EABC - JETRO Survey 2026

Japan External Trade Organization (JETRO)
Jakarta Office
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0 Outline

Objective

The survey is conducted under the theme “Reinforcing Trust, Integration, and Sustainability in the East Asia Economic Architecture,” to gather private sector feedback to inform regional policy discussions and practical business cooperation across East Asia(ASEAN plus China, South Korea and Japan).

Methodology

Target: ASEAN+3 firms with EABC network
Methodology: Questionnaire survey

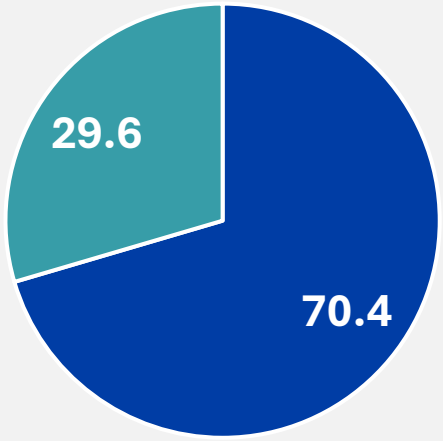
Structure of the survey

1. **Business Condition**
2. **Supply Chain Resilience**
3. **Circular Economy**
4. **Cross-Border Payments**
5. **Utilization of the RCEP Agreement**

Attributions

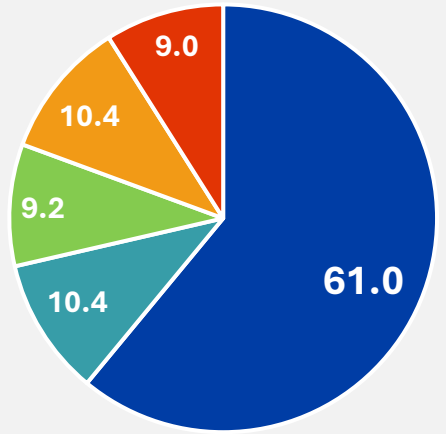
Survey period: May 19 – June 25, 2026
No. of respondents: 423

Share of response by Industry



N=423, %

Responses by company scale (no. of employees)



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Key takeaways

- Business conditions remain under pressure, yet over half of respondents plan to expand — concentrated in high value-added production and R&D, not volume alone.
- East Asia already functions as an integrated production and sourcing base, and firms are deepening rather than diluting their commitment to it.
- The largest single constraint is raw material and component costs (77.7%) — the same bottleneck now reshaping supply chain strategy.
- The circular economy answers that bottleneck directly: mutual recognition of quality standards and intra-regional rules for secondary materials would open a second sourcing channel.
- Simpler and more digital trade procedures are the common ask across every theme, and the precondition for cross-border circular material flows. Payment friction points the same way.
- The 2027 RCEP General Review can deliver both: simplified rules of origin and digital trade documents, plus rules for circular resource trade.

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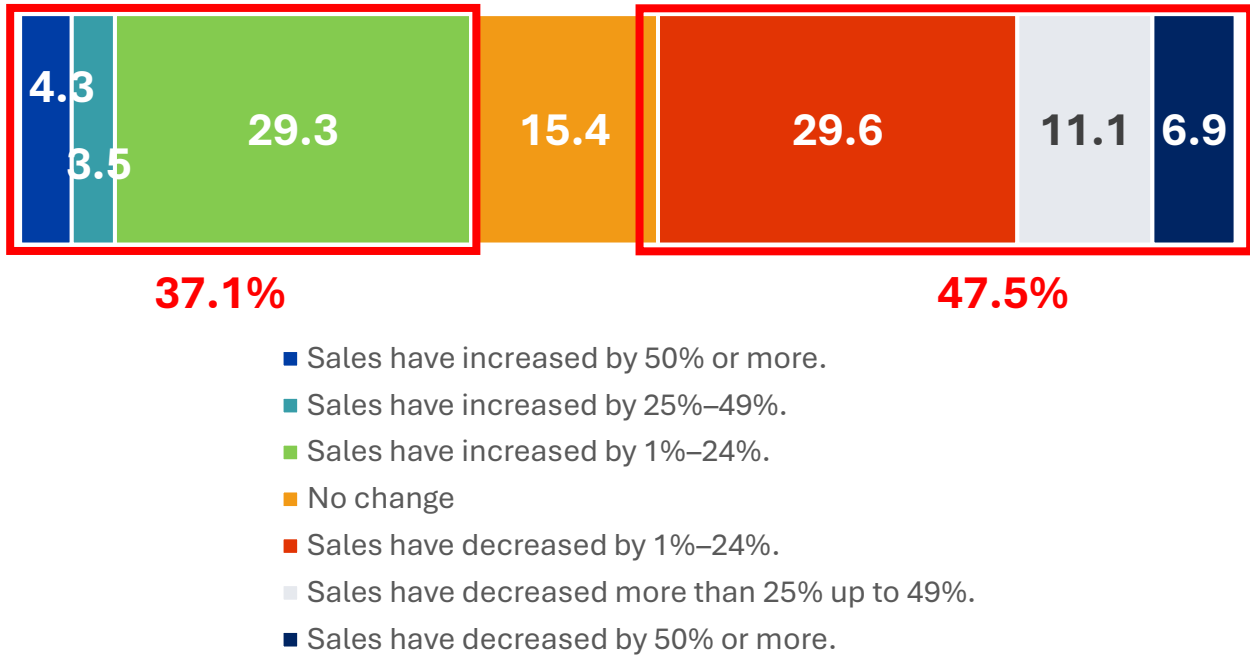
1 Business Conditions Remain Under Pressure

- Business conditions worsened for 44.4% of respondents against 28.6% reporting improvement, and sales declines (47.5%) slightly outnumbered gains (37.1%).
- Sales and business conditions both show more firms declining than improving over the period surveyed.

Business conditions over the past six months *(%)*

Sales performance, Q1 2026 vs. Q1 2025 *(%)*



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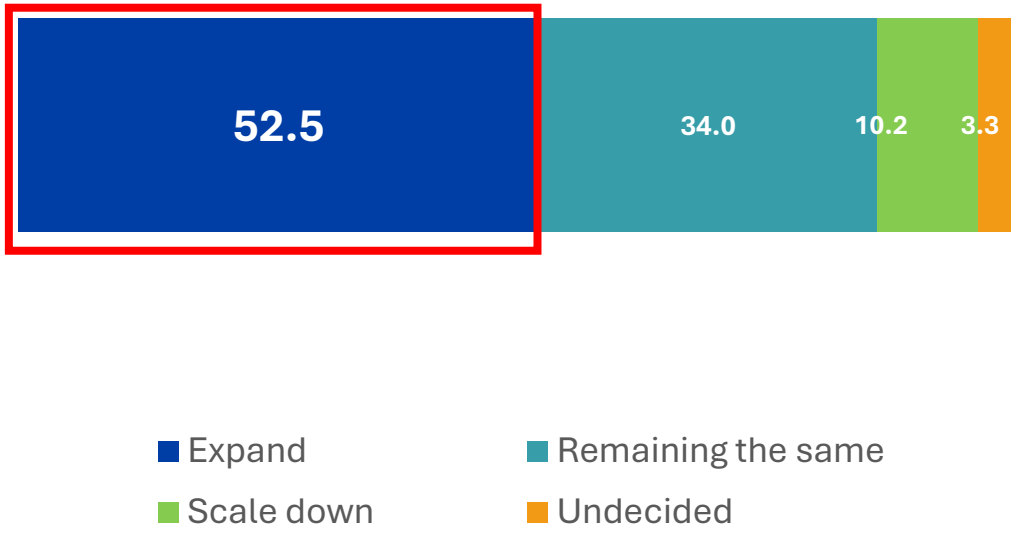
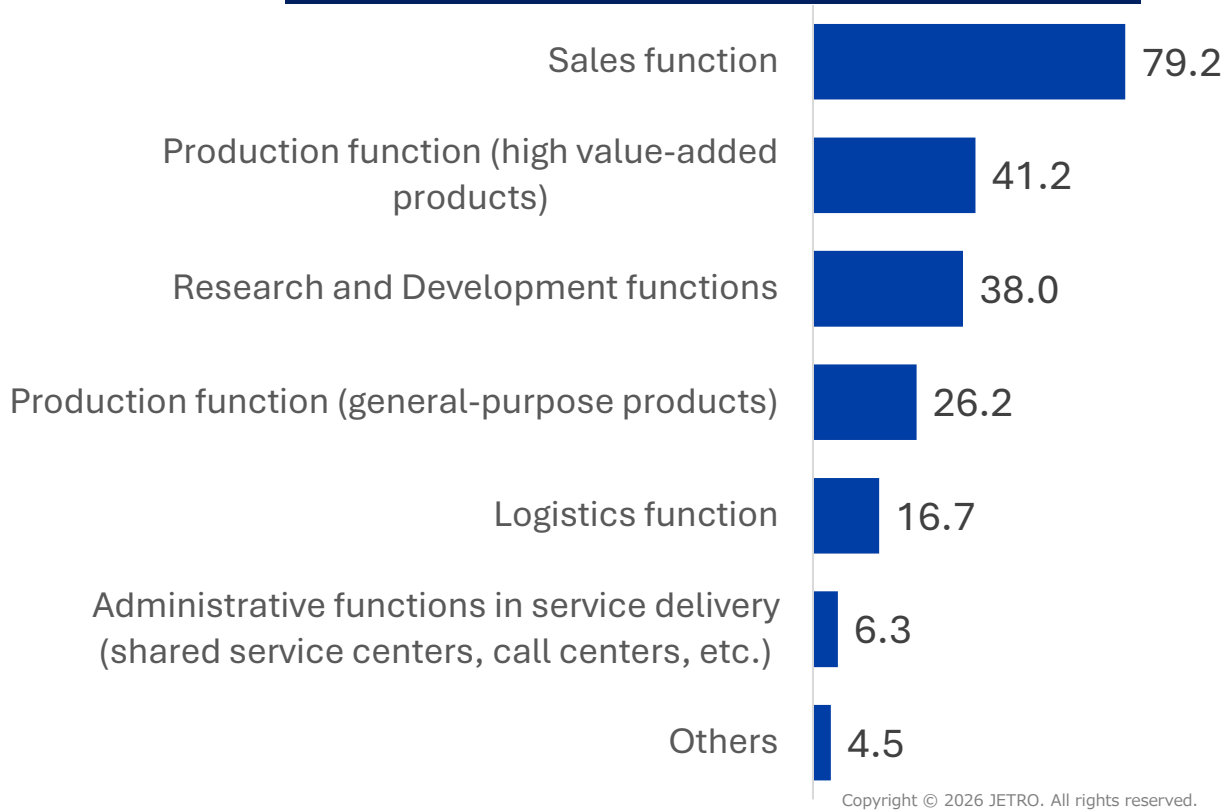
2 Firms Are Investing in Value, Not Just Volume

