



**DEZAN SHIRA & ASSOCIATES**

Your Partner for Growth in Asia

OFFICIAL LAUNCH

**The AMI 2025**



**ASIA MANUFACTURING  
INDEX** *by Dezan Shira & Associates*



**DEZAN SHIRA & ASSOCIATES**

Your Partner for Growth in Asia



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Your Partner for Growth in Asia



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- Dezan Shira Asian Alliance Members

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| Beijing   | Hangzhou | Shenzhen  |
| Dalian    | Ningbo   | Suzhou    |
| Dongguan  | Qingdao  | Tianjin   |
| Guangzhou | Shanghai | Zhongshan |

### VIETNAM

- |       |                  |        |
|-------|------------------|--------|
| Hanoi | Ho Chi Minh City | Danang |
|-------|------------------|--------|

### INDIA

- Delhi
- Mumbai

### INDONESIA

- Jakarta
- Batam

### SINGAPORE

### HONG KONG

### MONGOLIA

### DEZAN SHIRA ASIAN ALLIANCE MEMBERS

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|-------------|-----------------|----------|
| Malaysia    | The Philippines | Thailand |
| Bangladesh  | Cambodia        | Japan    |
| South Korea | Nepal           |          |

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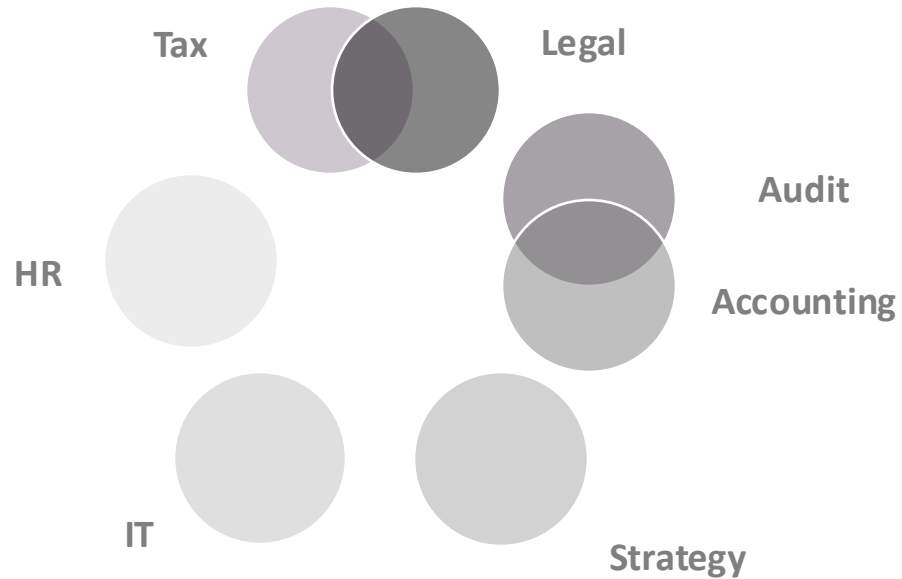
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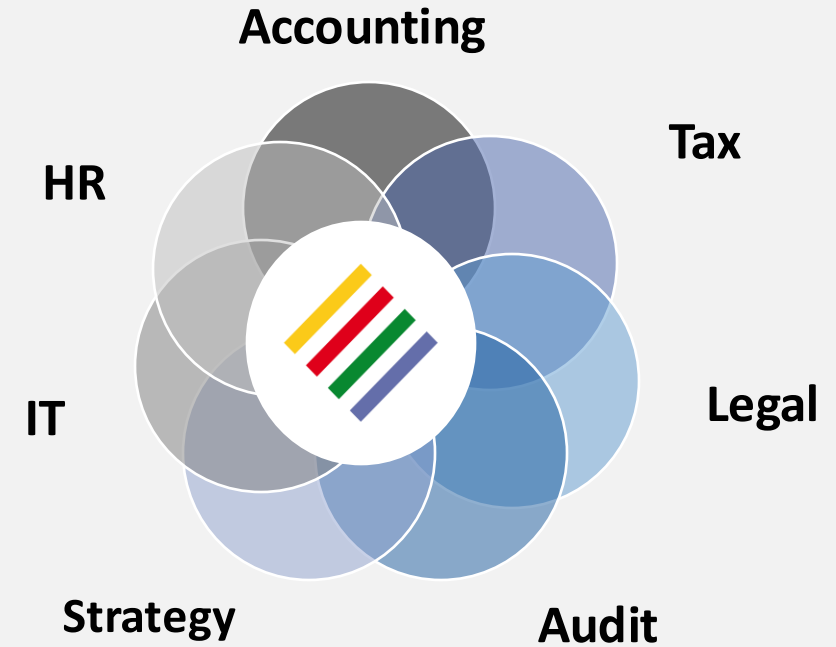


# Our Services *integrated solutions*

## Traditional Model



## Dezan Shira & Associates' Integrated Pan-Asia Model



# Investor Resources



[www.asiabriefing.com](http://www.asiabriefing.com)

Asia Briefing, a subsidiary of Dezan Shira & Associates, publishes business magazines and guides for China, India, Vietnam, Singapore and other key nations in emerging Asia.



[www.dezshira.com/library](http://www.dezshira.com/library)

Asiapedia is a collection of these resources based on the experiences we made on the ground.



All publications are available at DSA's online bookstore at [www.asiabriefing.com/store](http://www.asiabriefing.com/store)



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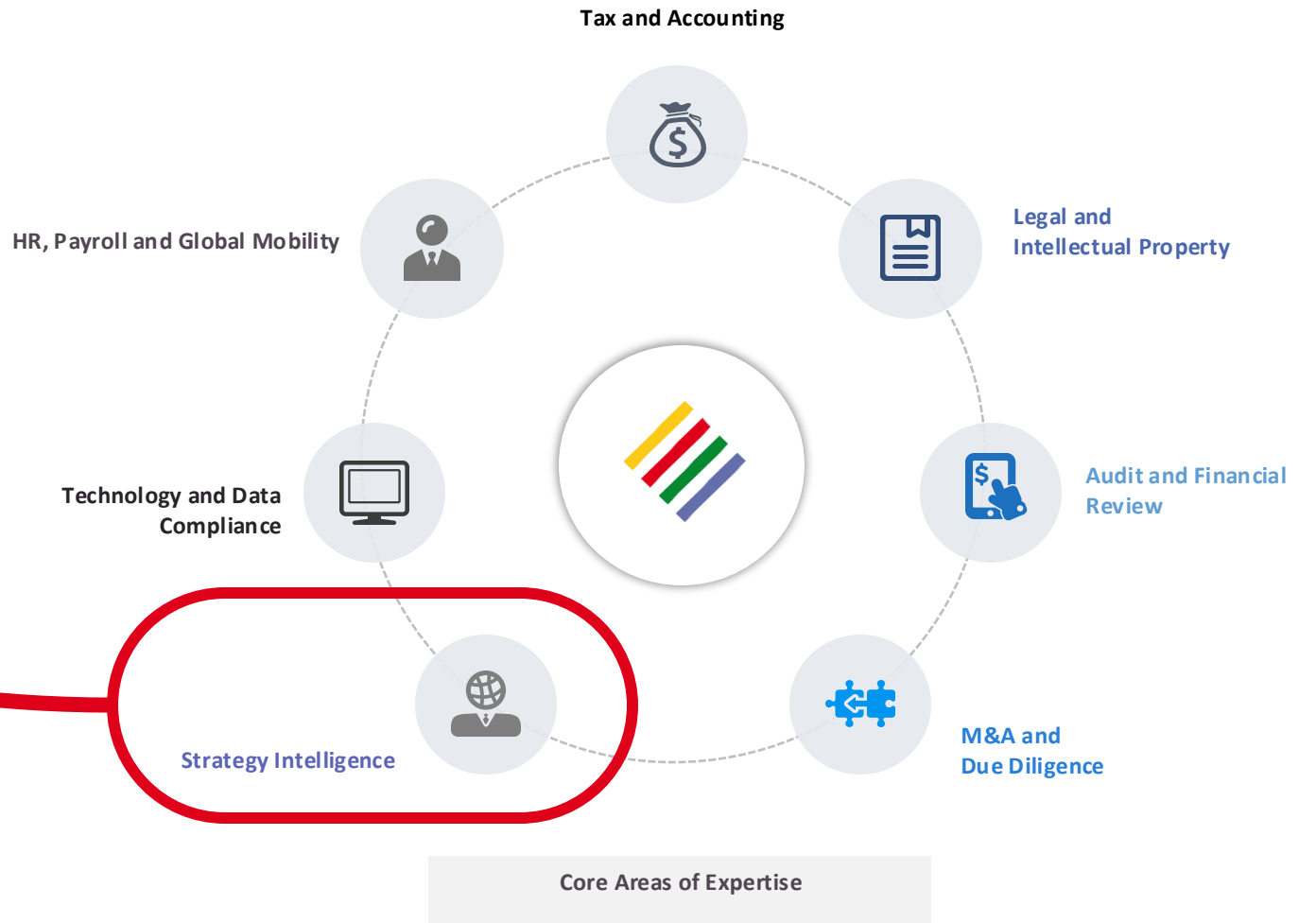
Your Partner for Growth in Asia



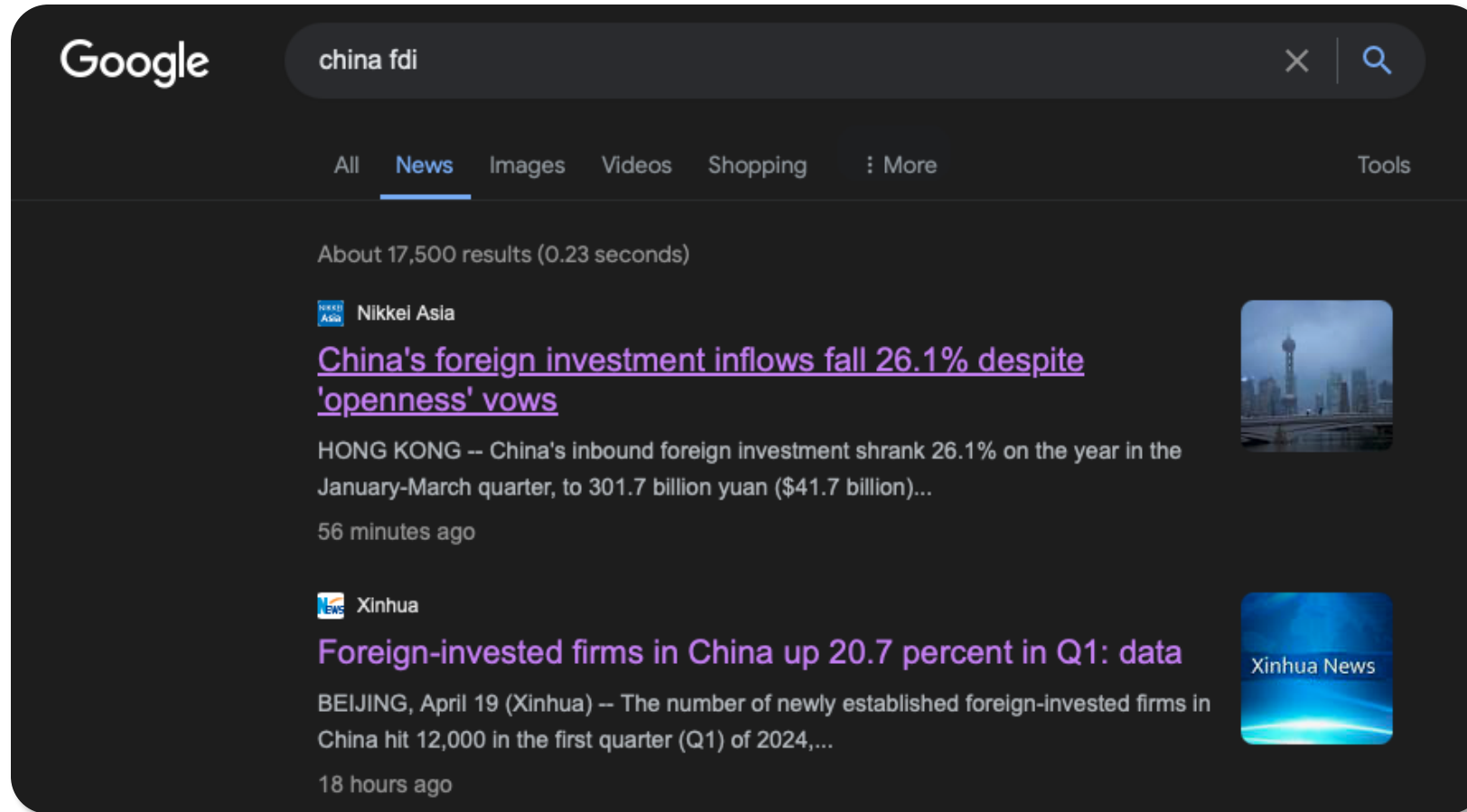
# Agenda

1. Introduction and Opening Remarks
2. Trends of our Times: Relocation and Supply Chain Diversification
3. AMI Countries and the World: Macro Outlook
4. The Asia Manufacturing Index (AMI) 2025
5. Business Intelligence Services
6. Q&A

 **ASIA MANUFACTURING INDEX** *by Dezan Shira & Associates*



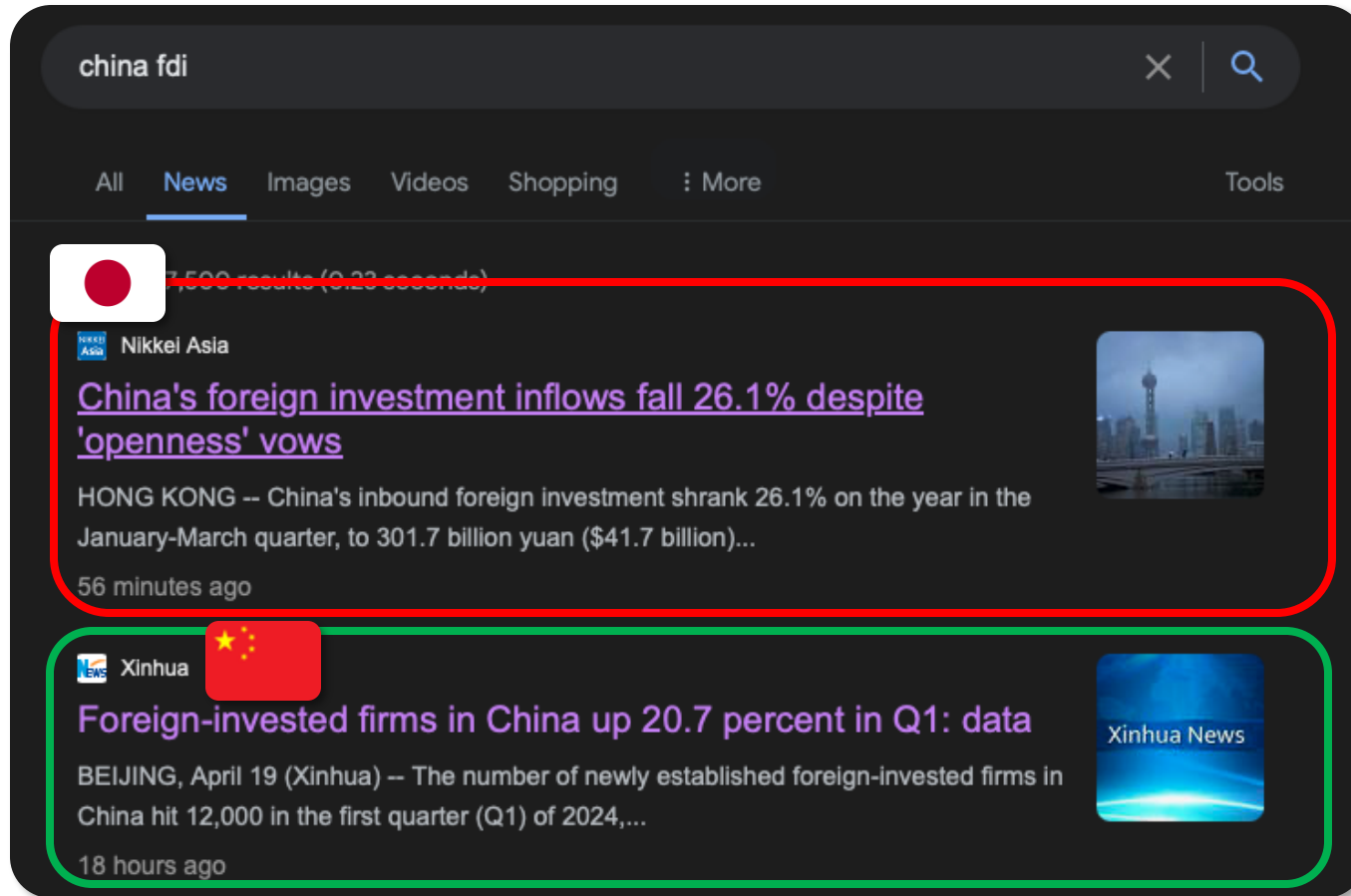
# Mixed Signals: Be Careful What You Read



April 2024



# Be Careful What You Read



China Q1 2024 FDI Down 26.1%  
Compared to Q1 2023 (YoY)

No. of New FDI Firms in Q1 2024 Up 20.7%  
Compared to Q1 2023 (YoY)

China Q1 2024 FDI Up 42%  
Compared to Q4 2023 (QoQ)

*Always a mixed picture and news sources are cherry-picking what fits their agenda – source information from different countries and make your own picture*

# We live in a **VUCA** World.

## THE NEW NORMAL

Volatile

Uncertain

Complex

Ambiguous



# Common Reasons for Relocation



## Cost Optimization

- Within China: Seek regions with lower labor, rent, utilities.
- Internationally: Move to countries with lower manufacturing costs for higher profitability.



## New Markets

- Domestically: Expand customer base by tapping into local markets and preferences.
- Globally: Enter international markets to increase global reach.



## Supply Chain

- In China: Relocate closer to suppliers/logistical hubs to cut transportation costs.
- Abroad: Improve operations and reduce lead times by being near global supply chain components.



## Regulatory/Policy

- Local: Move to areas with favorable government policies or special economic zones.
- International: Relocate to avoid trade restrictions or benefit from business-friendly regulations.



## Talent/Workforce

- Within China: Access skilled workforce and educational institutions.
- Worldwide: Relocate to regions known for specialized, skilled labor in key industries.

# The Number 1 Reason, Though:

**Necessity**

*Rather Than...*

**Opportunity**

No more China **for the World**

But In China **for China**

And **Elsewhere for the World**

(Specifically, Though:  
No more China for the US, as EU did not decouple as much)

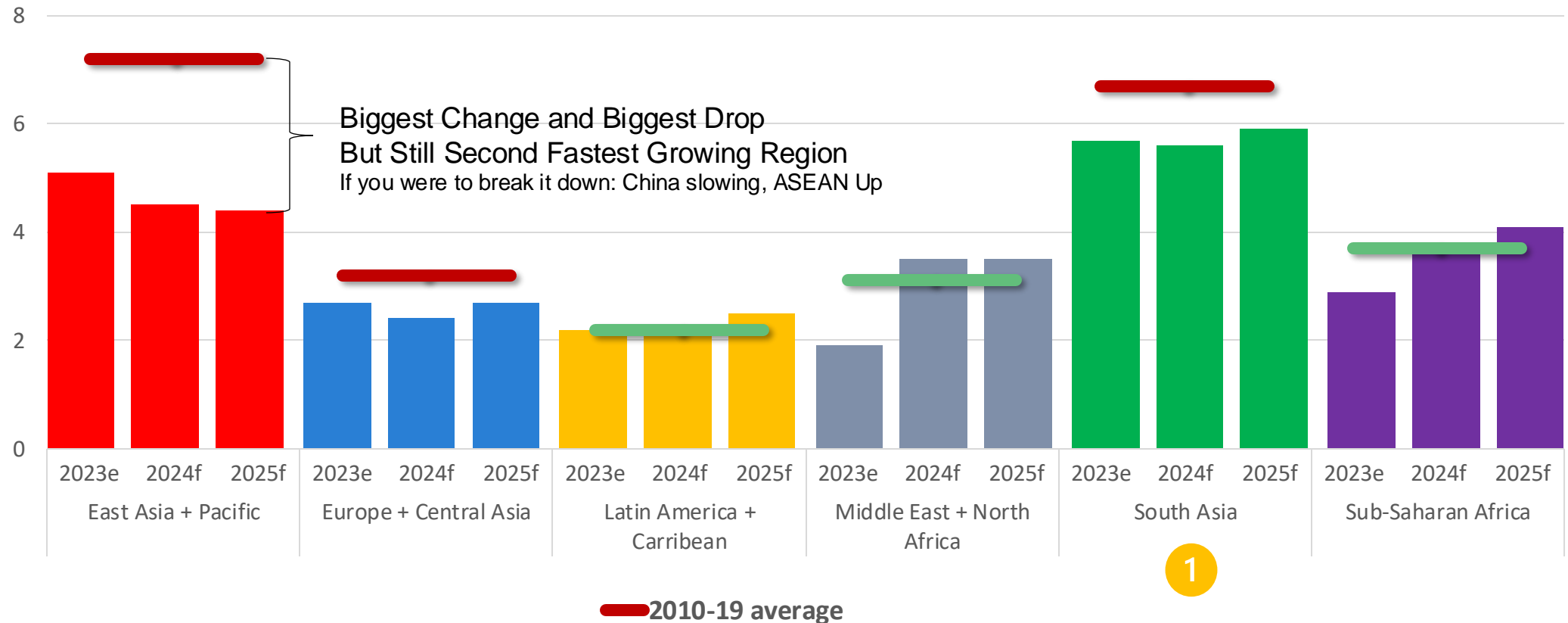
# Dilemma Faced by Tens of Thousands of Manufacturers

Where to go?

