging	68%
Developed	54%

### Size of company

Business Banking	55%
Corporates	66%

### Domestic/International operator

Domestic	54%
International	64%

Base: GLOBAL N=6033

- **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626
- **Development:** Emerging n=3657, Developed n=2376
- **Size:** Business Banking n=3428, Corporates n=2605
- Domestic=2014, International n=4019
- **Industry Sectors:** Services n=2574, Non-services n=3459, Wholesale/ Retail Trading n=866, Construction n=823, Manufacturing / Mining / Oil n=1473, Agriculture / Fishing / Forestry n=297

Q27: Do you think countries/governments are becoming more protective of their domestic businesses in the key markets you operate in?

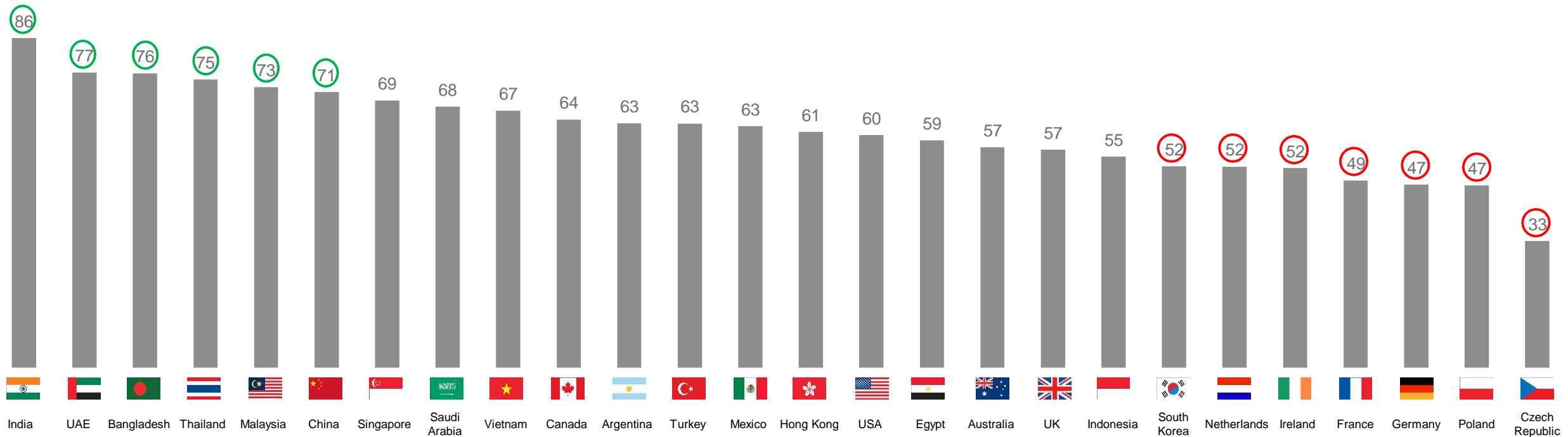
○ Significantly higher than Global average  
○ Significantly lower than Global average 43

# European countries are least likely to feel that their governments are growing more protective of their domestic businesses

## Protectionist policies & their impact on businesses

Governments are becoming more protective of their domestic businesses (%) (27)

# 61%



Base: GLOBAL N=6033

Q27: Do you think countries/governments are becoming more protective of their domestic businesses in the key markets you operate in?

# Increasing the cost of international business is the predominant impact of greater protectionism but consequent skills shortages, the need for more JVs and reduced opportunities are further consequences

## Protectionist policies & their impact on businesses

Impact of protectionist policies on my business (%) (Q28)

	GLOBAL	Asia Pacific	Europe	North America	Argentina/ South America	MENA	Emerging	Developed	Business Banking	Corporates	Domestic	International	Services	Non-services
Cost of doing international business has increased	40	45	33	38	41	37	44	35	37	42	30	44	37	41
Skill/labour shortage	28	28	29	29	22	21	26	30	28	28	28	28	26	26
More joint ventures/ collaborations	28	33	23	25	19	24	31	24	23	31	24	29	26	24
Challenges in accessing trade finance	27	33	19	25	16	27	33	21	25	29	26	28	28	28
Changing trade routes/ patterns	26	33	19	23	19	16	30	21	23	28	24	27	24	30
Reduced opportunities for international business	26	27	23	26	26	25	27	24	24	27	22	27	23	28
Company needing to setup local subsidiaries	25	27	23	25	11	23	27	23	23	27	21	27	26	28

Base: GLOBAL, Businesses who felt governments are becoming more protective of their domestic businesses N=3730  
 • **Region:** Asia Pacific n=1861, Europe n=822, North America n=457, Argentina/ South America n=128, MENA=462,  
 • **Development:** Emerging=2461, Developed n=1269,  
 • **Size:** Business Banking n=2003, Corporates n=1727,  
 • Domestic= 1143, International n=2587  
 • **Industry Sector:** Service n=1580, Non-service n=2150

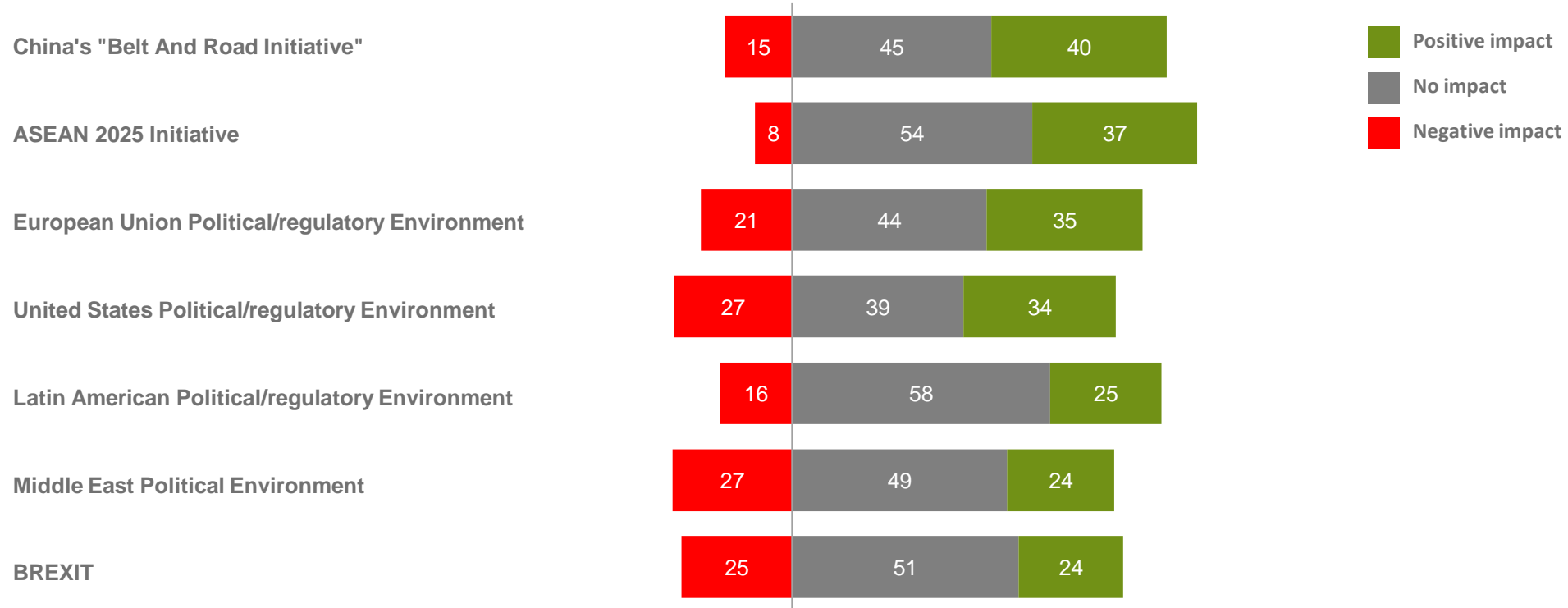
indicates types of impacts being mostly felt – top 2 / 3 mentions are marked

Q28: Are any of these impacts felt by your company as a result of these protective policies?

# Globally, China's 'Belt and Road' initiative and ASEAN 2025 are the policies with the highest positive potential impact conversely the USA and ME political environments are the most likely to be negative

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)



Base: GLOBAL N=6033

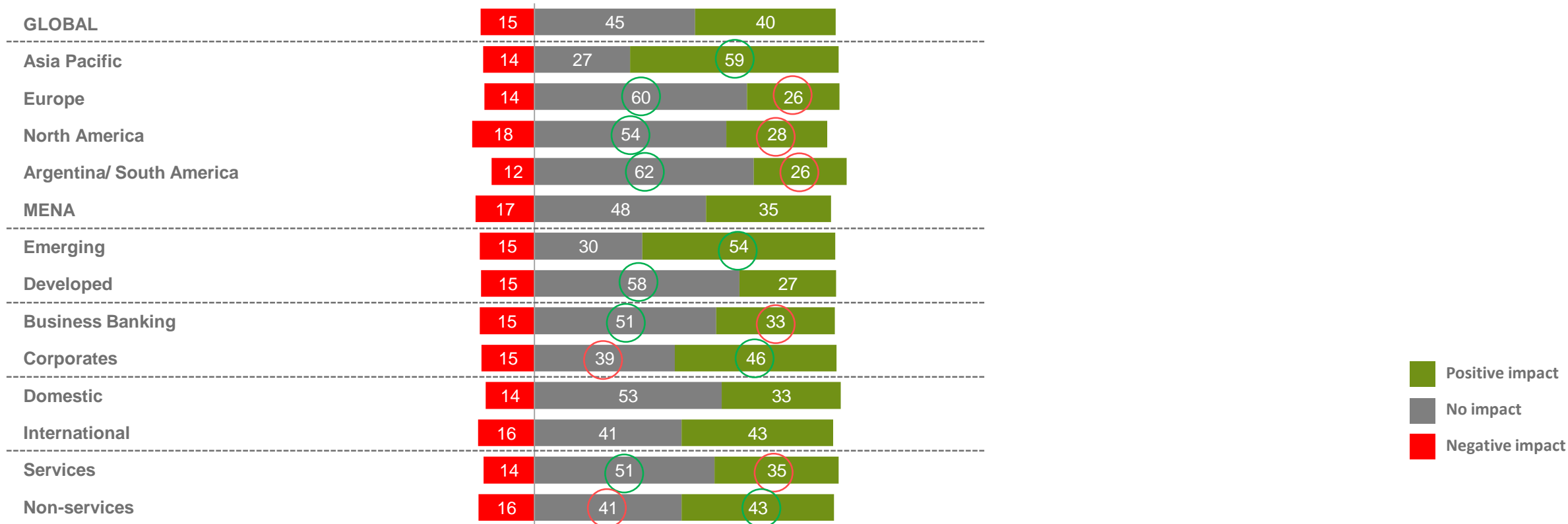
Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

# The positive impact of China's 'Belt and Road' initiative will be most strongly felt in APAC and by corporates, international businesses and non services businesses, for others the impact is neutral

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### China's "Belt And Road Initiative"



Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

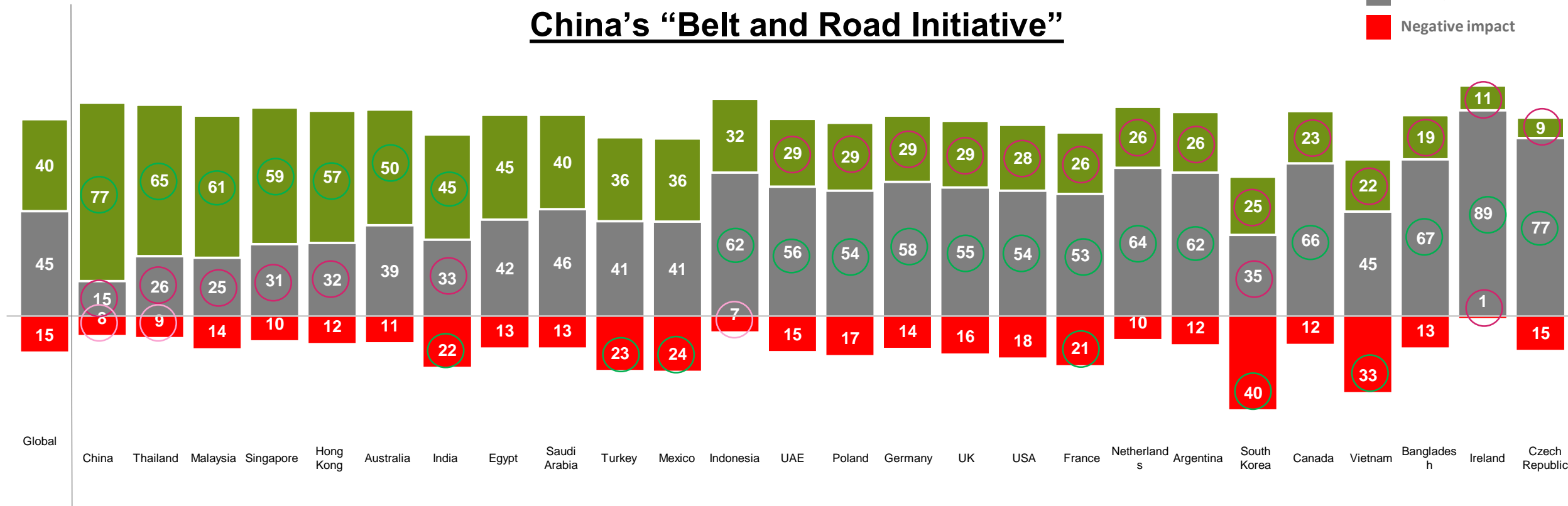
# Behind the overall perceived positive impact within Asia, it is thought that 'Belt and Road' will have a somewhat more negative impact in South Korea and Vietnam

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)

Positive impact  
No impact  
Negative impact

### China's "Belt and Road Initiative"



Base: GLOBAL N=6033

Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

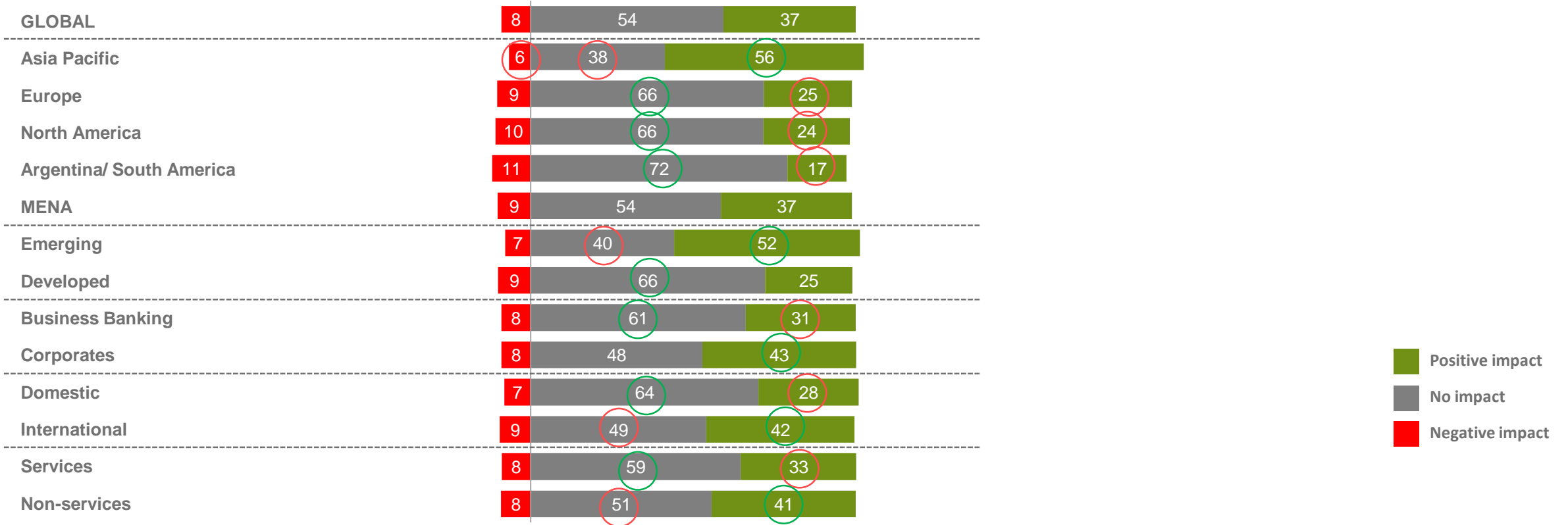


The picture is similar for ASEAN 2025, although both the positive and the negative impacts are lower and the majority are neutral particularly in developed markets and for domestic businesses

Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### ASEAN 2025 Initiative



Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

○ Significantly higher than Global average 49  
 ○ Significantly lower than Global average

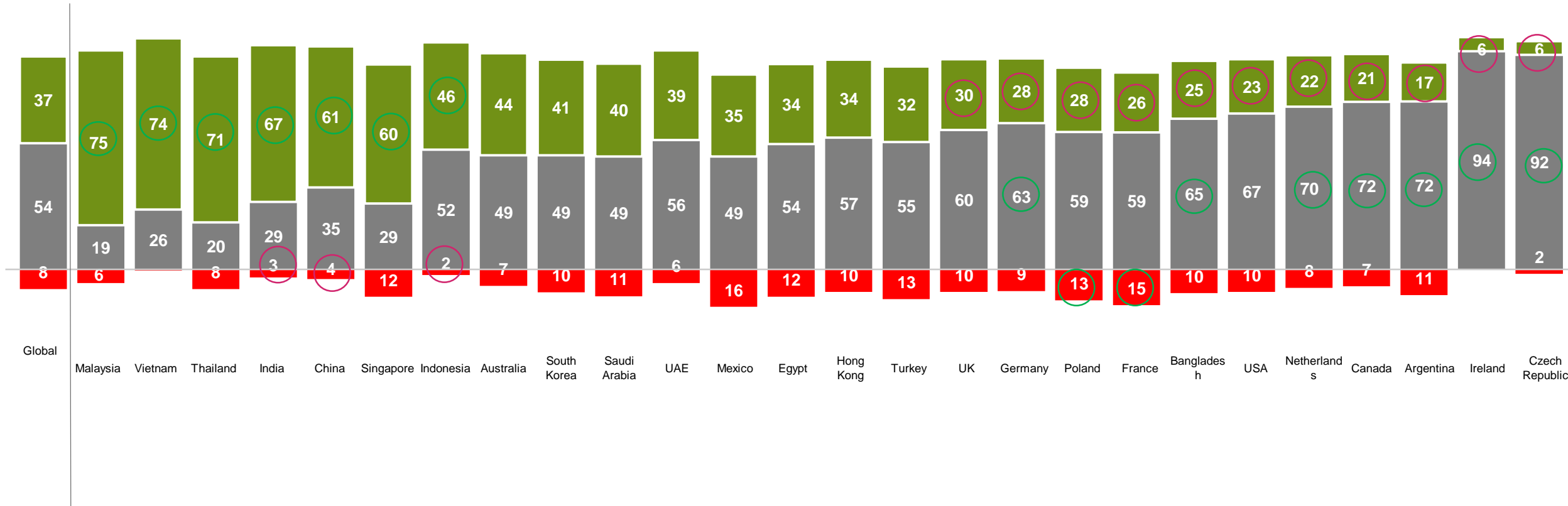
# The perceived positive impact of ASEAN 2025 reduces beyond Asia with the majority of countries feeling that it will have no impact, this may be a reflection of low informed awareness