- Despite the difficult environment, 52.5% of respondents plan to expand over the next one to two years. Expansion is concentrated not only in sales (79.2%) but in high value-added production (41.2%) and R&D (38.0%) — firms are upgrading their regional footprint rather than waiting for demand to recover.

Future business plans/activities in the next 1–2 years *(%)*



Function(s) you want to "expand" *(%)*



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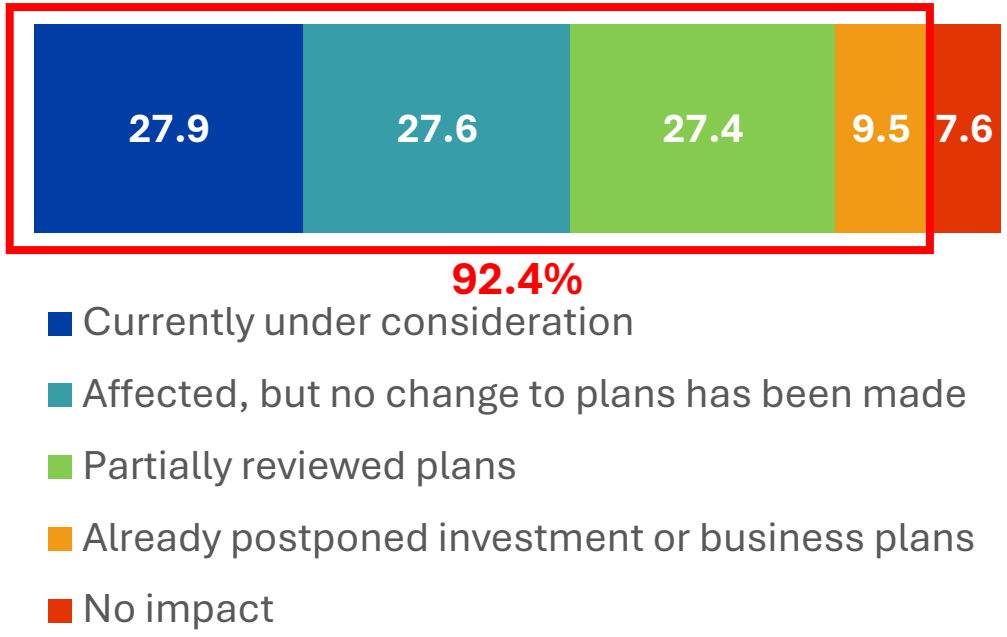
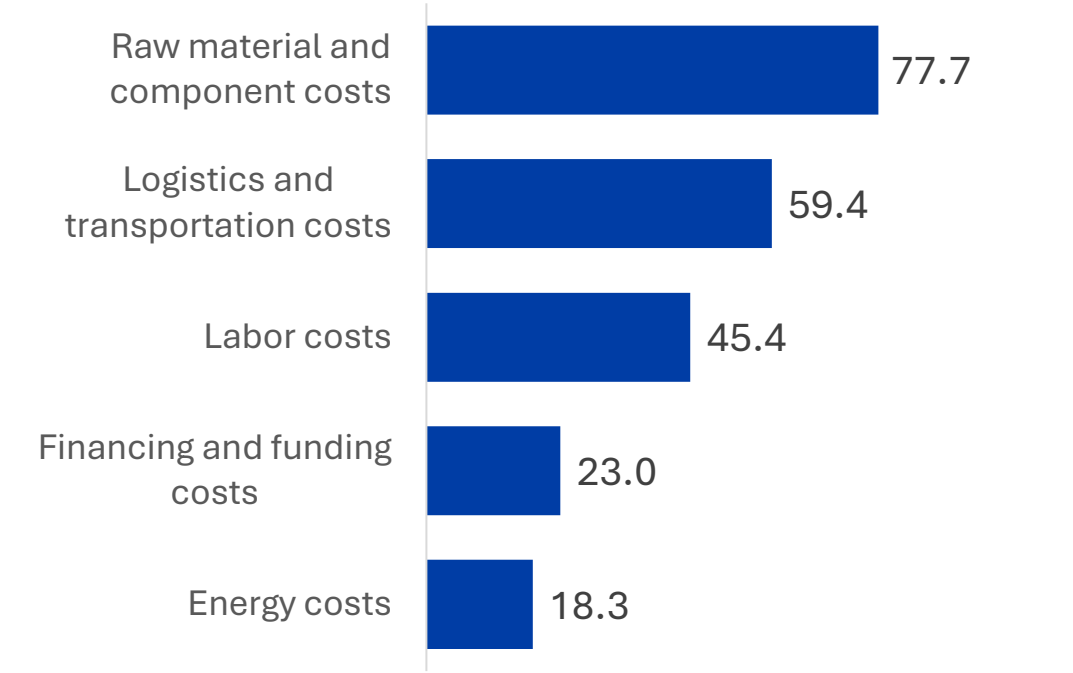
3 Input Costs Are the Single Largest Squeeze

- More than 90% of respondents report some impact from geopolitical or trade policy uncertainty, and over a third have reviewed or postponed investment plans.
- Raw material and component costs are the heaviest burden by a wide margin (77.7%), ahead of logistics (59.4%) — a sourcing problem as much as a demand problem.

Impact of geopolitical risk and trade policy uncertainty on investment plans *(%)*



The greatest burden on your company's profitability or business operations *(Top 5, %)*



