

Business families say Asia is key to growth

Just 29% of S'pore families upbeat about outlook: poll

By **MA XIANGYU**

ASIAN business families are optimistic about growth this year, with the majority of them believing their growth to be tied to business in Asia.

A survey by UOB and the SMU Business Families Institute found that nearly seven in 10 Asian business families said the fortunes of Asia would have the most impact on their businesses.

Among Singapore business families specifically, 85 per cent expressed this sentiment, second only to the proportion of Indonesian business families who thought this way.

The authors of the survey said this “home bias” was hardly surprising,

given the natural affinity Asian business families would have for investing in the region.

The survey polled 345 key decision-makers from business families in Singapore, China, Indonesia, Malaysia and Thailand. The report defined “business families” as those with members owning substantial portions of a business or with family members in key management posts.

The survey found that just over half (51 per cent) of the business families surveyed were upbeat about the market outlook for Asia this year.

Singapore business families were relatively pessimistic, with only 29 per cent believing that this year would be better for Asia than last year; this was 11 percentage points lower than the next most downbeat country, Indonesia.

The authors of the report put this

pessimism down to “a perception that Asia as a whole is reliant on external markets in the United States and Europe to drive regional economic growth”. The authors said business families in the other countries probably believed that their local economies would do enough to fuel growth.

Survey results showed that Singapore business families saw expansion into new markets as the most urgent priority this year – 55 per cent of them put this at the top of their list.

The next most-cited key task, identified by 48 per cent, is to increase marketing expenditure; stepping up hiring ranked third (41 per cent).

Polled about what they saw as challenges this year, Singapore business families listed them in this order: the rise in the cost of raw materials and other expenses, economic uncertainty in Asia and currency fluctuations.