

Economics & Markets

Shifting sands

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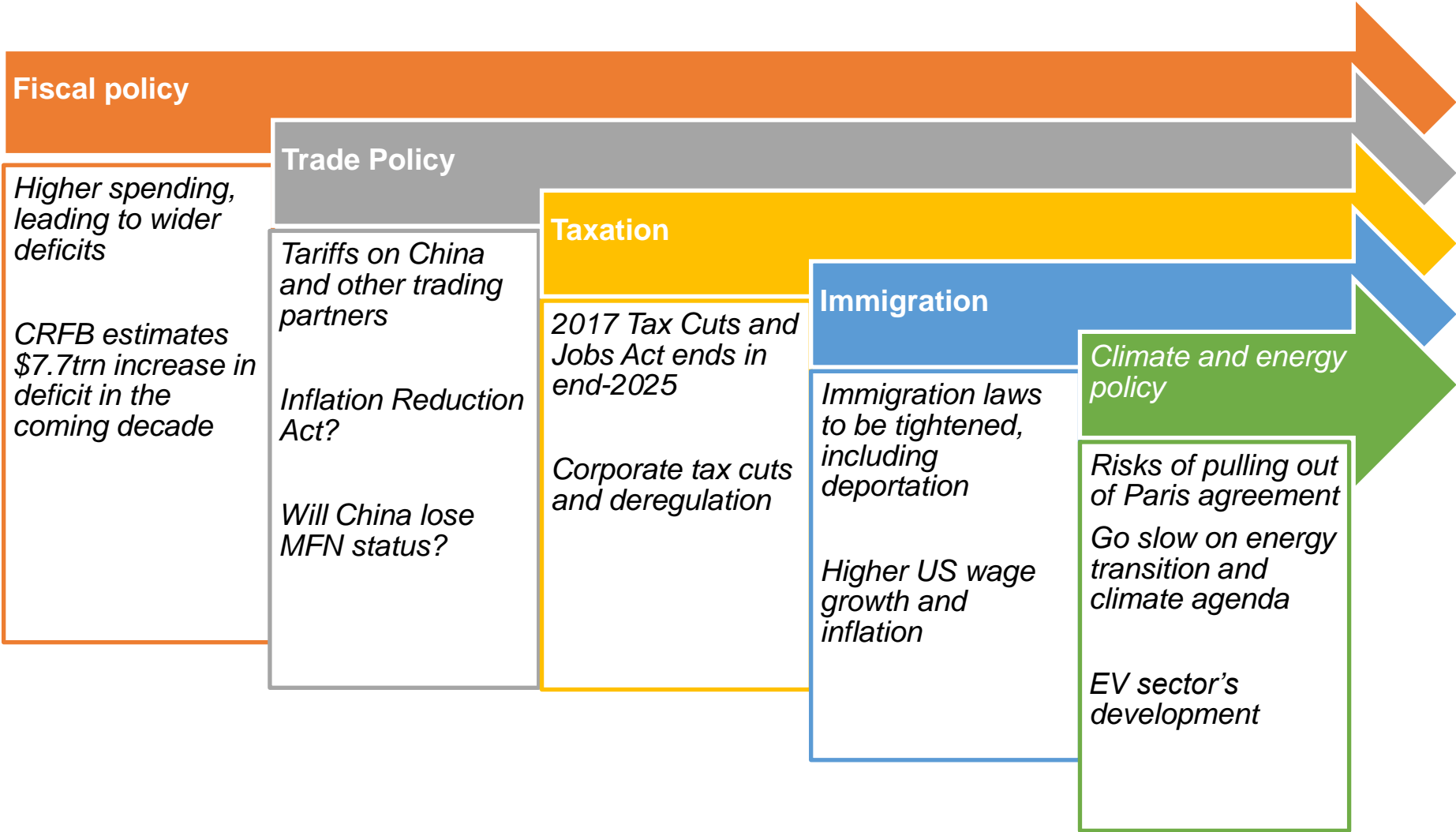