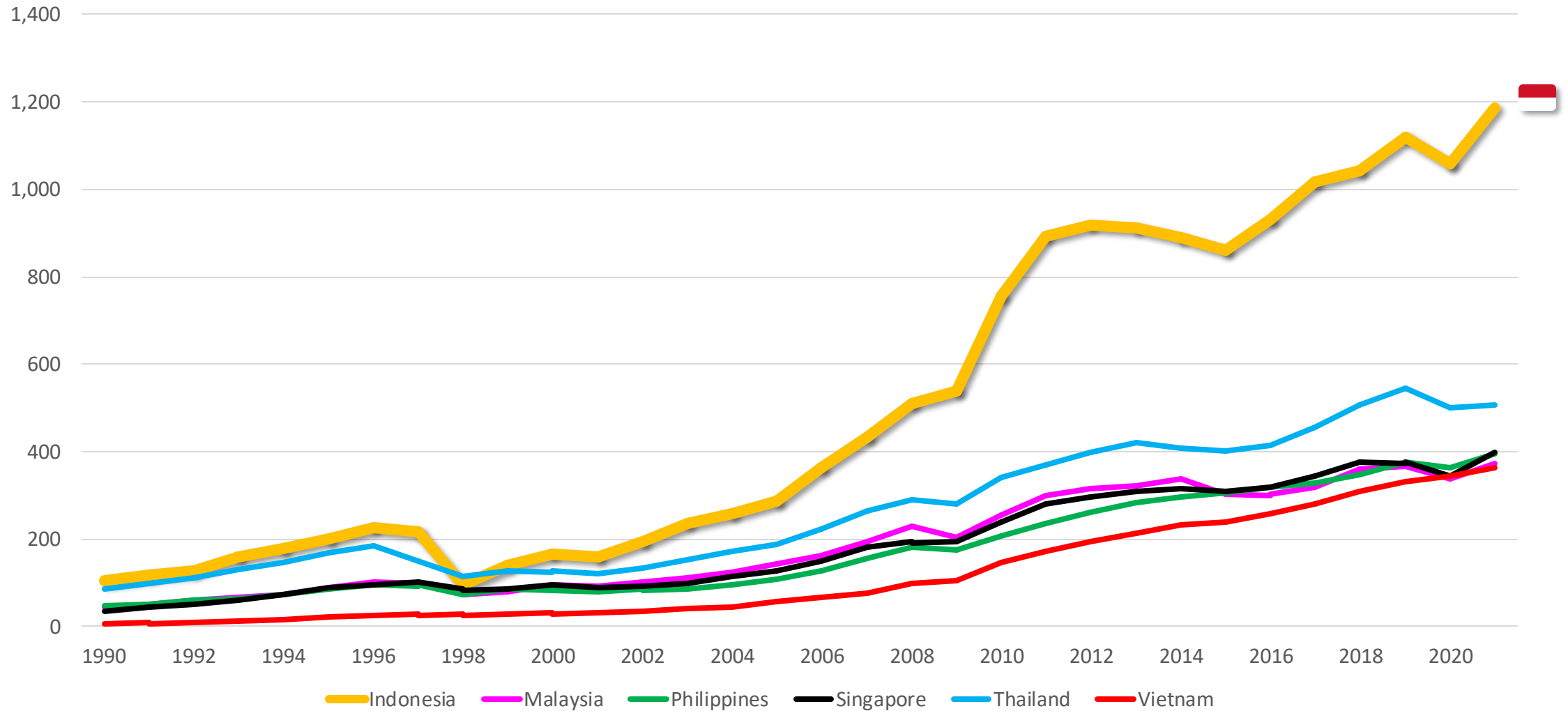
**We have to decipher macro trends first.**

# Macro Outlook: GDP Growth Previous Decade vs Now in %

- Asia Still the Place to Be Despite Decade-on-Decade GDP Growth Decline
- South Asia Boasting Fastest Growth; Global South Picking Up Slowly but Surely

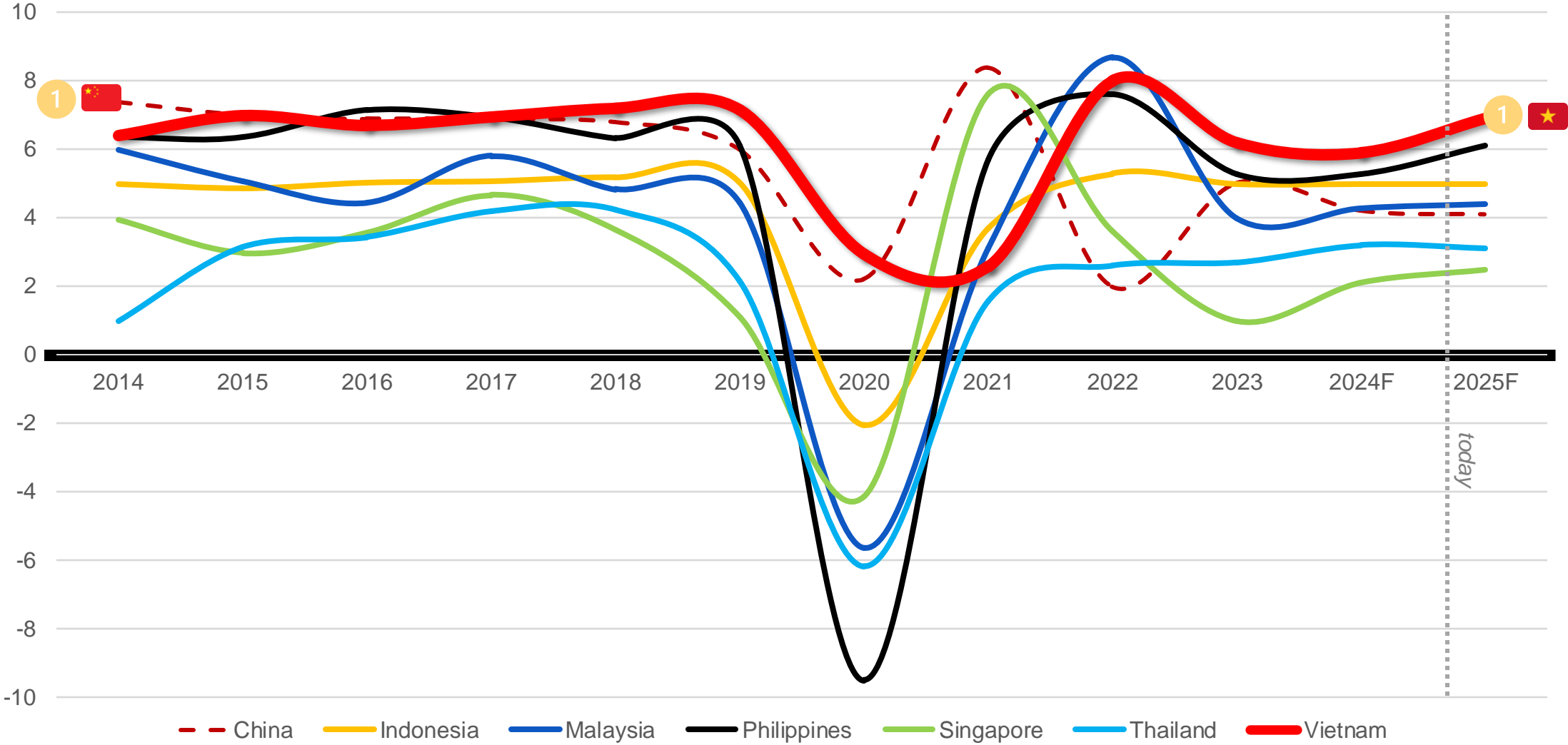


# GDP of ASEAN-6 (Southeast Asia's Largest Economies) in billion USD



# Despite China Slowdown: **Post-Pandemic ASEAN Growing Strong**

**GDP Growth of ASEAN-6 (Southeast Asia's Six Largest Economies) and China in %**





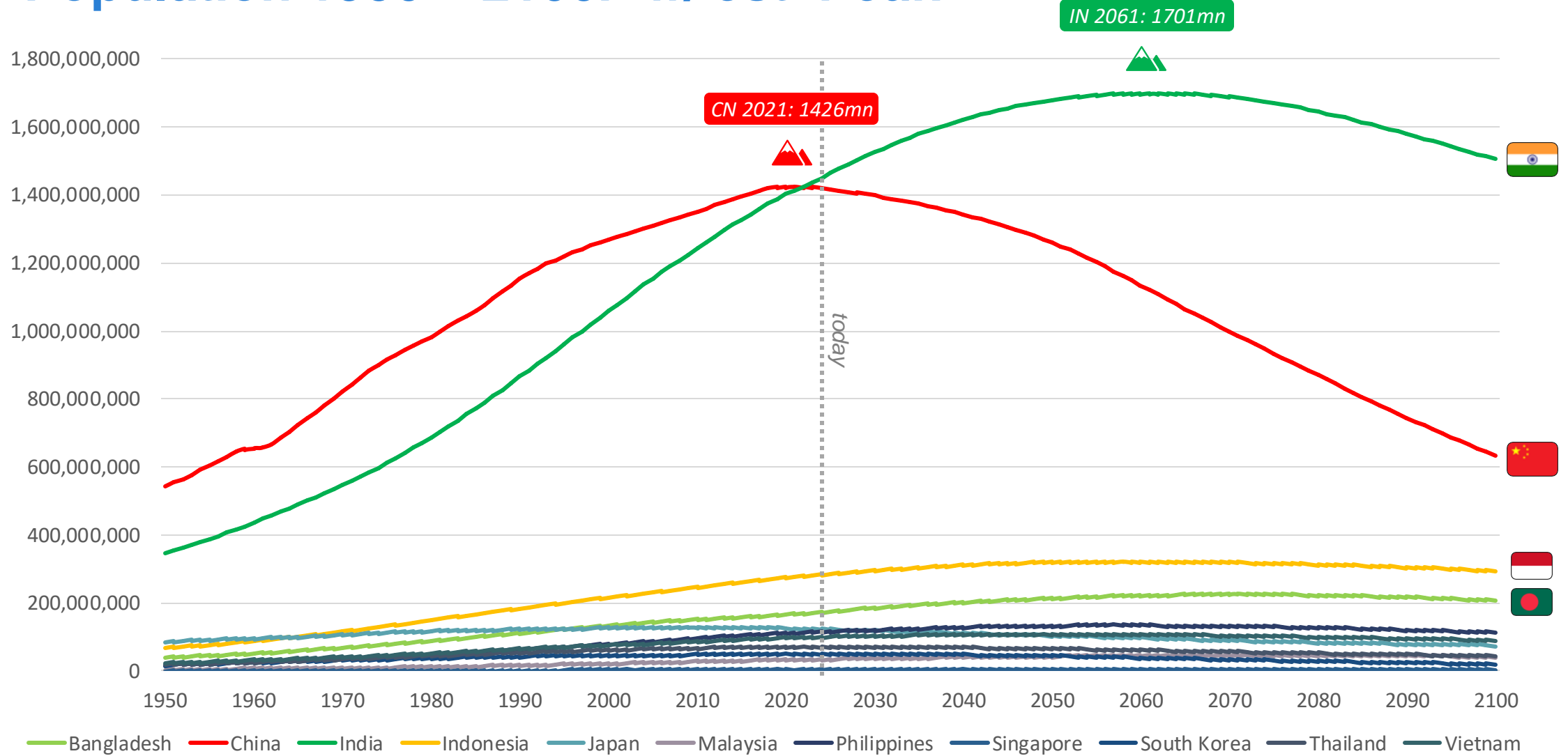
# Slow Automation

→ Labor Demand is Still Very Real

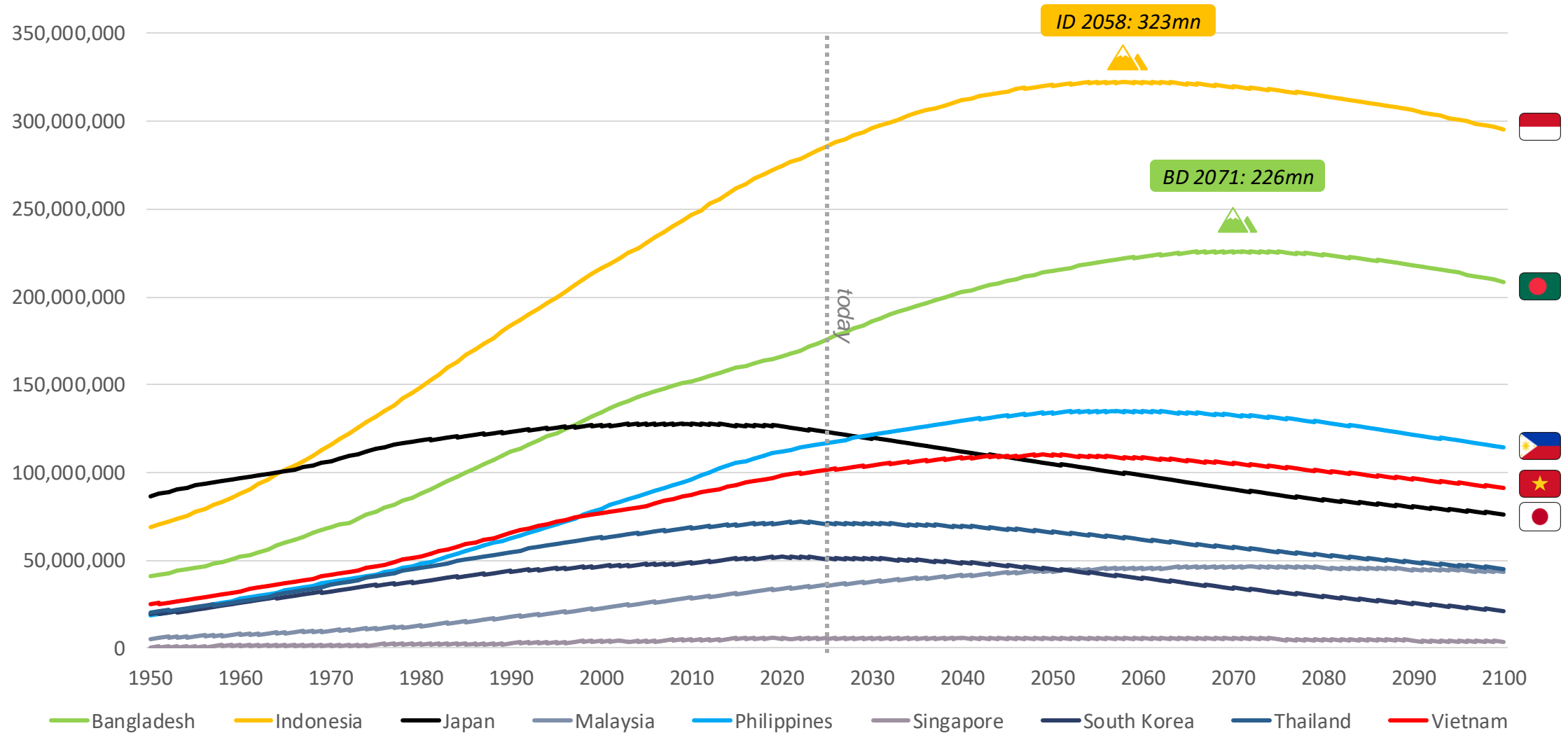
## Demographics Matter and Affect Not Just Manufacturing: (Interdependency and Trickle Effect)

**Consumer Demand:** Age, income, and population growth trends shape demand for goods and services. **Workforce Supply:** Labor market availability and skill sets depend on demographic profiles. **Economic Growth:** Population size and age distribution affect overall productivity and growth potential. **Healthcare and Retirement Needs:** Aging populations increase the demand for healthcare and pension systems. **Urbanization Trends:** Shifts in population density impact infrastructure, housing, and transportation needs. **Innovation and Education:** Younger populations can drive technological advancement and education policies. **Political Stability:** Population pressures, such as youth unemployment, can influence social and political stability. **Investment Strategies:** Demographics help investors target specific markets and forecast long-term returns. **Cultural Trends:** Shifts in demographics influence societal values, lifestyle preferences, and consumption patterns. **Global Trade:** Demographic changes impact trade flows and the demand for imports/exports in different regions.

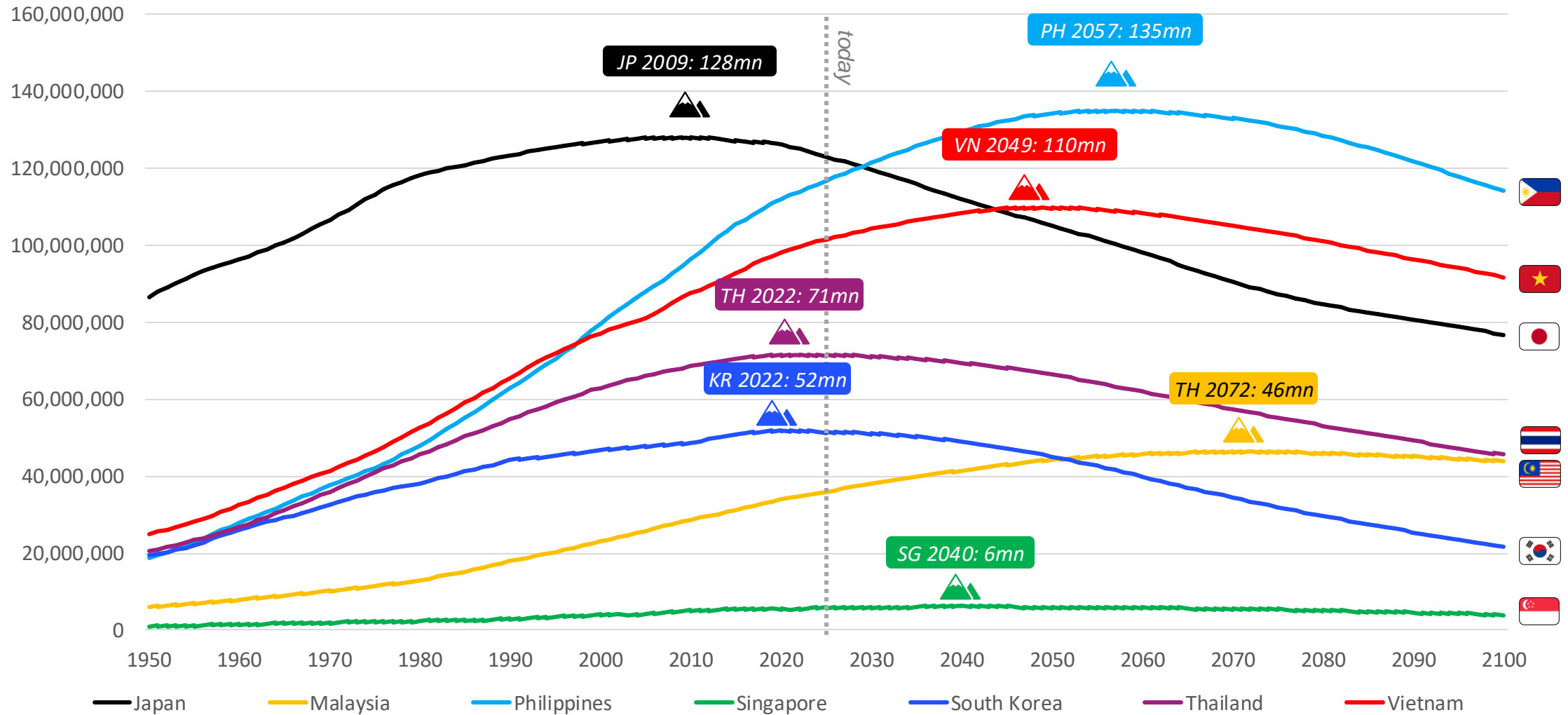
# Population 1950 – 2100F w/ est. Peak



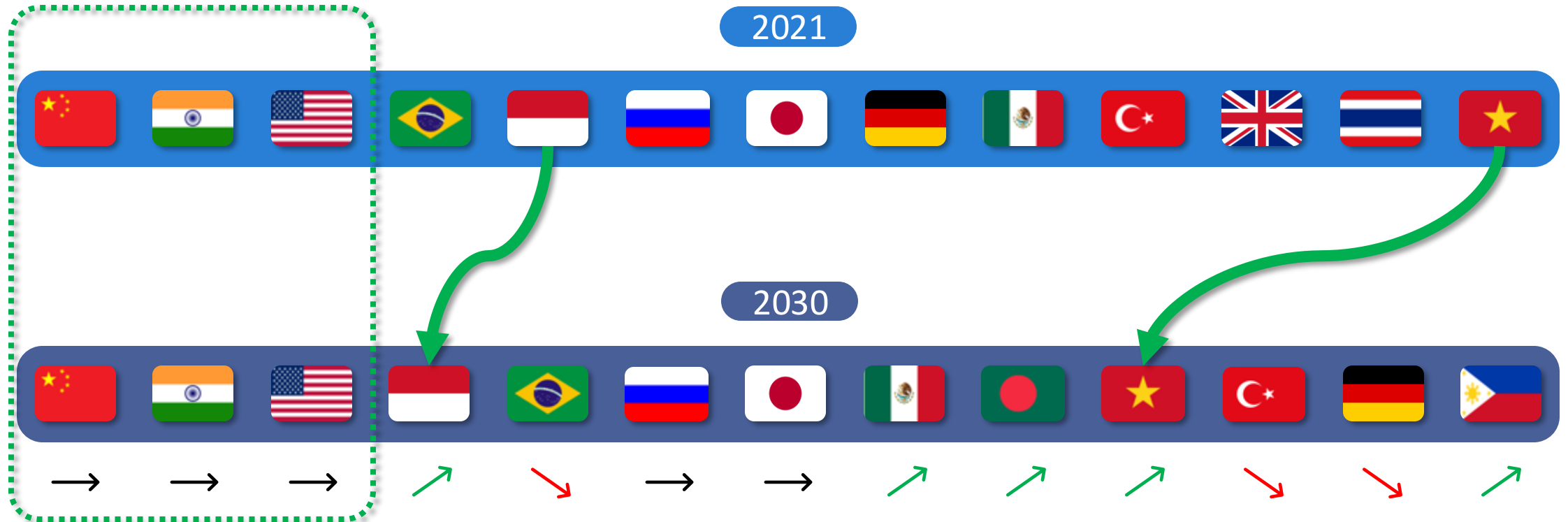
# Population 1950 – 2100F w/ est. Peak, excl. IN+CN