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)

Positive impact  
No impact  
Negative impact

### ASEAN 2025 Initiative



Base: GLOBAL N=6033

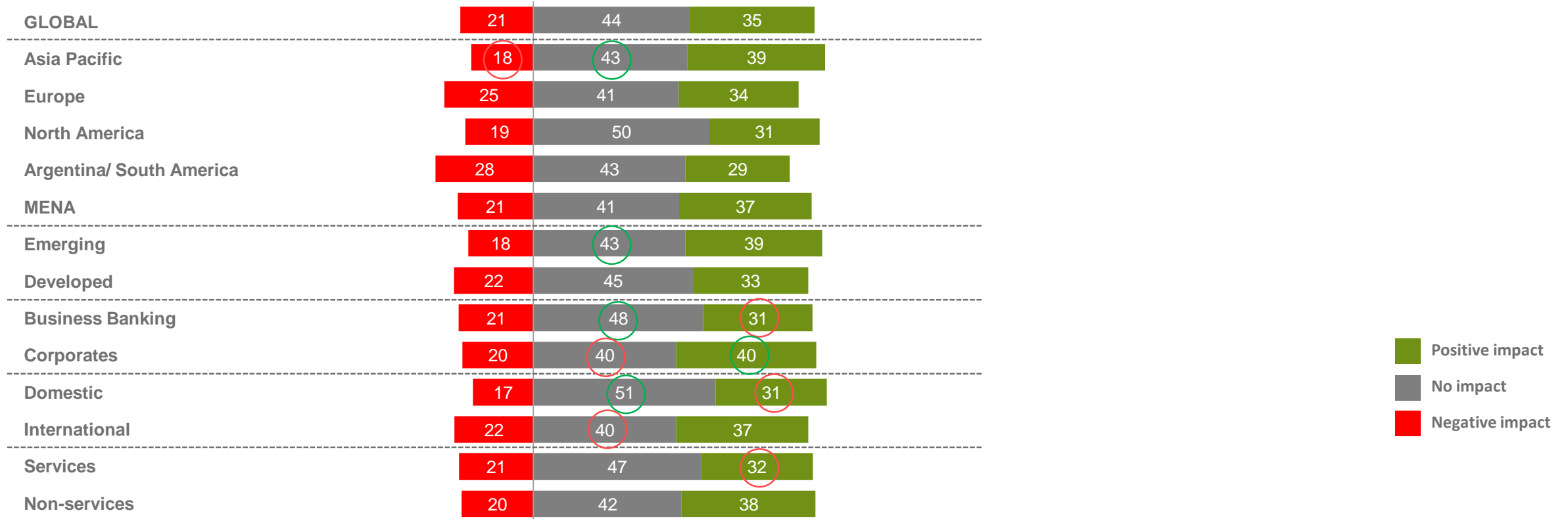
Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

# The impact of the EU political/regulatory environment is marginally positive in Europe, more positive in NAM and MENA and more positive for corporates than business banking customers

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### EU policy environment



Base: GLOBAL n=6033.  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

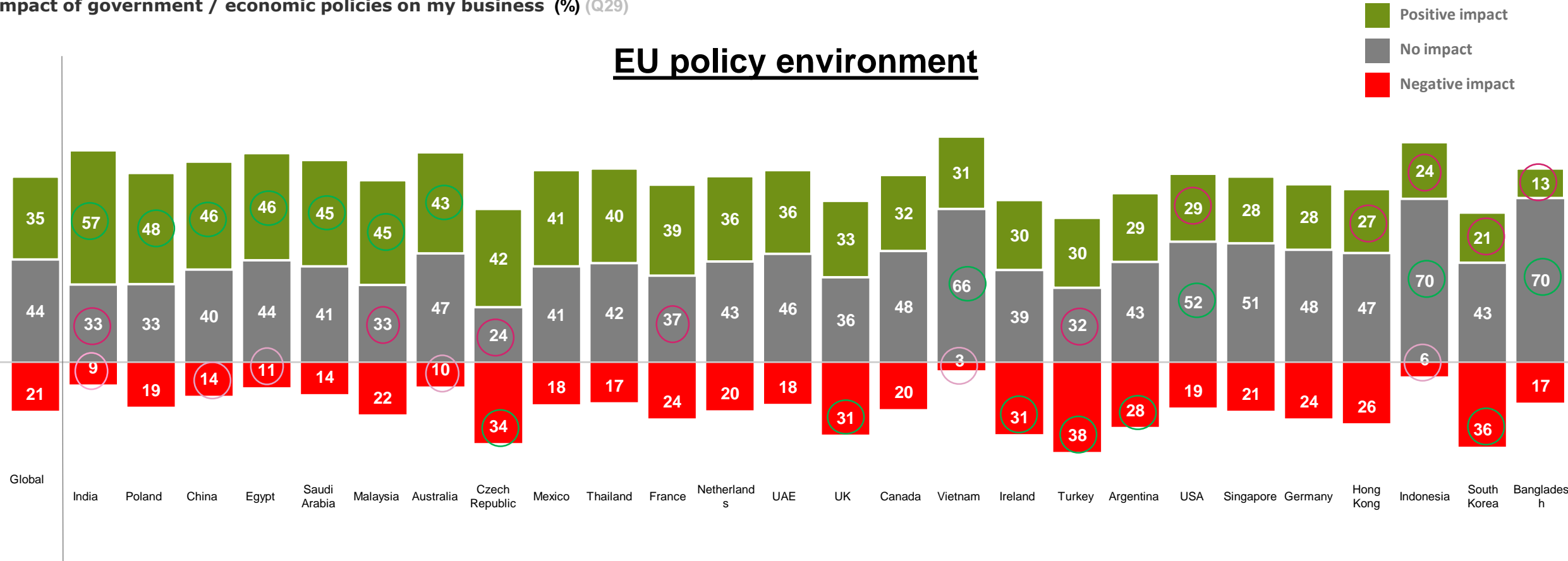
Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

○ Significantly higher than Global average 51  
 ○ Significantly lower than Global average

# Views on the impact of the EU policy environment veer towards being positive in most countries, Turkey appear most concerned, and within the EU, Ireland and the UK are the most polarised

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)



Base: GLOBAL N=6033

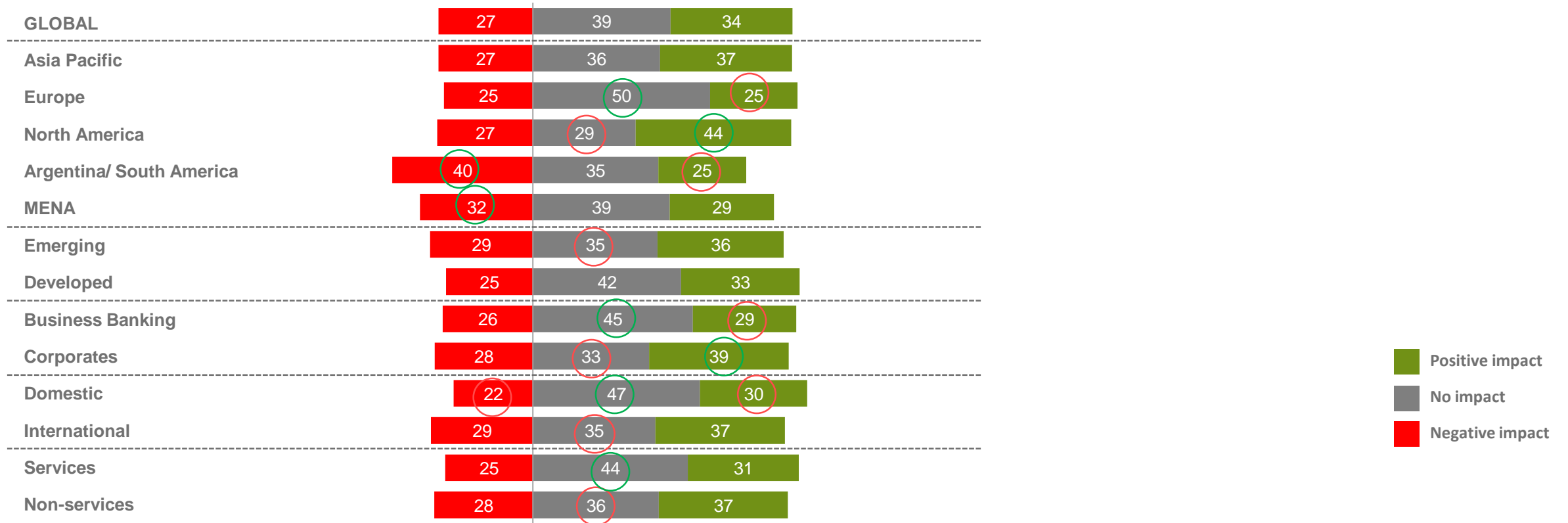
Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

# The US political/regulatory environment is most positive in NAM, its homeland, followed by APAC, but is seen as likely to have a negative impact on businesses in LATAM (Argentina)

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### US policy environment



Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

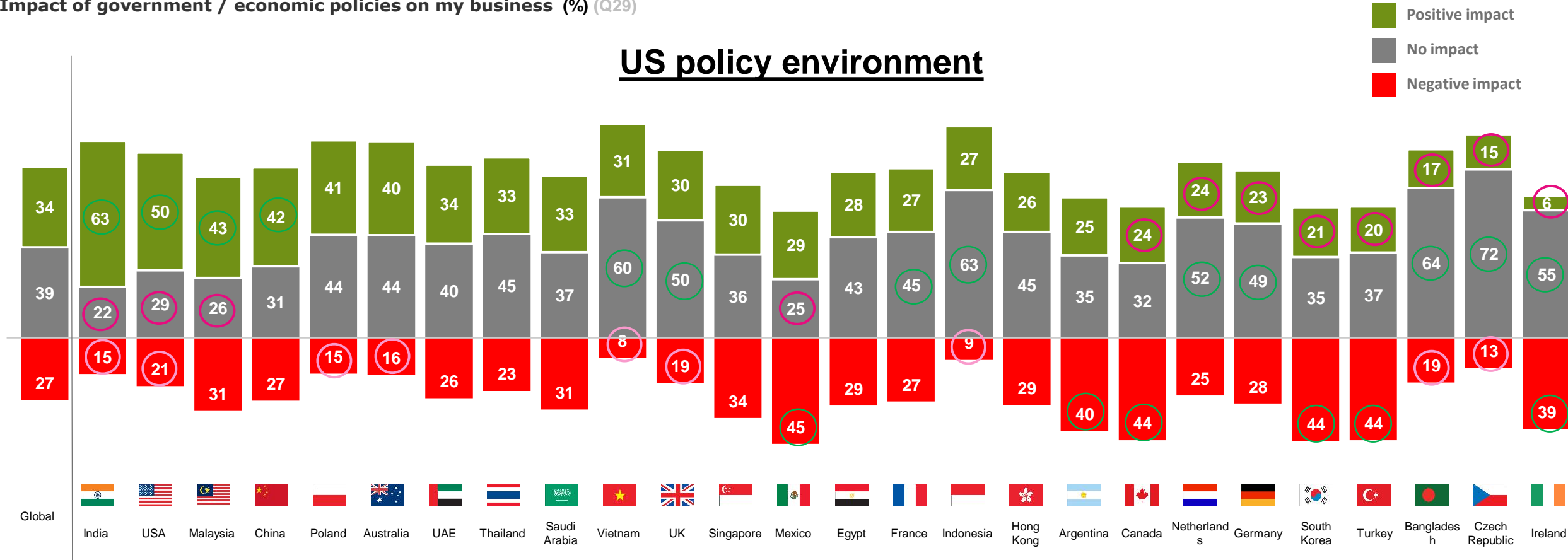
Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

○ Significantly higher than Global average 53  
 ○ Significantly lower than Global average

# There are clearly negative views of the impact of the US political environment both in the Americas in Mexico, Argentina, Canada and beyond in South Korea, Turkey and Ireland

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)



Base: GLOBAL N=6033

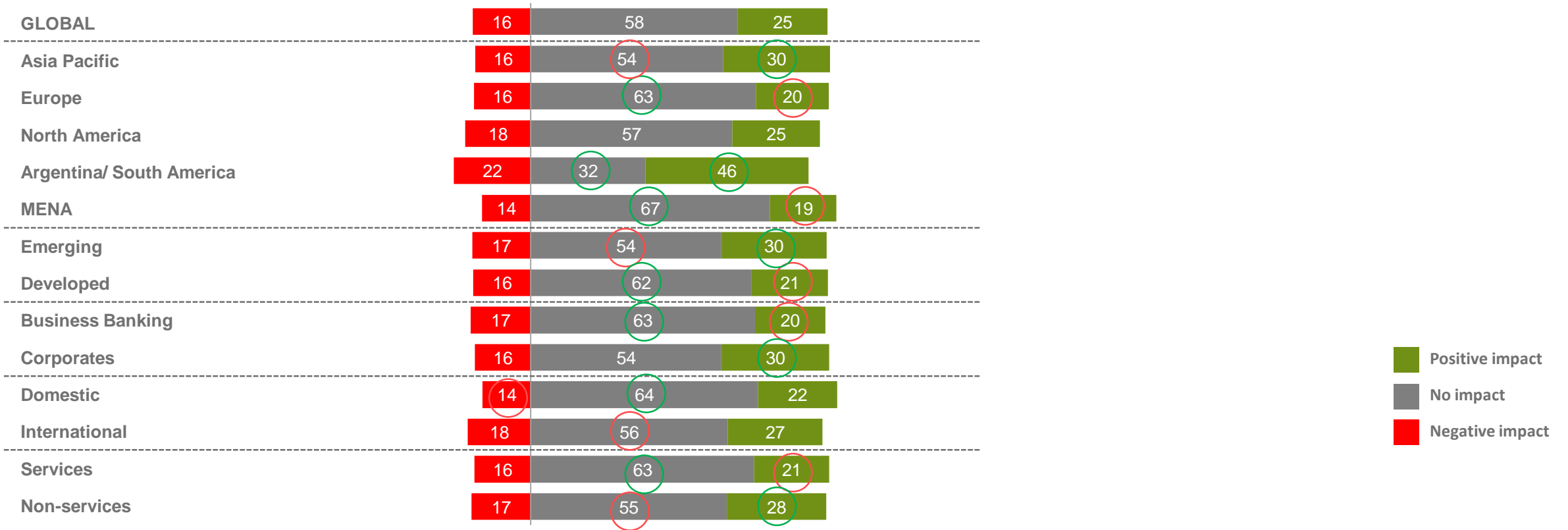
Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

With the exception of Argentina where a positive impact is foreseen, more than half of businesses think that there will be no impact of the LATAM regulatory environment and less than one in five think it will be negative

Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

LATAM policy environment



Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

○ Significantly higher than Global average 55  
 ○ Significantly lower than Global average

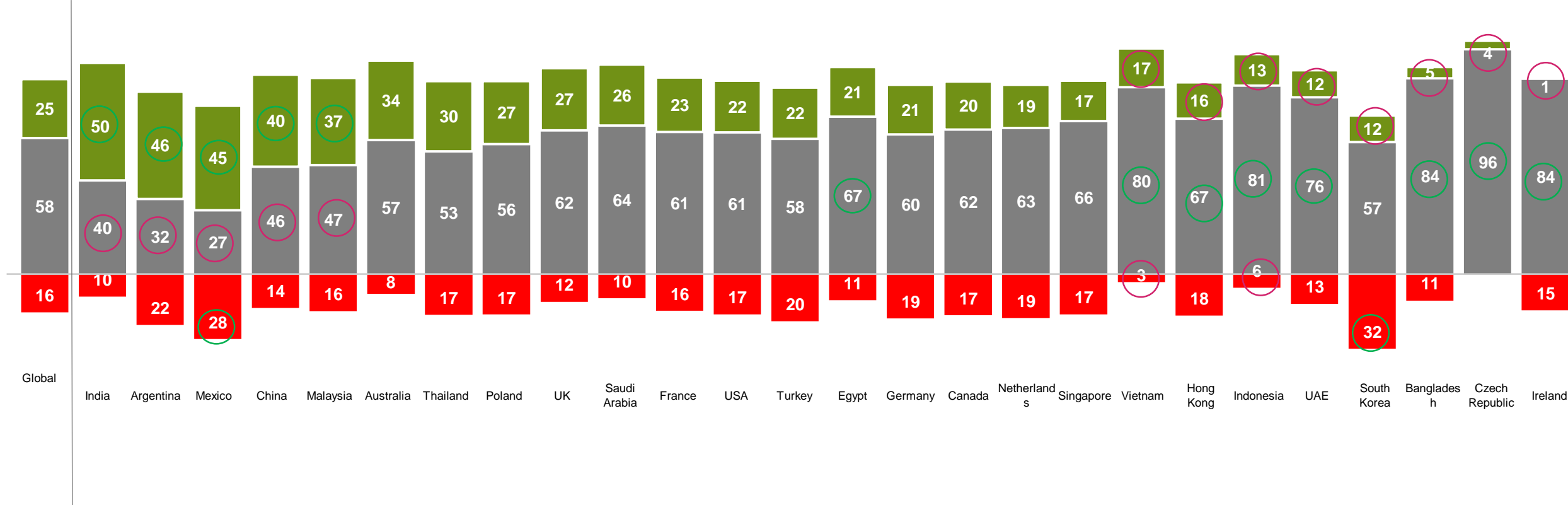
# Businesses in India, Argentina and Mexico are the most positive and only South Korea, Ireland, Bangladesh and Hong Kong have a slight leaning towards LATAM policies having a negative impact

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)

Positive impact  
No impact  
Negative impact

### LATAM policy environment



Base: GLOBAL N=6033

Q29: How do you think each of the following will impact your business in the next 2 years? Please select a response for each.



