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Your Partner for Growth in Asia

# AN INTRODUCTION TO Doing Business in ASEAN 2025

Special Focus

**Data Protection in  
the ASEAN-6**



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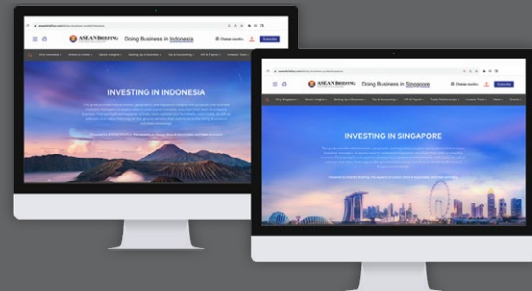
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This edition of Doing Business in ASEAN was produced by a team of professionals at Dezan Shira & Associates, with Ayman Falak as Editor. Creative design of the guide was provided by Miguel Enrico Anciano.

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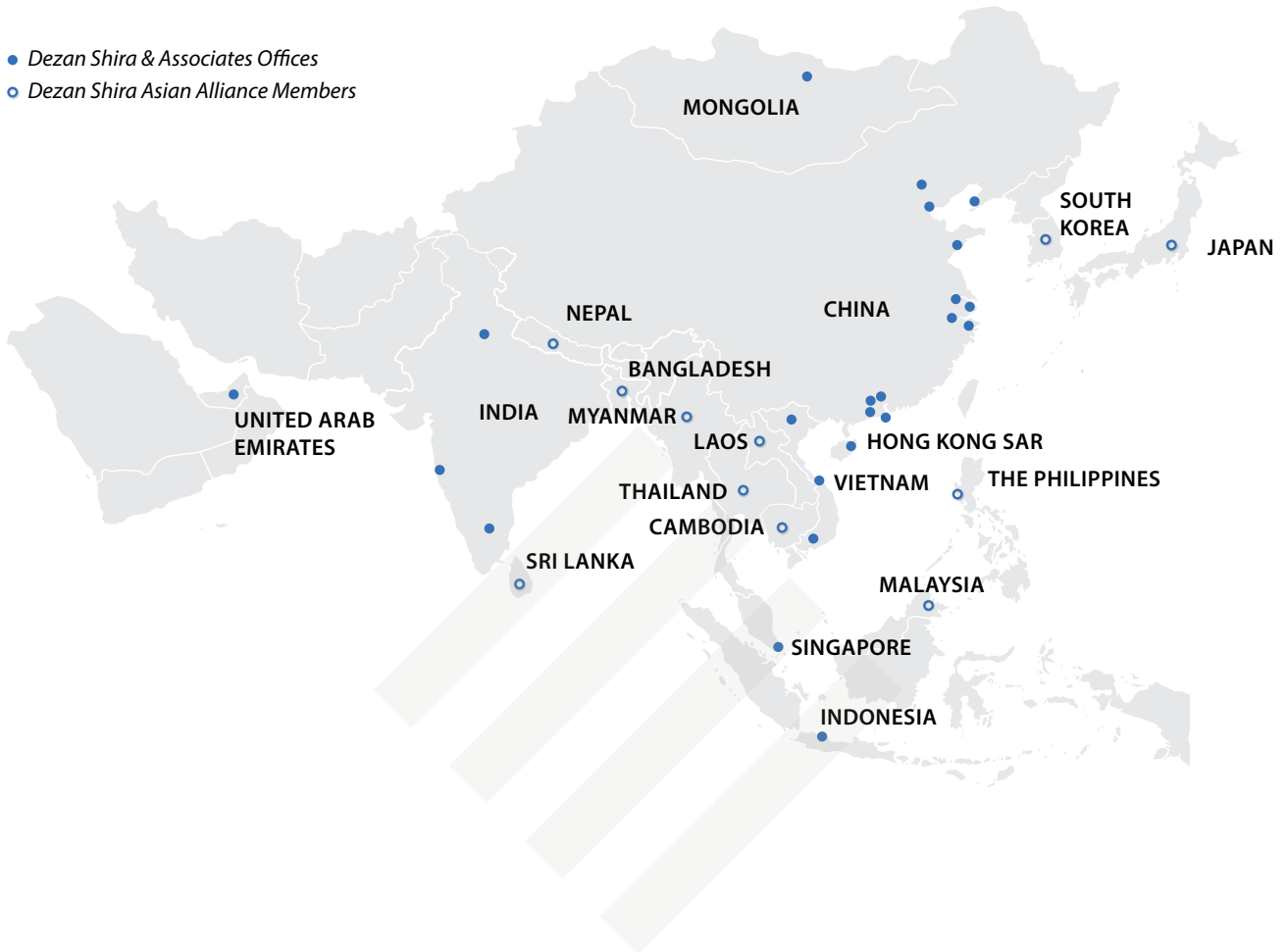
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## About Dezan Shira & Associates

At Dezan Shira & Associates, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. Since its establishment in 1992, Dezan Shira & Associates has grown into one of Asia's most versatile full-service consultancies with operational offices across China, Hong Kong, India, Singapore and Vietnam, as well as liaison offices in Italy, Germany and the United States, and partner firms across the ASEAN region. With over 30 years of on-the-ground experience and a large team of professional advisers, we are your reliable partner in Asia.