# Population 1950 – 2100F w/ est. Peak, excl. IN+CN+ID+BD



# Indonesia 4th Largest Consumer Market by 2030 Vietnam 10th Largest Consumer Market by 2030



# Who Will Replace China as the Factory of the World? A look at Population Density

**MUMBAI, INDIA**  
28,195 people/km<sup>2</sup>

**JAKARTA, INDONESIA**  
14,464 people/km<sup>2</sup>

The Himalayas are the source of ten major rivers, providing fresh water to **1.3 billion people** residing within its watershed.

**MANILA, PHILIPPINES**  
42,857 people/km<sup>2</sup>

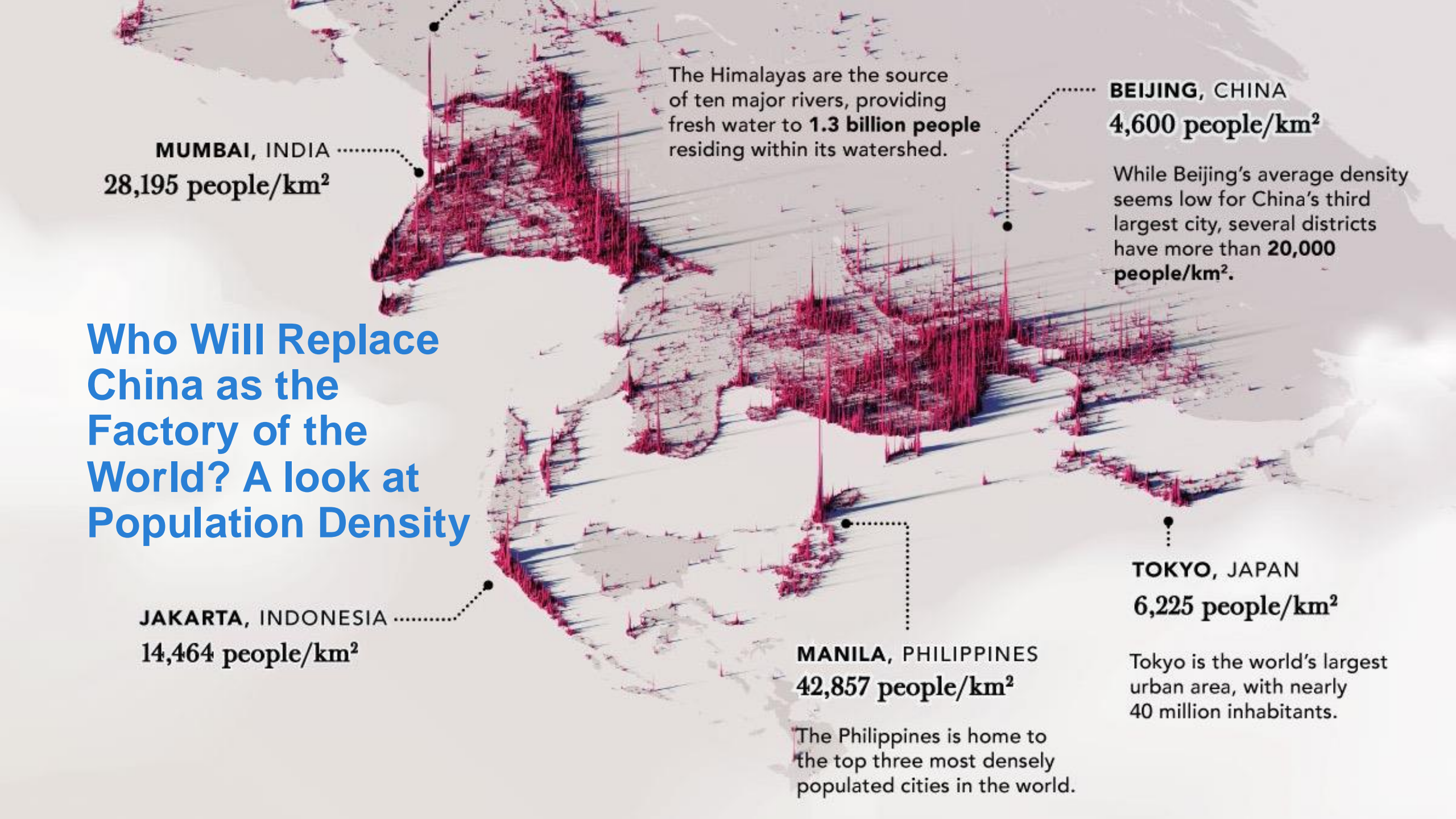
The Philippines is home to the top three most densely populated cities in the world.

**BEIJING, CHINA**  
4,600 people/km<sup>2</sup>

While Beijing's average density seems low for China's third largest city, several districts have more than **20,000 people/km<sup>2</sup>**.

**TOKYO, JAPAN**  
6,225 people/km<sup>2</sup>

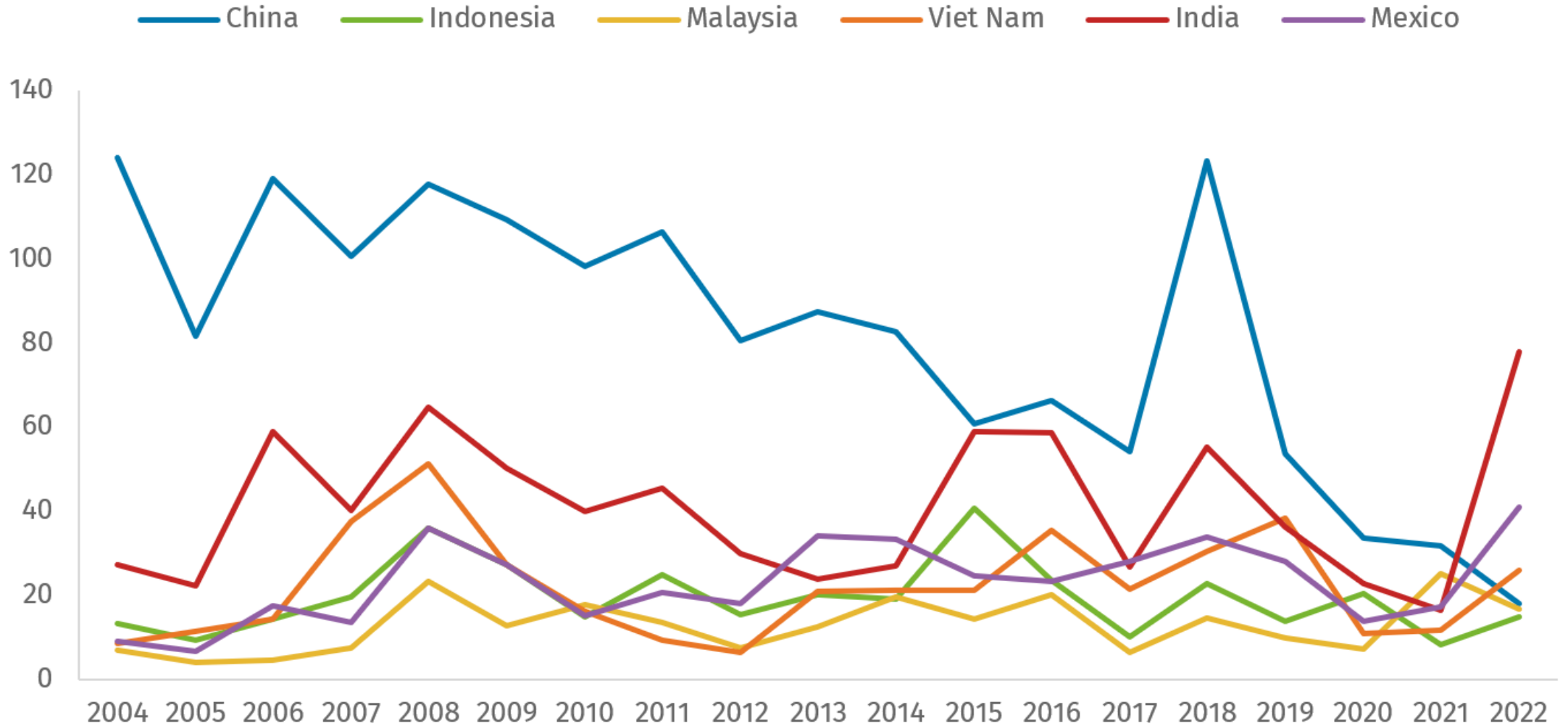
Tokyo is the world's largest urban area, with nearly 40 million inhabitants.



# Research Findings on DSA Manufacturing Clients in Guangdong: Top 5 Factors Triggering Potential Expansion Outside of China 2018 vs 2024\*

2018		2024		
1	Labor cost increase and availability	1	Geopolitical factors, de-risk	New
2	Own clients expanding operations and sourcing needs beyond China	2	Overseas clients' POs shifting away from China	Augmented
3	Environmental concerns and urbanization	3	Labor availability and attitude	Augmented
4	Regulatory concerns	4	Local competition intensifying, lower margins in a weaker economy	New
5	Reduction of tax incentives and VAT refund	5	Regulatory concerns	

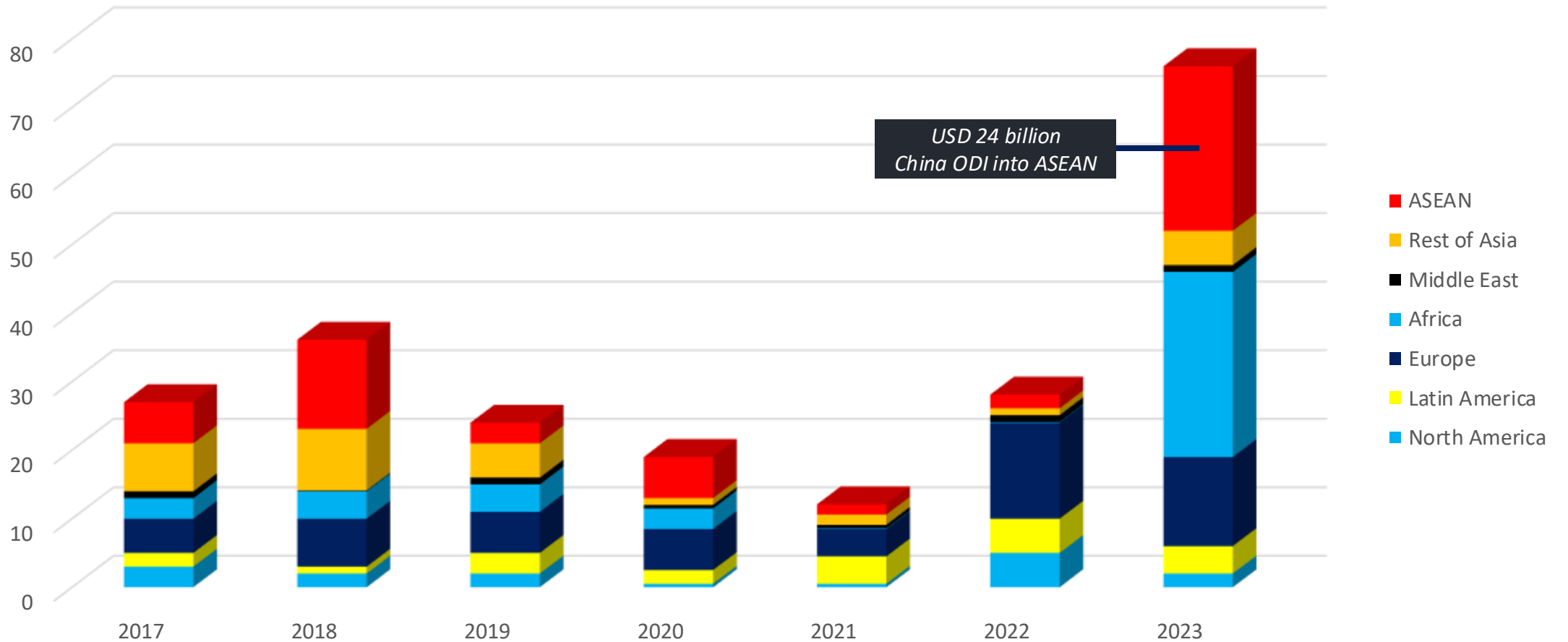
# Greenfield FDI Projects by Destination (in USD billion)





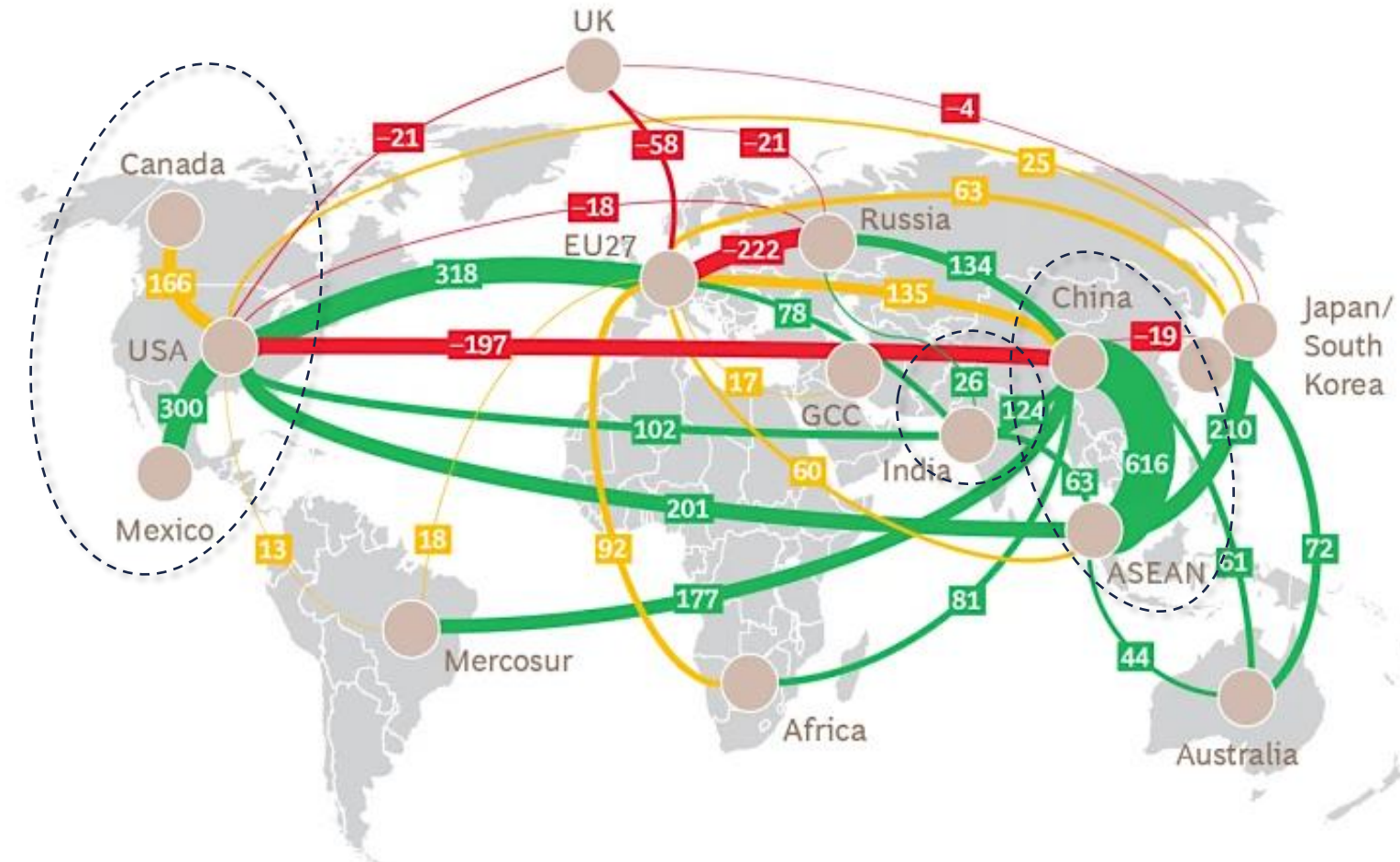
# China's Manufacturing Outbound Direct Investment (ODI) Destinations

China ODI in Manufacturing by Region in bn USD

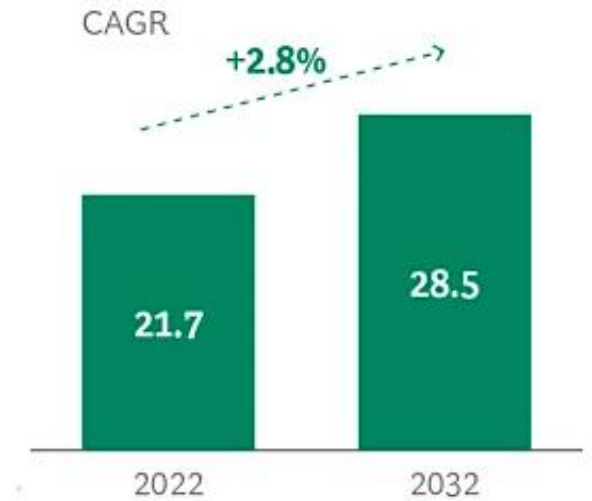


# Looking Ahead: Trade Flows by 2032

Change in Trade of Goods, Major Trading Corridors (2032 vs 2022, Real 2010 \$B)



