



2007 ASIAN INVESTMENT INTENTIONS SURVEY

Total number of selected companies:	<u>524</u>
Total number of respondents:	<u>94</u>
Total % of response:	<u>17.94%</u>

1) Our main Asian activities are in (please tick all responses that apply to your company):

11%	29	a) Japan
21%	56	b) China (excluding Hong Kong)
10%	27	c) Hong Kong
7%	19	d) South Korea
7%	19	e) Taiwan
7%	18	f) Singapore
13%	34	g) Other Southeast Asia
10%	28	h) India, Pakistan or Sri Lanka
10%	28	i) Australia or New Zealand
4%	12	j) Other
100%	270	

2) Our main Asian area of business is:

12%	14	a) Mineral extraction, handling or processing
4%	5	b) Agriculture, agri-business or food processing
11%	13	c) Other resource industry
12%	14	d) IT products and services
2%	2	e) Biotech or healthcare products or services
15%	17	f) Other manufacturing
4%	4	g) Trading
5%	6	h) Financial services
5%	6	i) Business services
3%	3	j) Educational services
12%	14	k) Technical services (such as engineering, architecture)
14%	16	l) Other
100%	114	

3) Our activities in Asia are aimed mainly at:

63%	77	a) Servicing the Asian market
15%	19	b) Servicing the Canadian market
22%	27	c) Servicing the US or other global market
100%	123	

4) During the next 12 months we expect our level of investment in Asia to:

27%	25	a) Increase substantially
42%	38	b) Increase moderately
27%	25	c) Stay about the same
0%	0	d) Decrease
3%	3	e) Don't know
100%	91	

5) **During the next 2-5 years we expect our level of investment in Asia to:**

<u>47%</u>	<u>42</u>	a) Increase substantially
<u>38%</u>	<u>34</u>	b) Increase moderately
<u>9%</u>	<u>8</u>	c) Stay about the same
<u>0%</u>	<u>0</u>	d) Decrease
<u>7%</u>	<u>6</u>	e) Don't know
<u>100%</u>	<u>90</u>	

6) **We expect our investment in Asia to increase by way of:**

<u>30%</u>	<u>31</u>	a) New direct investment in newly built plant or equipment
<u>36%</u>	<u>37</u>	b) Expansion or upgrading of existing facilities already partly or wholly owned
<u>33%</u>	<u>34</u>	c) Merger or acquisition of existing non-affiliated companies or assets
<u>100%</u>	<u>102</u>	

7) **Is your firm likely to invest in any of the following countries in the next 12 months**
(please tick all responses that apply to your company):

<u>8%</u>	<u>16</u>	a) Japan
<u>20%</u>	<u>42</u>	b) China (excluding Hong Kong)
<u>7%</u>	<u>14</u>	c) Hong Kong
<u>3%</u>	<u>6</u>	d) South Korea
<u>5%</u>	<u>11</u>	e) Taiwan
<u>4%</u>	<u>9</u>	f) Singapore
<u>10%</u>	<u>22</u>	g) Other Southeast Asia
<u>11%</u>	<u>24</u>	h) India, Pakistan or Sri Lanka
<u>8%</u>	<u>16</u>	i) Australia or New Zealand
<u>10%</u>	<u>21</u>	j) United States
<u>8%</u>	<u>17</u>	k) Europe
<u>7%</u>	<u>14</u>	l) Mexico or other Latin America
<u>100%</u>	<u>212</u>	

8) **Our decision on investment (or disinvestment) in Asia will be influenced by**
(please tick all responses that apply to your company):

<u>34%</u>	<u>65</u>	a) Expected economic growth in the target economy/ies
<u>8%</u>	<u>16</u>	b) Relatively low asset prices in the target economy/ies
<u>5%</u>	<u>10</u>	c) The need to cut costs because of the strength of the Canadian dollar
<u>19%</u>	<u>37</u>	d) A need to provide expanded support for existing customers
<u>10%</u>	<u>20</u>	e) Protection of market share in the target economy/ies
<u>2%</u>	<u>3</u>	f) Access to finance in Asia on favourable terms
<u>10%</u>	<u>19</u>	g) A need to outsource to remain competitive in North America
<u>10%</u>	<u>20</u>	h) A need to outsource to remain competitive in markets in other regions
<u>2%</u>	<u>4</u>	i) Strategic planning by a non-Canadian parent company
<u>100%</u>	<u>194</u>	

9 A) Does your company have a formal strategy for increasing business with China?

<u>58%</u>	<u>53</u>	a) Yes
<u>43%</u>	<u>40</u>	b) No
<u>1%</u>	<u>1</u>	c) Don't know
<u>102%</u>	<u>92</u>	

9 B) If 'yes' how important have the following reasons been for your company's decision to do business with China?

(please use a scale of 1 indicating least important to 5 indicating most important)

<u>18%</u>	<u>177</u>	Accessing the Chinese market
<u>8%</u>	<u>78</u>	Outsourcing to take advantage of lower labour costs
<u>11%</u>	<u>106</u>	Sourcing materials and products
<u>11%</u>	<u>106</u>	Maintaining global competitiveness
<u>7%</u>	<u>65</u>	Exploiting an existing competitiveness advantage (brand, IP, know-how, etc)
<u>6%</u>	<u>62</u>	Following customers
<u>4%</u>	<u>43</u>	Following competitors' moves
<u>11%</u>	<u>109</u>	Diversifying markets
<u>6%</u>	<u>62</u>	Leveraging personal links with China
<u>5%</u>	<u>48</u>	Taking advantage of business linkages in China (trade missions, etc)
<u>5%</u>	<u>48</u>	Taking advantage of Chinese government support
<u>6%</u>	<u>53</u>	Reducing the risk of Canadian and US business cycles
<u>100%</u>	<u>957</u>	