Note: N=422, Multiple answers allowed

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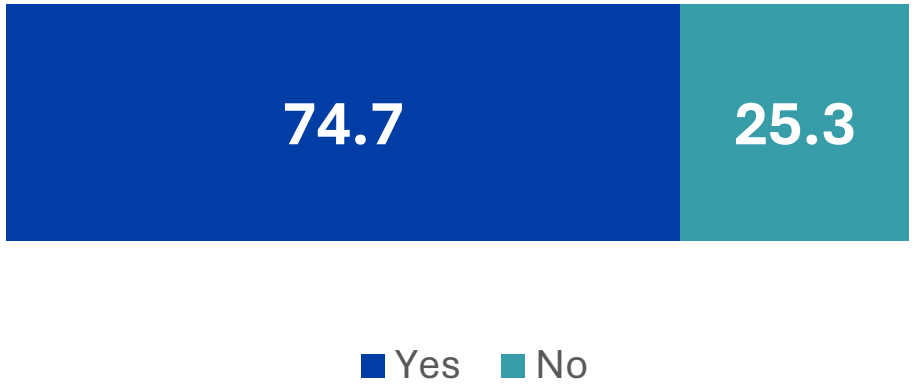
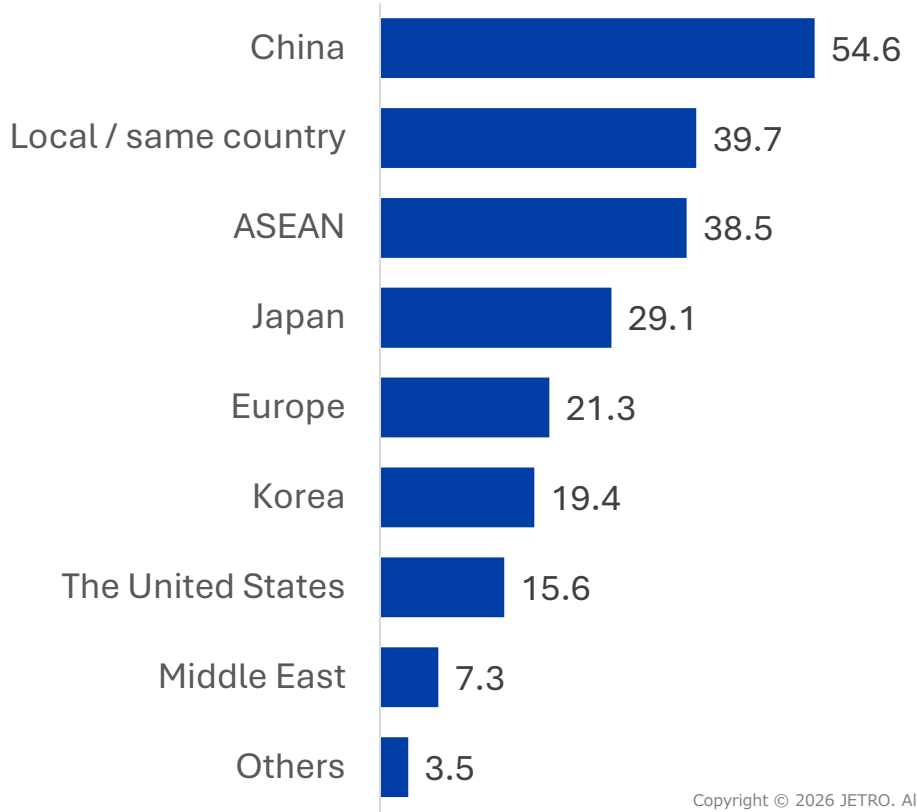
4 East Asia Is Already an Integrated Base

- 74.7% of respondents operate in more than one country or region, and their suppliers sit within East Asia — China (54.6%), Local/same country (39.7%), ASEAN (38.5%), Japan (29.1%). The network already exists.

Business operations in more than one country/region *(%)*



Main suppliers for raw materials, components, or goods located *(%)*



Note 1: Business operations includes procurement, production and sales.
Note 2: N=423

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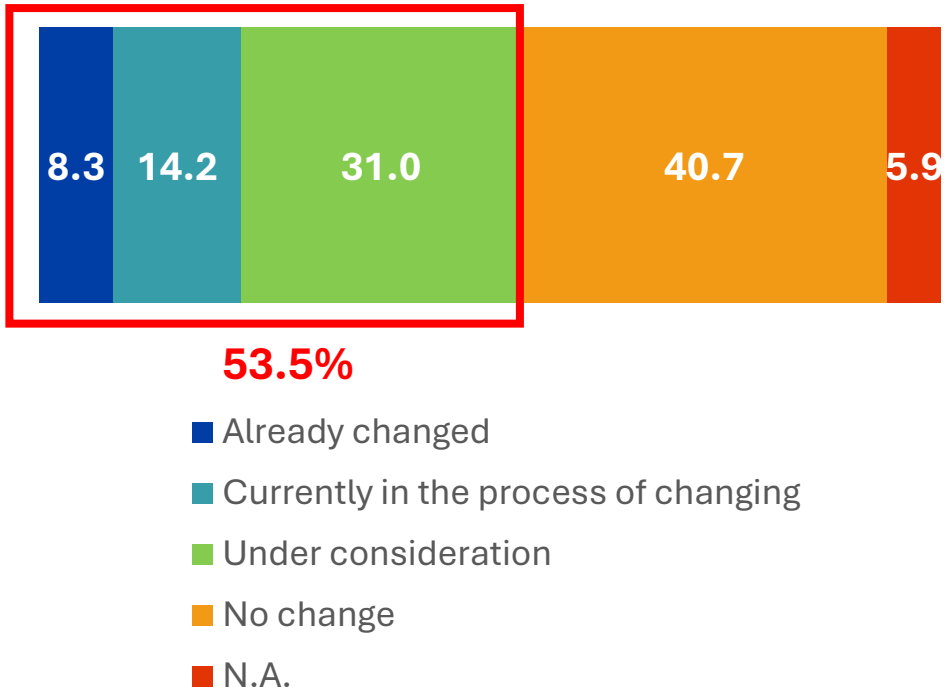
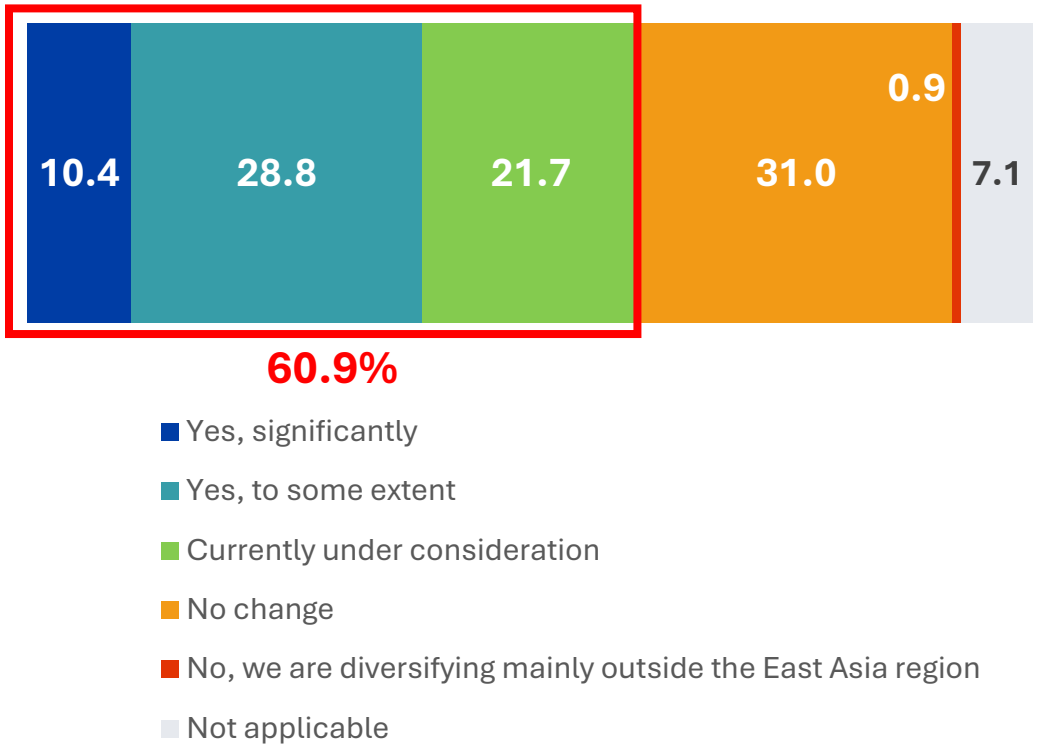
5 Firms Are Deepening the Shift to East Asia

- 53.5% have changed, are changing or are considering changes to suppliers, production sites or logistics routes. Meanwhile 61.0% are increasing or considering more focus on East Asia, against under 1% diversifying mainly outside it.

Supply Chain Changes in the Past 12 Months *(%)*



East Asia Sourcing, Production and Partnerships *(%)*



Note: N=423

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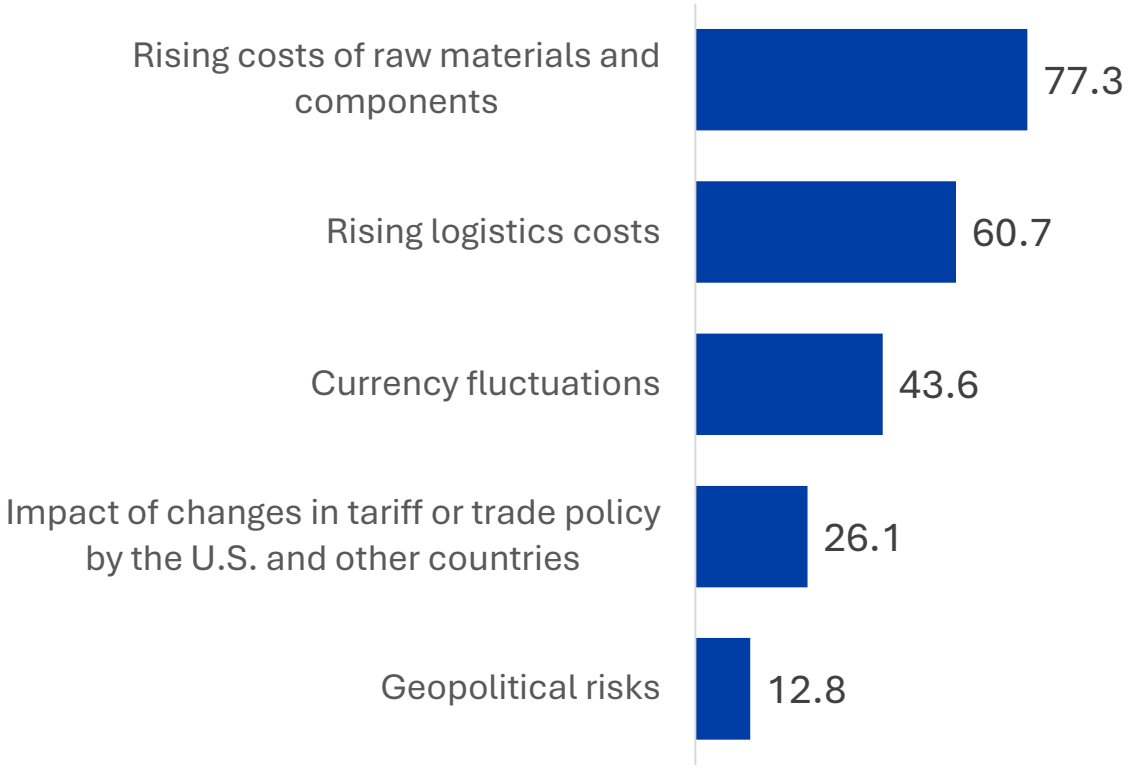
6 Rising Costs Are Reshaping Supply Chain Strategy