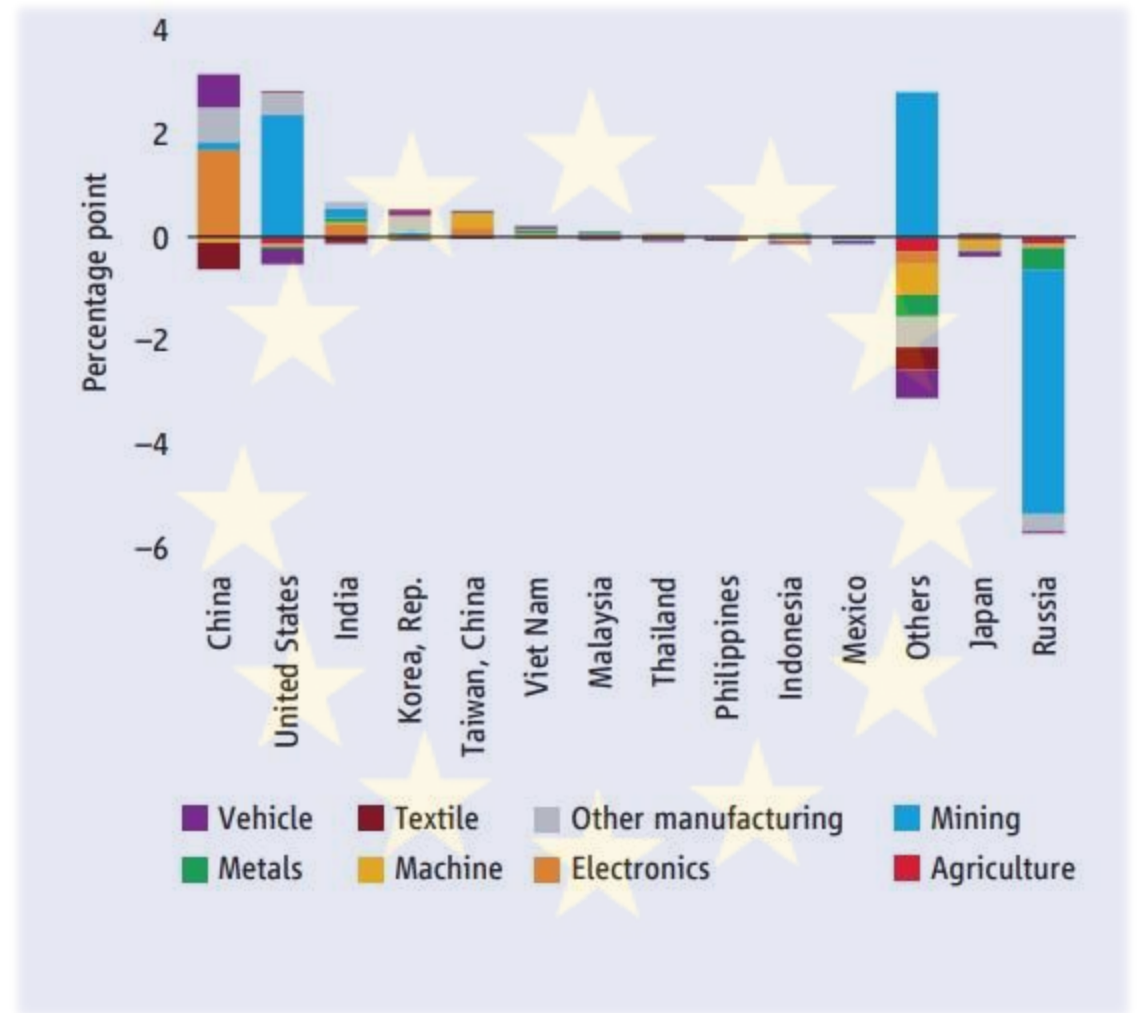
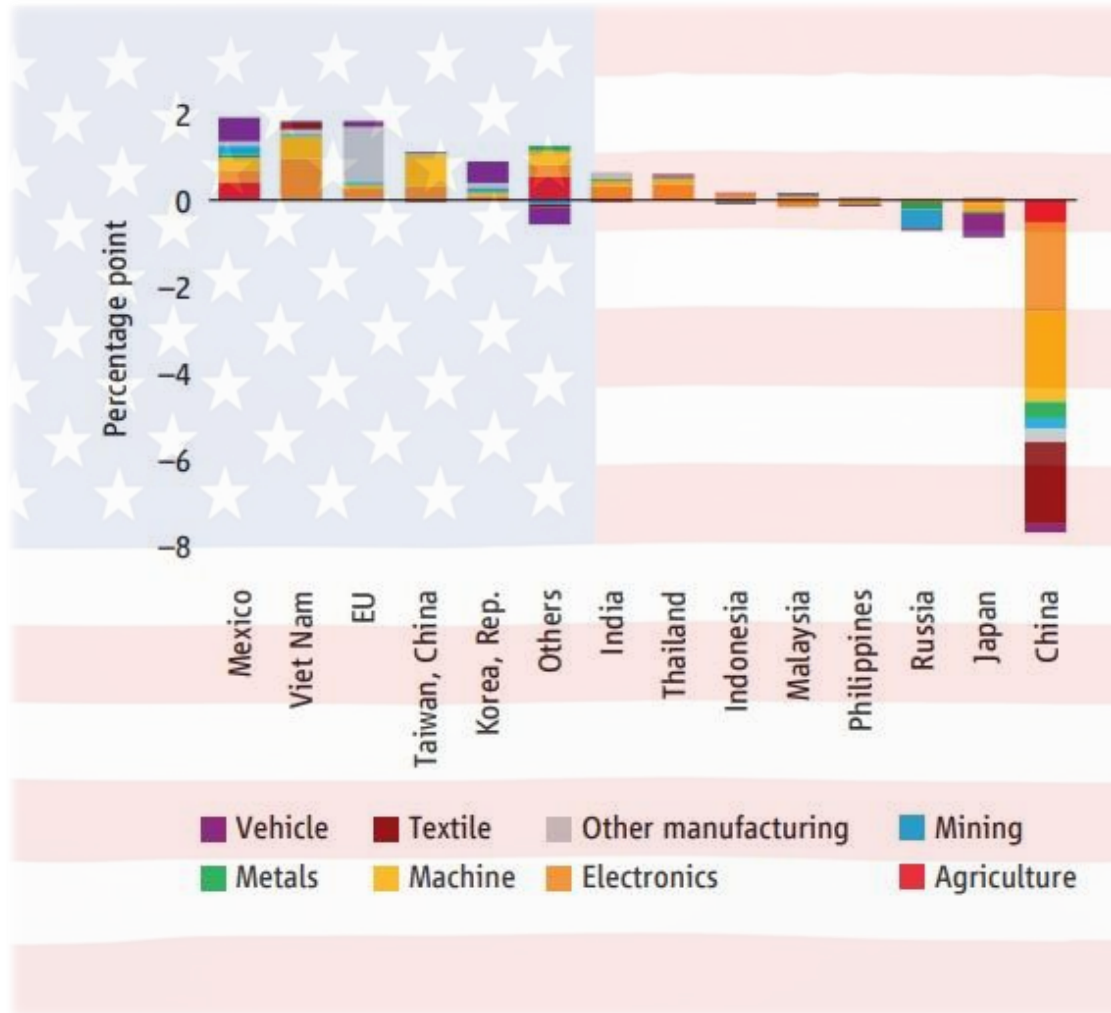
Exports of goods, global (real 2010 \$T)



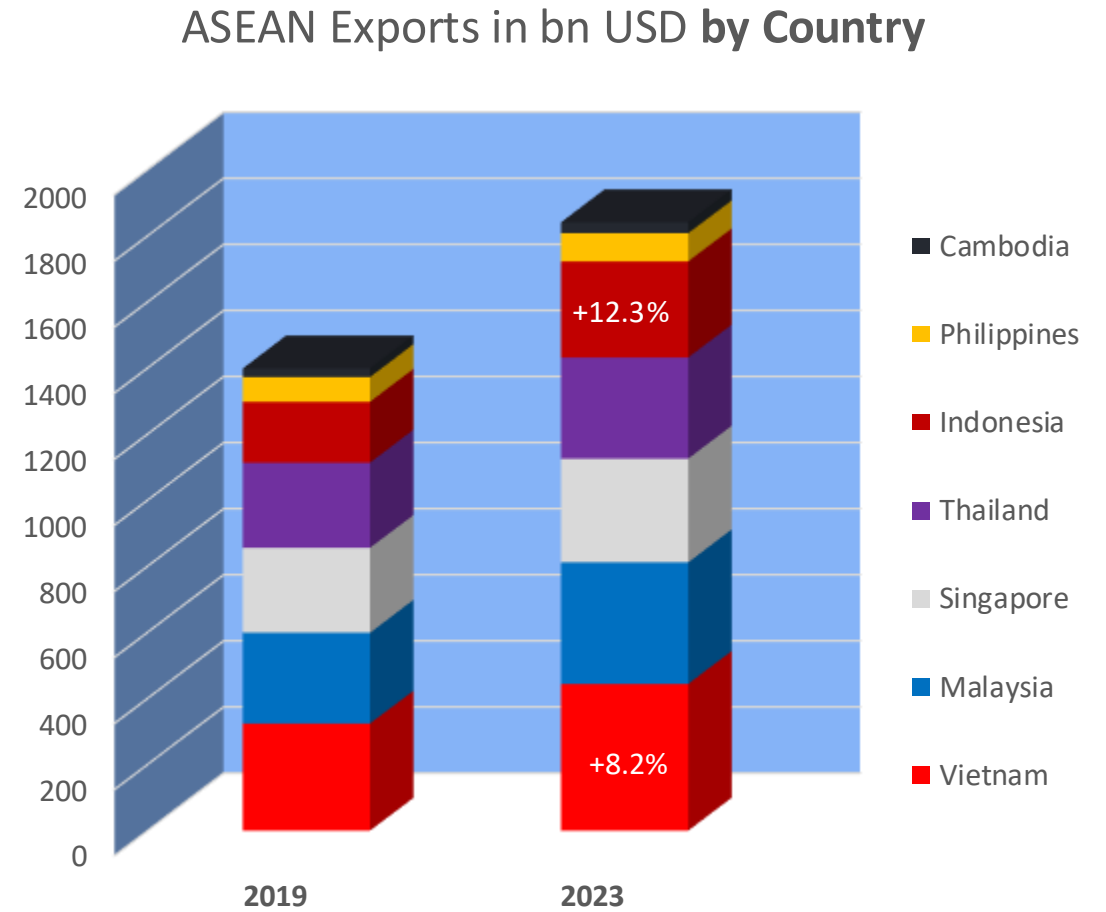
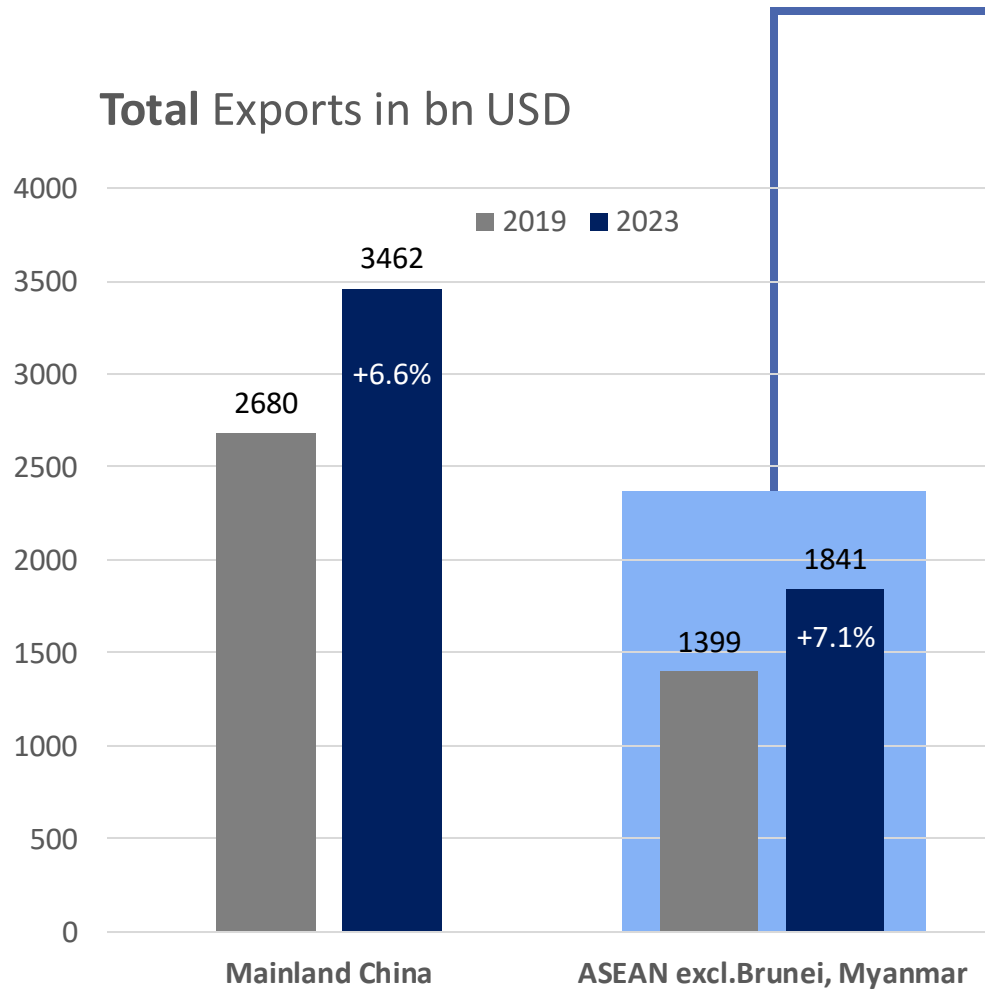
<0% 0-2.8% >2.8% Line colors represent 2022-2032 CAGR (%)

Line width represents total change in trade flows 2032 vs. 2022

# Changing Patterns (Shares) of US vs. EU Imports 2018 - 2023

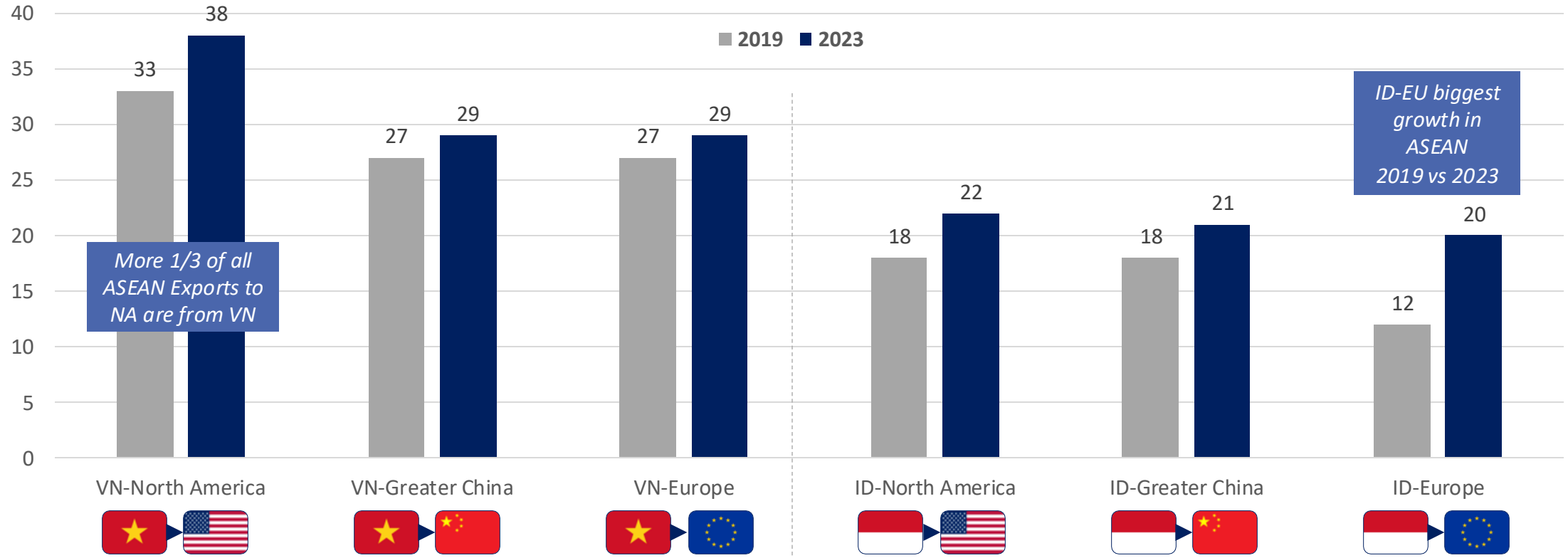


# Mainland China Export Almost Double ASEAN Exports but Gap Closing



# VN+ID's Growing Share of Exports to Key Markets vs. Rest of ASEAN

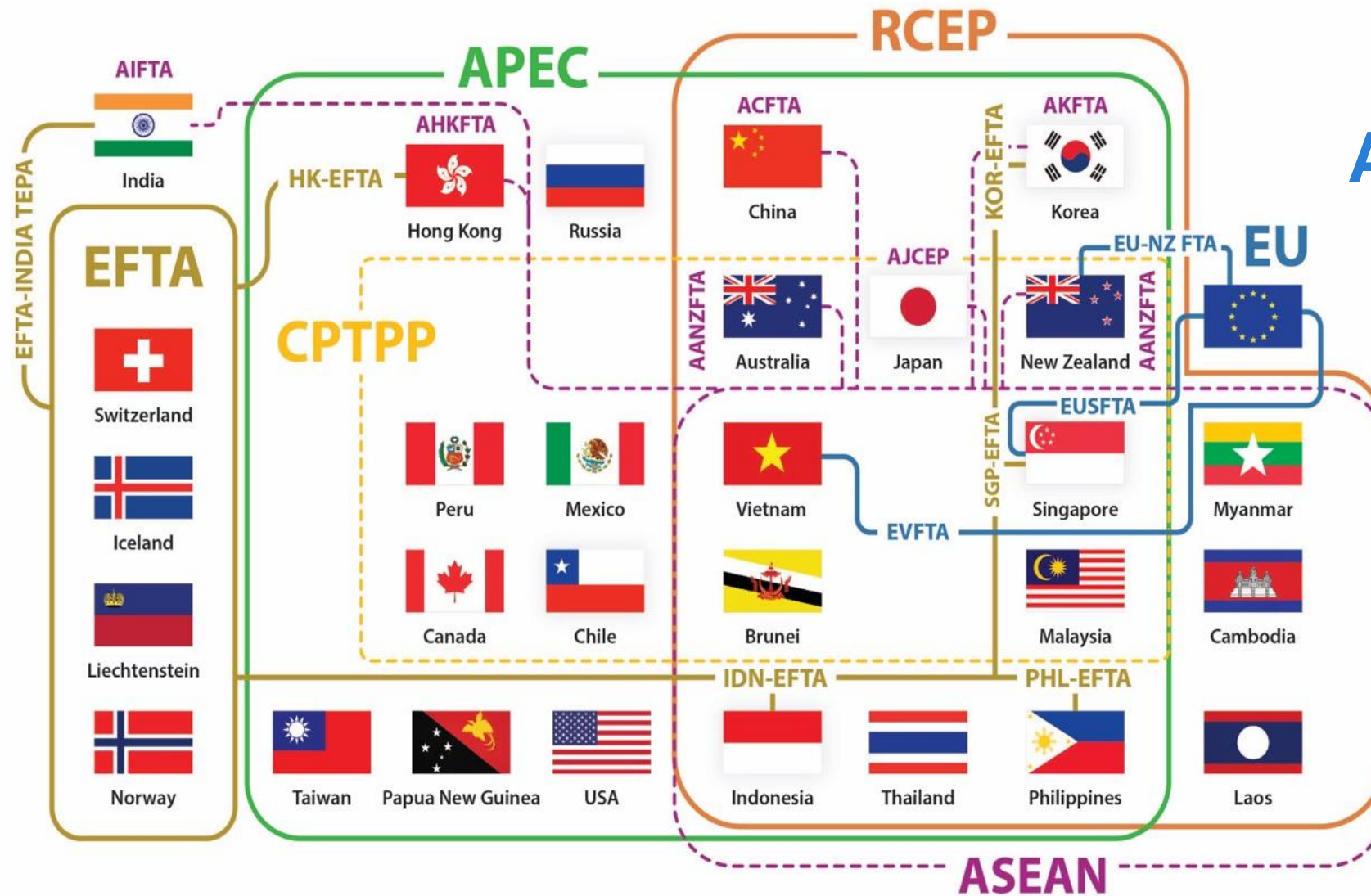
Vietnam and Indonesia Change of Share in ASEAN Exports in %, 2019 vs 2023



60% of ASEAN Exports to North America come from Indonesia and Vietnam

Regionality Trend: In 2023, 89% of all ASEAN Exports Remained within APAC

# Major Free Trade Agreements



# How Many Sourcing/Manufacturing Hubs Do You Need to Tap into a Globalized, Disrupted, and More Challenging Marketplace?