# Preface

The Association of Southeast Asian Nations (ASEAN), with over 600 million people and a rising middle class, is set to become the world's fourth-largest economy by 2030. Despite global challenges like inflation and supply chain disruptions, ASEAN-6 economies—Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam—are projected to grow at an average of 4.8 percent in 2023, outperforming the global average of 3.2 percent. Vietnam leads with 6.8 percent growth, highlighting the region's economic dynamism driven by increasing consumer demand.

ASEAN's domestic consumption is expected to hit US\$4 trillion by 2030, attracting significant Chinese outward direct investment (ODI), which reached US\$25.12 billion in 2023—a 34.7 percent annual increase. Key sectors include manufacturing, digital technology, and infrastructure, with major investments in Singapore, Indonesia, Vietnam, and Malaysia. This surge also positions ASEAN as a critical supply chain hub amid geopolitical shifts.

The 2025 U.S. administration could reshape trade policies, potentially impacting ASEAN. A new Donald Trump presidency might reintroduce tariffs, forcing Chinese firms to relocate production to ASEAN to safeguard exports. While this could enhance ASEAN's manufacturing role, exporters in electronics, textiles, and automotive parts may face scrutiny as intermediaries for Chinese goods. Diversifying export markets and bolstering regional trade agreements are vital to mitigating risks.

Balanced ties with the U.S. and China, coupled with robust FDI inflows totaling US\$229.8 billion in 2023, solidify ASEAN's appeal. Strengthening supply chains, easing regulations, and fostering intra-ASEAN trade will further enhance resilience.

As ASEAN advances toward 2030, its strategic reforms and expanding consumer class promise unmatched investment opportunities. This publication, compiled by experts at Dezan Shira & Associates, introduces the fundamentals of investing in ASEAN and provides insights into navigating this dynamic market.

"An Introduction to Doing Business in ASEAN 2025" covers the following critical areas:

- Corporate establishment
- Tax and accounting
- Human resources and payroll
- Audit and compliance



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# What's New in This Guide

ASEAN countries have implemented an array of regulatory reforms as the bloc looks to increase its attractiveness as a destination for foreign investment. The level and type of reforms varies between members. Indonesia for instance, has enacted its biggest attempt at bureaucratic reform since independence.

We provide highlights of some of the key changes in ASEAN states.

## Indonesia

While Indonesia has not experienced significant changes to its legal and regulatory framework, the nation has seen a smooth transition of power with the election of Prabowo Subianto as president. Prabowo's leadership is expected to continue and expand on the reforms and initiatives introduced by his predecessor, Joko Widodo (Jokowi), particularly in the areas of infrastructure development, investment policies, and digital transformation.

Prabowo has expressed a commitment to maintaining the pro-business stance established during Jokowi's administration. This includes advancing *Omnibus Law* reforms aimed at simplifying regulations and enhancing Indonesia's ease of doing business. Additionally, the emphasis on developing critical infrastructure — from new industrial zones to improved logistics networks — is set to continue, ensuring that foreign and domestic investments can thrive with fewer logistical bottlenecks.

The new administration's focus on economic self-sufficiency and expanding downstream industries, such as mineral processing and manufacturing, provides further assurance of policy continuity. For businesses, this consistency means a stable investment climate with fewer disruptions and increased opportunities to leverage Indonesia's growth potential.

Overall, the seamless governmental transition reinforces the message that Indonesia remains committed to progressive reforms, economic stability, and business-friendly policies — crucial factors for fostering long-term business continuity and investor confidence.

## Malaysia

As Malaysia advances toward a fully digital economy, the implementation of e-invoicing marks a significant step in modernizing business transactions and enhancing tax compliance. The Inland Revenue Board of Malaysia (IRBM) is rolling out e-invoicing in phases, starting with the largest businesses in August 2024.

In the first phase, businesses with annual revenues of 100 million ringgit (US\$23 million) or more are adopting the system. The second phase begins on January 1, 2025, targeting taxpayers with annual turnovers between 25 million ringgit (US\$5.7 million) and 100 million ringgit (US\$23 million). The final phase covers all other taxpayers starting July 1, 2025.

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