USA

by Neelika

The DHL Gallup Export Indicator conducted in the Asia-Pacific Region this year, revealed that the majority of exporters in all countries are counting on the US as their top export earner, within the next twelve months.

This survey which was conducted between June and August this year, was done solely to measure business confidence among manufacturing export industries in 15 Asian countries; senior executives from large export companies in the Asia-Pacific region were interviewed for this purpose.

ASEAN countries were cited as the biggest growth markets by those in Australia, Japan, Korea, Malaysia, Singapore and Vietnam, in the past 12 months; while respondents in Sri Lanka said Europe (38%) and the US (28%) were the best growth markets which also enjoyed significant expansion during the past year.

The reasons for growth were many; two main reasons were economic conditions and product, while trading environment and sales/marketing were given as others. 65% of Vietnamese exporters said where export growth last year was concerned, cultural issues played a prominent role as well. Almost 50% of the respondents also mentioned cost, while 40% of those in Hong Kong said the trade atmosphere was a top reason for growth last year. In Sri Lanka, the three main reasons for export growth in the last 12 months were product (41%), sales/marketing (33%) and economic conditions (29%); one in five respondents said trade atmosphere (21%) and cost (20%) were other reasons.

In comparison to the previous 12 months, at least 50% of respondents in nine out of the 15 countries had optimistic expectations for export orders within the next 12 months. Vietnam (84%), India (78%) and Malaysia (77%) were the most optimistic. Locally, two out of five respondents (39%) had ‘good’ and four percent had ‘excellent’ expectations; approximately one in five respondents (22%) held expectations that export orders will remain unchanged in the next 12 months.

In China however, they were less hopeful with two-thirds of them indicating that expectations were fair or poor for the next year.

The most important factor affecting export performance in the next 12 months was general economic conditions. Other key indicators were cost and product. Although in Australia and New Zealand the trend changed slightly with 75% of the respondents citing sales/marketing as affecting export performance. A very high 80% of Japanese mentioned exchange rates. Here at home, the trade environment and economic conditions (41% and 37% respectively), were said to affect export sales; other factors included infrastructure (30%), product (16%) and cost (13%), while labour and political conditions were each given, by one out often respondents (11%) as affecting exports over the next 12 months.

The US seems to be the majority's favourite as the primary target market for export sales within the next 12 months. China came in second with at least 20% of votes from exporters in Korea, Hong Kong, Japan and Singapore, while in third place was Japan with 21% of Vietnamese votes. New Zealand exporters however, had plans for new business in Oceania next year, and nearly 25% of Australian exporters had set their sights on the Middle East. In Sri Lanka, more than one-fourth of the respondents also said that the US would be the primary market for them next year. Other countries mentioned by Sri Lanka as target markets for potential growth, included Europe (14%), UK (7%), Middle East (7%) and other Asia (7%).

In comparison with the next 12 months those surveyed said they had high expectations for export orders in the next five years. Vietnam and Australia (84%) had either excellent or good expectations. While less than 50% in Taiwan, China, Thailand and Sri Lanka were optimistic. In all countries less than 20% of the respondents felt that export orders would remain the same within the next five years, as compared with the next 12 months. However, a high level of pessimism was recorded in Japan.

The most crucial factors in determining exports over the next five years, were given by the majority as product, economic conditions and cost. But, Australia and New Zealand believed that the method of market-