## China

R&D, Local, and “Non-Sensitive” Markets  
Automated and Integrated Supply Chain

## ASEAN

ABC, “Sensitive”, and Growing Markets  
Risk-Edging, Lower Production Costs  
Larger FTA Network

## India

Most attractive labor force in the region,  
protectionist,  
How Strategic is the Market?  
Slow on FTAs





# Following the Giants

Apple a Good Indicator of Where Things are Going

Number of suppliers  
by location  
◆ 2012 ◇ 2022



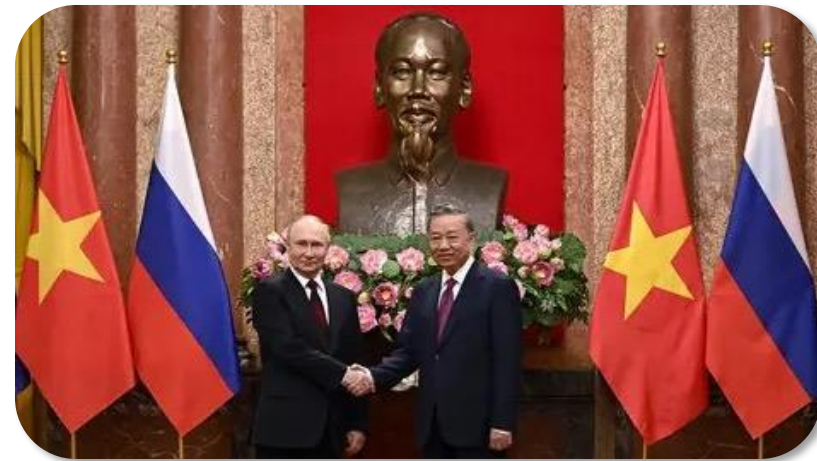
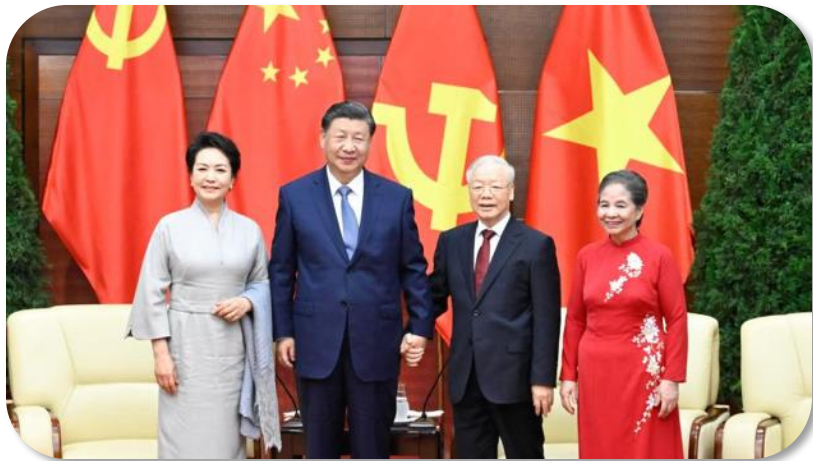
India and Vietnam have emerged as the most popular new hubs in the decade since Apple started publishing its supplier list. Each has strengthening ties with the US and an inexpensive workforce.

Note: Locations that have fewer than two suppliers in 2012 are not shown.



# Vietnam's Recent Success? A Tough Balancing Act.

Vietnam is the only country in the world that world leaders Xi, Biden, and Putin visited within a year.



# China's 14 Borders, And Its Most Important One



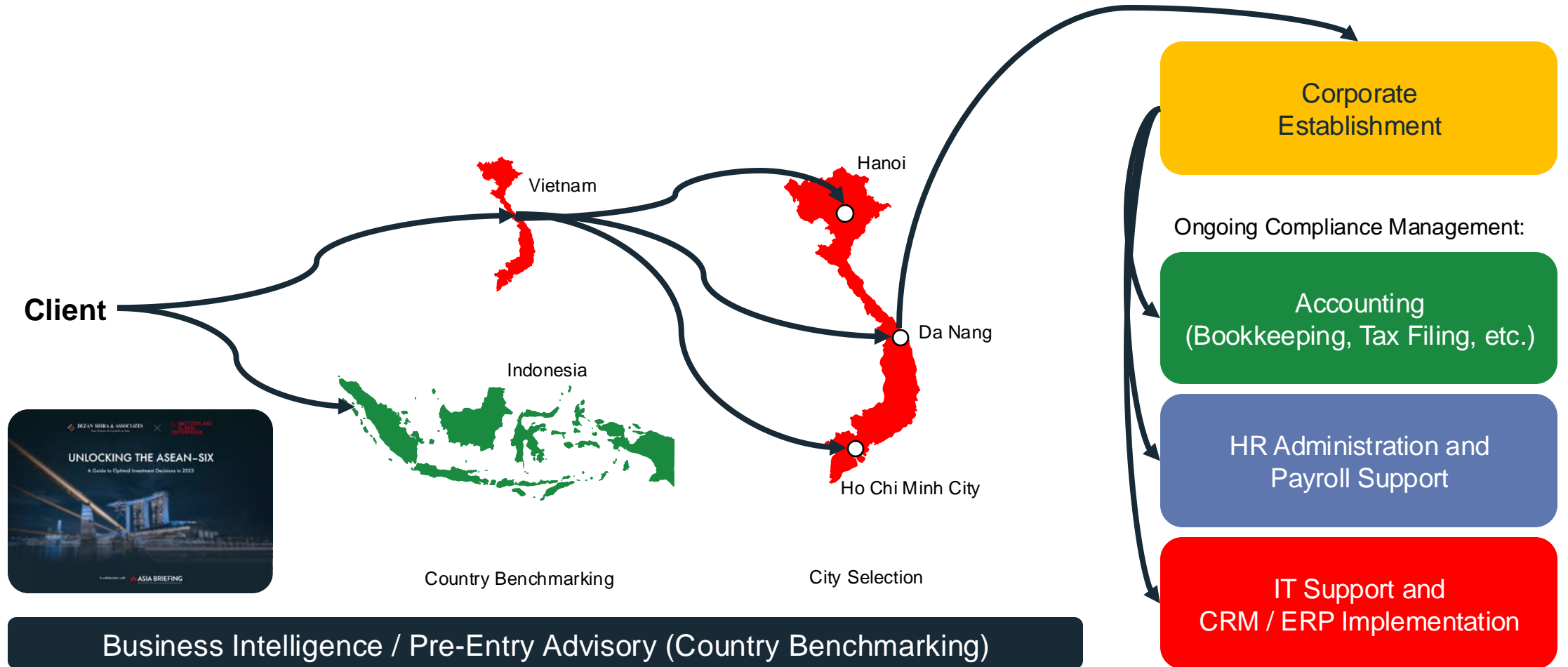
So...

# How to Select the Right Market?

# Our UNLOCKING THE ASEAN-SIX Guide 2023



# What's After That?



But...  
**There's More**



# ASIA MANUFACTURING INDEX *by Dezan Shira & Associates*



*Measuring Asia's **Eleven** Most Dynamic Economies*



Bangladesh



China



India



Indonesia



Japan



Malaysia



Philippines



Singapore



South Korea



Thailand



Vietnam

*Across **Eight** Key Tiers to Help You Make Informed Business Decisions*



Economy



Political Risk



Business Environment



International Trade



Tax Policy



Infrastructure











Workforce



Innovation



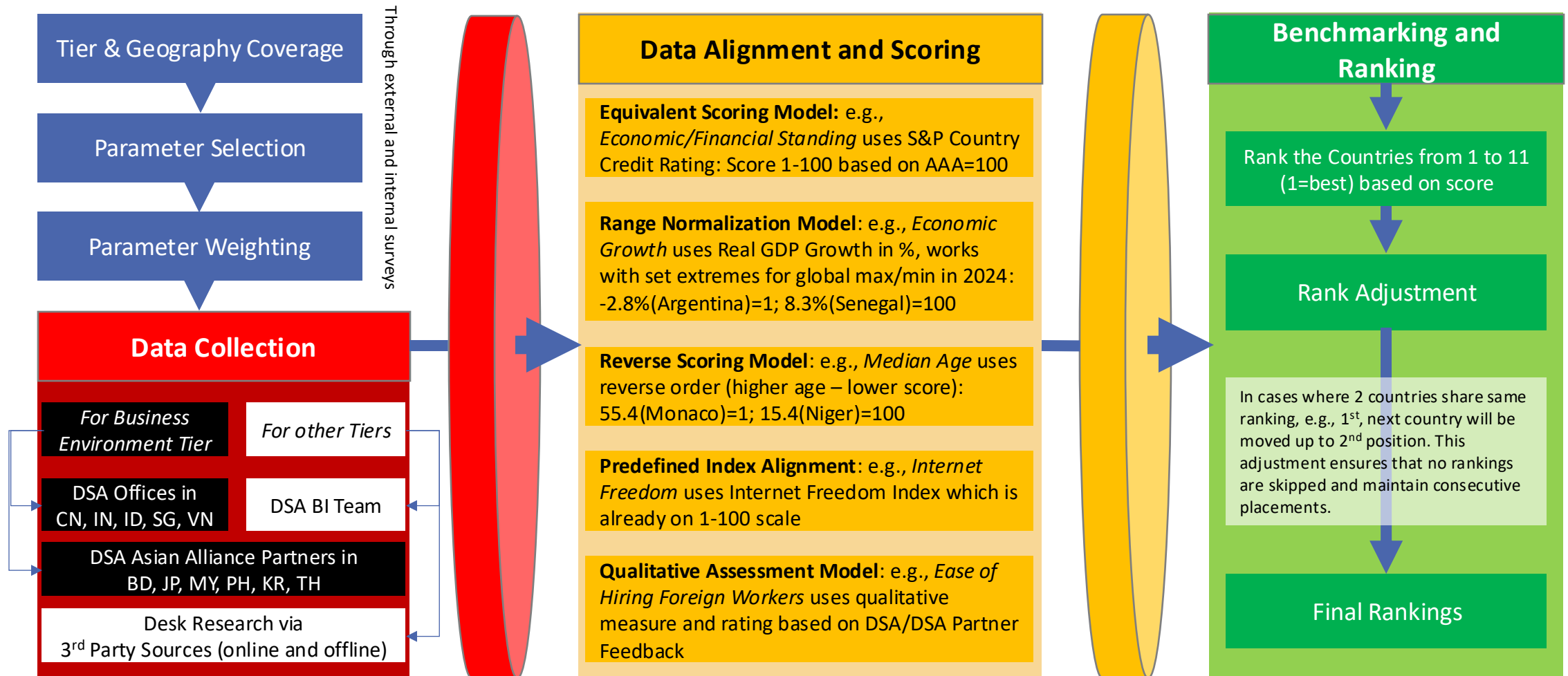
# Measuring Eight Countries Across Eight Key Tiers

	Tier	Function
	Economy	Measures the country's economic prospects in terms of its stability, finance, and growth potential.
	Political Risk	Measures the political risks and transparency to ensure a safe environment for investors.
	Business Environment	Provides an in-depth view of the restrictions and regulatory and operational conditions for Manufacturing FDI.
	International Trade	Measures the degree of openness for international trade in each economy.
	Tax Policy	Measures the tax environment as well as incentives for manufacturers.
	Infrastructure	Comprehensively measures the overall quality of infrastructure and its cost.
	Workforce	Assesses the existing condition of the labor force, aiming to gauge the robustness and cost of the workforce structure.
	Innovation	Measures the performance in innovation and assesses the availability and accessibility to the R&D environment.

# AMI 2025 Parameter List

 Economy	 Political Risk	 Business Environment	 International Trade	 Tax Policy	 Infrastructure	 Workforce	 Innovation
<ul style="list-style-type: none"> <li>Economic and Financial Standing</li> </ul>	<ul style="list-style-type: none"> <li>Political Stability</li> </ul>	<ul style="list-style-type: none"> <li>Foreign Investment Climate</li> </ul>	<ul style="list-style-type: none"> <li>FTA Integration</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Tax Rates</li> </ul>	<ul style="list-style-type: none"> <li>Energy Cost</li> </ul>	<ul style="list-style-type: none"> <li>Population Size</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D Expenditure</li> </ul>
<ul style="list-style-type: none"> <li>Economic Size</li> </ul>	<ul style="list-style-type: none"> <li>Corruption Perception</li> </ul>	<ul style="list-style-type: none"> <li>Manufacturing Reg Capital Min Avg</li> </ul>	<ul style="list-style-type: none"> <li>Trade and Customs Facilities</li> </ul>	<ul style="list-style-type: none"> <li>Tax Incentives for Manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Energy Stability</li> </ul>	<ul style="list-style-type: none"> <li>Population Growth</li> </ul>	<ul style="list-style-type: none"> <li>Innovation Rating</li> </ul>
<ul style="list-style-type: none"> <li>Economic Growth</li> </ul>	<ul style="list-style-type: none"> <li>Public Safety</li> </ul>	<ul style="list-style-type: none"> <li>Average Company Setup Time</li> </ul>	<ul style="list-style-type: none"> <li>Trade Balance</li> </ul>	<ul style="list-style-type: none"> <li>Tax Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Water Cost</li> </ul>	<ul style="list-style-type: none"> <li>Median Age</li> </ul>	<ul style="list-style-type: none"> <li>Higher Education Global Standing</li> </ul>
<ul style="list-style-type: none"> <li>Economic Resilience</li> </ul>		<ul style="list-style-type: none"> <li>Intellectual Property Protection</li> </ul>	<ul style="list-style-type: none"> <li>Trade Openness</li> </ul>		<ul style="list-style-type: none"> <li>Water Availability</li> </ul>	<ul style="list-style-type: none"> <li>Education</li> </ul>	
<ul style="list-style-type: none"> <li>Currency Volatility</li> </ul>		<ul style="list-style-type: none"> <li>FDI Industry Restrictions</li> </ul>	<ul style="list-style-type: none"> <li>Tariff Barriers</li> </ul>		<ul style="list-style-type: none"> <li>Gasoline Cost</li> </ul>	<ul style="list-style-type: none"> <li>Labor Market Mobility</li> </ul>	
<ul style="list-style-type: none"> <li>Manufacturing Growth</li> </ul>		<ul style="list-style-type: none"> <li>Ease of Hiring Foreign Workers</li> </ul>	<ul style="list-style-type: none"> <li>Domestic Suppliers</li> </ul>		<ul style="list-style-type: none"> <li>Port Performance</li> </ul>	<ul style="list-style-type: none"> <li>Labor Productivity</li> </ul>	
<ul style="list-style-type: none"> <li>Inflation</li> </ul>					<ul style="list-style-type: none"> <li>Infrastructure Investment</li> </ul>	<ul style="list-style-type: none"> <li>Minimum Wage</li> </ul>	
					<ul style="list-style-type: none"> <li>Infrastructure Quality</li> </ul>	<ul style="list-style-type: none"> <li>Avg Manufacturing Wage</li> </ul>	
					<ul style="list-style-type: none"> <li>Environmental Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Worker Protection Laws</li> </ul>	
					<ul style="list-style-type: none"> <li>Internet Speed</li> </ul>	<ul style="list-style-type: none"> <li>English Language Proficiency</li> </ul>	
					<ul style="list-style-type: none"> <li>Internet Freedom</li> </ul>		

# AMI Methodology (Simplified)



# Important: The Foreign Perspective

We ranked countries based exclusively on their manufacturing attractiveness from the **perspective of overseas investors seeking to establish a wholly foreign-owned manufacturing entity.**

In some countries, like China, India, Indonesia, and Thailand, the treatment of foreign investors differs significantly from that of local businesses. Here are a few examples:

## Corporate Income Tax (CIT) Rates in India



Domestic companies:

- 25% or 30% depending on turnover.
- 15% or 22% subject to certain conditions.

Foreign companies (having PE in India):

- 40%

All above rates exclude applicable surcharge and cess.

Expensive Operations

## Minimum Registered Capital in Indonesia



Domestic companies:

- IDR 50,000,000 (~USD 3,200)

Foreign companies:

- IDR 10,000,000,000 (~USD 640,000)

Expensive Entry

## BOI Approval in Thailand














First, investors must study the list of prohibited activities in the Foreign Business Act to see if their sector is open to foreign investment.

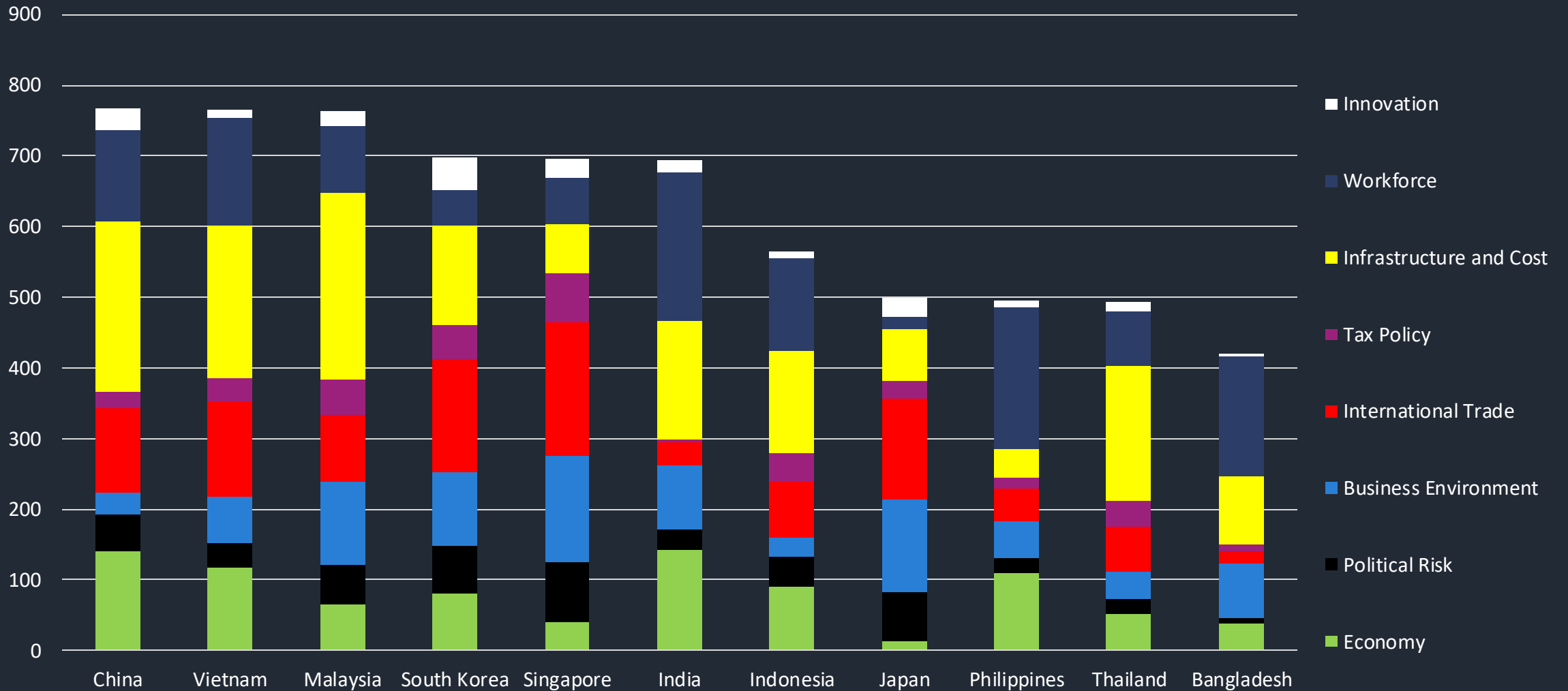
Overseas corporates must then seek foreign investment approval from the Thailand Board of Investment if they wish for 100% foreign ownership. This can be a long process.