Outline

US elections & the region

*Southeast Asia outlook
report*

US policies – clarity awaited

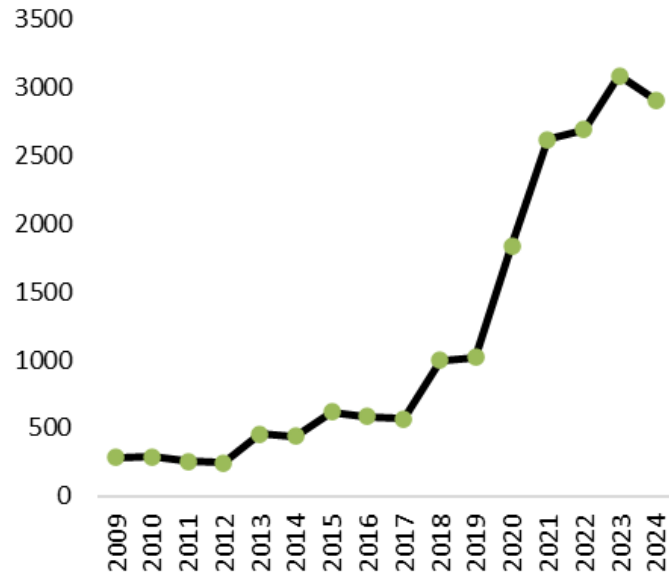


Key watch factors

#1 Sequence of US policy changes

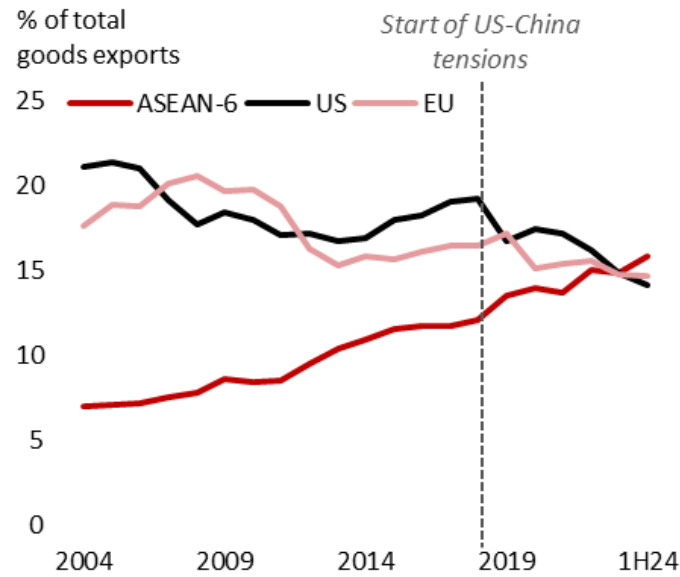
#2 Key appointments

#3 Unfavourable trade interventions - global



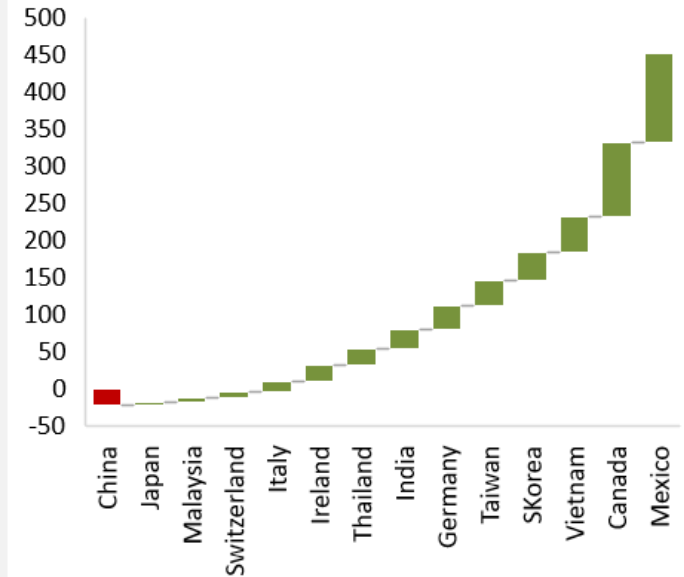
Source: GTA, DBS

#4 China's exports to ASEAN-6 have increased significantly



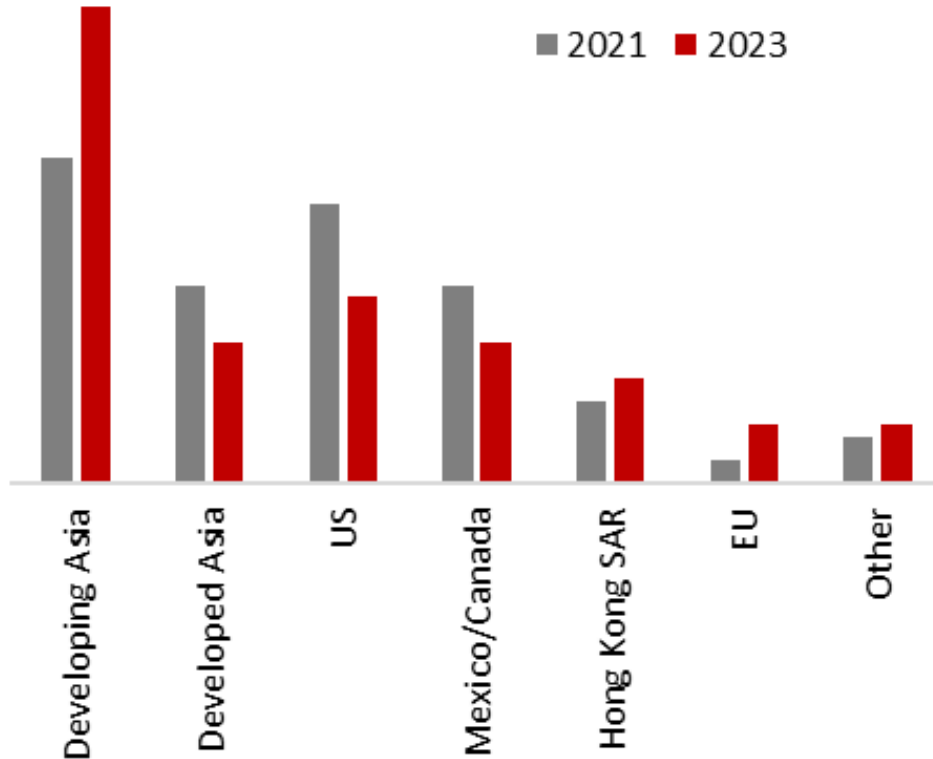
Source: CEIC, DBS

#5 Increase in US imports (\$bn change) - 2023 vs 2019



Summary

Target destinations for relocated capacity (%)



Source: Amcham China, DBS

- *China + 1 strategy adopted by inbound from China and ROW (North Asia and West)*
- *Productive capacity shift to the region*
- *ASEAN will not be immune to Trump 2.0, even if limited direct impact*

Impact on growth varies from 0.15-0.5ppt to every 1pp fall in China's growth



Source: IMF, DBS; green cells show relatively less impact



NAVIGATING HIGH WINDS

Southeast

Asia

OUTLOOK 2024—34



Five opportunities to accelerate growth in Southeast Asia

With sustained policy change and a willingness to take risks, Southeast Asia can raise its forecasted growth rates by seizing opportunities from five areas. It needs to:

- 1 Invest in emerging sectors**
- 2 Foster Tech-Enabled Disruptors**
- 3 Strengthen capital markets**
- 4 Accelerate the green transition**
- 5 Embrace multilateral initiatives**

SEA-6 is expected to grow ~5% on average annually over 2024–2034

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