- Rising raw material and component costs (77.3%) and logistics costs (60.7%) dominate supply chain strategy, far ahead of tariff policy (26.1%) and geopolitical risk (12.8%). With price competition intensifying for 71.4%.

Main factors that affect procurement policy *(Top5, %)*



Note: N=422, Multiple answers allowed

Changes that affect company's supply chain strategy *(Top5, %)*

Note: N=420, Multiple answers allowed

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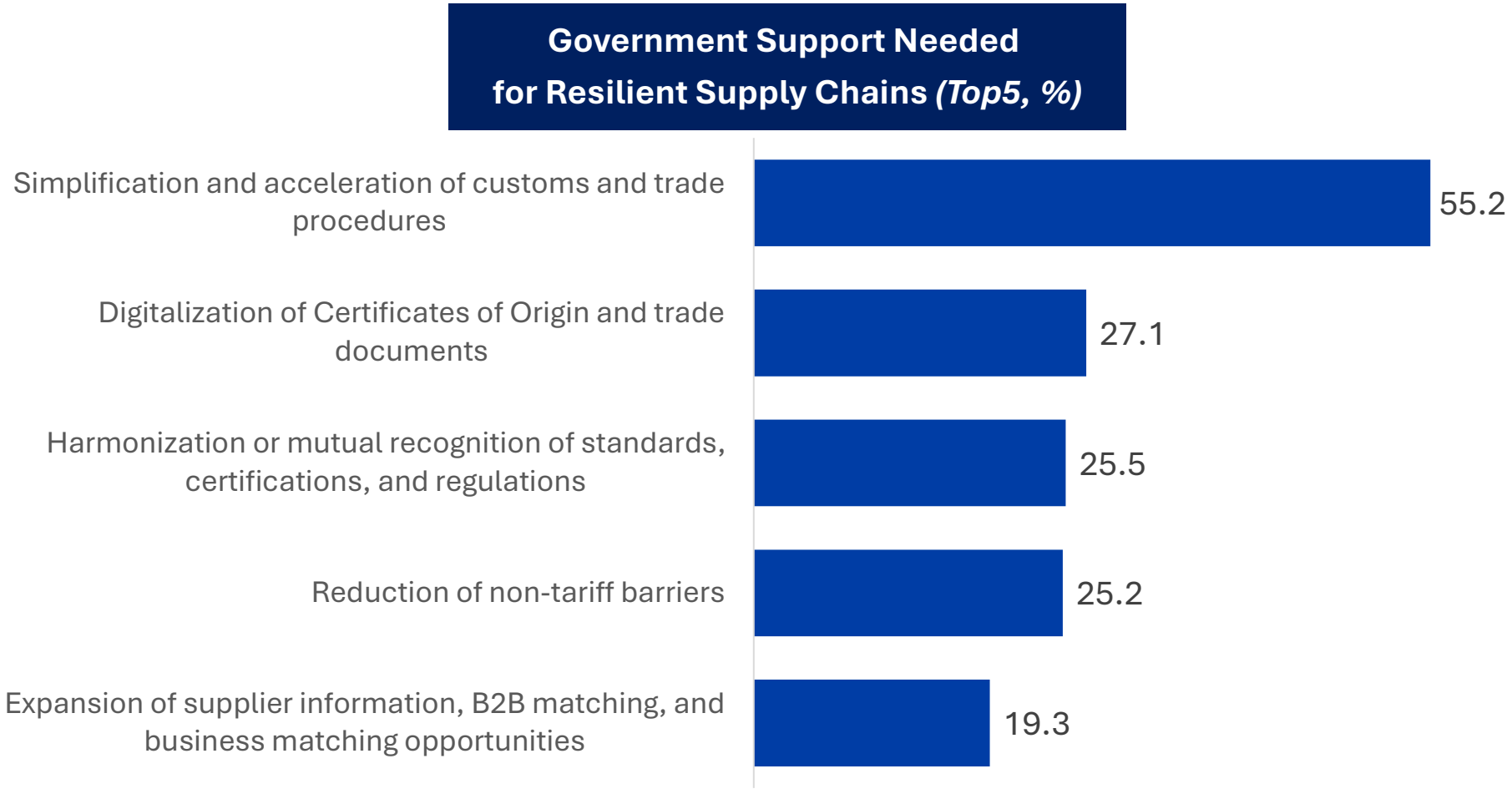
7 Trade Facilitation Is the Common Ask

- Simpler and faster customs and trade procedures top supply chain policy priorities at 55.2%, ahead of digital Certificates of Origin and trade documents (27.1%) and harmonized standards (25.5%). The same ask recurs in the business environment and RCEP sections.



Note: N=420, Multiple answers allowed

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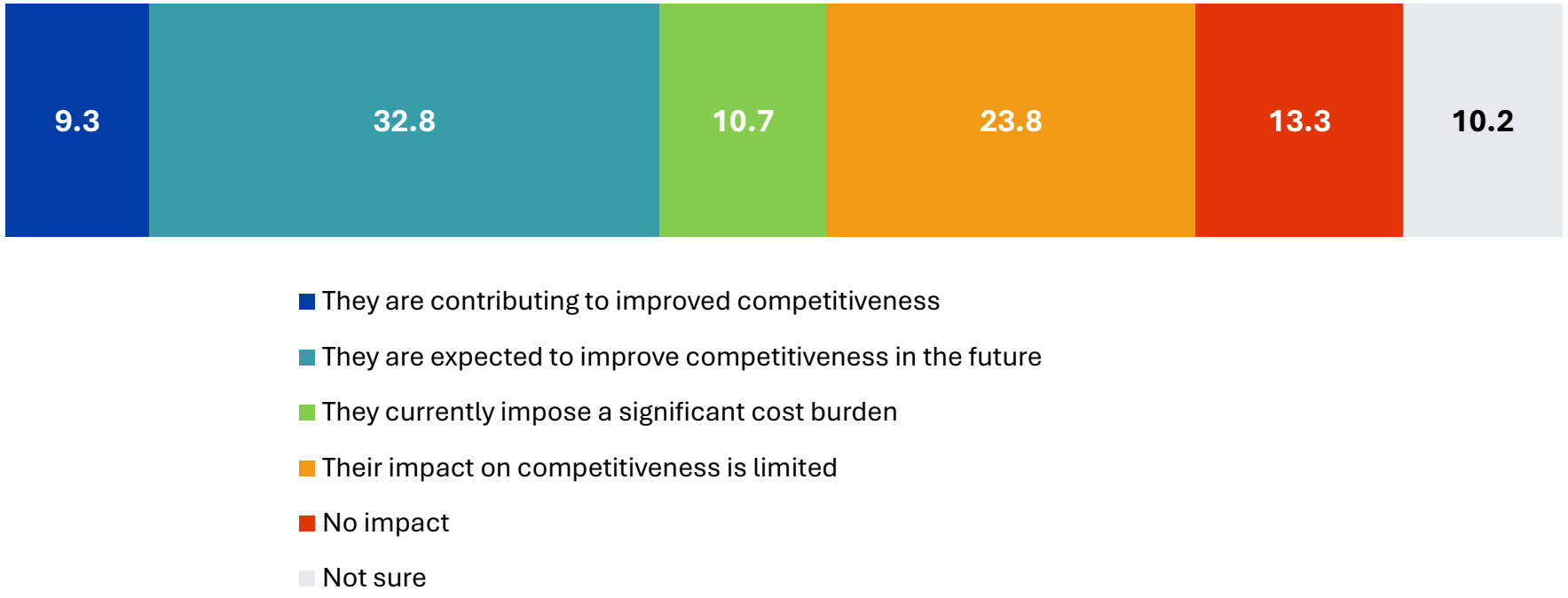
8 Circular Value Is Expected, Not Yet Realized

- 32.8% of respondents expect circular economy and sustainability initiatives to improve competitiveness in future, against only 9.3% seeing that benefit today. The gap reflects implementation barriers, not a lack of interest — and it bears directly on the sourcing pressures above.