Significantly higher than Global average 56  
Significantly lower than Global average

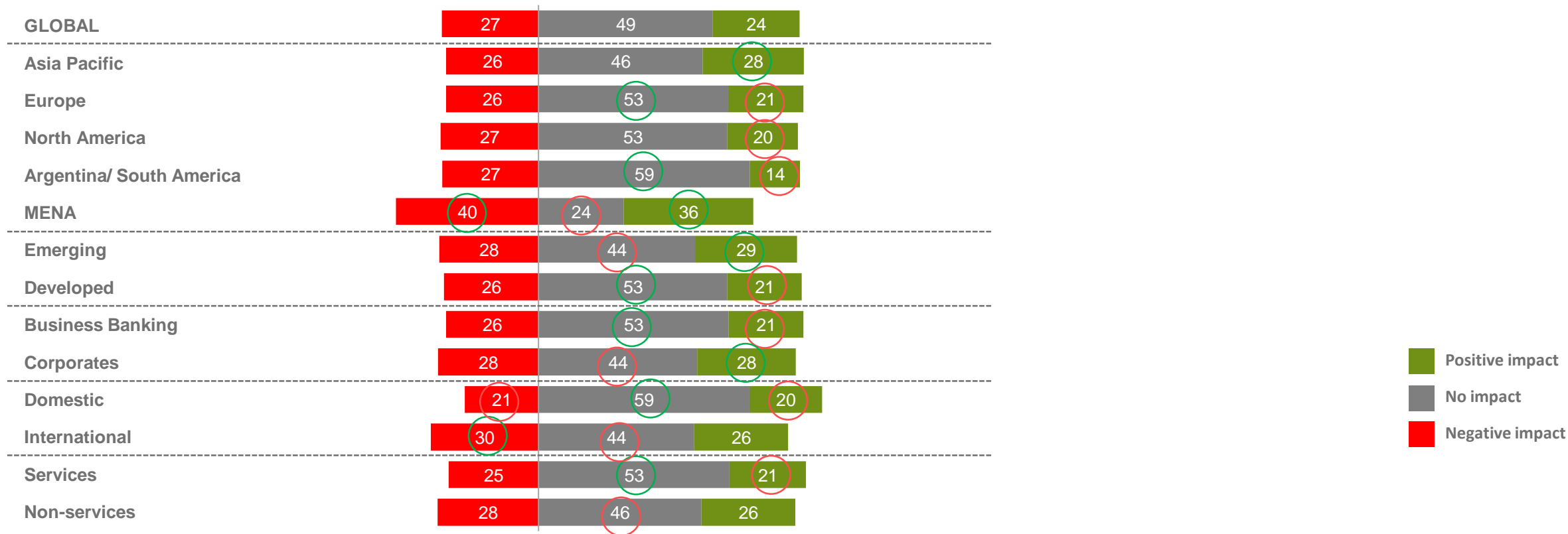


# The impact of the ME political/regulatory environment veers towards the negative, although almost half are neutral, and opinions within MENA are polarised

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### MENA policy environment



Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

○ Significantly higher than Global average 57  
 ○ Significantly lower than Global average

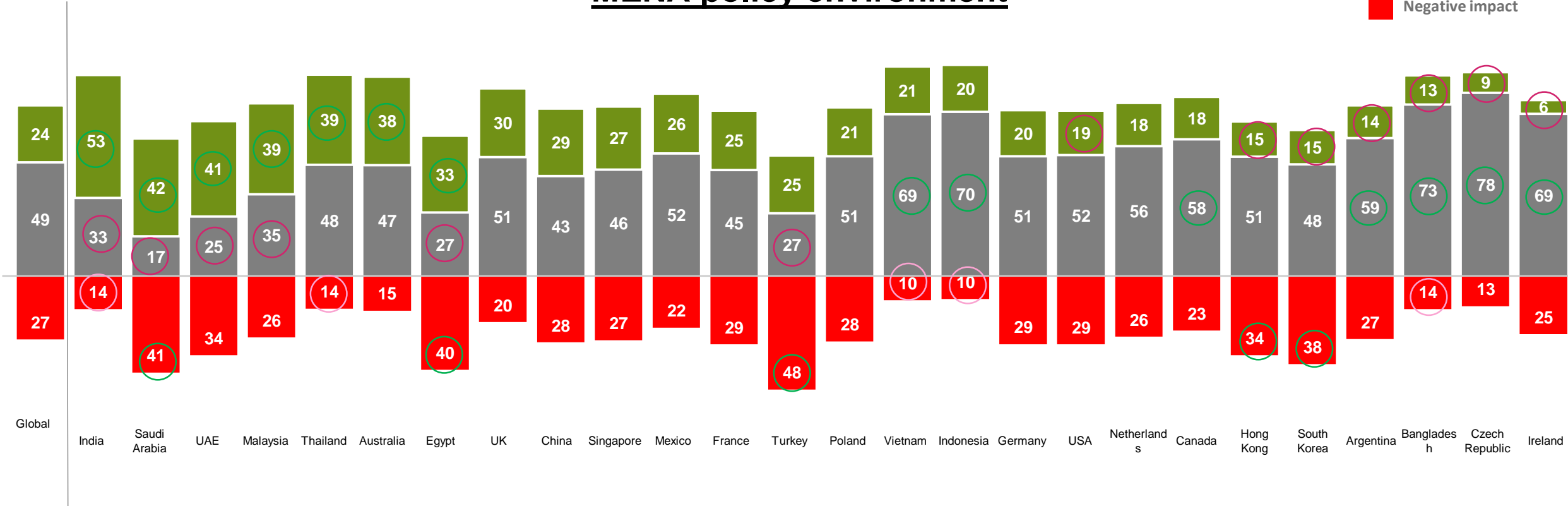
# Around two in five businesses in some of the geographically closest countries - Turkey, Saudi Arabia, Egypt and South Korea think that the impact will be negative. Only India tends towards a positive impact

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)

### MENA policy environment

■ Positive impact  
■ No impact  
■ Negative impact



Base: GLOBAL N=6033

Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.



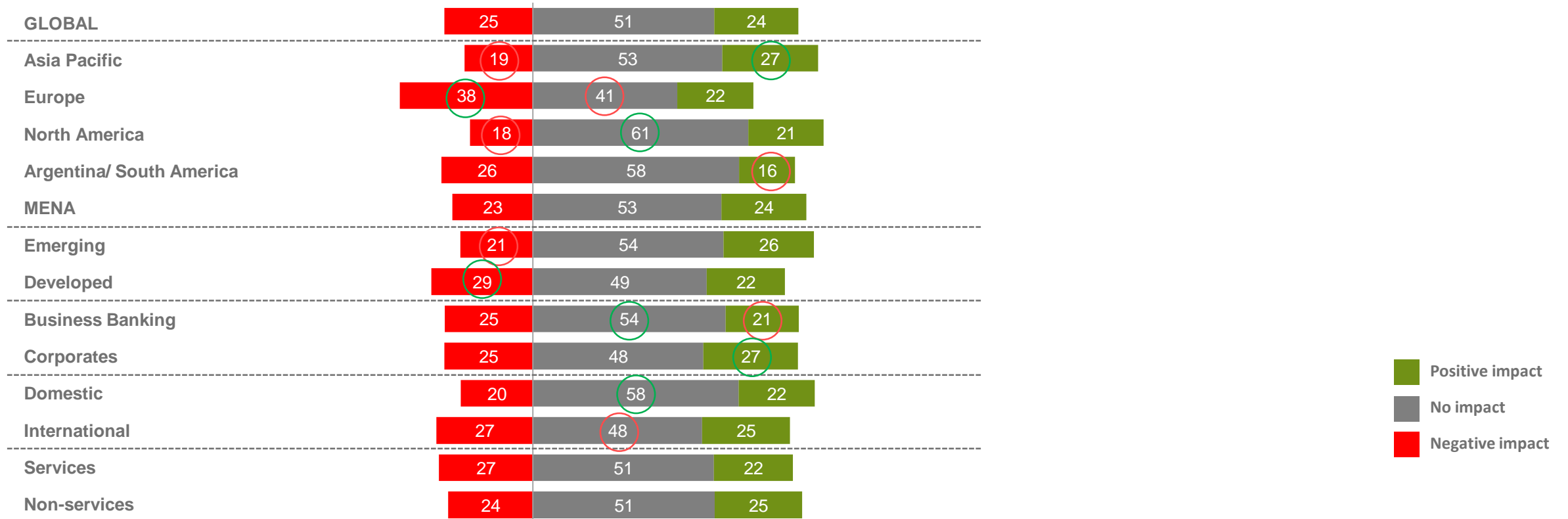
○ Significantly higher than Global average  
○ Significantly lower than Global average

# The perceived impact of Brexit tends to be negative in Europe but quite evenly balanced in other regions and across different types of business and those with different outlooks

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)

### BREXIT



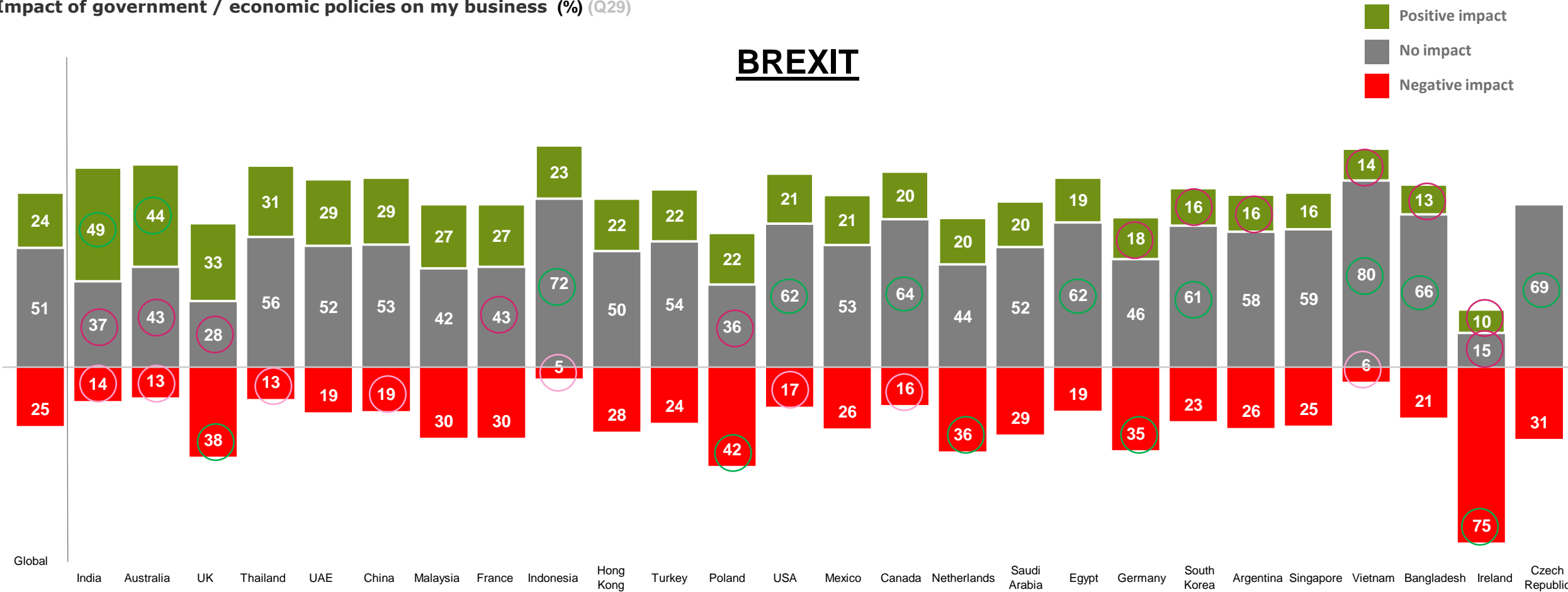
Base: GLOBAL n=6033,  
 • **Region:** MENA n=700, Asia Pacific n=2757, Argentina/South America n=200, North America n=750, Europe n=1626  
 • **Development:** Emerging n=3657, Developed n= 2376  
 • **Size:** Business Banking n=3428, Corporates n=2605  
 • Domestic=2014, International n=4019,  
 • **Industry Sector:** Services n=2574, Non-services n=3459

Q29: How do you think each of the following will impact your business in the next 2 years?  
 Please select a response for each.

# The two countries most immediately impacted by Brexit, UK and Ireland, fear a negative outcome and almost twice as many businesses in Germany, Netherlands and Poland are negative rather than positive; India and Australia are the only two seeing opportunities

## Impact of government / economic policies on my business

Impact of government / economic policies on my business (%) (Q29)



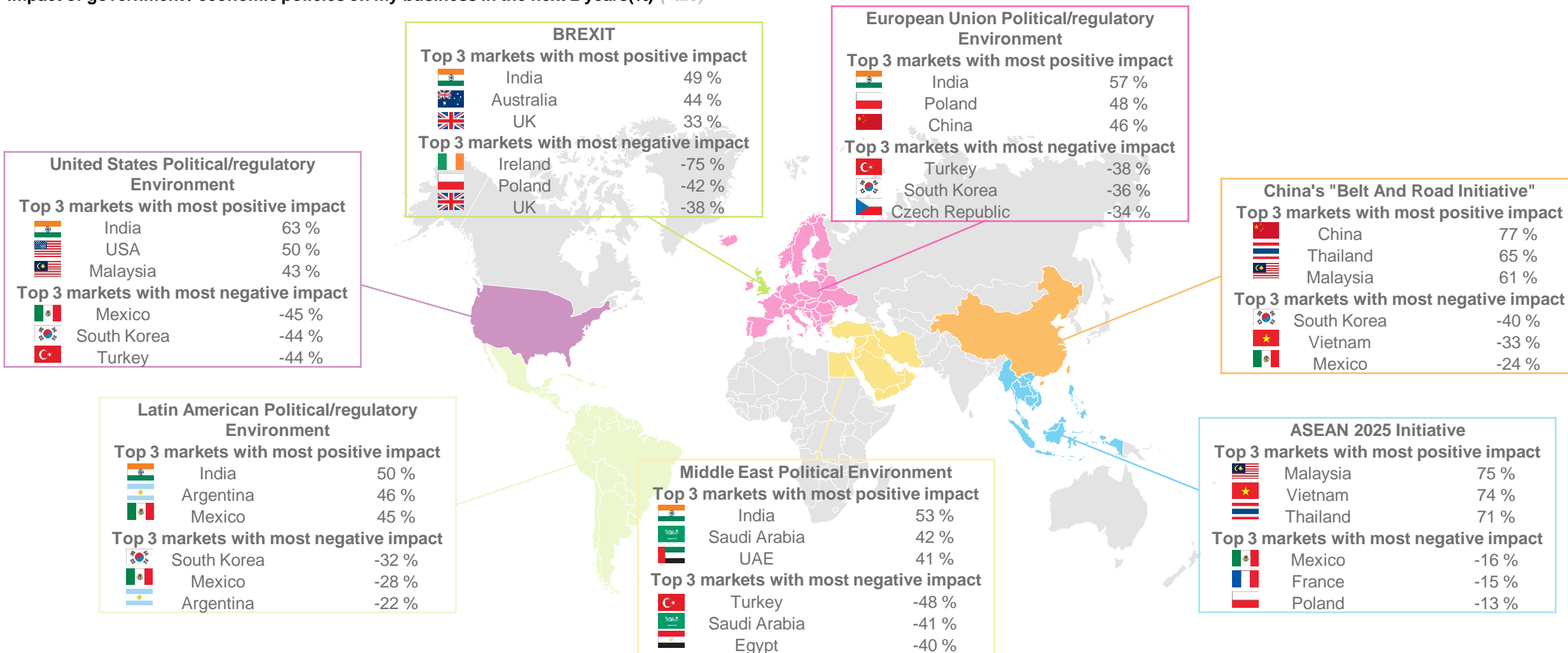
Base: GLOBAL N=6033

Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

# The key APAC initiatives, 'Belt and Road' and ASEAN 2025 are seen to have the greatest benefit in their 'home region', the picture is more mixed for other initiatives

## Impact of government / economic policies in the next 2 years

Impact of government / economic policies on my business in the next 2 years(%) (Q29)



Base: GLOBAL N=6033

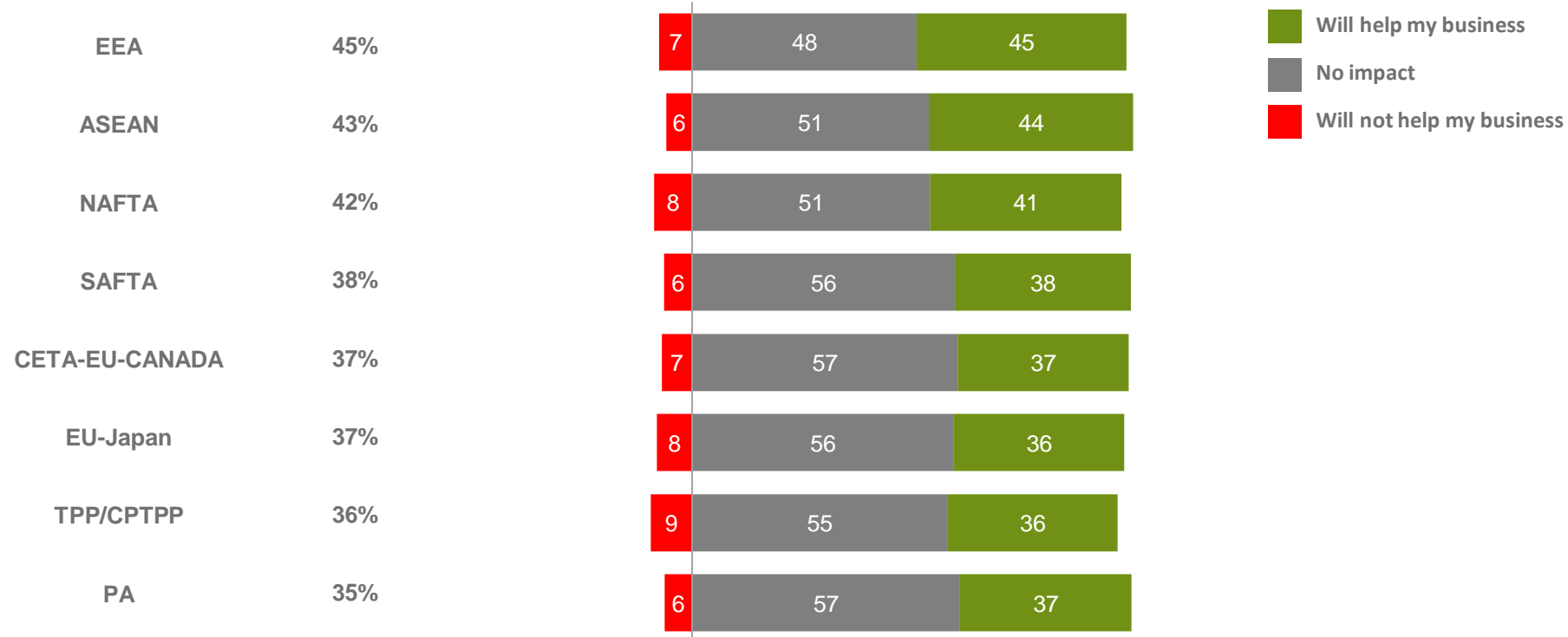
Q29: How do you think each of the following will impact your business in the next 2 years?  
Please select a response for each.