Difficult Entry

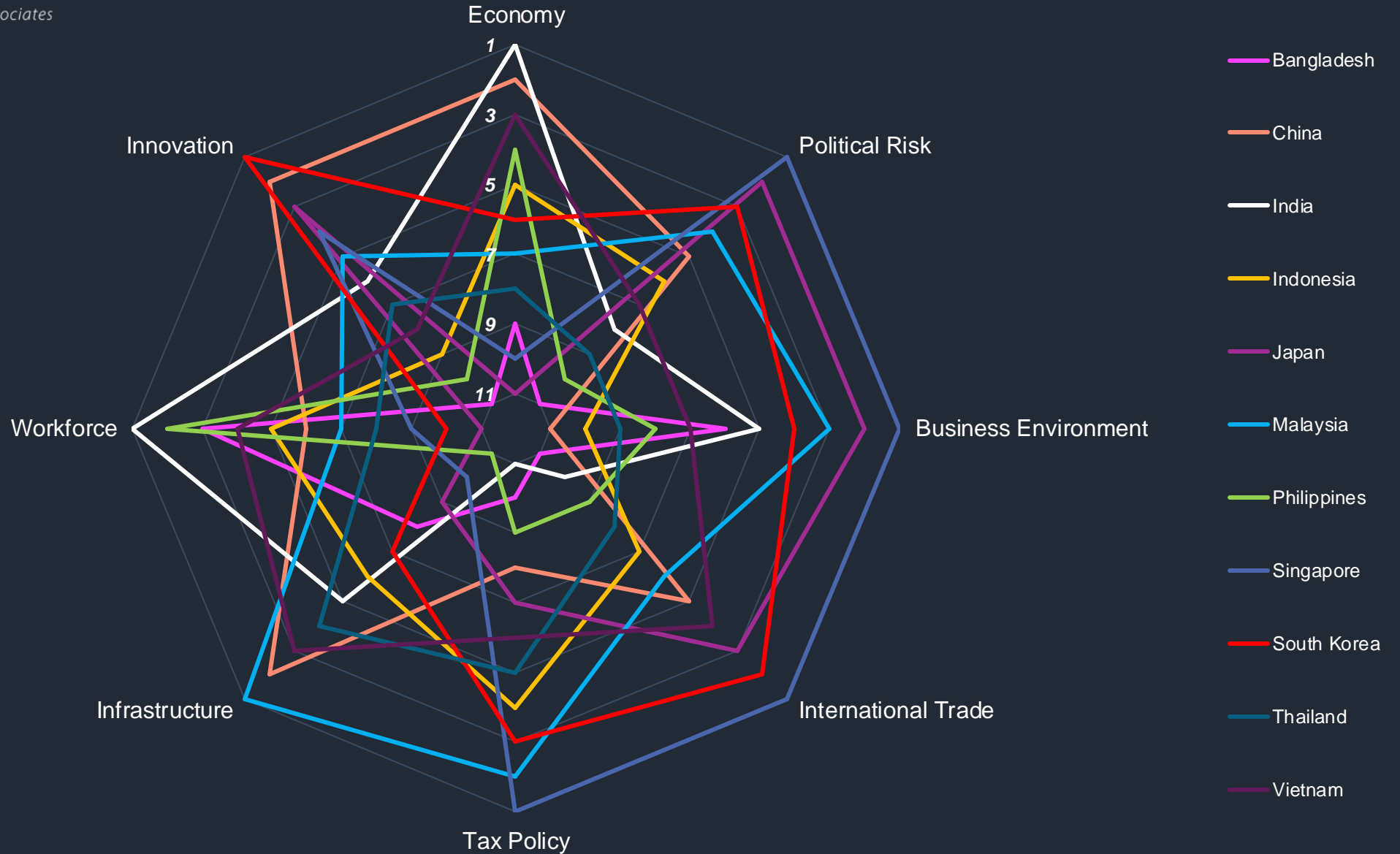
# AMI 2025: Rankings by Tiers

Parameter	Bangladesh 	China 	India 	Indonesia 	Japan 	Malaysia 	Philippines 	Singapore 	S. Korea 	Thailand 	Vietnam 
Economy	9	2	1	5	11	7	4	10	6	8	3
Political Risk	11	5	8	6	2	4	10	1	3	9	7
Business Environment	6	11	5	10	2	3	8	1	4	9	7
International Trade	11	5	10	7	3	6	9	1	2	8	4
Tax Policy	10	8	11	4	7	2	9	1	3	5	6
Infrastructure and Cost	8	2	5	6	9	1	11	10	7	4	3
Workforce	3	6	1	5	11	7	2	9	10	8	4
Innovation	11	2	6	9	3	5	10	4	1	7	8
<b>FINAL RANK</b>	<b>11</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>10</b>	<b>2</b>