Impact of sustainability and circular economy initiatives on competitiveness *(%)*



Note: N=421

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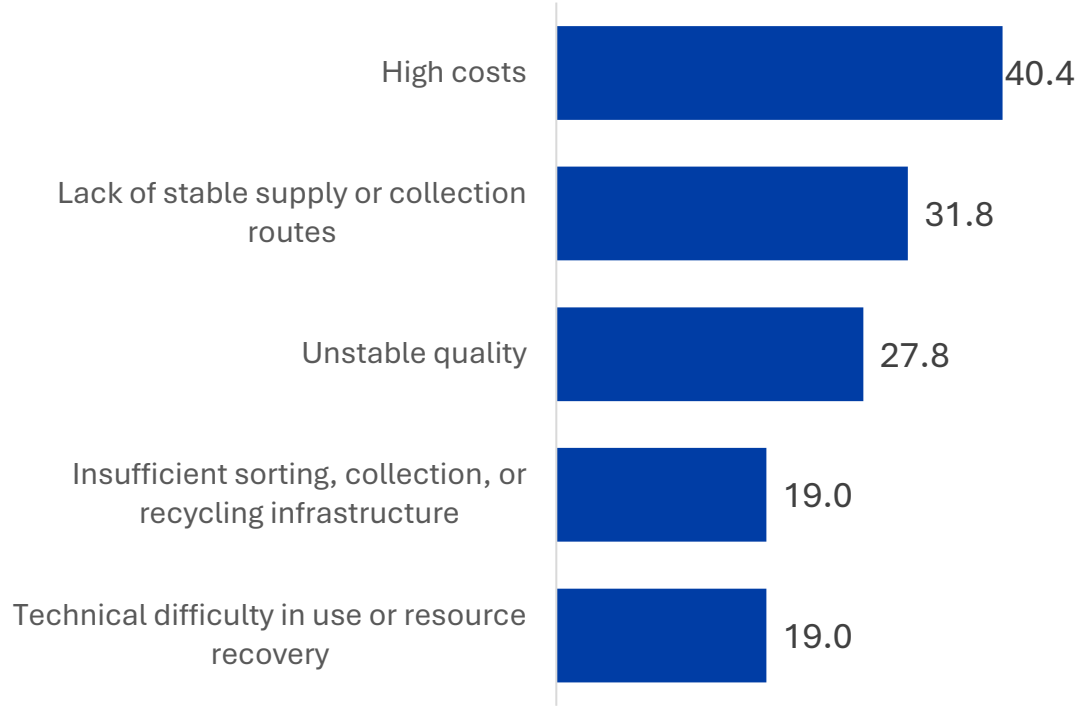
9 Substitution Has Begun, but Scale Is Blocked

- Firms already extend product life through repair (30.7%), reuse packaging (27.7%) and use recycled or secondary materials (26.5%). Scaling is blocked by cost (40.4%), missing supply and collection routes (31.8%) and unstable quality (27.8%).

Initiatives that are implementing or considering to support the transition toward a circular economy *(Top 5,%)*

Note: N=423, Multiple answers allowed

Challenges in expanding the use of recycled materials *(Top 5,%)*



Note: N=421, Multiple answers allowed

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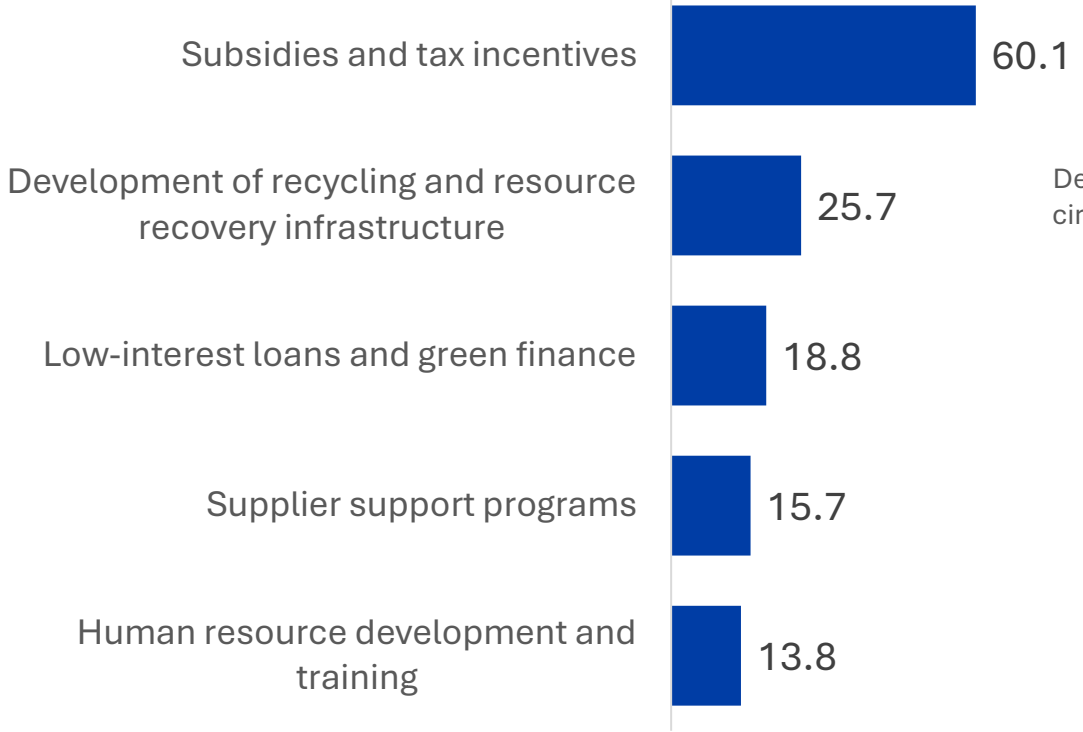
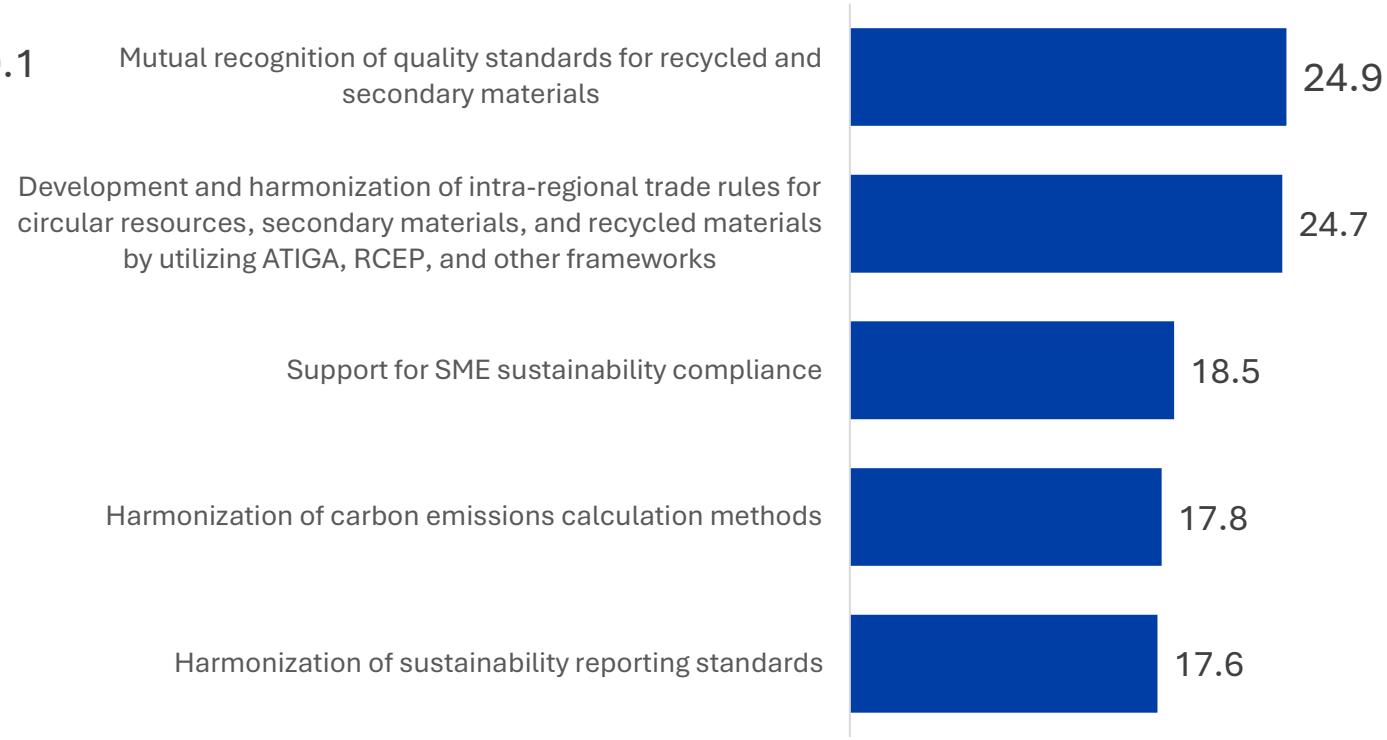
10 Regional Rules Would Open a Second Source

- Firms want subsidies and tax incentives (60.1%) and recycling infrastructure (25.7%). Regionally they prioritize mutual recognition of quality standards for secondary materials (24.9%) and intra-regional rules under ATIGA and RCEP (24.7%).