# Looking at specific trade agreements and the regions where they are most relevant, there is a clear sense that they will be helpful to those businesses and largely have no impact where they are not relevant

## Impact of trade agreements in the next 2 years

**Relevance of trade agreements (%) (Q30)**

**Impact on my business in the next 2 years (%) (Q31)**



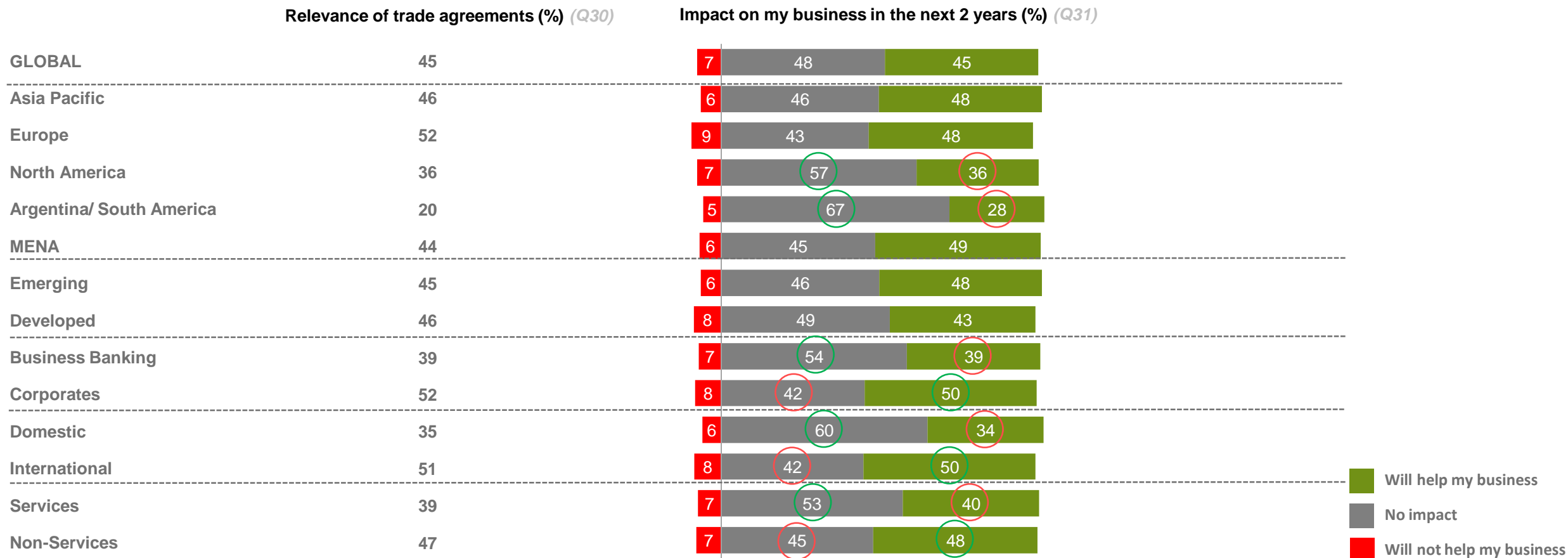
Base:  
 Q30: GLOBAL N=6033  
 Q31: EEA n=5205, ASEAN n=5224, NAFTA n=5153, SAFTA n=5129, CETA-EU-CANADA n=5096, EU-Japan n=5190, TPP/CPTPP n=5027, PA n=5067

Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?  
 Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

Looking at EEA, it is both more relevant to and will have a more positive impact on corporates, European, international and non-services businesses. There is very low perceived negative impact from it

Trade agreements

**EEA**



Base:  
 Q30: GLOBAL N=6033  
 Q31: Businesses who think the policy is relevant to their business - EEA n=5205  
 • **Region:** Asia Pacific n=2355, Europe n=1451, North America n=672, Argentina/ South America n=172, MENA n=555

Base: Q31:  
 • **Development:** Emerging n=3074, Developed n=2131  
 • **Size:** Business Banking n=2887, Corporates n=2318  
 • Domestic n=1729, International n=3476  
 • **Industry Sector:** Services n=2231, Non-Services n=1696

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

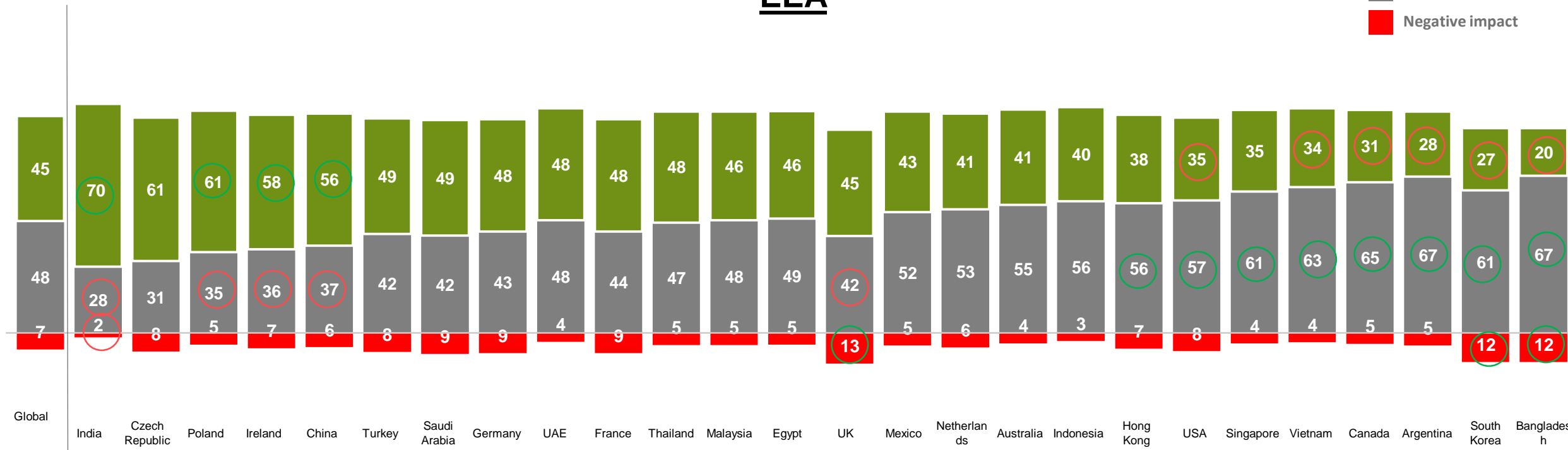
# On a country level, more businesses are expecting a positive impact both within the EU, notably Poland and Ireland, and outside it in two of the most bullish countries, India and China

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)

- Positive impact
- No impact
- Negative impact

EEA



Base: Businesses who think the policy is relevant to their business - EEA n=5205

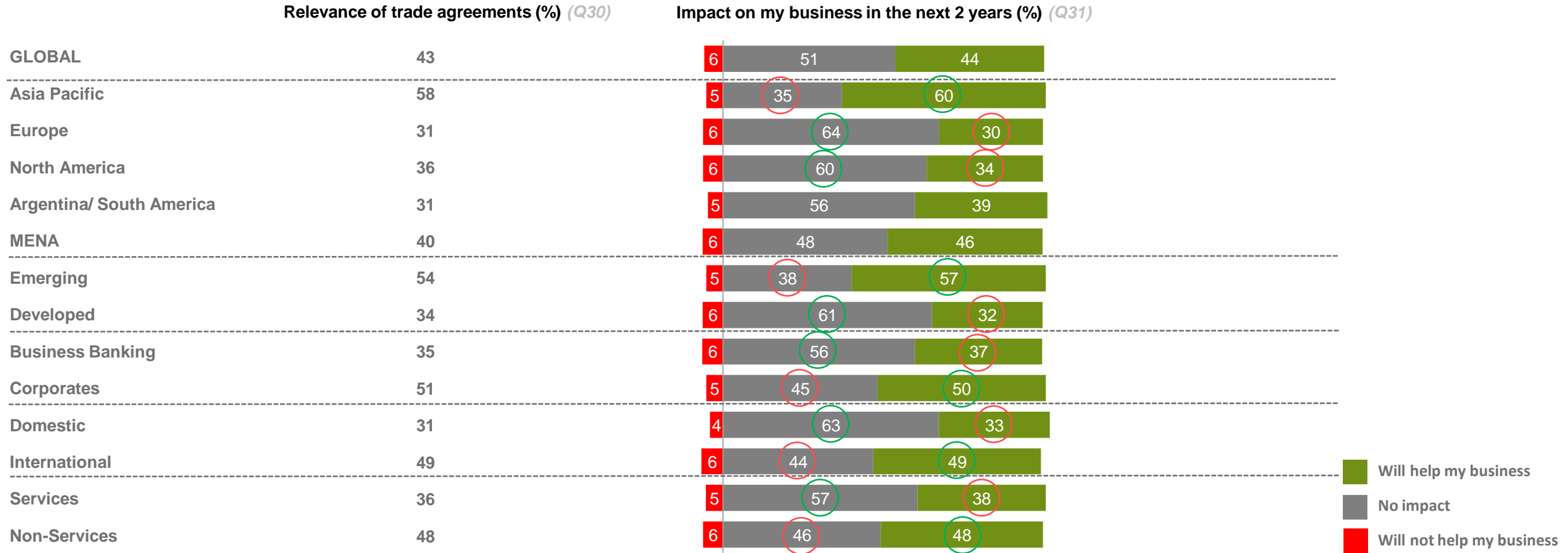
Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?



ASEAN is significantly more relevant to businesses in APAC, emerging markets, corporates, international and non service businesses, where the impact is more likely to be positive.

Trade agreements

**ASEAN**



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - ASEAN n=5224  
 • **Region:** Asia Pacific n=2444, Europe n=1407, North America n=659, Argentina/ South America n=167, MENA n=547

Base: Q31:  
 • **Development:** Emerging n=3148, Developed n=2076  
 • **Size:** Business Banking n=2911, Corporates n=2313  
 • Domestic n=1740, International n=3484  
 • **Industry Sector:** Services n=2211, Non-Services n=3003

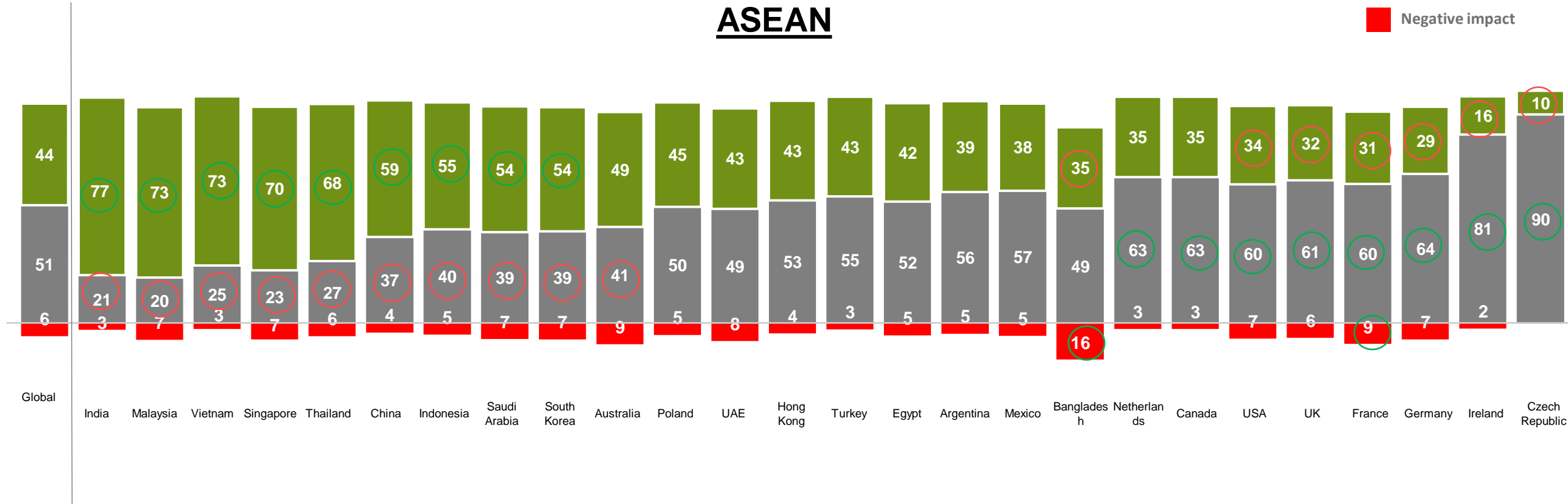
○ Significantly higher than Global average 65  
 ○ Significantly lower than Global average

# Businesses expecting a positive impact are most prevalent in Asia but in all countries where businesses foresee an impact it is likely to be positive, most typically for between a third to half of businesses

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)

Positive impact  
No impact  
Negative impact



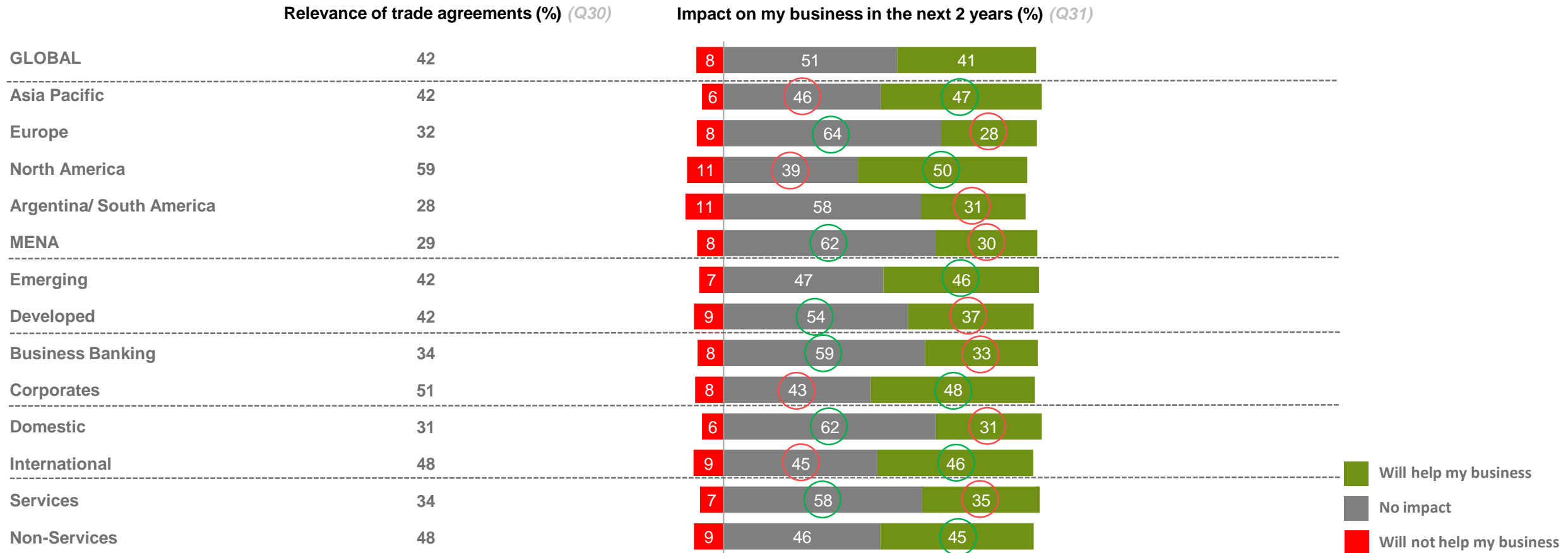
Base: Businesses who think the policy is relevant to their business - ASEAN n=5224

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

# NAFTA is far more relevant to businesses in NAM, APAC, corporates, international and non service businesses, where the impact is likely to be positive. Almost two thirds of businesses in Europe and MENA are neutral

## Trade agreements

### NAFTA



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - NAFTA n=5153  
 • **Region:** Asia Pacific n=2303, Europe n=1427, North America n=703, Argentina/ South America n=166, MENA n=554

Base: Q31:  
 • **Development:** Emerging n=3029, Developed n=2124  
 • **Size:** Business Banking n=2851, Corporates n=2302  
 • Domestic n=1719, International n=3434  
 • **Industry Sector:** Services n=2192, Non-Services n=2961

○ Significantly higher than Global average 67  
 ○ Significantly lower than Global average

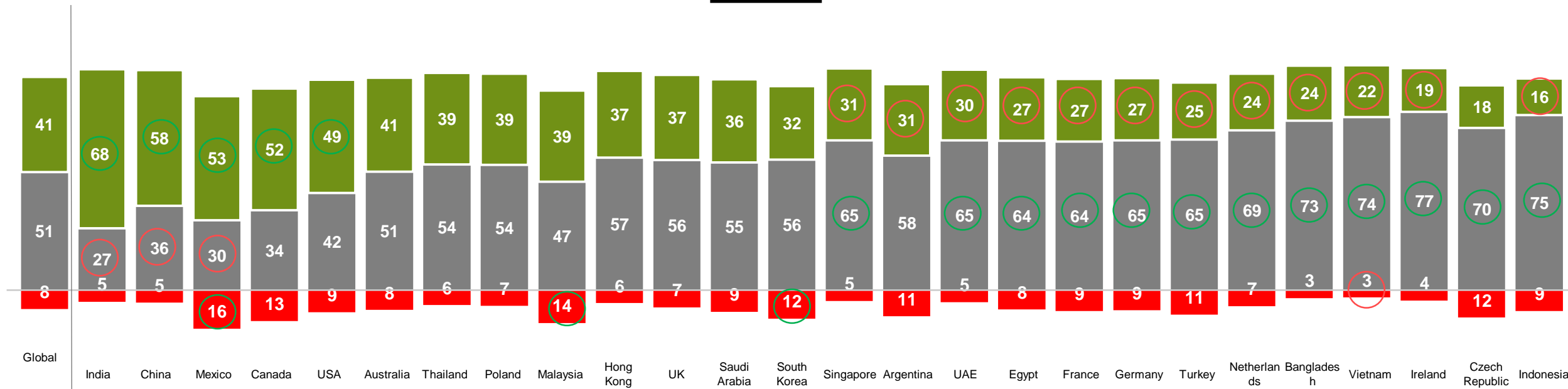
# With the exception of India, China, Mexico, Canada and USA, half to three quarters of businesses think the impact will be neutral however there are significant concerns in Mexico, Malaysia and South Korea

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)