# AMI 2025: Scores Stacked Up



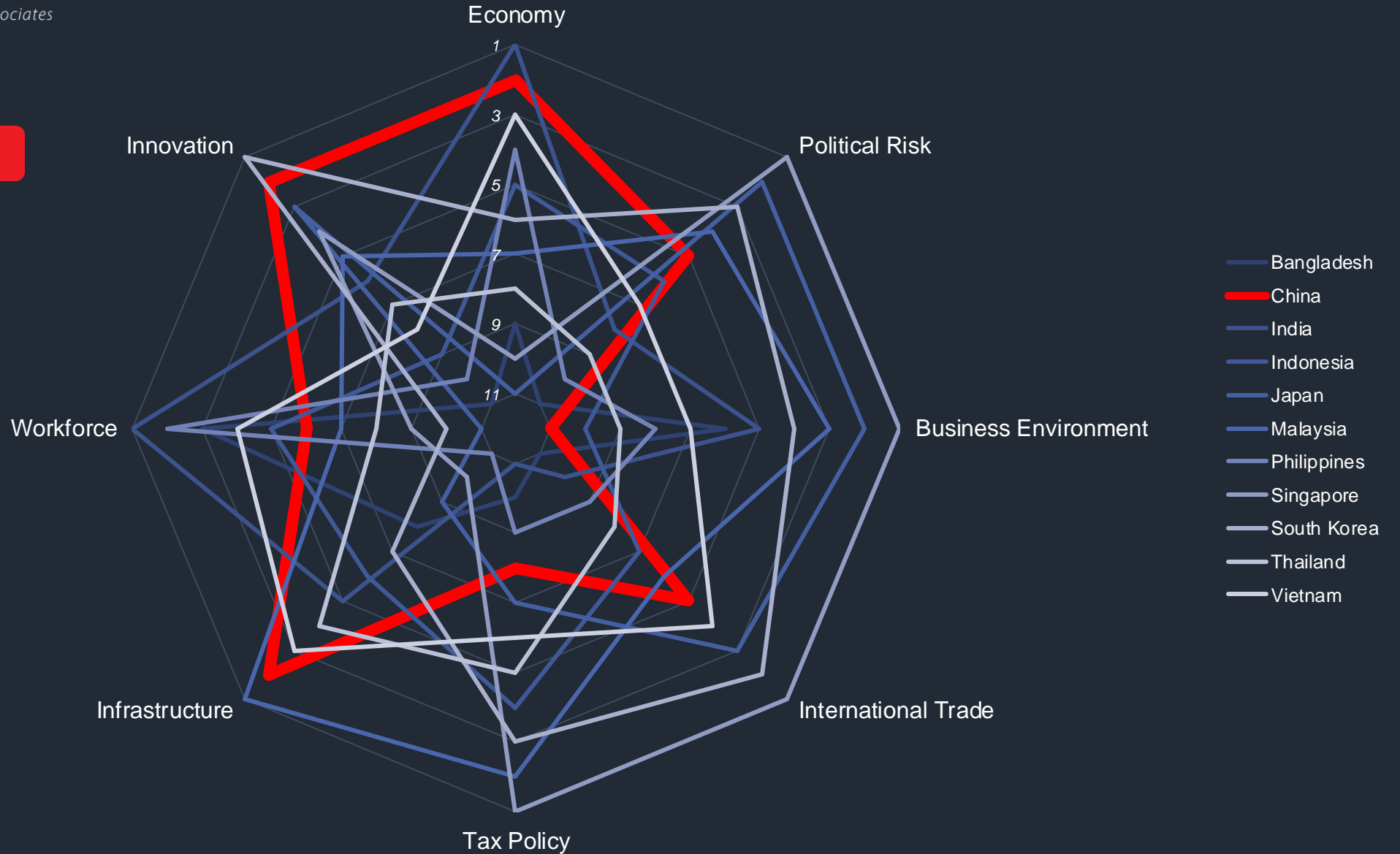
# OVERALL RANKING RADAR CHART



**COUNTRY PROFILE**  
**CHINA**



**FINAL RANK**  
**1**

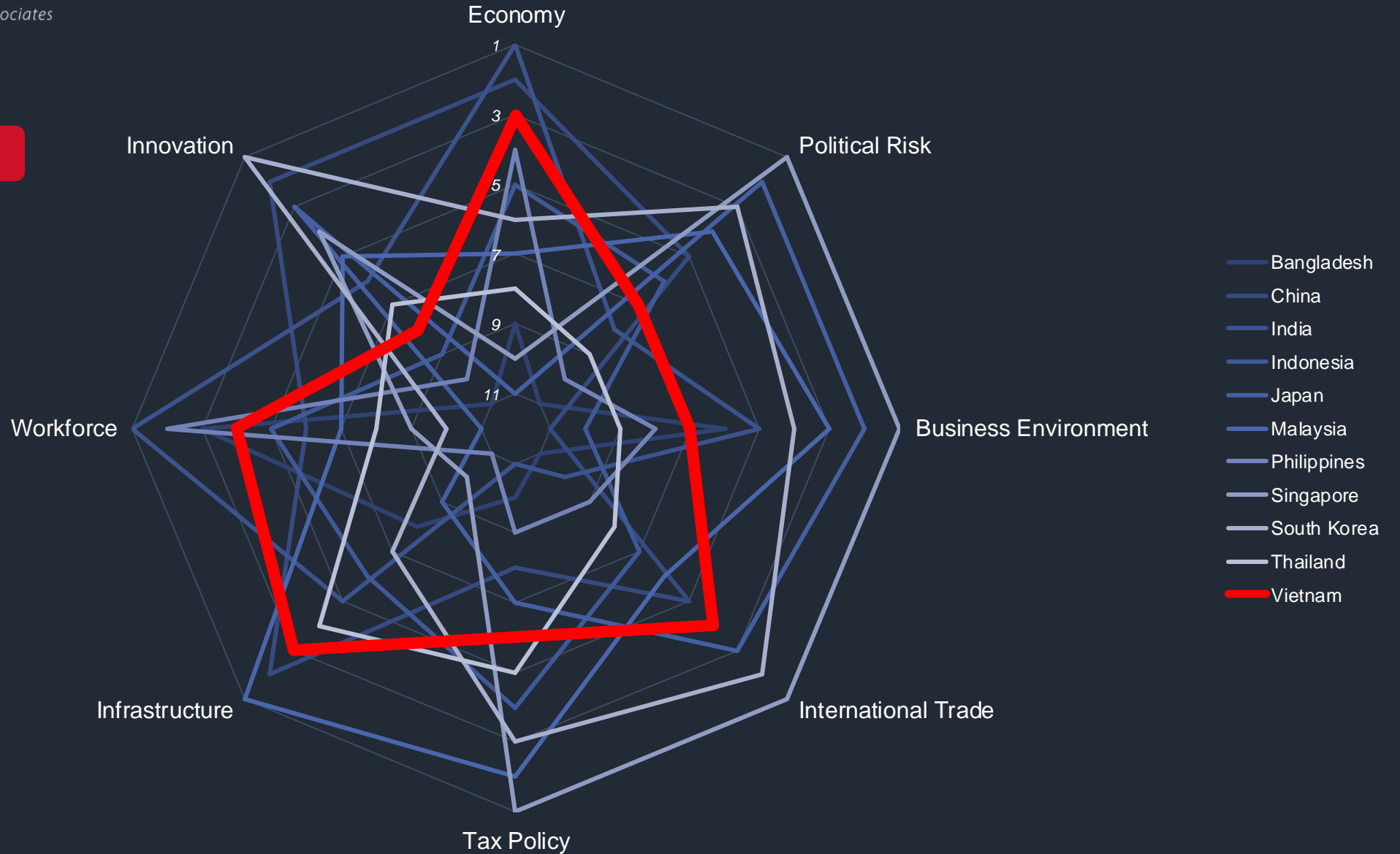




COUNTRY PROFILE  
**VIETNAM**



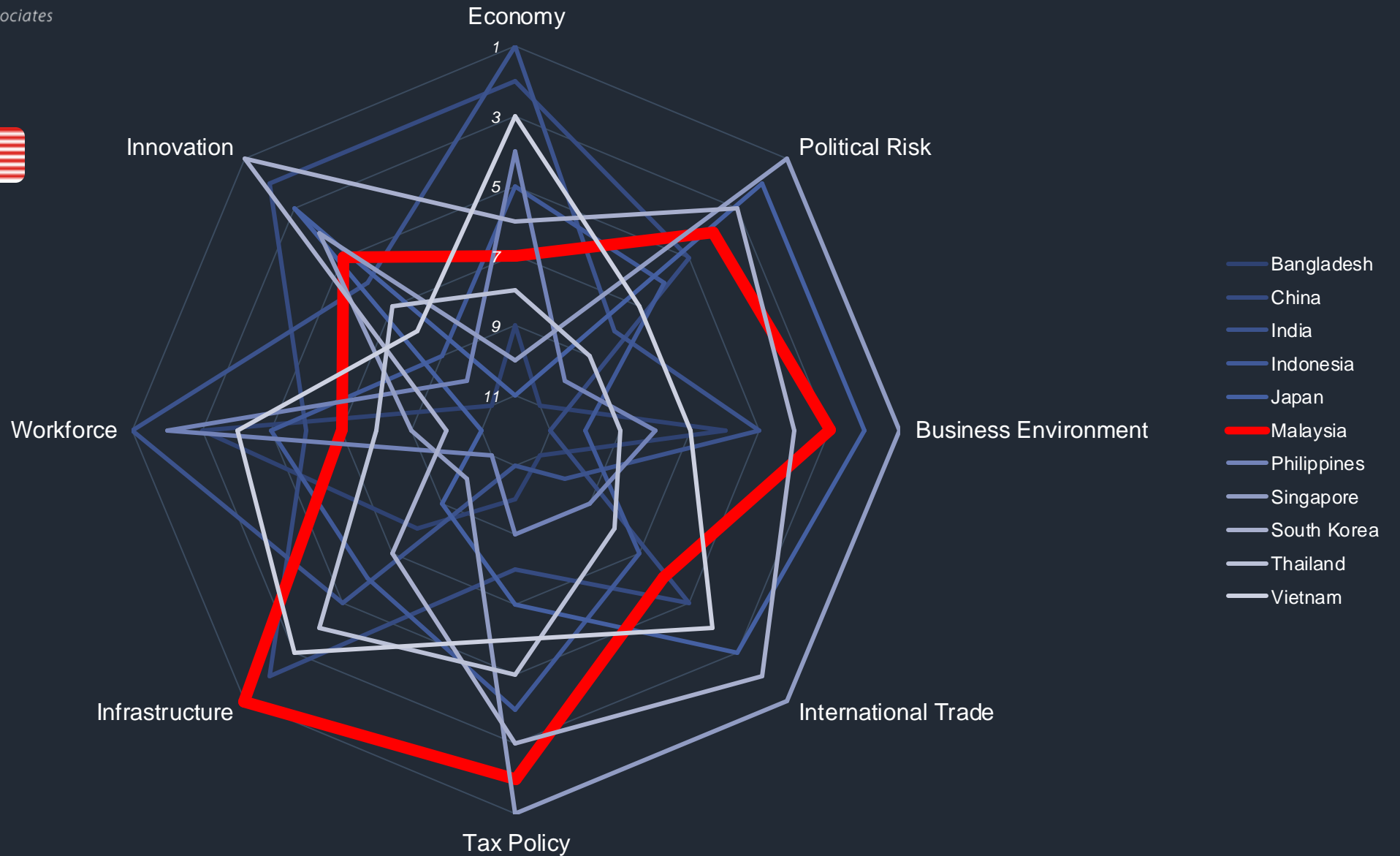
FINAL RANK  
**2**



COUNTRY PROFILE  
**MALAYSIA**



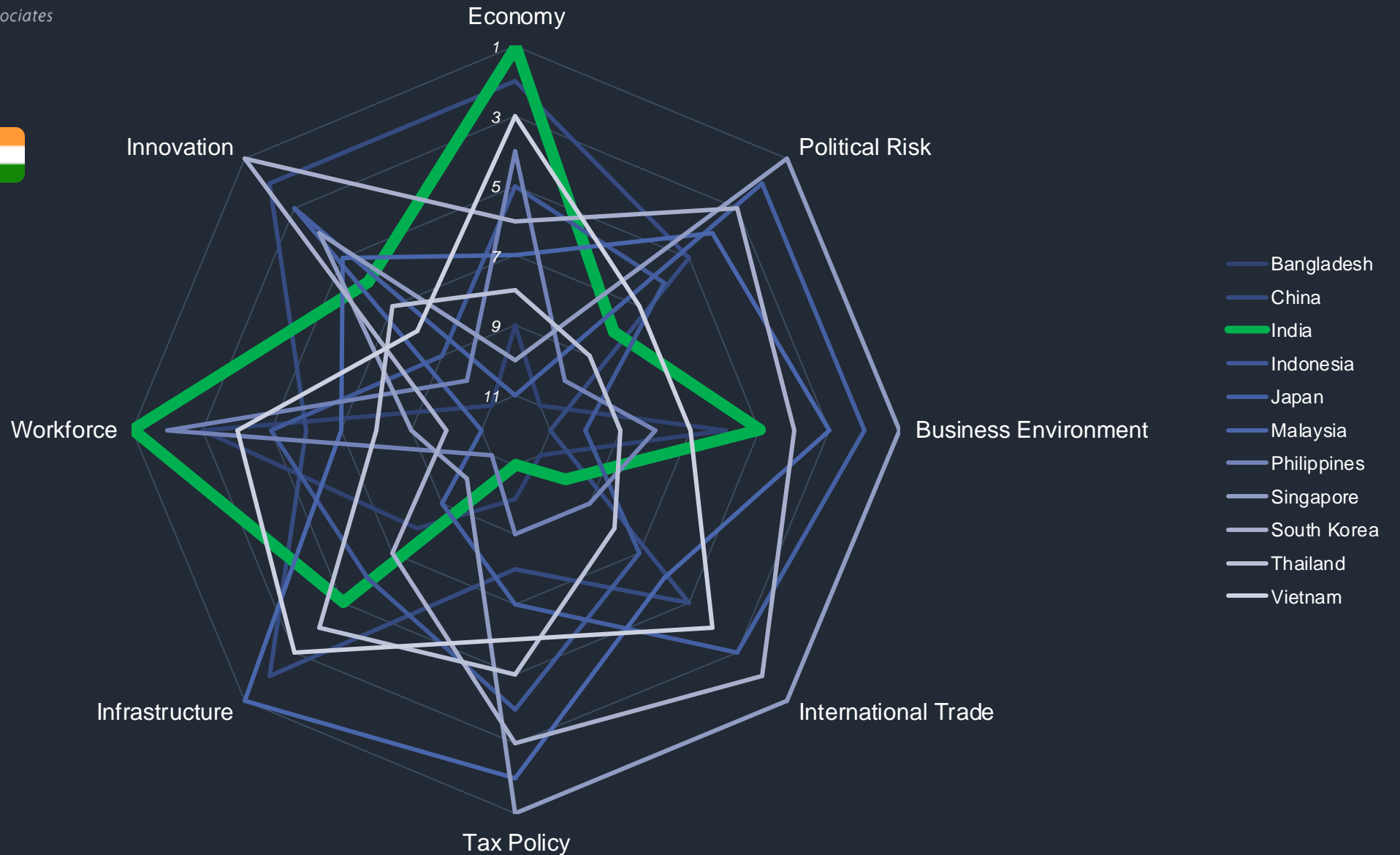
FINAL RANK  
**3**



COUNTRY PROFILE  
**INDIA**



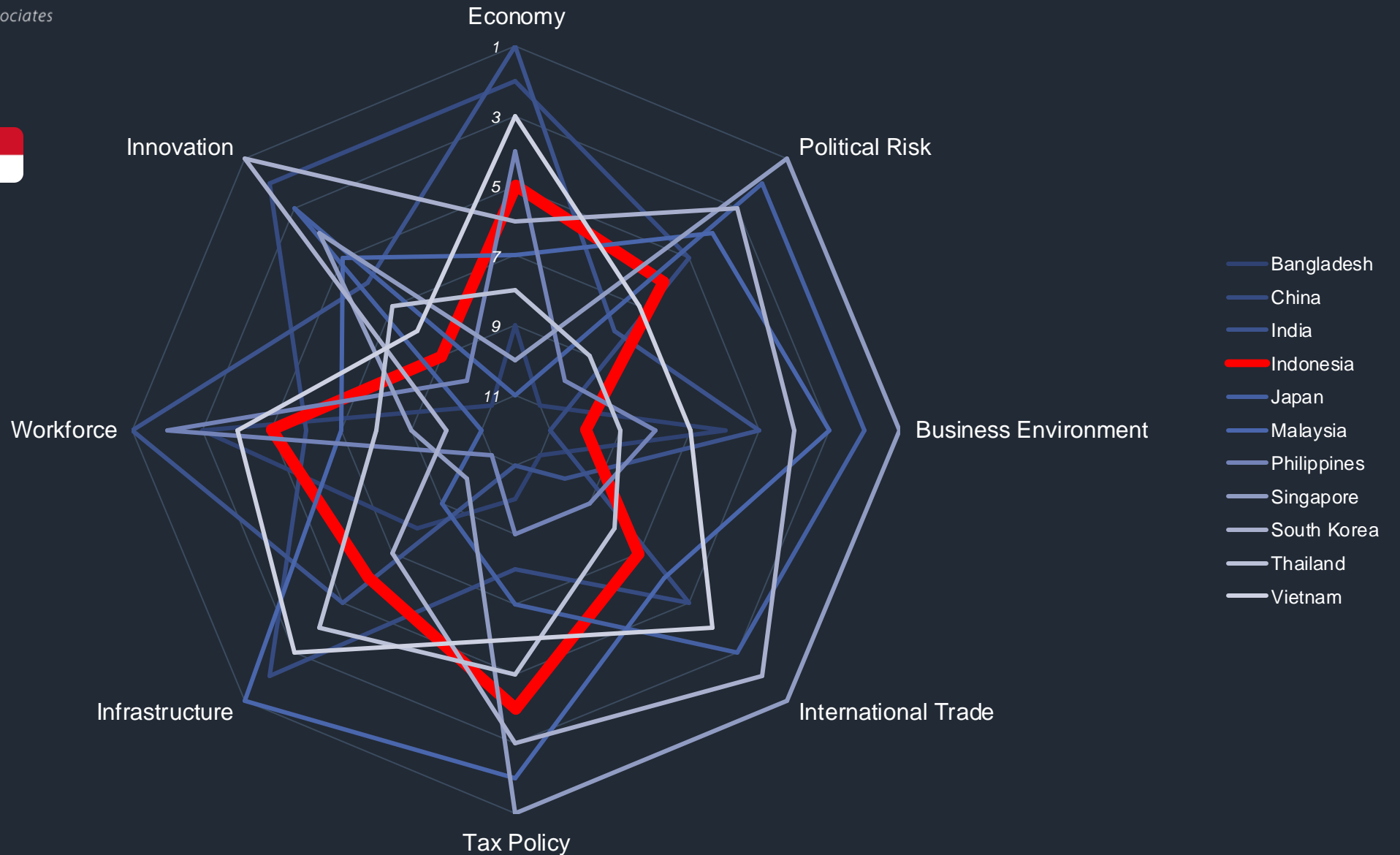
FINAL RANK  
**6**



COUNTRY PROFILE  
**INDONESIA**



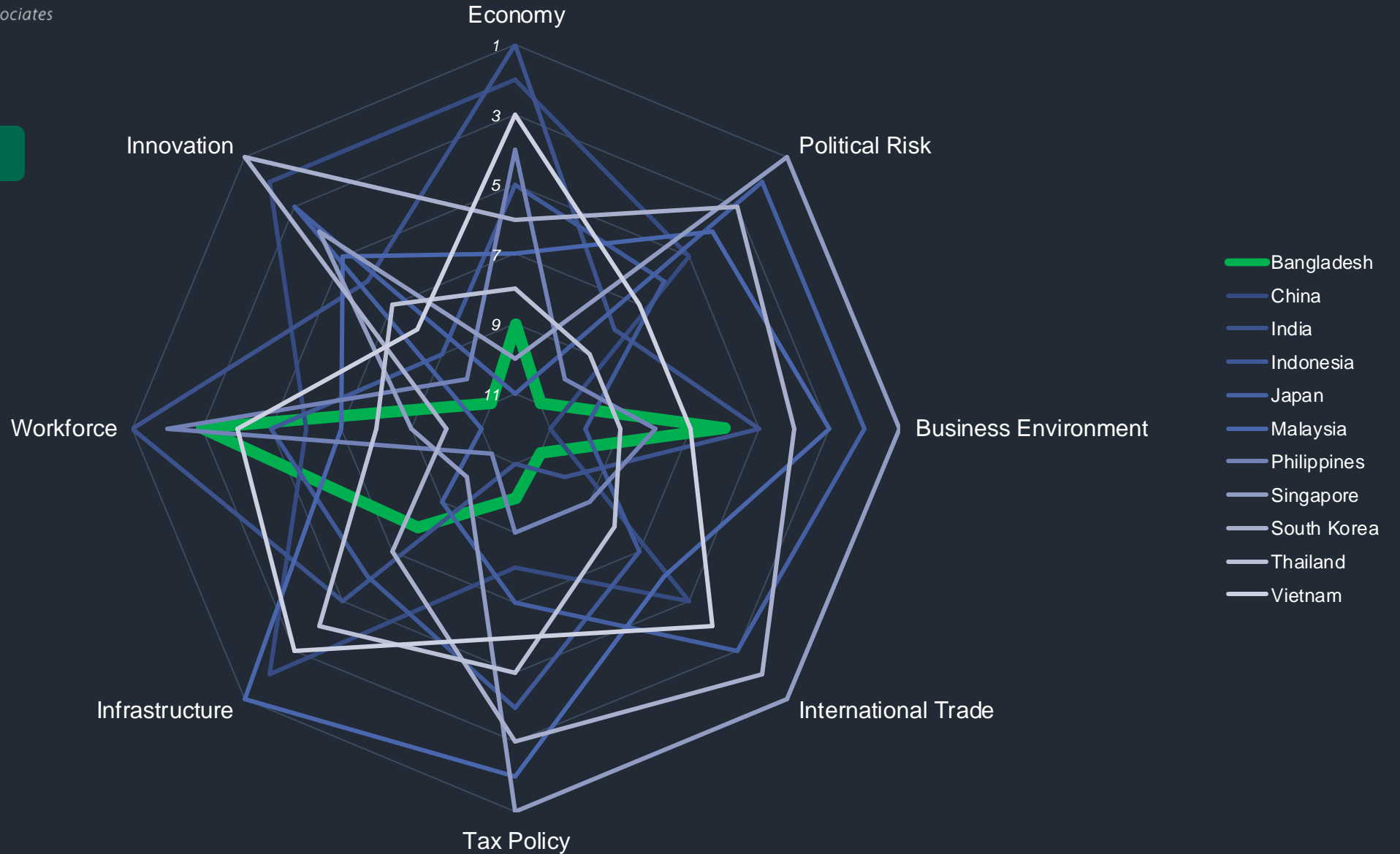
FINAL RANK  
**8**



COUNTRY PROFILE  
**BANGLADESH**



FINAL RANK  
**11**

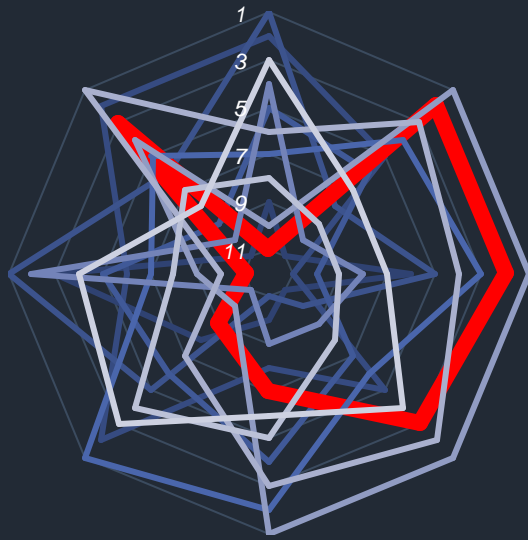


## AMI 2025 Country Profiles:

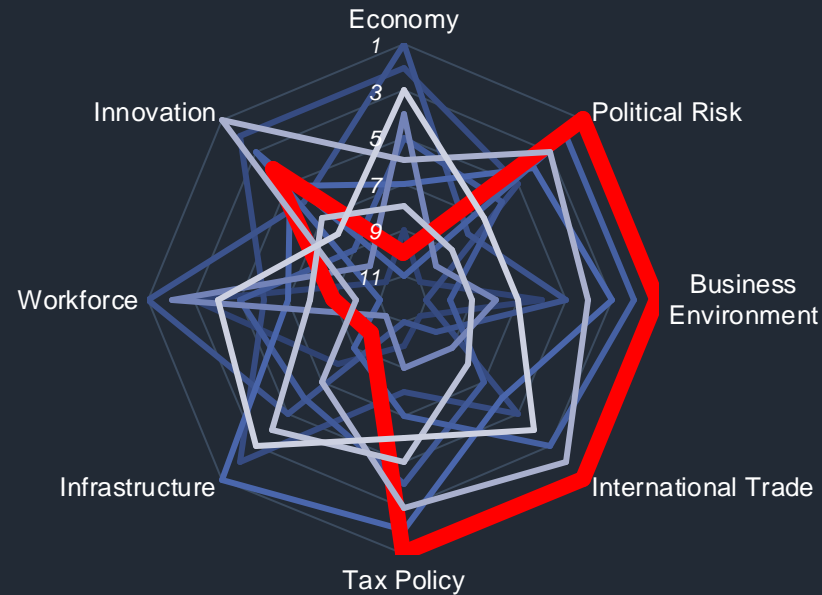
# Parallel Trends for Advanced Economies



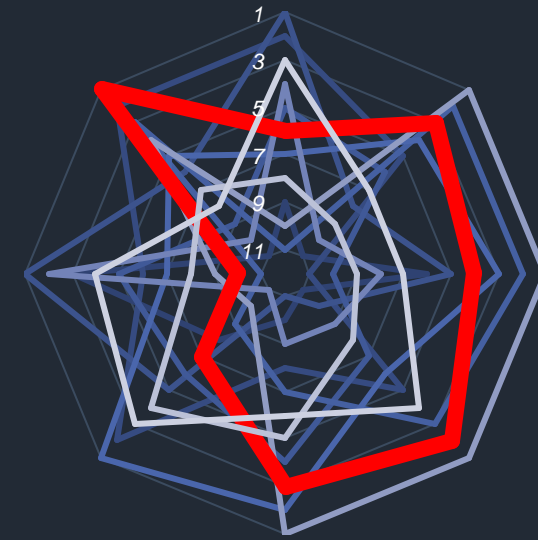
Japan



Singapore



South Korea

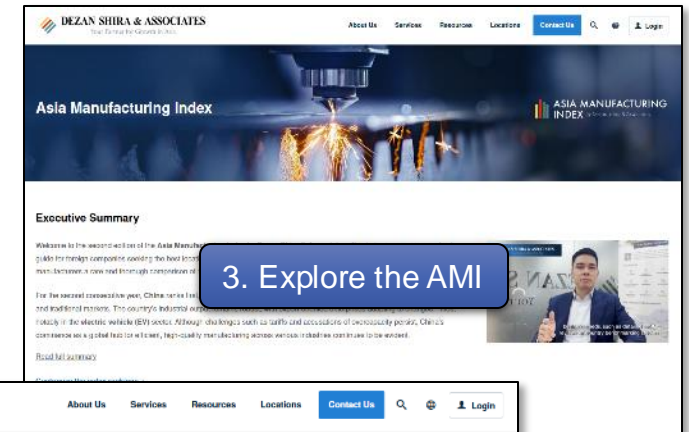
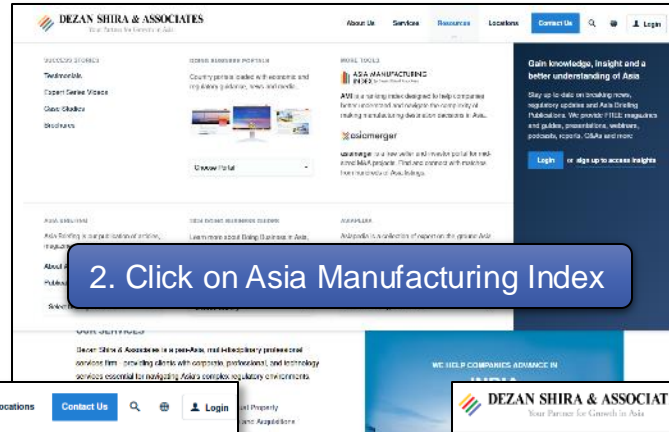
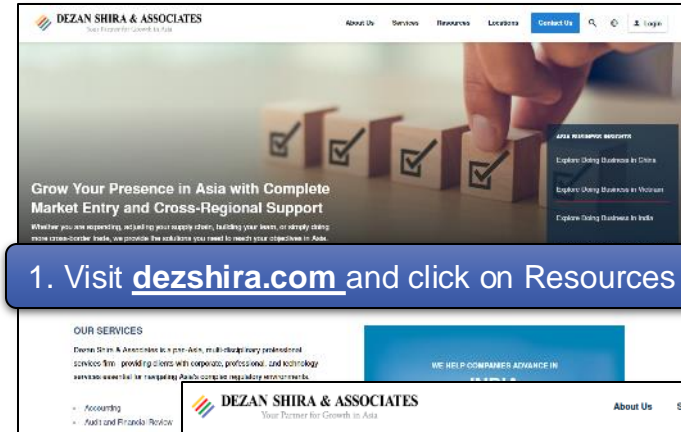


Strong Tiers: (1) **International Trade**: Strong export-driven markets and strategic trade agreements. (2) **Business Environment**: Transparent, investor-friendly environments and efficient governance. (3) **Innovation**: High scores in R&D, technological advancements, and innovation capacity.

Weak Tiers: (1) **Economy**: High costs of doing business and slow growth. (2) **Workforce**: Aging populations and high labor costs reduce competitiveness. (3) **Infrastructure**: While existing infrastructure is robust, challenges with aging systems, limited new investment, and rising costs for electricity, water, and gasoline.

Parameter	Weight	Bangladesh	China	India	Indonesia	Japan	Malaysia	Philippines	Singapore	South Korea	Thailand	Vietnam
<b>A Economy</b>	<b>13%</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>6</b>	<b>8</b>	<b>3</b>
1 Economic and Financial Standing	1%	9	3	7	6	3	4	5	1	2	5	8
2 GDP	1%	7	1	3	5	2	7	6	6	4	6	6
3 Economic Growth	3%	4	6	1	5	11	7	2	10	9	8	3
4 Economic Resilience	3%	6	3	1	4	11	7	5	8	9	10	2
5 Currency Volatility	1%	8	1	2	9	10	3	5	1	7	6	4
6 Manufacturing Growth	2%	7	4	1	8	10	9	6	8	3	5	2
7 Inflation	2%	10	9	6	1	11	8	4	7	3	2	5
<b>B Political Risk</b>	<b>7%</b>	<b>11</b>	<b>5</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>7</b>
1 Political Stability	4%	10	5	9	6	3	4	7	1	2	8	6
2 Corruption Perception	1%	10	5	7	9	2	4	9	1	3	8	6
3 Public Safety	2%	11	4	6	5	2	9	10	1	3	7	8
<b>C Business Environment</b>	<b>13%</b>	<b>6</b>	<b>11</b>	<b>5</b>	<b>10</b>	<b>2</b>	<b>3</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>9</b>	<b>7</b>
1 Foreign Investment Climate	2%	10	11	7	6	2	4	9	1	3	8	5
2 Manufacturing Registered Capital Minimum Average	2%	4	10	1	11	3	8	9	2	7	5	6
3 Average Company Setup Time	2%	3	7	4	3	3	2	5	1	2	3	6
4 Intellectual Property Protection	2%	10	5	6	7	2	4	9	1	3	8	9
5 FDI Industry Restrictions	3%	3	5	5	8	1	6	9	2	4	7	4
6 Ease of Hiring Foreign Workers	2%	1	8	5	7	10	3	2	4	11	9	6
<b>D International Trade</b>	<b>16%</b>	<b>11</b>	<b>5</b>	<b>10</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>4</b>
1 Free Trade Agreement Integration	3%	10	5	7	6	3	6	9	1	2	8	4
2 Trade and Customs Facilities, and Transparency	2%	11	4	10	8	5	2	9	1	3	6	7
3 Trade Balance	2%	7	1	11	6	10	5	9	2	3	8	4
4 Trade Openness	2%	11	10	7	9	8	3	6	1	5	4	2
5 Tariff Barriers	4%	11	9	10	6	3	8	5	1	2	7	4
6 Domestic Suppliers	3%	11	1	3	6	2	5	10	9	4	7	8
<b>E Tax Policy</b>	<b>5%</b>	<b>10</b>	<b>8</b>	<b>11</b>	<b>4</b>	<b>7</b>	<b>11</b>	<b>9</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>6</b>
1 Corporate Tax Rates	2%	4	4	6	2	6	3	6	1	2	6	5
2 Tax Incentives for Manufacturers	2%	4	3	3	2	3	1	3	1	3	2	2
3 Tax Efficiency	1%	10	7	11	9	3	8	5	1	2	4	6
<b>F Infrastructure and Cost</b>	<b>24%</b>	<b>8</b>	<b>2</b>	<b>5</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>11</b>	<b>10</b>	<b>7</b>	<b>4</b>	<b>3</b>
1 Energy Cost	4%	2	3	3	4	8	1	7	9	6	5	3
2 Energy Stability	2%	8	6	5	4	1	2	7	1	1	3	5
3 Water Cost	3%	1	5	6	7	9	4	8	10	9	2	3
4 Water Availability	2%	5	7	9	6	8	1	3	10	9	4	2
5 Gasoline Cost	3%	4	7	6	2	6	1	5	10	8	9	3
6 Port Performance	2%	11	1	6	8	4	2	10	5	7	9	3
7 Infrastructure Investment	3%	5	1	3	6	8	11	9	10	4	7	2
8 Infrastructure Quality	2%	10	4	7	9	2	5	8	1	3	6	8
9 Environmental Regulations	1%	9	6	9	7	1	5	8	4	2	3	10
10 Internet Speed	1%	10	2	9	11	4	6	8	1	5	3	7
11 Internet Freedom	1%	5	6	2	3	3	1	1	1	1	4	5
<b>G Workforce</b>	<b>19%</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>2</b>	<b>9</b>	<b>10</b>	<b>8</b>	<b>4</b>
1 Population Size	2%	4	2	1	3	5	10	6	11	9	8	7
2 Population Growth	2%	3	9	6	5	10	2	1	4	7	8	3
3 Median Age	2%	2	8	3	4	11	5	1	7	10	9	6
4 Education	1%	8	9	9	5	1	3	7	2	2	6	4
5 Labor Market Mobility	1%	2	10	9	6	1	3	8	11	7	5	4
6 Labor Productivity	1%	11	5	10	7	3	4	8	1	2	6	9
7 Minimum Wage	3%	1	4	2	5	9	8	6	11	10	7	3
8 Average Manufacturing Wage	3%	1	8	2	4	10	7	3	11	9	6	5
9 Worker Protection Laws	2%	9	4	6	8	3	9	5	10	1	7	2
10 English Language Proficiency	2%	6	8	6	7	9	3	2	1	4	10	5
<b>H Innovation</b>	<b>3%</b>	<b>11</b>	<b>2</b>	<b>6</b>	<b>9</b>	<b>3</b>	<b>5</b>	<b>10</b>	<b>4</b>	<b>1</b>	<b>7</b>	<b>8</b>
1 R&D Expenditure	1%	10	3	7	9	2	6	9	4	1	5	8
2 Innovation Rating	1%	11	4	6	10	3	5	9	1	2	7	8
3 Higher Education Global Standing	1%	9	1	5	7	2	6	8	4	3	7	8
<b>Final Rank</b>	<b>100%</b>	<b>11</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>10</b>	<b>2</b>

# Accessing the AMI 2025



**The 2025 Asia Manufacturing Index Rankings**

Explore how each of the 11 countries analyzed rank across the eight core tiers central to location decisions.

BD (Bangladesh), CN (China), IN (India), ID (Indonesia), JP (Japan), MY (Malaysia), PH (Philippines), SG (Singapore), KR (South Korea), TH (Thailand), VN (Vietnam)

Tier	BD	CN	IN	ID	JP	MY	PH	SG	KR	TH	VN
▶ Economy	9	2	1	5	11	7	4	10	6	8	3
▶ Political Risk	11	5	8	6	2	4	10	1	3	9	7
▶ Business Environment	6	11	5	10	2	3	8	1	4	9	7
▼ International Trade	11	5	10	7	3	6	9	1	2	8	4
Free Trade Integration										8	4
Trade and Cost Facilities, and Transparency										6	7
Trade Balance	7	1	11	6	10	5	9	2	3	8	4
Trade Openness	11	10	7	9	8	3	6	1	5	4	2

A blue callout box at the bottom of the screenshot says '4. Scroll down for all rankings'.