Expected support from the governments *(Top 5,%)*



Regional cooperation priorities to promote the circular economy in ASEAN+3 (Top 5,%)



Note: N=421, Multiple answers allowed

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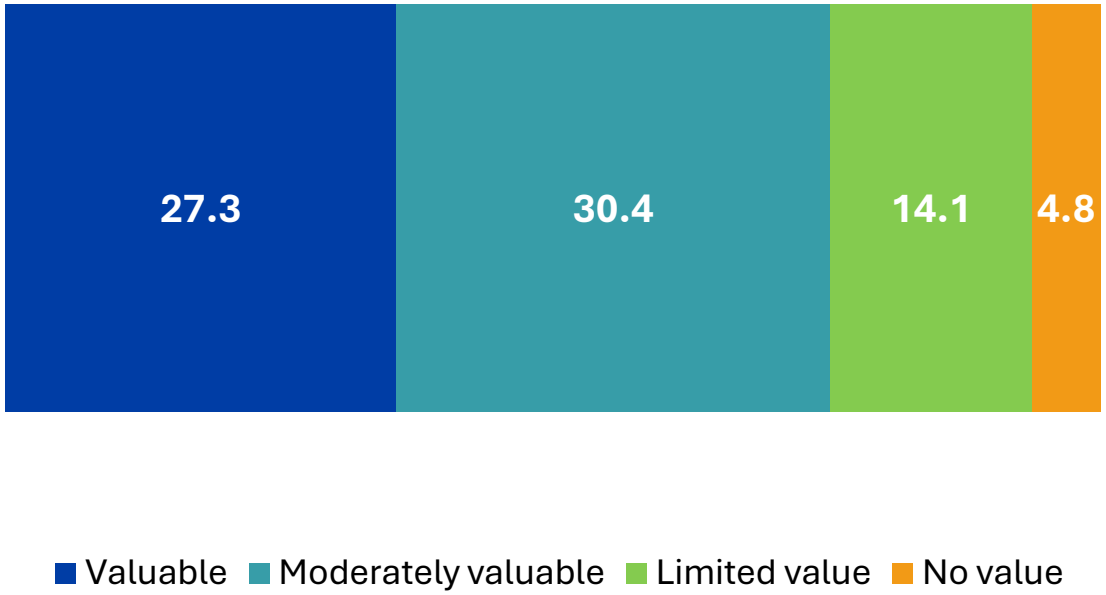
11 Payments: Demand Is Real, Trust Is the Gate

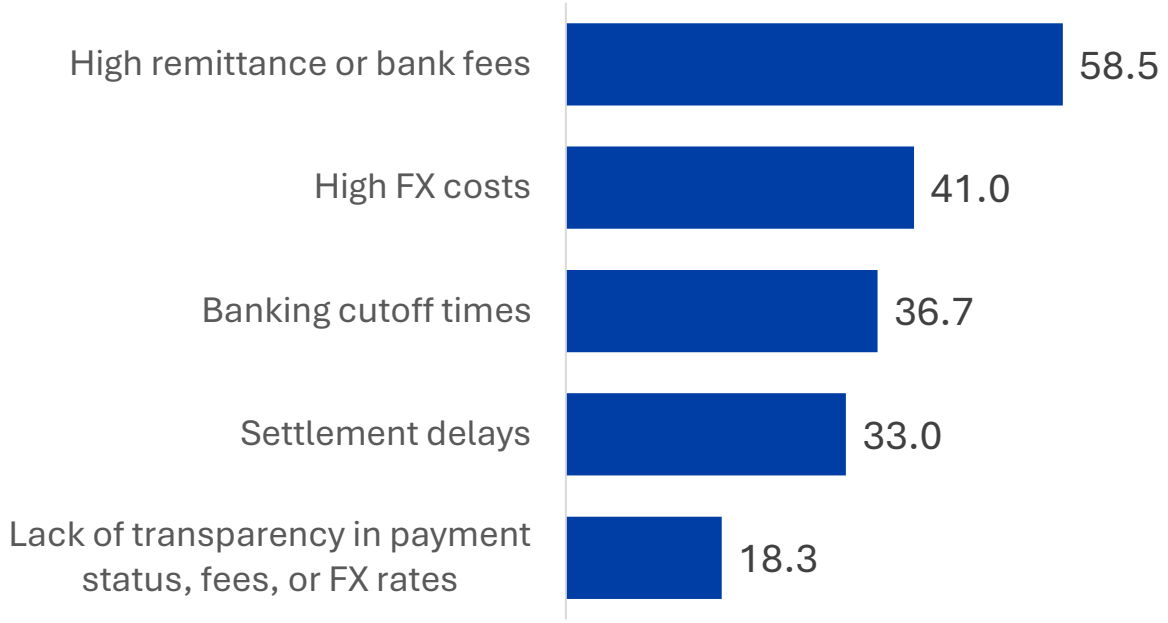
- Firms see clear value in 24x7 real-time cross-border payments, but high remittance and bank fees (58.5%) and FX costs (41.0%) remain the dominant pain points.

Perceived value of 24x7 real-time cross-border payments *(%)*



Note: N=355

Biggest pain points in cross-border payments *(Top 5,%)*



Note: N=349, Multiple answers allowed

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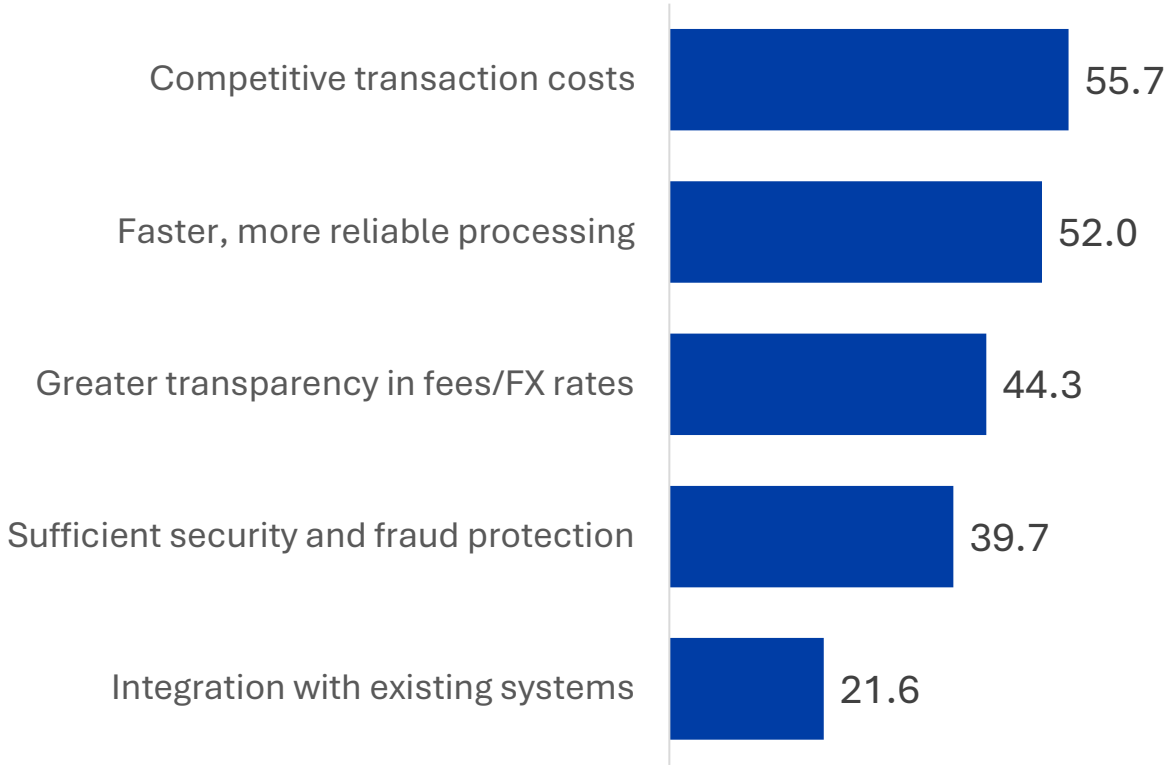
12 What It Would Take: Cost, Speed and Trust