### NAFTA



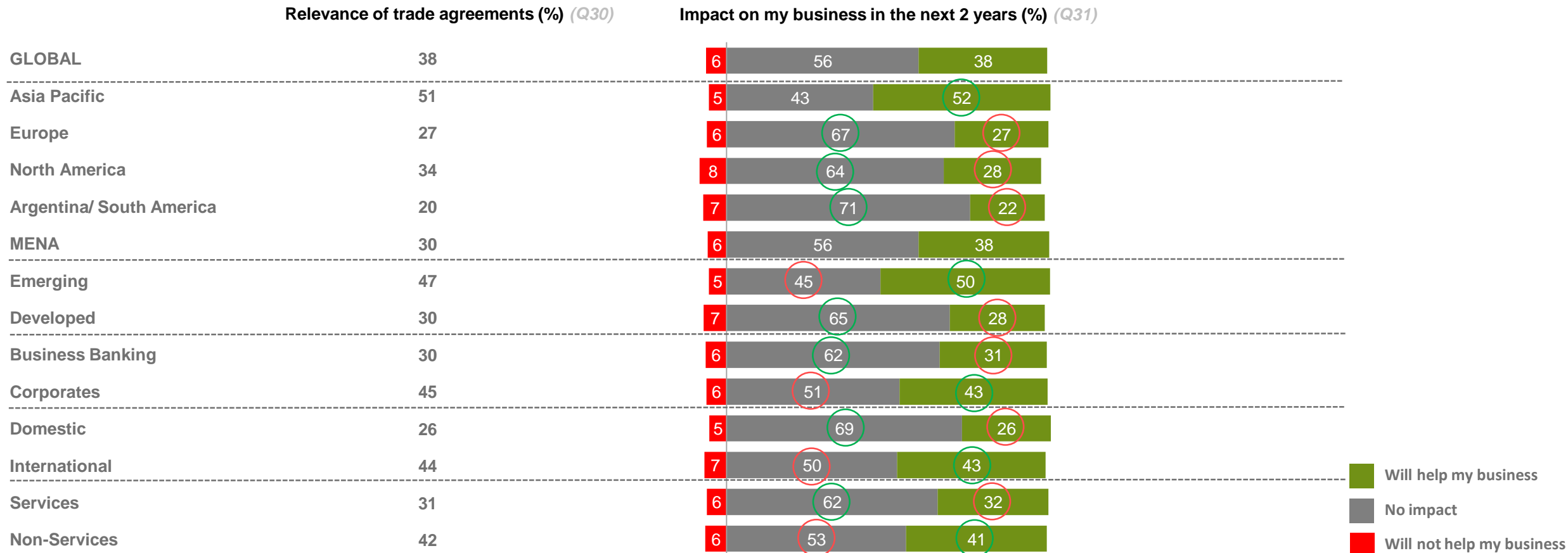
Base: Base: Businesses who think the policy is relevant to their business - NAFTA n=5153

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

SAFTA is more relevant in APAC and for corporates, international and non service businesses, where the impact is more likely to be positive. Two thirds of businesses in Europe and the Americas are neutral

Trade agreements

**SAFTA**



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - SAFTA n=5129  
 • **Region:** Asia Pacific n=2376, Europe n=1396, North America n=665, Argentina/ South America n=165, MENA n=527

Base: Q31:  
 • **Development:** Emerging n=3052, Developed n=2077  
 • **Size:** Business Banking n=2848, Corporates n=2281  
 • Domestic n=1700, International n=3429  
 • **Industry Sector:** Services n=2170, Non-Services n=2959

○ Significantly higher than Global average 69  
 ○ Significantly lower than Global average

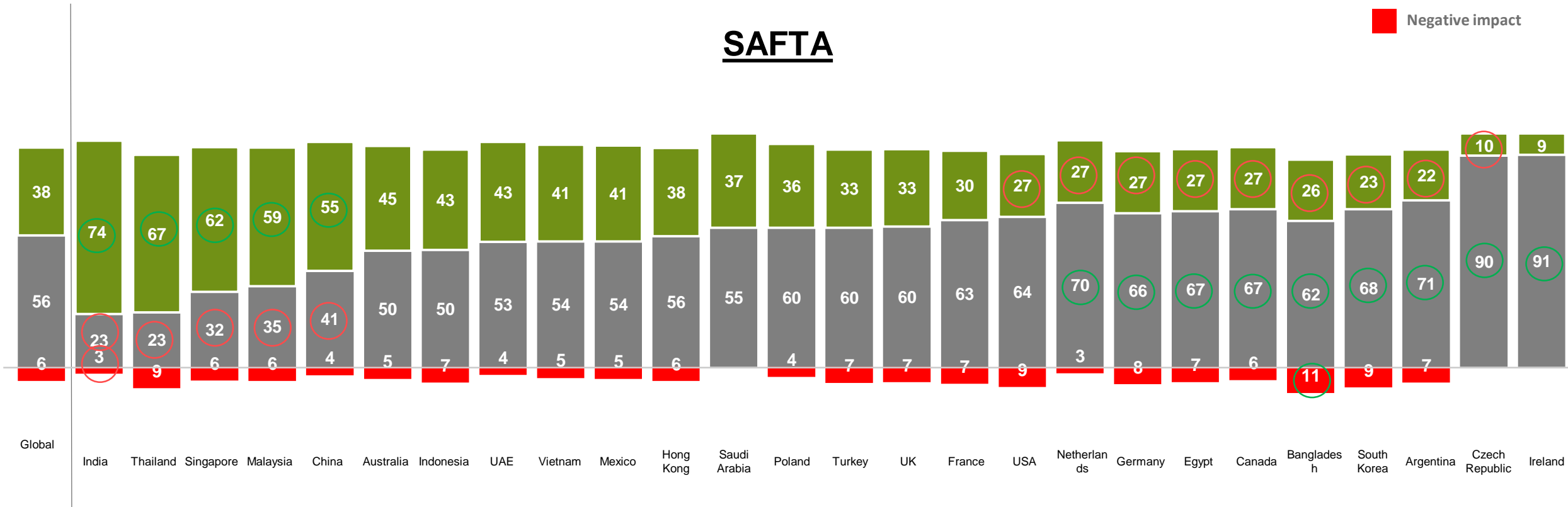
# Businesses in India and Thailand are the most positive about the impact of SAFTA followed by Singapore, Malaysia and China. Beyond these, at least half of businesses think there will be no impact

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)

- Positive impact
- No impact
- Negative impact

### SAFTA



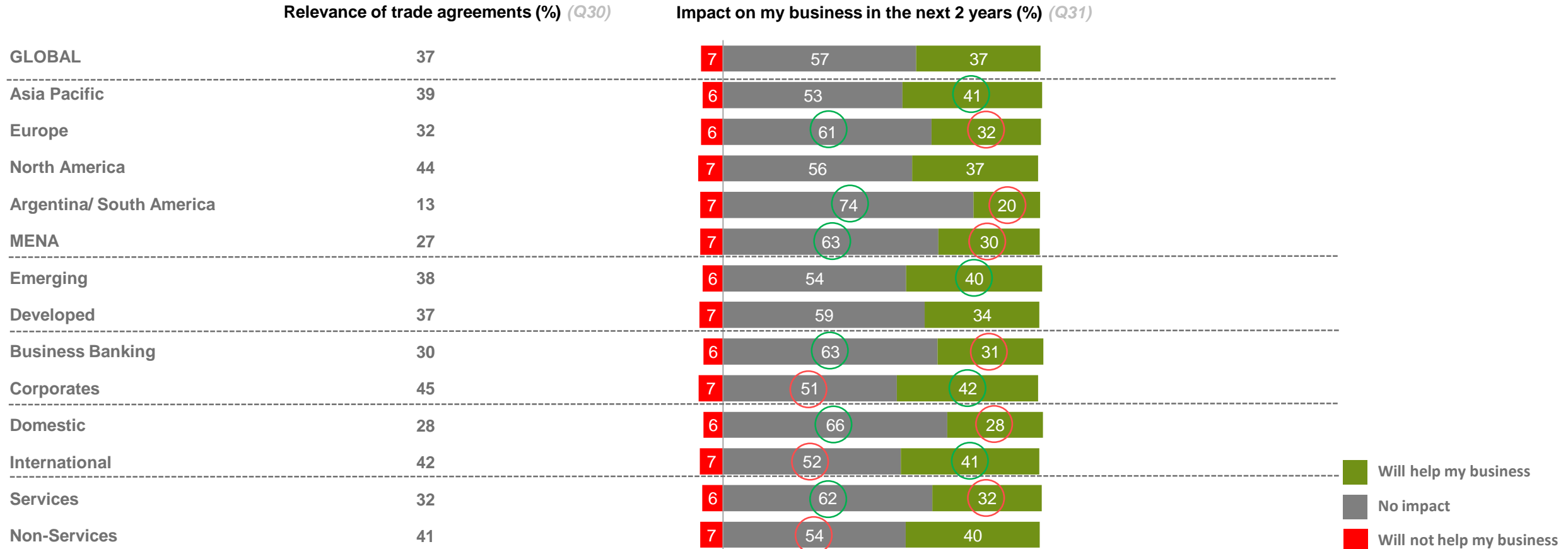
Base: Base: Businesses who think the policy is relevant to their business - SAFTA n=5129

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

CETA-EU-CANADA is most relevant in NAM and for corporates, international and non service businesses, where the impact is likely to be positive. Around two thirds of domestic, services and BBs are neutral

Trade agreements

**CETA**



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - CETA-EU-CANADA n=5096  
 • **Region:** Asia Pacific n=2298, Europe n=1427, North America n=666, Argentina/ South America n=158, MENA n=547

Base: Q31:  
 • **Development:** Emerging n=2994, Developed n=2102  
 • **Size:** Business Banking n=2820, Corporates n=2276  
 • Domestic n=1695, International n=3401  
 • **Industry Sector:** Services n=2187, Non-Services n=2909

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

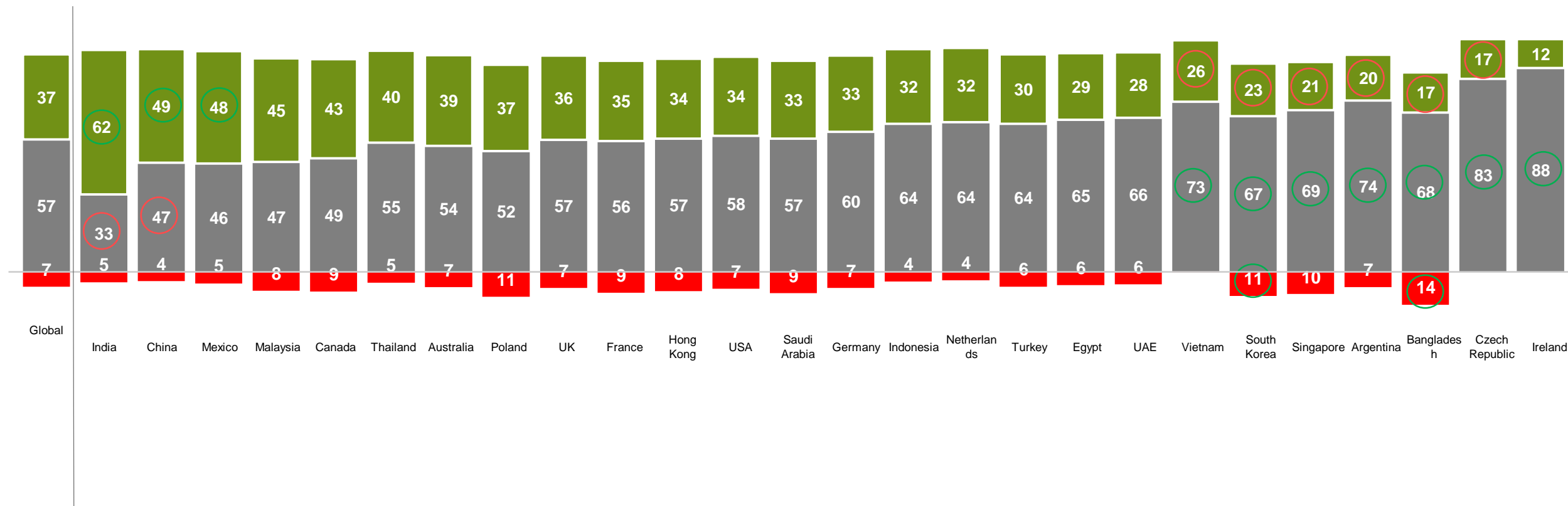
# CETA is viewed as likely to have a positive impact on businesses in India, China and Mexico

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)



### CETA



Base: Base: Businesses who think the policy is relevant to their business - CETA-EU-CANADA n=5096

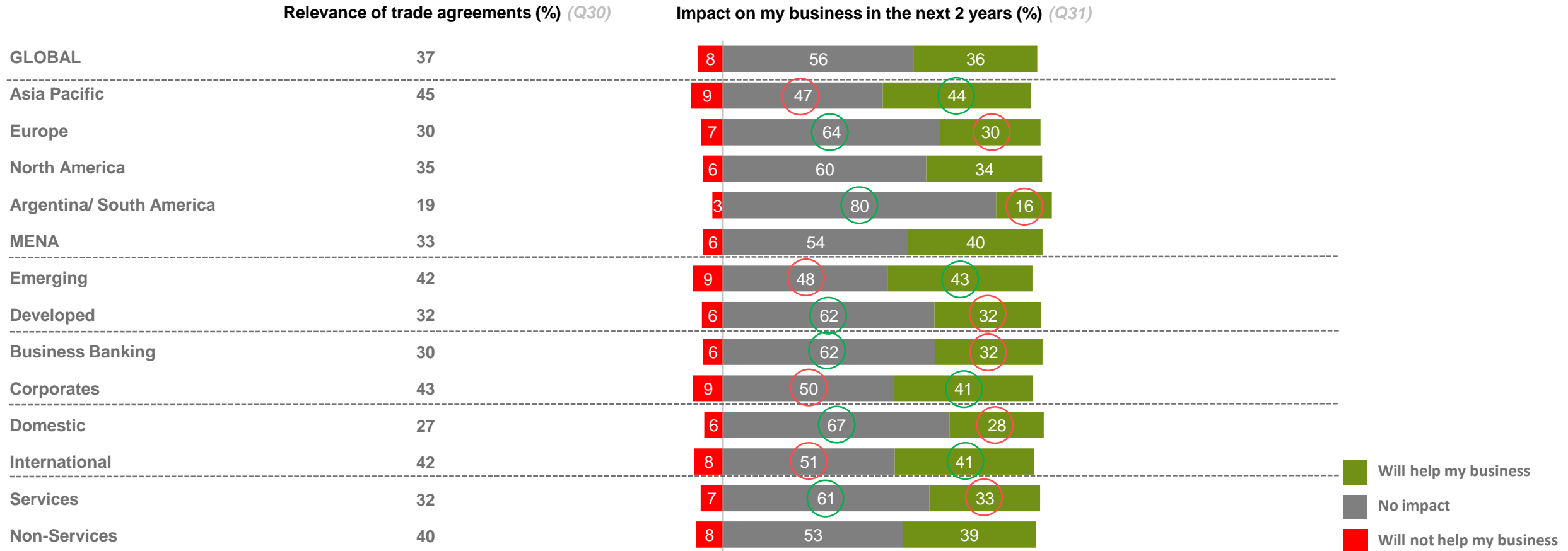
Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?



# EU – Japan agreements are only relevant to just over a third of businesses, including those in Europe; the impact is more positive for corporates and international; and for businesses in APAC rather than Europe

## Trade agreements

### EU- Japan



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - EU-Japan n=5190  
 • **Region:** Asia Pacific n=2357, Europe n=1131, North America n=670, Argentina/ South America n=170, MENA n=551

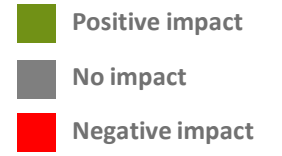
Base: Q31:  
 • **Development:** Emerging n=3071, Developed n=2119  
 • **Size:** Business Banking n=2867, Corporates n=2323  
 • Domestic n=1732, International n=3458  
 • **Industry Sector:** Services n=2200, Non-Services n=2990

Green circle: Significantly higher than Global average  
 Red circle: Significantly lower than Global average

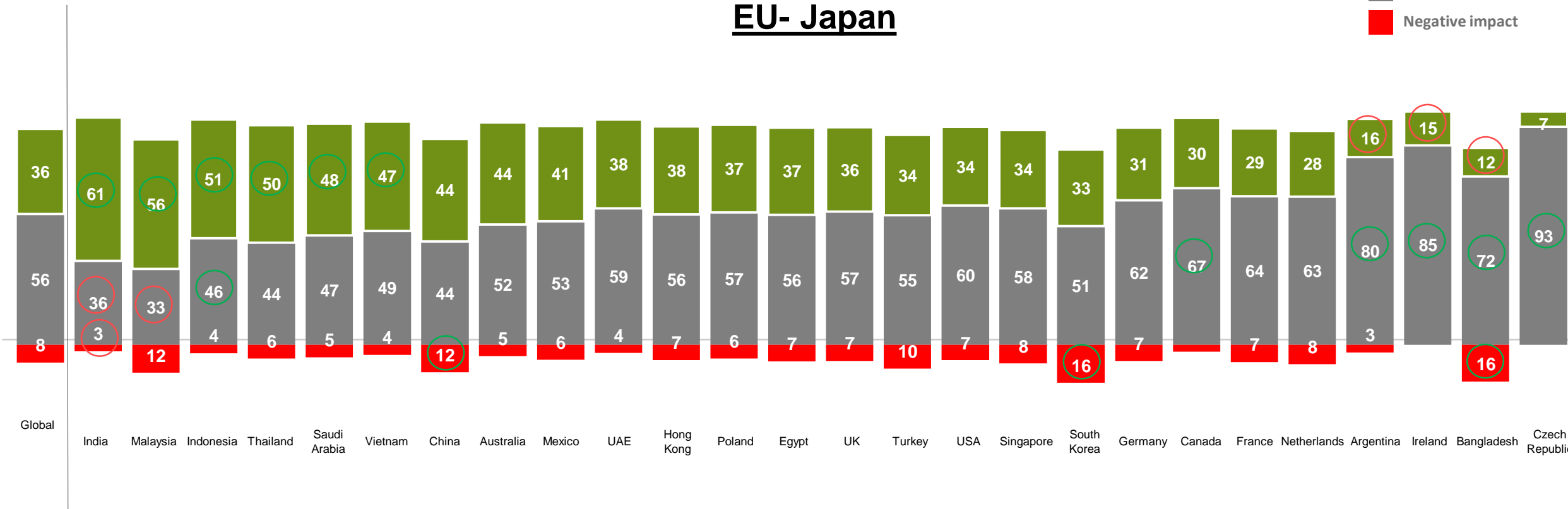
# EU-Japan agreements are seen positively by more than half of businesses in India, Malaysia, Indonesia and Thailand. In South Korea, Bangladesh, Malaysia and China more than one in ten predict a negative impact on their business

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)