**Highlights from Each Country's Ranking**

Bangladesh | China | India | Indonesia | Japan | Malaysia | Philippines | Singapore | **South Korea** | Thailand | Vietnam

**South Korea**

South Korea ranks 4th in the 2025 Asia Manufacturing Index, and performs similarly to Japan in several tiers, facing many of the same challenges such as an aging population and high labor and operational costs. However, South Korea's economic outlook is notably more robust. The country ranks 3rd in manufacturing growth, with strong prospects for continued expansion. Inflation remains low, and the country's economic resilience is far stronger than Japan's, positioning it for sustainable growth in the coming years.

South Korea also excels in other critical areas. It ranks 3rd in both tax policy and political risk, offering a favorable environment for foreign investors. Additionally, the country's strong integration into the global economy makes it a leader in international trade, where it ranks 2nd. This is largely due to its extensive network of free trade agreements (FTAs), low tariff barriers, and transparent customs procedures, which provide foreign manufacturers with easy access to international markets.

One of South Korea's major strengths is its high-tech manufacturing sector, which is heavily dependent on R&D spending as a percentage of GDP. This focus on innovation, particularly in semiconductors and electronics, has positioned the country as a global leader in these industries.

While South Korea's costs are rising, particularly in labor and energy, it remains a unique case in the region. Its strong economy, emphasis on innovation, and strategic positioning in global trade make it a top destination for manufacturers focusing on cutting-edge products. As demand for advanced manufacturing increases, South Korea is likely to attract more investment in these high-tech sectors, balancing out the high cost of doing business with its unmatched strengths in innovation and trade integration.

A blue callout box at the bottom of the screenshot says '5. Scroll down for country profiles'.





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Your Partner for Growth in Asia



# Business Intelligence (BI) Services

presented by Pritesh Samuel

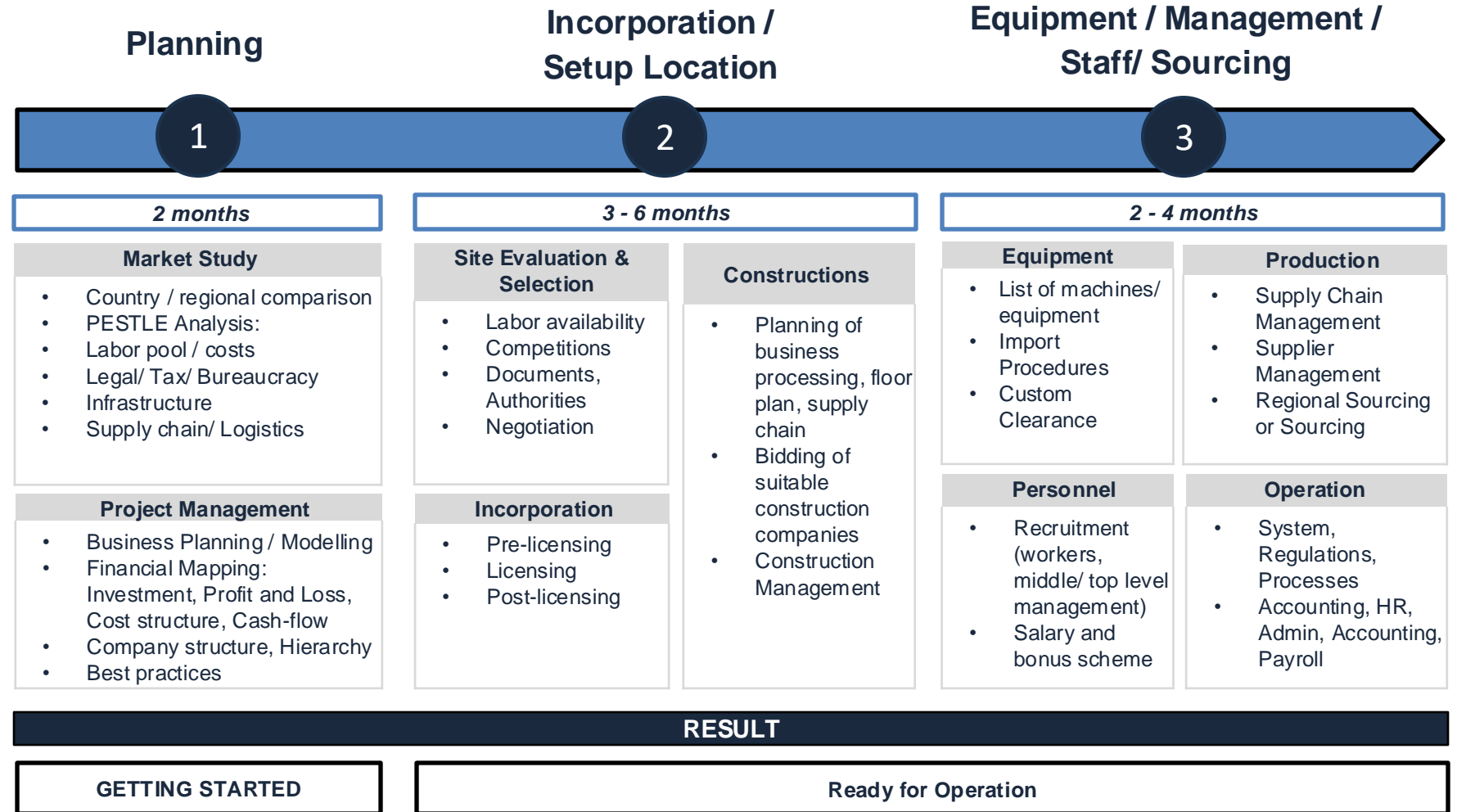
# Market Entry Strategy: Supply Chain Mapping Framework

← --- Insights --- →      ← ----- Implementation ----- →



**SHIFTING PRODUCTION AND SUPPLY CHAIN TO OTHER COUNTRIES?**

- **Better to stay or move?**
- **Which country?**
- **Which part of production can be shifted?**
- **How to find sourcing partners?**
- **How to import the equipment?**
- **How much?**
- **What restrictions?**



# Trade and Investment Drivers



**Competitive Labor &  
Land / Office Costs**



**Tax & Fee  
Reduction Incentives**



**Favorable  
Policy Environment**



**FTA & Trade  
Integration**



**Supply Chain  
Diversification**

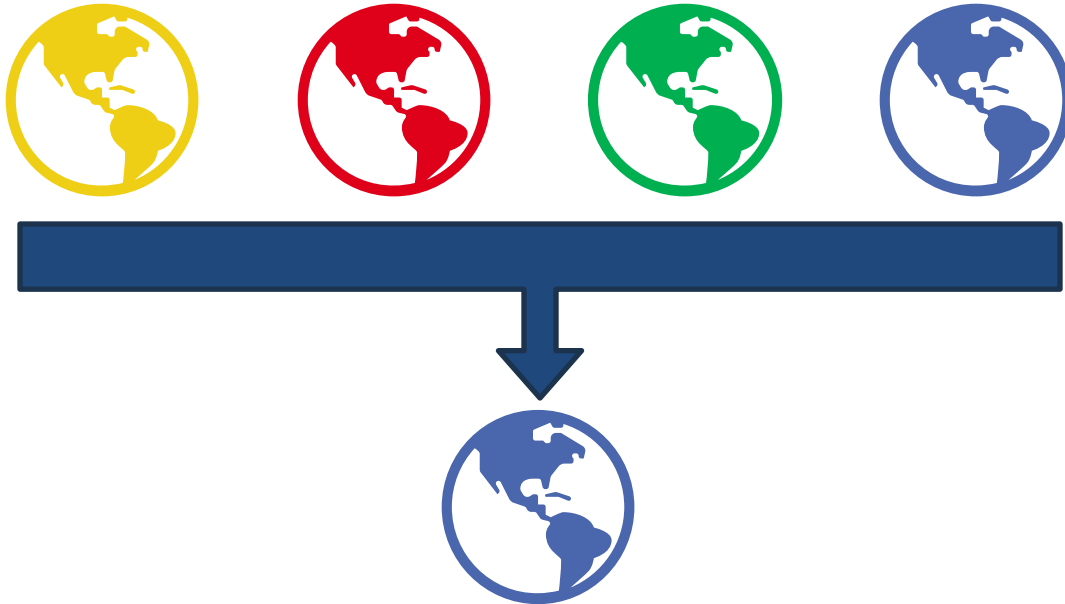


**Growing Income &  
Consumer Base**

# Multi-Country Benchmarking Factors

## Country Assessments

Examining a range of factors such as political climate, economic environment, regulatory landscape, locations for manufacturing, general operating costs, labor availability and costs, logistics and infrastructure quality, and tax and tariff exposure.



## Cross Country Competitiveness Benchmarking Workflow



Graphic © Asia Briefing Ltd.

# Multi-Country Benchmarking Factors



Political Climate



Logistics Review



Economic Environment



Tax and Tariff Review



Legal & Regulatory Environment



General Operating Costs



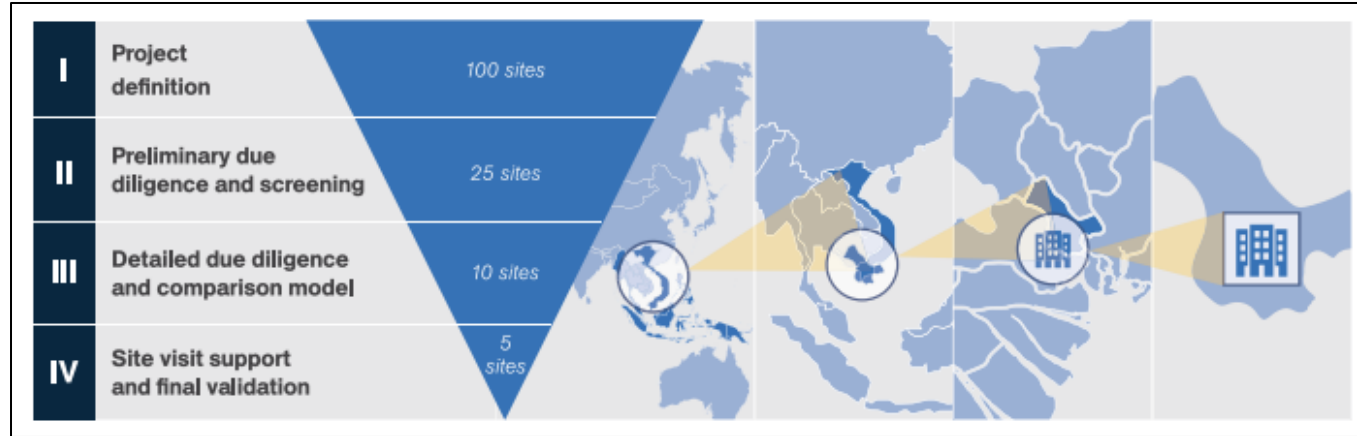
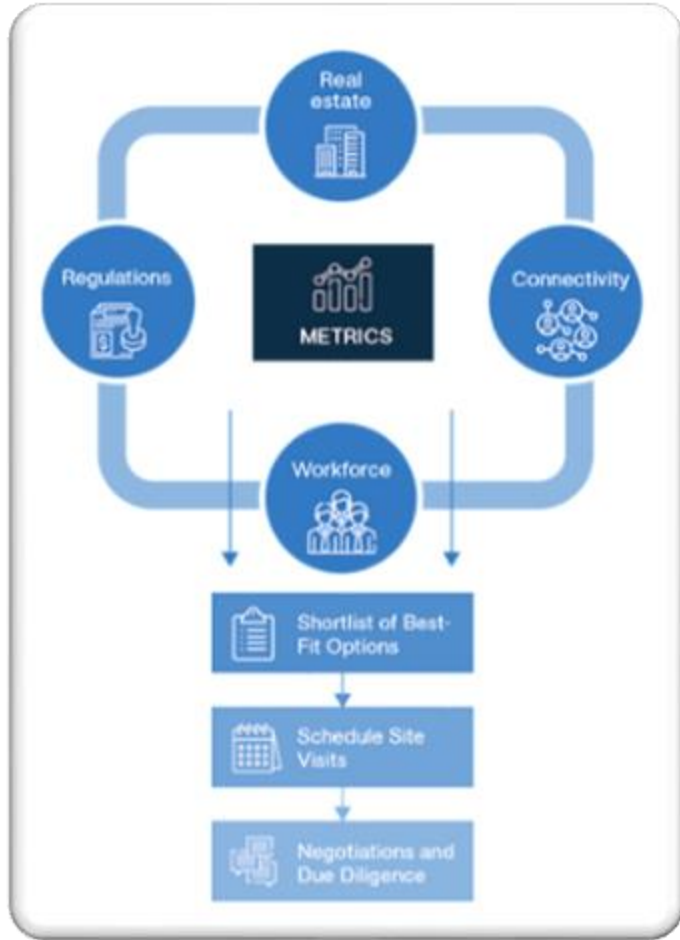
Locations for Manufacturing



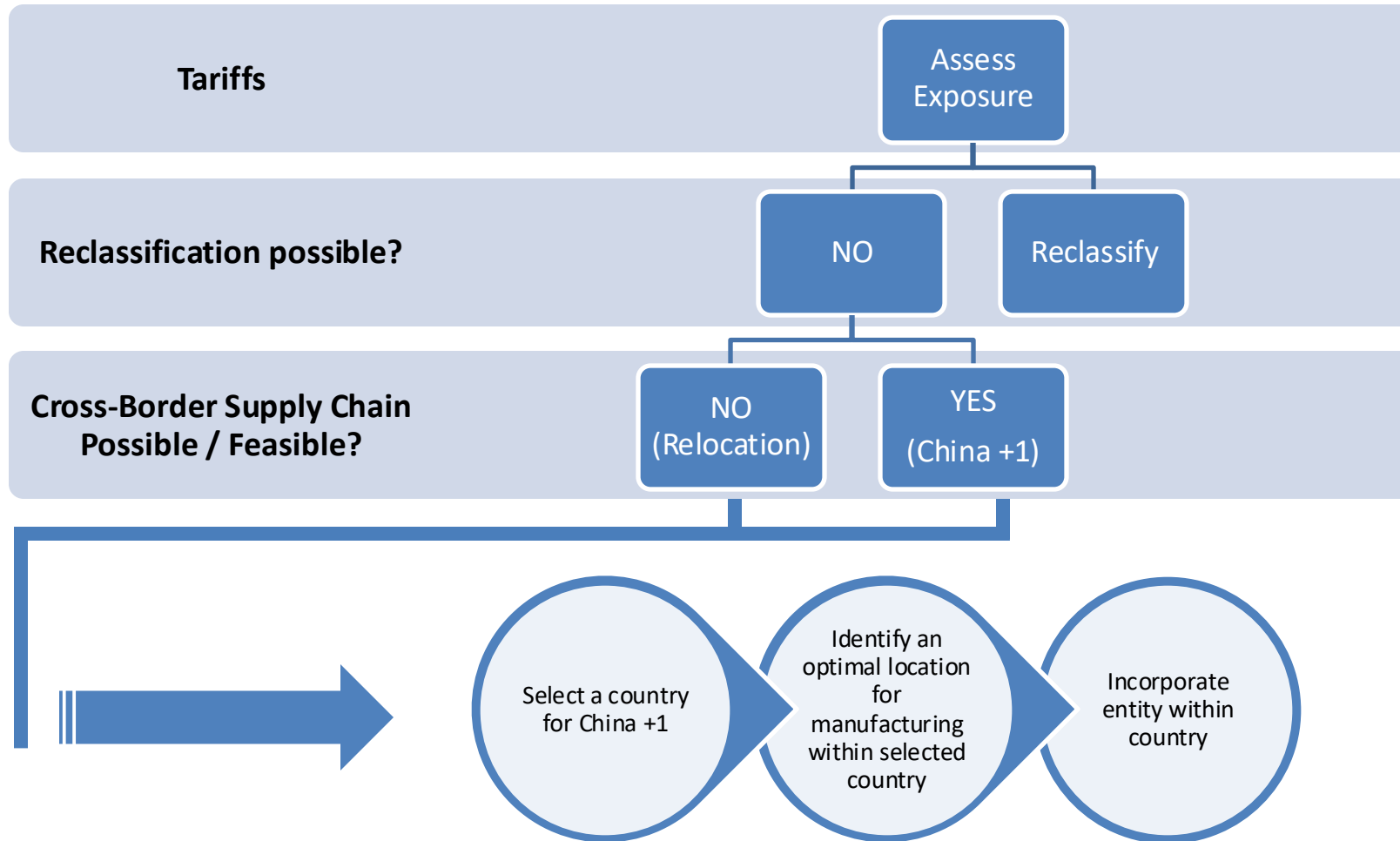
Labor Review



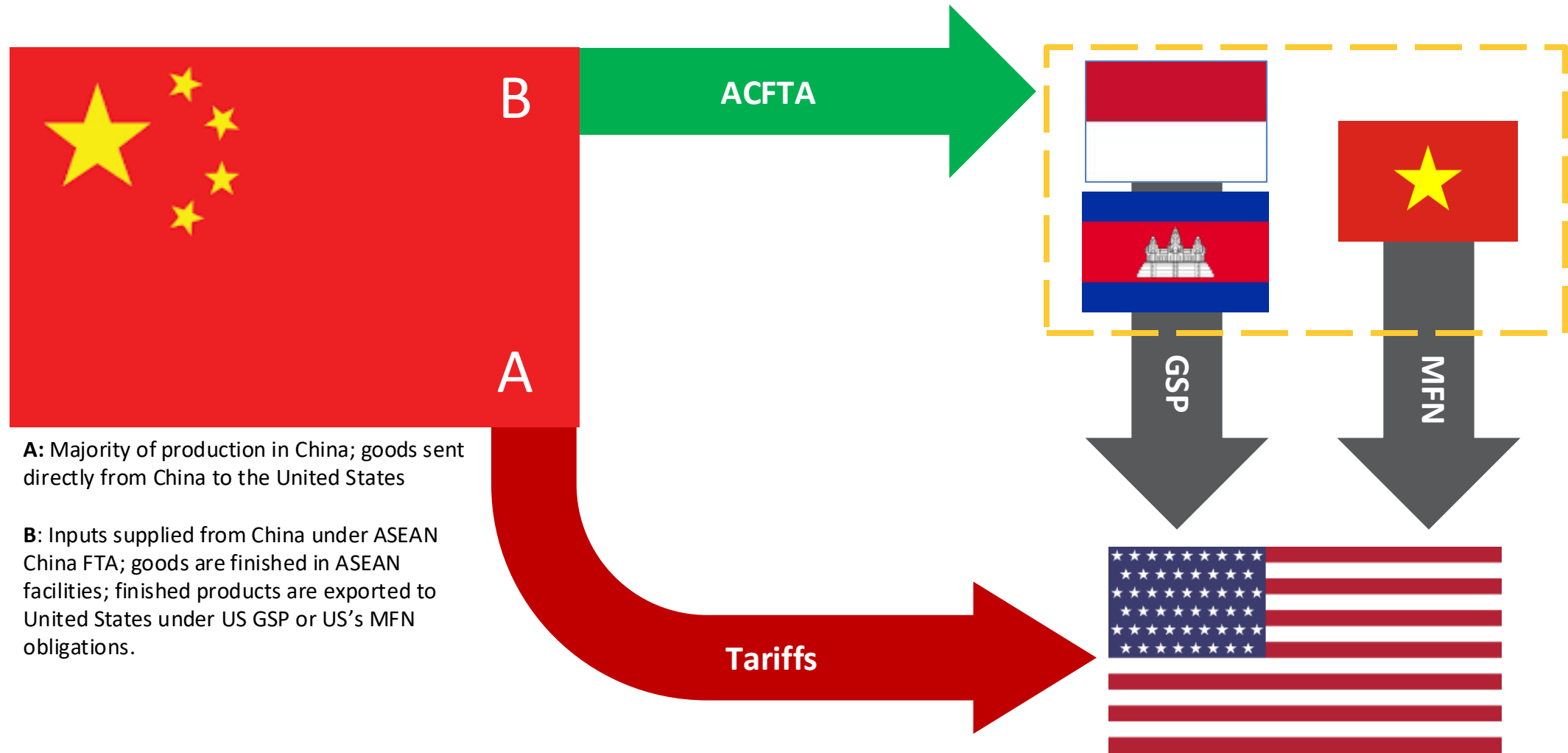
# Location Analysis & Site Selection



# Tariff Analysis



# Tariff Optimization via Manufacturing in Third-Party Markets



**A:** Majority of production in China; goods sent directly from China to the United States

**B:** Inputs supplied from China under ASEAN China FTA; goods are finished in ASEAN facilities; finished products are exported to United States under US GSP or US's MFN obligations.



# Q&A



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# Thank you!



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