

Global Economic Currents Reshape Southeast Asia: Inflation, Trade, and Digital

Southeast Asia Economy · Answer Key · 10 Questions

1. Which Southeast Asian country is experiencing significant growth in manufacturing and attracting foreign direct investment due to supply chain diversification strategies, often referred to as the 'China+1' approach?

- A) Thailand
- B) Vietnam**
- C) Singapore
- D) Malaysia

2. In 2025, which factor is identified as a major headwind for the ASEAN+3 region's economic outlook, despite domestic demand remaining robust?

- A) A decline in foreign tourism arrivals
- B) Unprecedented global tariff escalation**
- C) A significant drop in cryptocurrency adoption
- D) Increased regional trade barriers

3. Despite a slowdown in overall tourist numbers in Thailand during the first half of 2025, which segment of travelers is contributing to rising tourism receipts?

- A) Short-haul tourists from China
- B) Budget travelers from South Korea
- C) Higher-spending long-haul tourists**
- D) Backpacking students from Malaysia

4. What is a significant projected trend for Southeast Asia's digital economy by the end of 2025, according to a joint report by Google, Temasek, and Bain & Company?

- A) A decline in e-commerce gross merchandise value (GMV)
- B) A contraction in data center capacity
- C) Surpassing \$300 billion in gross merchandise value (GMV)**
- D) A decrease in digital payment adoption

5. How have US tariffs, particularly those proposed by Donald Trump, impacted Southeast Asian economies that export to the US, according to analyses from late 2024 and early 2025?

- A) They have led to increased export competitiveness for all ASEAN nations.
- B) They have significantly reduced Chinese exports to ASEAN, creating opportunities.
- C) They have raised the cost of exports, making them less attractive to American buyers, potentially cutting regional growth.**
- D) They have encouraged ASEAN countries to impose retaliatory tariffs on US goods.

6. In 2025, what is a key challenge for Indonesia's palm oil sector, impacting its global export market?

- A) A decrease in global demand for edible oils
- B) Stricter sustainability regulations from the European Union (EUDR) and potential US tariffs**
- C) A significant decline in domestic biofuel mandates
- D) Over-reliance on exports to China, which has reduced its purchases

7. What is a primary risk facing Southeast Asian food security and affordability in 2025, as noted in reports concerning climate change and commodity prices?

- A) A global surplus of agricultural commodities leading to price drops
- B) Extreme weather events and the rising costs associated with the energy transition**
- C) A sharp decrease in demand for food imports from developed nations
- D) Advancements in agricultural technology that have made food production too cheap

8. Which factor is identified as a driver for the projected growth in Southeast Asia's digital economy in 2025, despite global economic uncertainty?

- A) A significant decrease in internet penetration rates
- B) The acceleration of Artificial Intelligence (AI) adoption and expansion of data center capacity**
- C) A shift away from e-commerce towards traditional retail
- D) Reduced investment in digital infrastructure

9. What is the trend observed in global supply chain strategies concerning Southeast Asia in the context of trade tensions and diversification efforts from China?

- A) A complete withdrawal of multinational firms from Southeast Asia to reshore operations.
- B) A decrease in foreign direct investment (FDI) into Southeast Asian manufacturing.
- C) An acceleration of supply chain diversification into Southeast Asia, often as a complement to, not a replacement for, China.**
- D) A shift back to concentrating all manufacturing solely within China.

10. In 2025, the ASEAN tourism sector reported a 'positive post-pandemic recovery', with international visitor arrivals reaching what milestone, exceeding pre-pandemic levels?

- A) 100 million
- B) 120 million
- C) 144 million**
- D) 160 million