### EU- Japan



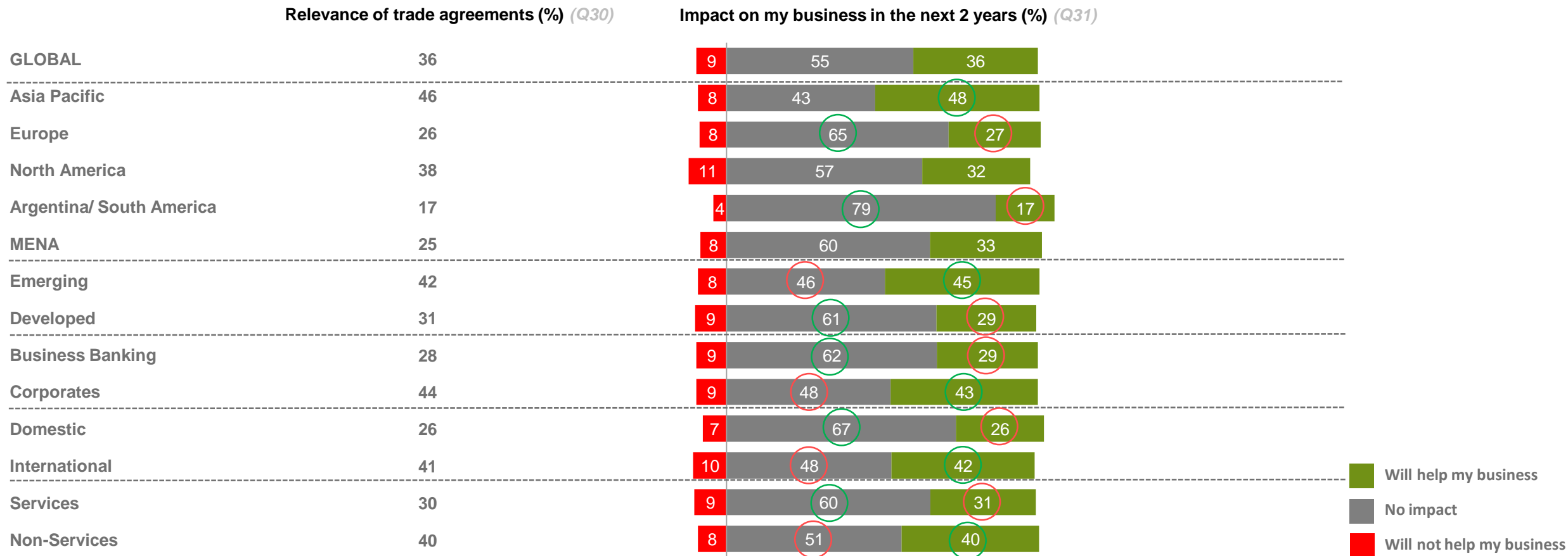
Base: Base: Businesses who think the policy is relevant to their business - EU-Japan n=5190

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

TPP/CPTPP is relevant for just over a third of countries and more relevant in APAC and for corporates, international and non service businesses, where greater numbers think that the impact will be positive.

Trade agreements

**TPP/CPTPP**



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - TPP/CPTPP n=5027  
 • **Region:** Asia Pacific n=2283, Europe n=1380, North America n=663, Argentina/ South America n=168, MENA n=553

Base: Q31:  
 • **Development:** Emerging n=2983, Developed n=2044  
 • **Size:** Business Banking n=2793, Corporates n=2234  
 • Domestic n=1678, International n=3349  
 • **Industry Sector:** Services n=2162, Non-Services n=2865

Significantly higher than Global average (Green circle)  
 Significantly lower than Global average (Red circle)

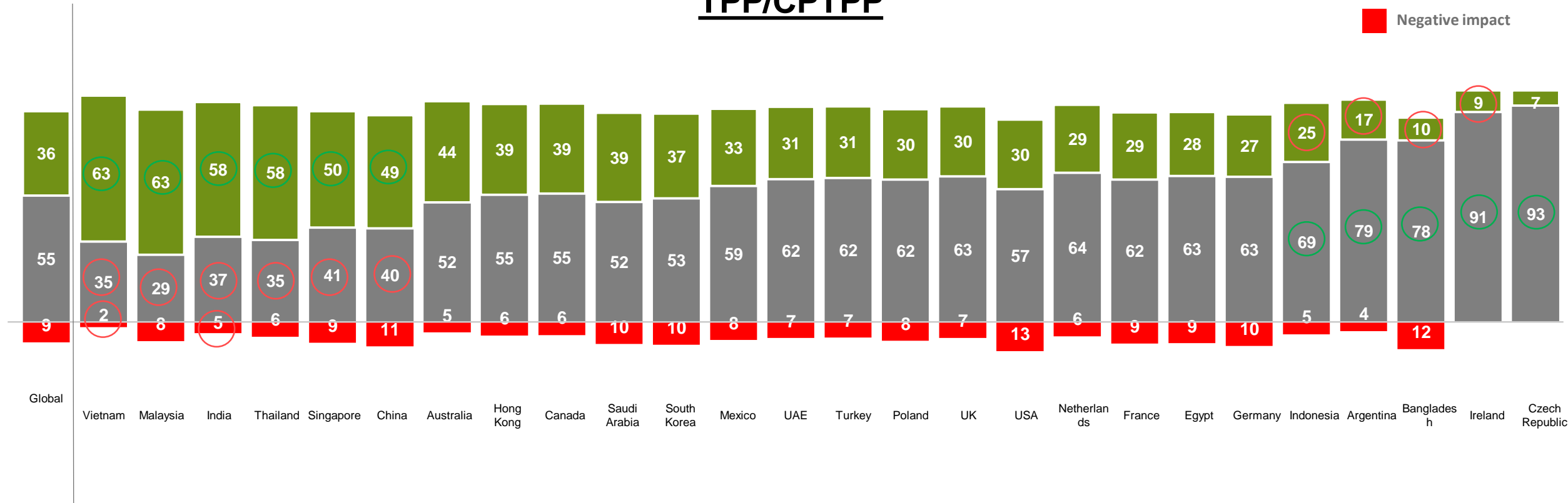
# TPP/CPTPP is projected to have a positive impact for more than half of businesses in Vietnam, Malaysia, India, Thailand and Singapore but to be neutral for more than half of businesses in all other countries

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)

### TPP/CPTPP

■ Positive impact  
■ No impact  
■ Negative impact



Base: Base: Businesses who think the policy is relevant to their business - TPP/CPTPP n=5027

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

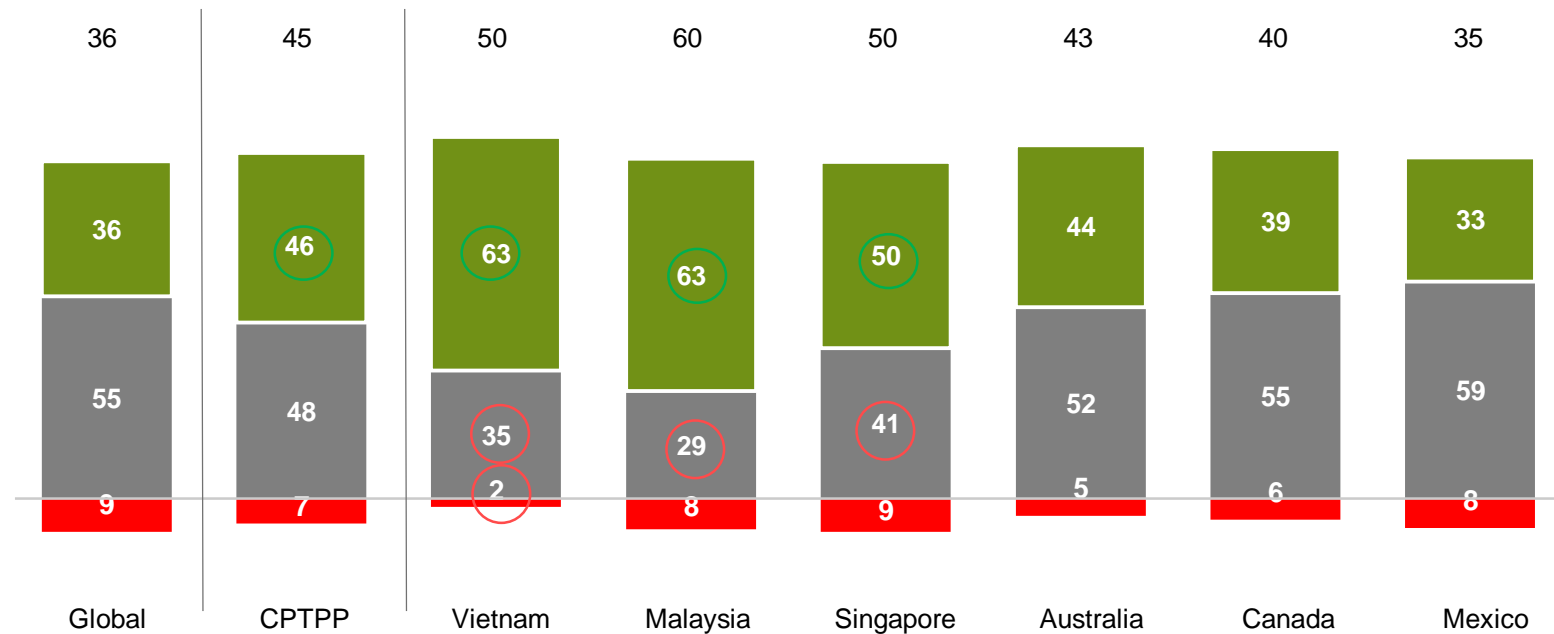
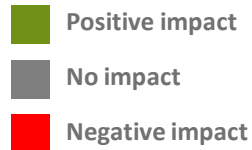
# CPTPP members feel the policy to be particularly relevant and think it is positive to their businesses. Especially Vietnam, Malaysia & Singapore

## TPP / CPTPP relevance & impact among member markets

### TPP/CPTPP

Relevance of trade agreements (%) (Q30)

Impact on my business in the next 2 years (%) (Q31)



Base: Base:  
 Q30: GLOBAL n=6033; TPP/CPTPP members n= 1150  
 Q31: Businesses who think the policy is relevant to their business –  
 TPP/CPTPP GLOBAL n=5027; TPP/CPTPP members n= 997

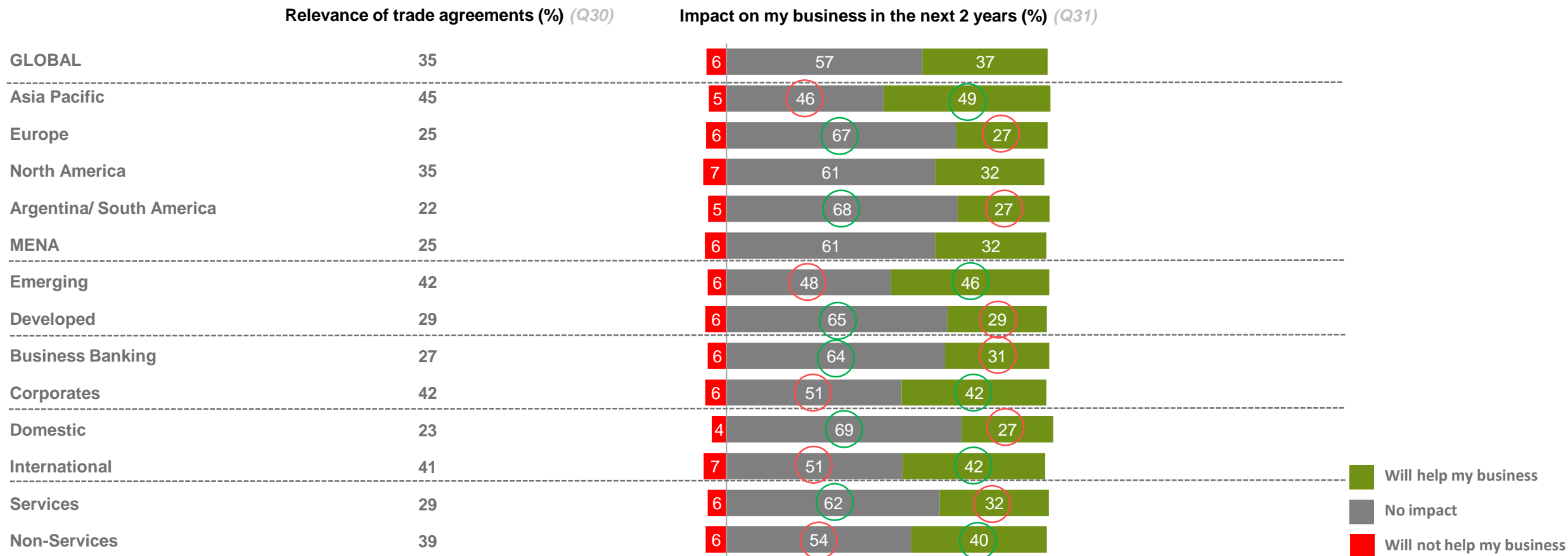
Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

PA trade agreements are more relevant in APAC but for under half of businesses. More corporates, international and non service businesses think that the impact will be positive.

Trade agreements

PA



Base:  
 Q30: GLOBAL n=6033  
 Q31: Businesses who think the policy is relevant to their business - ASEAN n=5067  
 • **Region:** Asia Pacific n=2289, Europe n=1410, North America n=681, Argentina/ South America n=170, MENA n=517

Base: Q31:  
 • **Development:** Emerging n=2972, Developed n=2095  
 • **Size:** Business Banking n=2809, Corporates n=2258  
 • Domestic n=1704, International n=3363  
 • **Industry Sector:** Services n=2146, Non-Services n=2921

○ Significantly higher than Global average  
 ○ Significantly lower than Global average

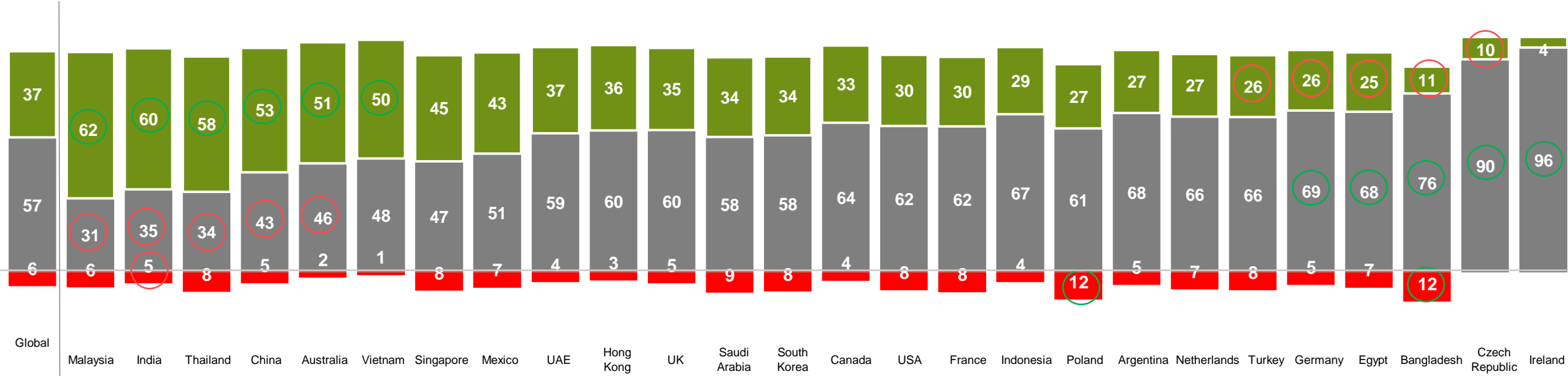
# PA trade agreements will have a positive impact for more than half of businesses in Malaysia, India, Thailand, Australia and Vietnam

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)

PA

■ Positive impact  
■ No impact  
■ Negative impact



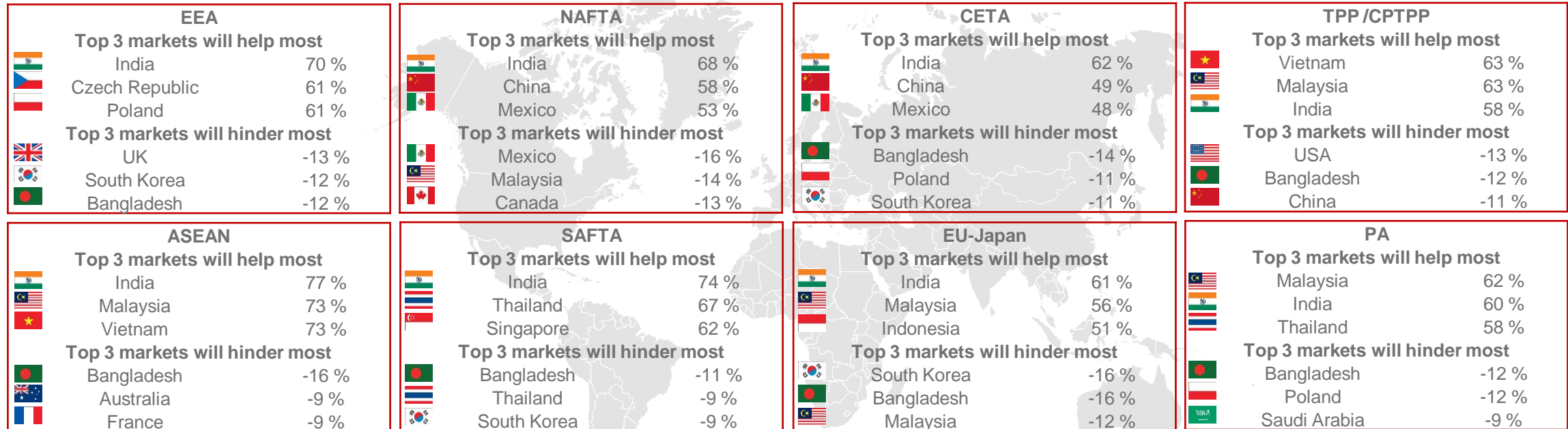
Base: Base: Businesses who think the policy is relevant to their business - ASEAN n=5067

Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?

# Typically trade agreements are viewed as likely to have a positive impact on businesses

## Impact of trade agreements in the next 2 years

Impact on my business in the next 2 years (%) (Q31)



Base:  
Q30: GLOBAL N=6033  
Q31: EEA n=5205, ASEAN n=5224, NAFTA n=5153, SAFTA n=5129, CETA-EU-CANADA n=5096, EU-Japan n=5190, TPP/CPTPP n=5027, PA n=5067

Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?  
Q31: Thinking forward to the next 2 years, how will these trade agreements impact your business?



The background of the slide is a light-colored, marbled paper with a complex, organic pattern of veins. A prominent, irregular vein of gold or yellowish-brown color runs vertically through the center-right portion of the image, adding a touch of elegance and contrast to the overall design.