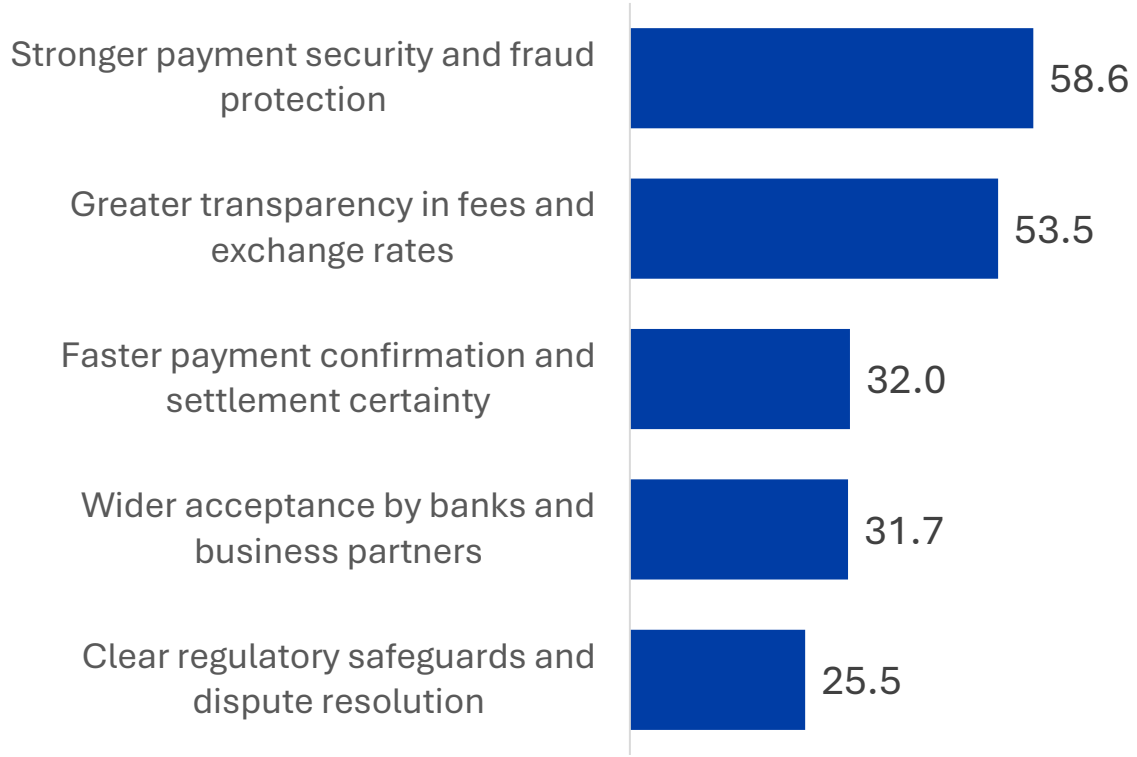
- Firms would adopt real-time cross-border payments mainly for competitive transaction costs (55.7%) and faster, more reliable processing (52.0%). Confidence to actually use them depends most on stronger security and fraud protection (58.6%) and greater fee/FX transparency (53.5%).

Conditions to consider using real-time cross-border payments (%)



Note: N=349, Multiple answers allowed

Elements to increase confidence in using real-time cross-border payments (Top 5,%)



Note: N=353, Multiple answers allowed

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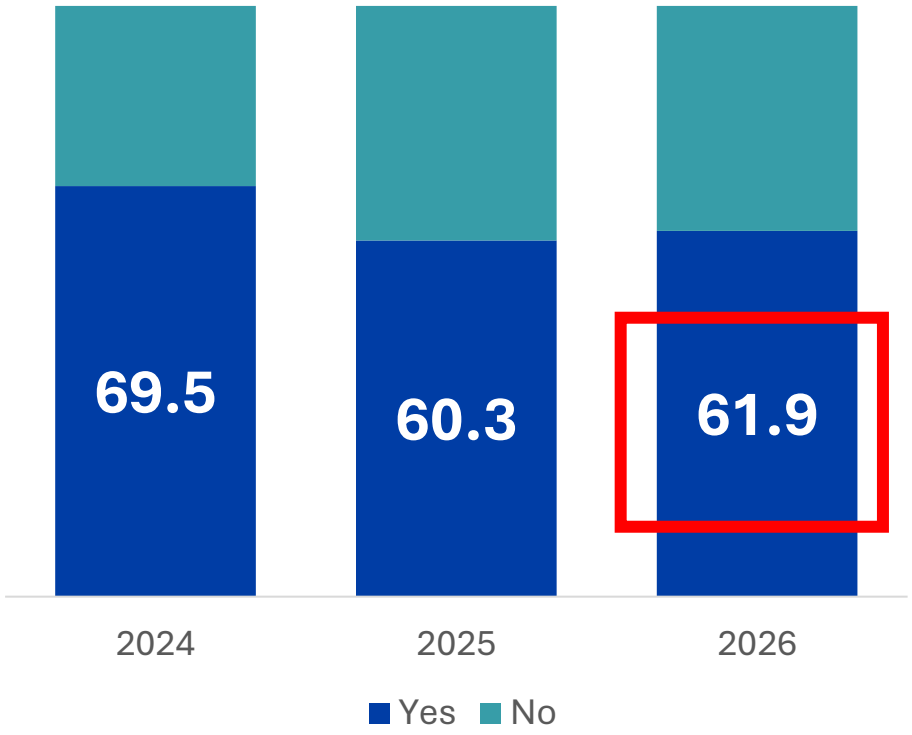
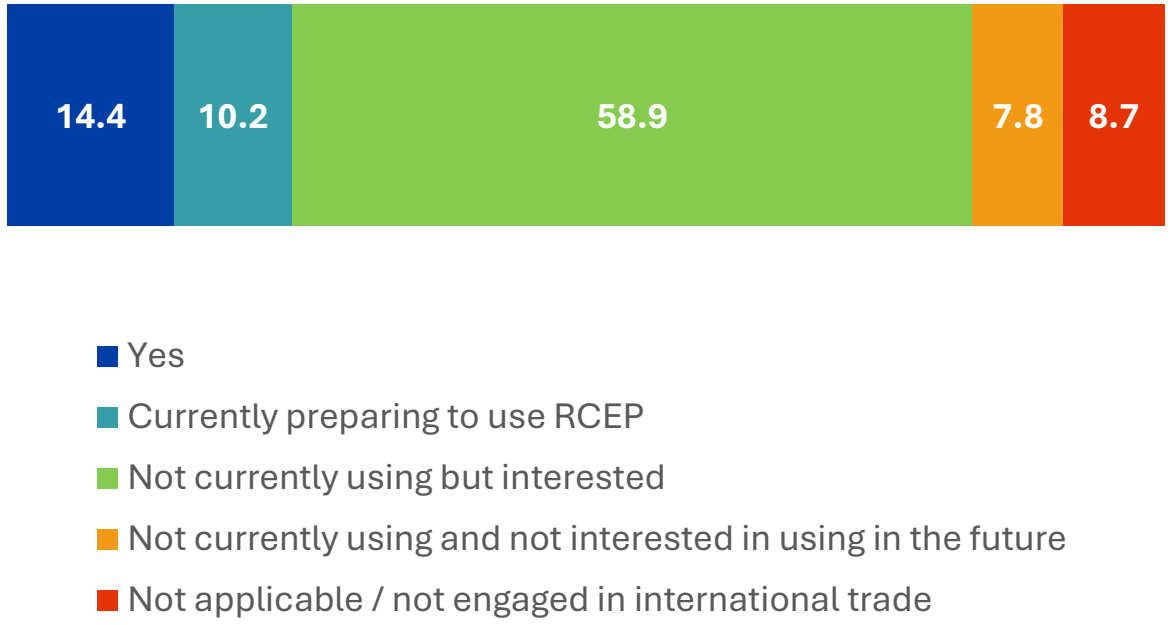
13 RCEP: High Awareness, Limited Utilization

- Awareness stands at 61.9%, recovering slightly from 60.3% in 2025, but only 14.4% of respondents are currently using RCEP. A further 10.2% are preparing to use it and 58.9% are interested but not yet using it — a large pool of latent demand waiting on practical support.

