



EDC GUIDE

CULTURAL TIPS FOR DOING BUSINESS IN SOUTHEAST ASIA

How to maximize your success

Canada


TAKE ON **THE WORLD**

When it comes to business etiquette, what's acceptable in one country, may not be in another. To be successful in international trade, you need to understand the culture, traditions and business habits of your clients and partners in your target markets and adapt your communication and business strategies accordingly.

It could mean the difference between winning—or losing—a contract.

Southeast Asia is a highly diverse island nation with an open and diversified economy, rich natural resources and low-cost skilled labour. It includes 11 countries—Singapore, Thailand, Indonesia, Vietnam, Timor-Leste, the Philippines, Cambodia, Brunei, Burma, Malaysia and Laos—10 of which are part of the Association of Southeast Asian Nations (ASEAN), an economic union to promote growth, social progress and cultural development in the region.

The ASEAN agreement and the region's wealth of markets and opportunities are especially attractive for Canadian direct investment, as well as trade in infrastructure, agri-food, oil and gas, mining, and information and communications technology.

5 KEY ETIQUETTE TIPS

1. **Be mindful of diversity:** Southeast Asia (SEA) is very diverse—from culture and religion to income levels, languages and the way business is conducted. It's paramount you pay special attention to the local, religious and national holidays and the Ramadan holy month in Muslim-majority countries such as Indonesia, Malaysia and Brunei.
2. **Build strong relationships:** Personal relationships are extremely important when doing business across most of its 11 countries. Who you know can open doors to key decision-makers. Face-to-face meetings are vital, but it often takes several, including social events, to build trust. Learn a few words and phrases of the language spoken by your counterpart. It's a way to build rapport and intimacy. Business leaders are also trying to gauge your commitment to the relationship and region. Never make jokes about the country and its culture—even if the locals do.
3. **Be flexible about meetings:** Depending on the country, meetings don't always start on time. For example, punctuality is important in Singapore, but meetings may be delayed due to cultural or logistical reasons, including traffic congestion in other markets. Avoid scheduling back-to-back meetings because some could start late and or run longer than the allotted time. Last-minute cancellations aren't uncommon. Connecting over a meal is generally welcome. Be sensitive about alcohol and pork consumption during business meetings, especially in Muslim countries.
4. **Establish a local presence:** Businesses in the region look for commitment and will often ask if you have a local subsidiary, representative or agent. Having someone on the ground to help navigate the local business culture and help you make connections or understand logistical issues, like permits, are invaluable.
5. **Read between the lines:** "Saving face" is important across most of Asia, including Southeast Asia. Criticism and high-pressure or aggressive negotiation tactics generally don't work. In business interactions, pay attention to subtle nonverbal gestures and body language rather than just what's being said. Seniority and hierarchy are highly respected. Always address your counterpart by their professional or courtesy title followed by their surname. Avoid hot-button issues, like politics and religion.



INTERESTING FACTS ABOUT SOUTH-EAST ASIA

- › With a population of nearly 675 million, Southeast Asia is made up of more than 25,000 islands. About one-fifth of the population lives on Indonesia's Java island.
- › The weather in Southeast Asia is tropical—all year round—with the average temperature about 27° C. The hottest time of year is from March to May, with temperatures consistently hovering around 38° C.
- › Singapore is the wealthiest country in Southeast Asia with one of the busiest ports in the world. A gateway to Asia, it's linked to 600 ports in more than 120 countries.
- › It took 18 years to build the Great Buddha of Thailand. One of the tallest in the world, the golden statue stands 92 metres tall and in its sitting position, its knees span 63 m. About 95% of Thais are Buddhist.
- › Southeast is home to a number of the world's ruling monarchies, including Brunei, Cambodia, Malaysia and Thailand.
- › Southeast Asia is in the midst of a digital revolution with more than 400 million mobile users, making the region a hotspot for the digital economy.

FOR MORE INFORMATION

- › Visit EDC's country and market info page about [Southeast Asia](#).
- › Visit the Canadian Mission to ASEAN [site](#).
- › Visit the Canada-ASEAN Business Council [site](#).
- › Reach out to [Joy Rankothge](#), EDC's chief representative for Southeast Asia.

ABOUT EXPORT DEVELOPMENT CANADA

Who are we?

Export Development Canada (EDC) is Canada's export credit agency. Our job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities. We're a self-financing Crown Corporation that operates at arm's length from the Government of Canada.

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