## **Chapter 5**

# **The Growth And Impact Of Data Security/A More Level Playing Field Or Dangerous Territory**

## Cyber security is a significant universal concern. Yet businesses see greater data access as creating a more level playing field

Cyber security is top concern and increasingly so for almost four-fifths of businesses globally; specifically for businesses in Ireland, China and Thailand (more than nine in ten). Businesses, particularly those from APAC, are primarily concerned about cyber security issues but at the same time looking forward to the positive impact of easier data access in the creation of a more level playing field in international trade. Such sentiments are not as strong in Europe, and cyber security is not causing as many worries in MENA.

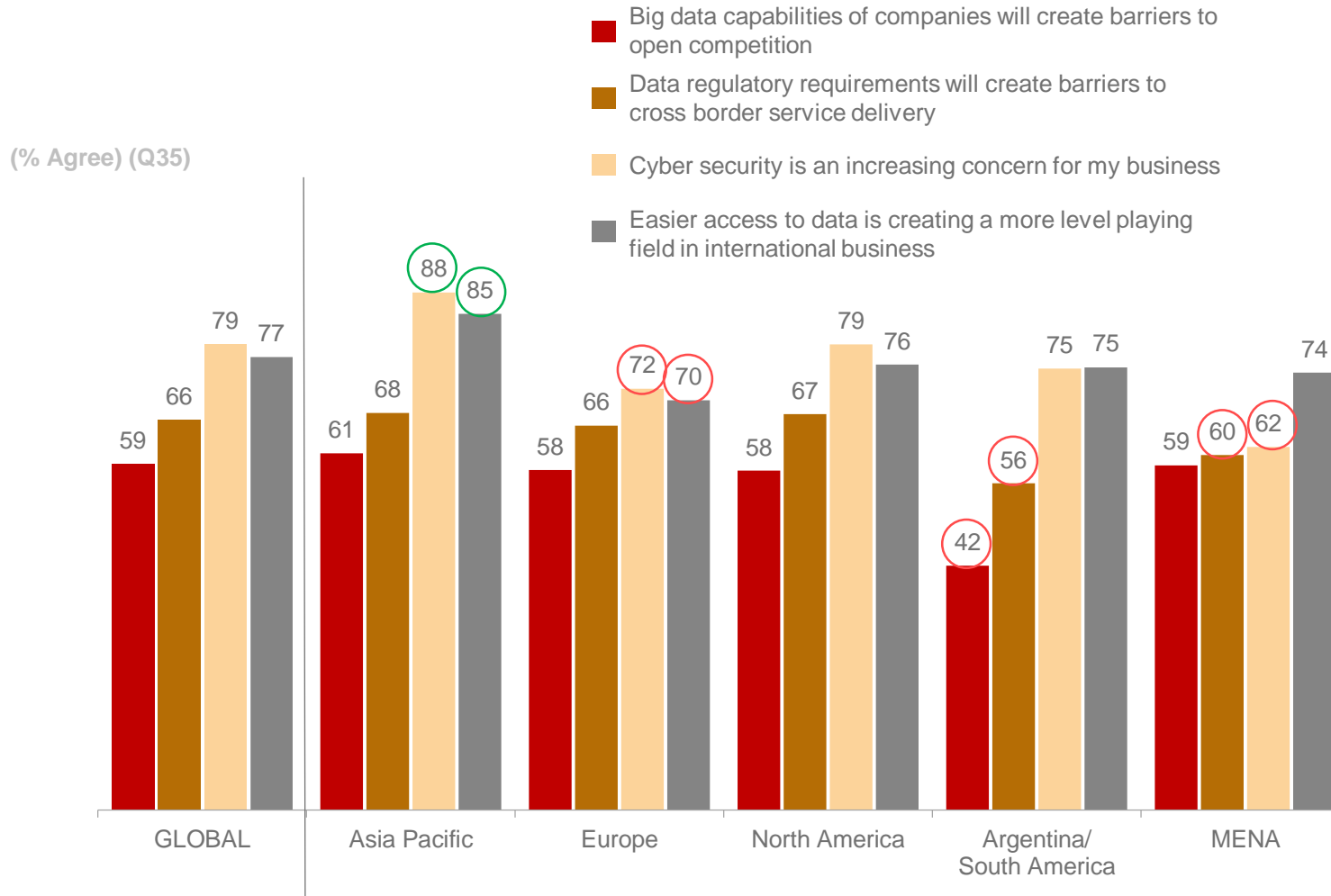
Those with a positive trade outlook are significantly more likely (81%) to think that better data access will create a more level playing field than creating unfair competition (61%). This same pattern is true for businesses in emerging markets (82% compared to 61%) and for manufacturing businesses (81% compared to 59%). Corporates are particularly positive about a more level playing field in international business as facilitated by easier access to data (81%) although they also have more concerns about cyber security than BB businesses (83% compared to 76%).

Six in ten companies globally fear that big data will create unfair competition, this increases to seven in ten businesses in Mexico, Australia, Malaysia and India and more than eight in ten (84%) in Thailand.

Two-thirds of businesses across all countries fear that data regulatory requirements will create barriers to cross border service delivery, this is a significantly greater concern in Thailand (85%); Malaysia (80%); Australia (76%) and Hong Kong and the UK (73%).

# Cyber security is a universal concern and, on balance, access to data creates a more level playing field although future regulation and uneven big data capabilities could become barriers

## Role of digital



## Role of Digital & data

- Businesses, particularly those from APAC, are primarily concerned about cyber security issues but at the same time looking forward to the positive impact creating fairer competition in international businesses. Such sentiments are not as strong in Europe, and cyber security is not causing as many concerns in MENA.
- Corporates are particularly positive about a more level playing field in international business as facilitated by easier access to data (81%).

Base: GLOBAL N=6033

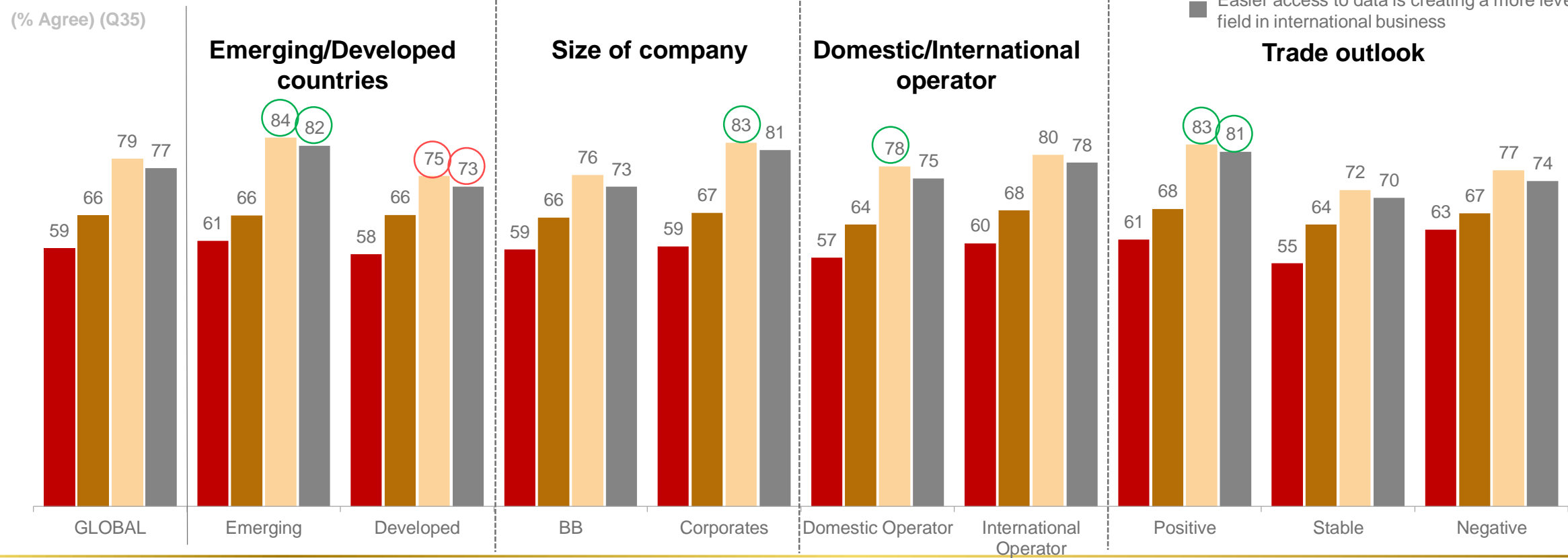
• **Region:** Asia Pacific n=2757, Europe n=1626, North America n=750, Argentina/South America n=200, MENA n=700

Q35: Thinking about the use of digital and data, please indicate whether you agree or disagree with each of the statements here.

# Universally, cyber security is the biggest concern. Businesses in emerging markets and those with a growth outlook are the most positive about easier access to data creating a more level playing field

## Role of digital

- Big data capabilities of companies will create barriers to open competition
- Data regulatory requirements will create barriers to cross border service delivery
- Cyber security is an increasing concern for my business
- Easier access to data is creating a more level playing field in international business



Base: GLOBAL N=6033

- **Size:** BB n=3428, Corporates n=2605
- **Development:** Emerging n=3657, Developed n=2376
- Domestic Operator n=2014, International operator n=4019
- Trade Outlook: Positive outlook n=3717, stable n=702, negative n=162

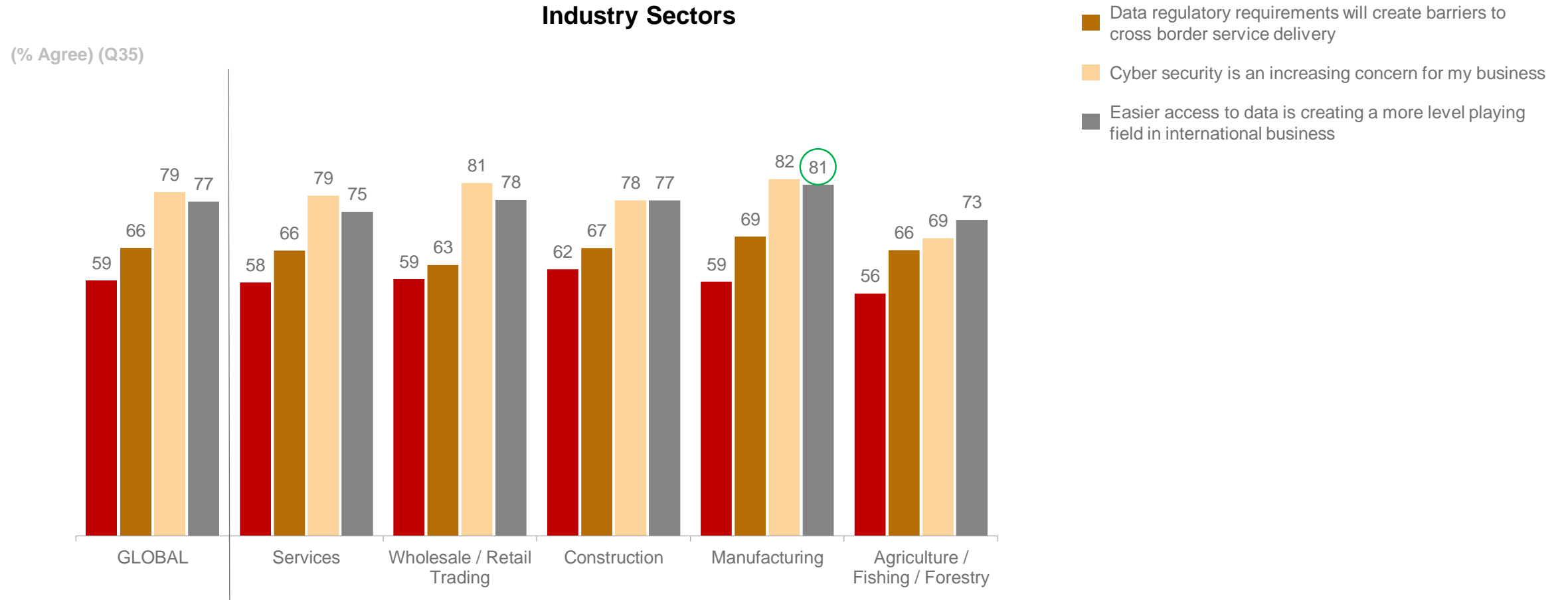
Q35: Thinking about the use of digital and data, please indicate whether you agree or disagree with each of the statements here.



○ Significantly higher than Global average 84  
○ Significantly lower than Global average

# Directionally, there are no real differences in the views of those in different sectors although those in manufacturing are most positive about data access creating a more level playing field

## Role of digital



Base: GLOBAL N=6033

• **Industry Sector:** Services n=2574, Wholesale / Retail n=866, Construction n=823, Manufacturing n=1333, Agriculture / Fishing / Forestry n=297

Q35: Thinking about the use of digital and data, please indicate whether you agree or disagree with each of the statements here.

# Businesses in China and Singapore are most positive about data creating a more level playing field but businesses in Thailand, Australia, India and Malaysia, which are among the most positive and also the most wary

## Role of digital

(% Agree) (Q35)

	Big data capabilities of companies will create barriers to open competition	Data regulatory requirements will create barriers to cross border service delivery	Cyber security is an increasing concern for my business	Easier access to data is creating a more level playing field in international business
GLOBAL	59%	66%	79%	77%
	Thailand 84%	Thailand 85%	Ireland 96%	China 92%
	Mexico 70%	Malaysia 80%	China 95%	Thailand 88%
	Australia 70%	Australia 76%	Thailand 93%	Singapore 87%
	Malaysia 70%	Hong Kong 73%	Singapore 88%	Australia 86%
	India 70%	UK 73%	Hong Kong 86%	India 84%
	UK 68%	Ireland 70%	India 86%	Malaysia 84%
	Singapore 68%	Vietnam 69%	South Korea 84%	Ireland 84%
	Saudi Arabia 65%	India 69%	Malaysia 83%	Vietnam 81%
	Ireland 62%	South Korea 69%	UK 83%	Saudi Arabia 80%
	Poland 61%	Mexico 69%	USA 82%	Bangladesh 79%

Base: GLOBAL N=6033

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# Appendix

## Introduction to trade survey and sample composition

# Sample composition – APAC

(%)	World	Australia	Bangladesh	China	Hong Kong	India	Indonesia	Malaysia	Singapore	South Korea	Thailand	Vietnam
Sample Size	6033	200	201	350	350	350	206	200	150	350	200	200
Role in Company												
Sole decision maker	46	63	12	79	39	69	30	58	53	27	59	22
One of the key decision makers	34	21	68	18	42	25	50	29	31	47	28	53
Some influence	19	17	19	3	18	6	20	14	17	26	14	25
Job Title												
C-suite	49	63	48	74	41	72	37	58	53	41	56	20
Finance & Accounting	23	20	48	16	28	13	51	20	22	23	16	62
Supply Chain and Procurement	8	5	2	6	10	8	1	6	10	9	12	10
Sales & Marketing	8	3	2	4	12	2	11	3	3	11	10	8
Annual Turnover												
BB	57	51	74	26	60	52	84	56	53	55	60	92
Corporates	43	49	26	74	40	48	16	44	47	45	40	8
Company Size/No. of employee												
1 - 9	3	3	21	0	2	2	1	2	0	3	2	0
10 - 49	12	15	29	7	10	6	5	11	7	15	7	28
50 - 249	25	28	20	13	27	17	30	26	29	32	19	49
250 - 499	21	22	8	35	24	26	26	28	27	16	36	14
500+	39	33	21	44	37	49	38	35	37	33	37	11
Industry												
Services	43	35	35	33	48	39	30	55	47	42	39	32
Non-services	57	66	65	67	52	61	70	46	53	58	62	68
Wholesale/retail	14	15	15	13	19	13	18	6	20	11	19	15
Construction	14	17	17	13	11	13	18	11	17	13	19	16
Manufacturing	24	28	27	31	22	30	16	25	15	33	18	26
Agriculture	5	7	5	9	0	5	18	5	1	1	7	11
Domestic/International												
Domestic	33	40	40	32	17	20	38	34	15	40	39	41
International	67	60	60	68	83	80	62	66	85	60	62	60



# Sample composition (BB vs. C) – APAC

(%)	World	Australia	Bangladesh	China	Hong Kong	India	Indonesia	Malaysia	Singapore	South Korea	Thailand	Vietnam
Sample Size	6033	200	201	350	350	350	206	200	150	350	200	200
Annual Turnover												
BB	57	51	74	26	60	52	84	56	53	55	60	92
Corporates	43	49	26	74	40	48	16	44	47	45	40	8
USD 5 – 10 million												
Over USD 10 million to 20 million	11	12		6	21	13		11	17	14	18	
Over USD 20 million to 30 million	8	12		3	13	10		7	11	10	14	
Over USD 30 million to 50 million	9	10		9	10	12		14	13	11	8	
Over USD 50 million to 100 million	10	19		17	14	13		10	9	13	14	
Over USD 100 million to 200 million	9	11		23	10	9		15	15	9	14	
Over USD 200 million to 250 million	6	10		21	7	10		11	7	4	6	
Over USD 250 million to 500 million	5	5		10	4	8		3	6	5	3	
Over USD 500 million	8	6		4	5	8		6	11	13	4	
USD 2.5 – 5 million												
Over USD 5 million to 10 million			40									
Over USD 10 million to 20 million			21									
Over USD 20 million to 25 million			7									
Over USD 25 million to 50 million			5									
Over USD 50 million to 100 million			9									
Over USD 100 million to 250 million			7									
Over USD 250 million to 500 million			4									
Over USD 500 million			2									
Over USD 500 million			3									
USD 1.75 – 2.5 million												
Over USD 2.5 million to 5 million							25					
Over USD 5 million to 10 million							38					
Over USD 10 million to 16.5 million							14					
Over USD 16.5 million to 25 million							7					
Over USD 25 million to 50 million							15					
Over USD 50 million to 100 million							1					
USD 3 – 5 million												
Over USD 5 million to 10 million												58
Over USD 10 million to 20 million												20
Over USD 20 million to 40 million												12
Over USD 40 million to 100 million												3
Over USD 100 million to 200 million												4
Over USD 200 million to 250 million												1
Over USD 250 million to 500 million												2
Over USD 500 million												1
Over USD 500 million												2