Awareness of RCEP (%)



RCEP Utilization Status, 2026 (%)



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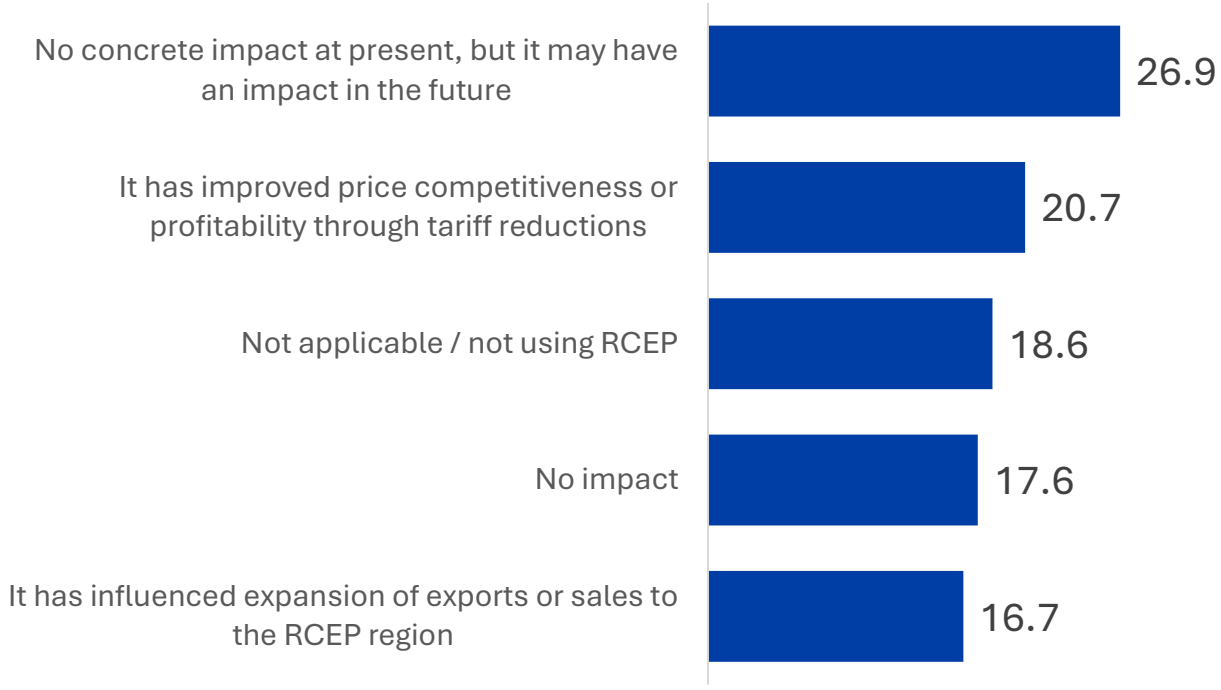
14 The Barriers Are Procedural, Not Fundamental

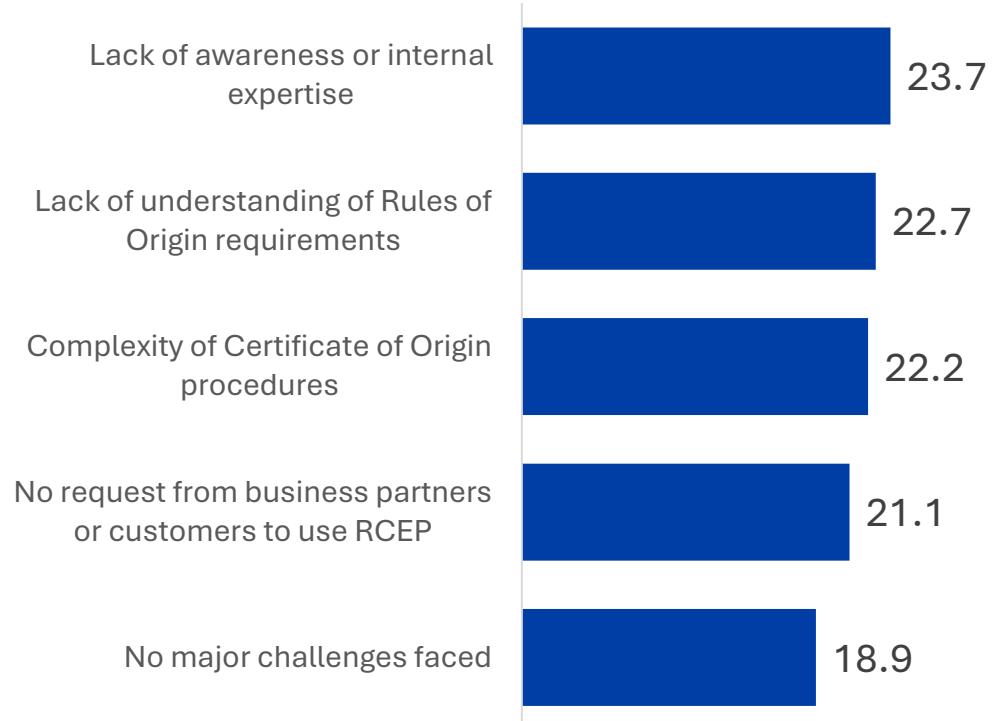
- Where RCEP is used it delivers: 20.7% report better price competitiveness through tariff cuts and 16.7% expanded exports or sales, while 26.9% expect an impact ahead.
- The obstacles are practical — lack of internal expertise (23.7%), limited understanding of Rules of Origin (22.7%) and complex Certificate of Origin procedures (22.2%).

Influence of RCEP on sourcing, export and investment decisions *(Top 5, %)*



Note: N=420, Multiple answers allowed

Barriers in using RCEP *(%)*



Note: N=418, Multiple answers allowed

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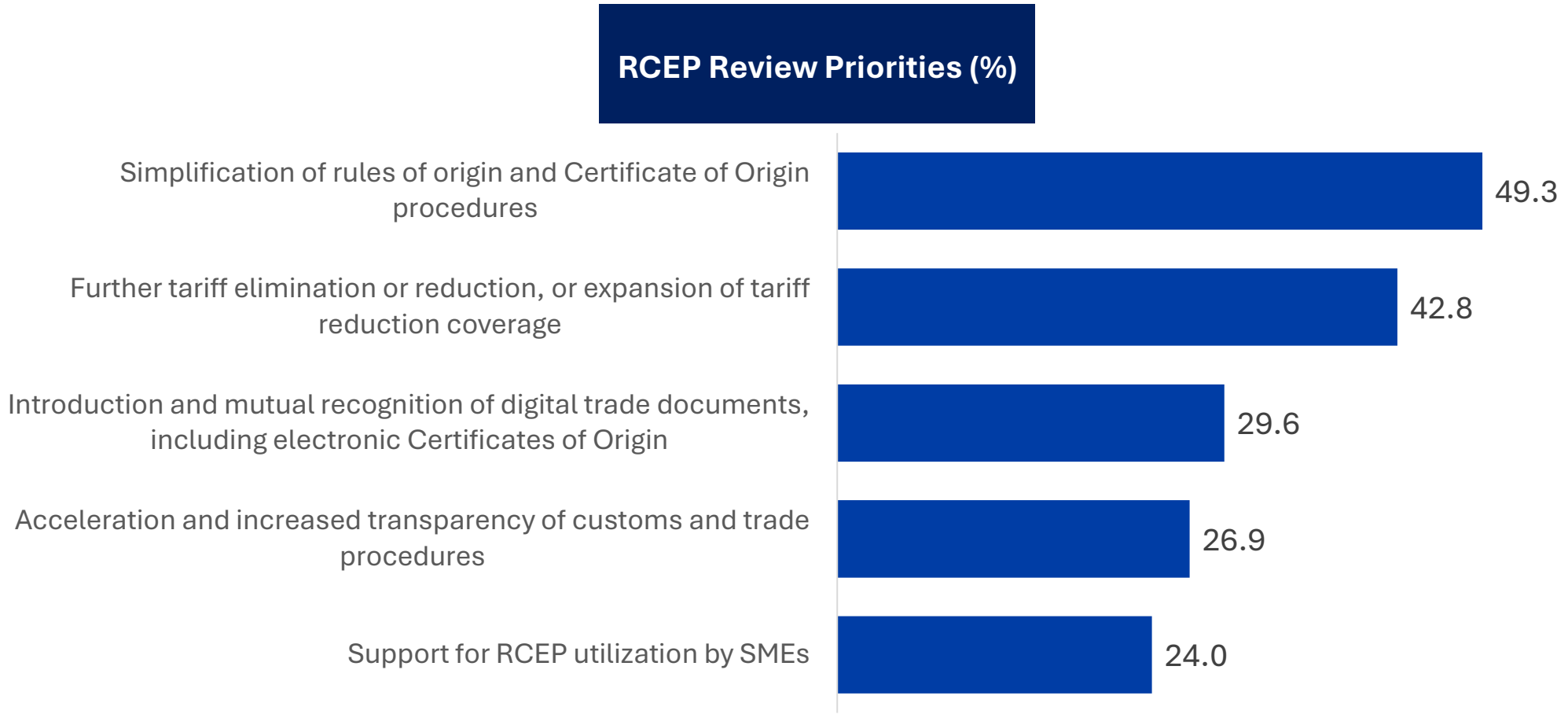
15 Business Priorities for the 2027 RCEP Review

- Respondents prioritize simplification of rules of origin and CO procedures (49.3%), further tariff reduction (42.8%) and digital trade documents including electronic COs (29.6%).
- Adding rules for circular resource trade would let one review address both facilitation and resilience.



Note: N=416, Multiple answers allowed

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