# Sample composition – Europe

(%)	World	France	Germany	Ireland	Netherlands	Poland	UK	Czech Republic
Sample Size	6033	350	350	121	200	200	350	55
Role in Company								
Sole decision maker	46	62	47	1	35	42	62	5
One of the key decision makers	34	22	31	60	32	38	25	58
Some influence	19	16	21	39	34	20	13	36
Job Title								
C-suite	49	42	41	43	47	39	66	35
Finance & Accounting	23	23	16	44	18	21	15	20
Supply Chain and Procurement	8	9	12	6	8	12	8	16
Sales & Marketing	8	6	11	4	7	11	4	9
Annual Turnover								
BB	57	51	46	60	60	60	55	67
Corporates	43	49	54	40	40	40	45	33
Company Size/No. of employee								
1 - 9	3	2	1	6	1	2	1	2
10 - 49	12	7	7	23	13	11	9	11
50 - 249	25	20	24	45	24	28	27	53
250 - 499	21	20	20	11	25	22	20	22
500+	39	50	48	16	38	38	43	13
Industry								
Services	43	45	42	50	48	45	41	35
Non-services	57	55	58	50	52	56	59	65
Wholesale/retail	14	16	13	16	19	11	13	18
Construction	14	15	10	9	14	14	11	11
Manufacturing	24	20	32	22	15	29	31	22
Agriculture	5	5	3	3	5	3	3	15
Domestic/International								
Domestic	33	30	34	19	37	32	33	20
International	67	70	66	81	63	68	67	80

# Sample composition (BB vs. C) – Europe

(%)	World	France	Germany	Ireland	Netherlands	Poland	UK	Czech Republic
Sample Size	6033	350	350	121	200	200	350	55
Annual Turnover								
BB	57	51	46	60	60	60	55	67
Corporates	43	49	54	40	40	40	45	33
USD 5 – 10 million	13	18	13		21	19	16	9
Over USD 10 million to 20 million	11	12	11		14	16	14	24
Over USD 20 million to 30 million	8	12	9		13	11	12	16
Over USD 30 million to 50 million	9	9	13		13	15	13	18
Over USD 50 million to 100 million	10	10	10		9	19	11	13
Over USD 100 million to 200 million	9	9	10		10	10	11	9
Over USD 200 million to 250 million	6	8	6		5	4	7	2
Over USD 250 million to 500 million	5	7	9		3	1	8	7
Over USD 500 million	8	15	18		14	7	9	2
USD 2.5 – 5 million				7				
Over USD 5 million to 10 million				11				
Over USD 10 million to 20 million				17				
Over USD 20 million to 50 million				26				
Over USD 50 million to 100 million				12				
Over USD 100 million to 200 million				9				
Over USD 200 million to 250 million				3				
Over USD 250 million to 500 million				7				
Over USD 500 million				7				

# Sample composition – Americas / MENA

(%)	World	Canada	Mexico	USA	Argentina	Egypt	Saudi Arabia	Turkey	UAE
Sample Size	6033	200	200	350	200	200	150	200	150
Role in Company									
Sole decision maker	46	59	62	50	33	24	39	38	43
One of the key decision makers	34	24	26	27	42	40	31	37	39
Some influence	19	18	13	23	26	37	30	26	18
Job Title									
C-suite	49	58	53	64	24	49	34	35	34
Finance & Accounting	23	11	12	11	19	24	26	22	21
Supply Chain and Procurement	8	10	7	9	10	4	6	10	10
Sales & Marketing	8	4	9	11	13	14	19	10	21
Annual Turnover									
BB	57	51	66	40	66	65	70	60	62
Corporates	43	50	35	60	34	35	30	41	38
Company Size/No. of employee									
1 - 9	3	1	1	1	7	9	1	6	3
10 - 49	12	10	9	9	18	18	7	15	14
50 - 249	25	25	21	21	21	21	25	30	26
250 - 499	21	19	24	16	18	11	22	13	17
500+	39	47	46	54	35	41	43	37	41
Industry									
Services	43	54	47	38	48	45	48	52	56
Non-services	57	47	54	62	52	55	52	49	44
Wholesale/retail	14	13	15	13	15	19	13	8	15
Construction	14	6	15	13	13	16	18	19	12
Manufacturing	24	24	19	30	21	18	19	15	16
Agriculture	5	4	5	6	4	4	2	7	1
Domestic/International									
Domestic	33	31	44	41	48	40	29	43	25
International	67	69	57	59	53	60	71	57	75

# Sample composition (BB vs. C) – Europe

(%)	World	Canada	Mexico	USA	Argentina	Egypt	Saudi Arabia	Turkey	UAE
Sample Size	6033	200	200	350	200	200	150	200	150
Annual Turnover									
BB	57	51	66	40	66	65	70	60	62
Corporates	43	50	35	60	34	35	30	41	38
USD 5 – 10 million	13	14	26	13				25	23
Over USD 10 million to 20 million	11	16	15	11				14	13
Over USD 20 million to 30 million	8	7	12	7				12	19
Over USD 30 million to 50 million	9	14	14	9				9	7
Over USD 50 million to 100 million	10	11	9	12				9	10
Over USD 100 million to 200 million	9	15	11	10				8	10
Over USD 200 million to 250 million	6	6	6	7				6	5
Over USD 250 million to 500 million	5	6	8	9				7	3
Over USD 500 million	8	13	2	23				12	10
USD 3.5 – 5 million					22				
Over USD 5 million to 10 million					22				
Over USD 10 million to 20 million					13				
Over USD 20 million to 40 million					10				
Over USD 40 million to 100 million					8				
Over USD 100 million to 200 million					7				
Over USD 200 million to 250 million					4				
Over USD 250 million to 500 million					3				
Over USD 500 million					13				
USD 5 – 10 million						40	34		
Over USD 10 million to 20 million						15	13		
Over USD 20 million to 30 million						6	11		
Over USD 30 million to 45 million						6	13		
Over USD 45 million to 100 million						14	10		
Over USD 100 million to 200 million						6	5		
Over USD 200 million to 250 million						2	5		
Over USD 250 million to 500 million						2	3		
Over USD 500 million						12	8		

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# Appendix

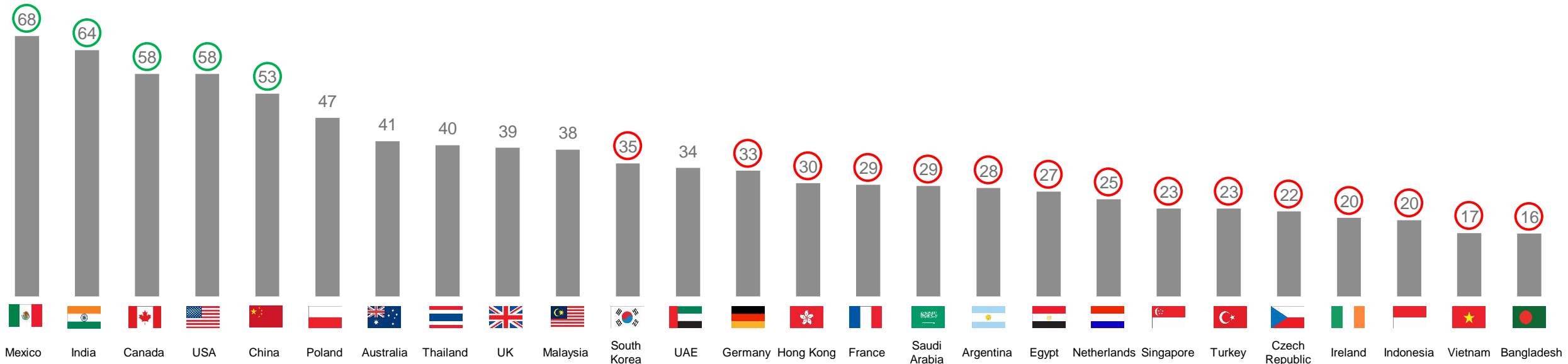
## Other supporting charts

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 42%

## Relevance of trade agreements - NAFTA



Base: GLOBAL N=6033

Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

Relevance of trade agreements (%) (Q30)

38%

Relevance of trade agreements - SAFTA



Base: GLOBAL N=6033

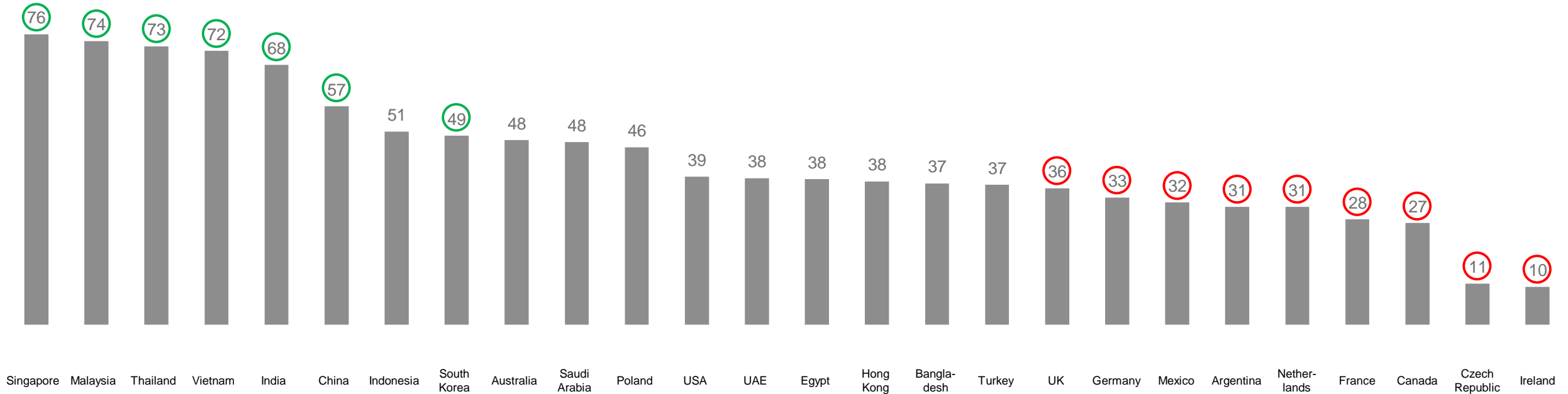
Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?



Relevance of trade agreements (%) (Q30)

43%

Relevance of trade agreements - ASEAN



Base: GLOBAL N=6033

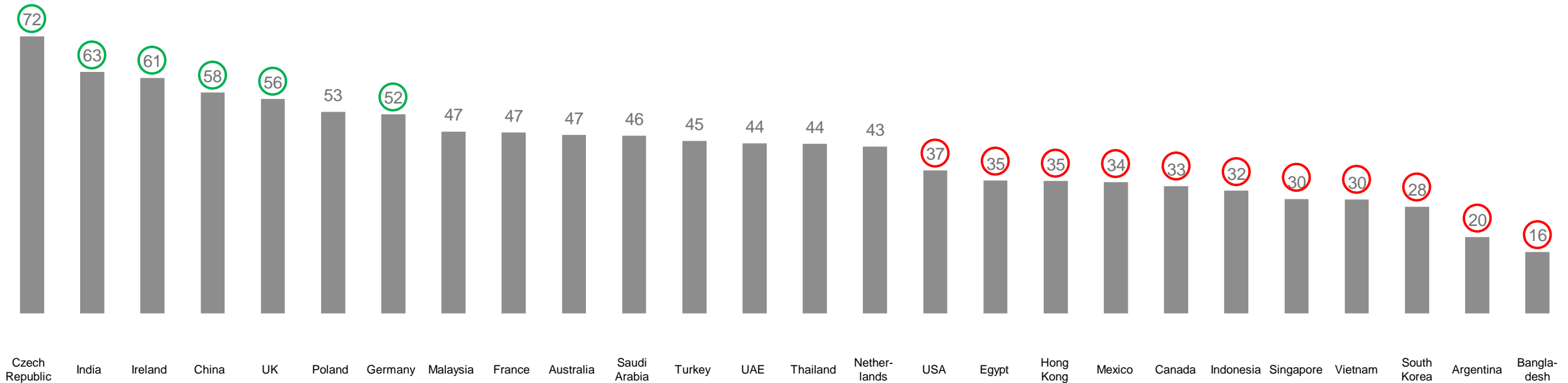
Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 45%

### Relevance of trade agreements - EEA



Base: GLOBAL N=6033

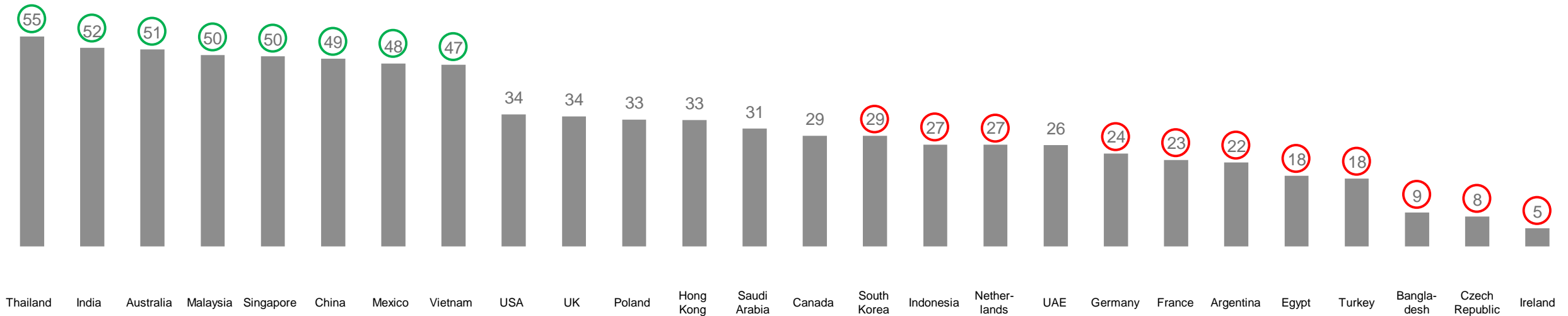
Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 35%

### Relevance of trade agreements - PA



Base: GLOBAL N=6033

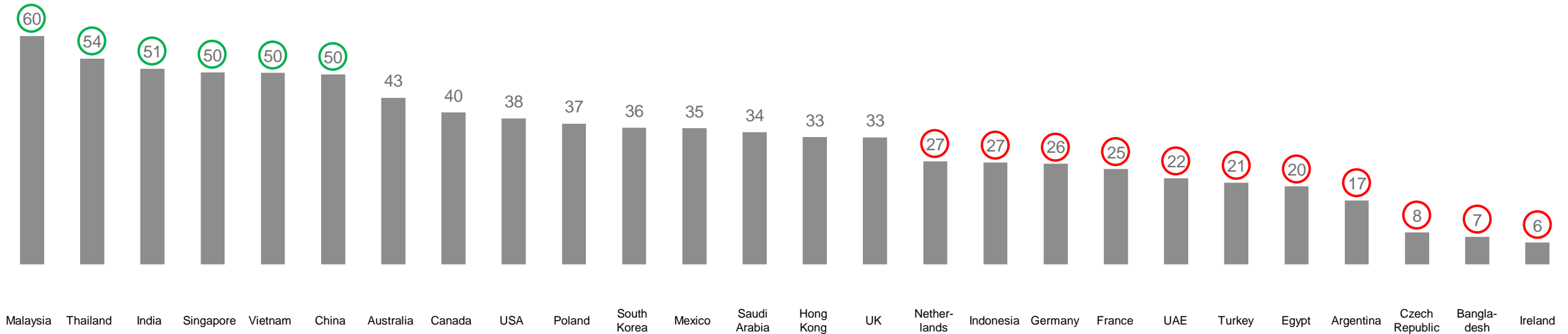
Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 36%

## Relevance of trade agreements - TPP / CPTPP



Base: GLOBAL N=6033

Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

**KANTAR**

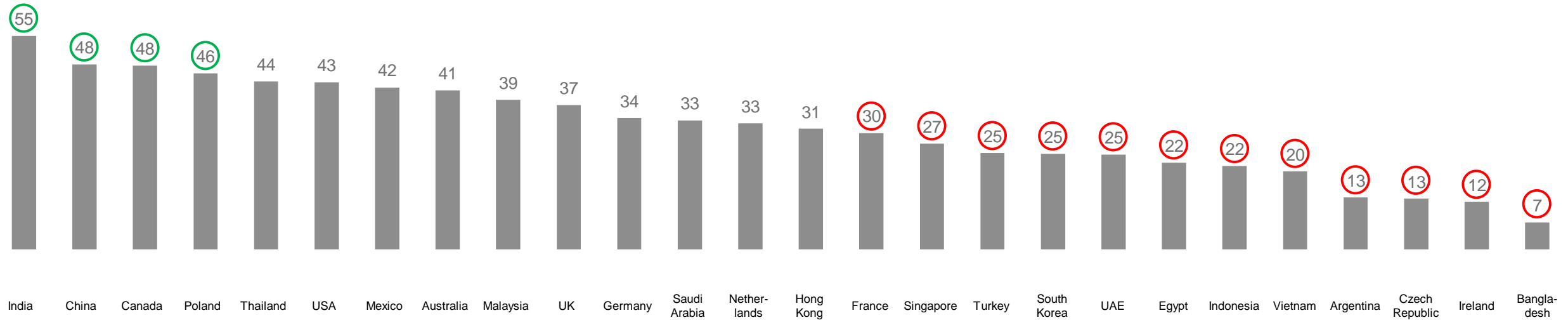
○ Significantly higher than Global average 100  
○ Significantly lower than Global average

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 37%

### Relevance of trade agreements - CETA-EU



Base: GLOBAL N=6033

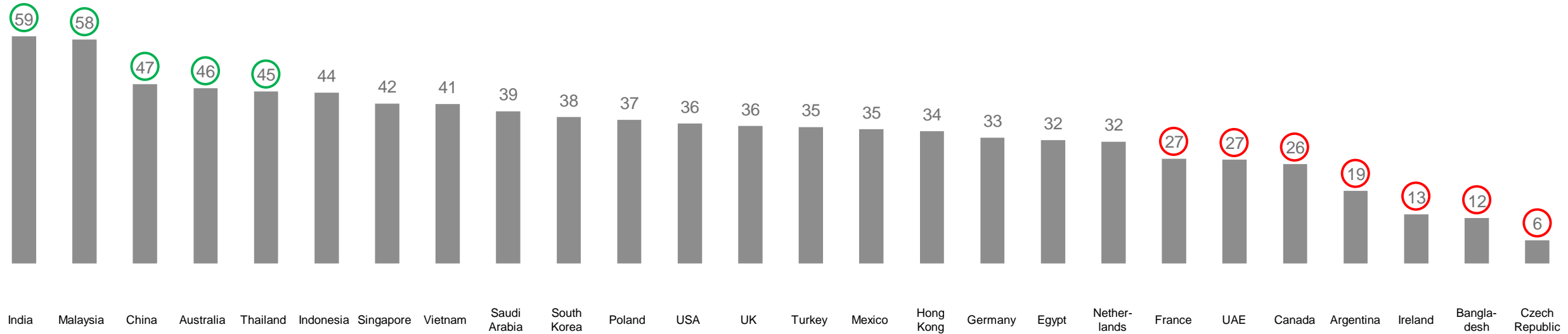
Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

## Trade agreements

Relevance of trade agreements (%) (Q30)

# 37%

### Relevance of trade agreements - EU-Japan



Base: GLOBAL N=6033

Q30: Thinking of various trade agreements, which of these trade agreements have been relevant to your business?

**Thank You**