

PwC plans to double Asean proportion

Regional economic resilience a key factor

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PwC, a major auditing and consulting firm, sees Southeast Asia's economic resilience as an important factor in expanding the company's regional growth opportunities, says Derek Kidley, chief executive of PwC's Southeast Asian Consulting Joint Venture.

"Rapid urbanisation, an expanding middle class and burgeoning demand for infrastructure are significant factors driving economic growth in the region," he said.

Despite the cut in GDP forecasts by research houses as the global economy continues to slump, the region's economy is expected to grow at a faster clip than its developed counterparts.

The International Monetary Fund last month trimmed its growth projection for Indonesia, Malaysia, the Philippines, Thailand and Vietnam to 5% this year from 5.9% in April. It also forecast US economic growth of 1.6% this year, with euro-zone contraction of 0.4%.

Greater public policy consistency, regulatory standards and trade negotiations will encourage foreign investors to pour their capital into the region, said Mr Kidley, citing the Apec CEO Survey.

He said the company plans to double the size of its Southeast Asian business segment over the next three years.

Auditing and assurance tax services remain key components of the business, but advisory and consulting are the fastest-growing segments globally including in Southeast Asia.

The company recently formed a joint venture among its consulting practices in Southeast Asia and investors from Australia, New Zealand and the US, who own minority shares.

Mr Kidley said the move allows the company to create an integrated consulting business across Asean, leveraging regional capabilities and resources to



Growth rates will eclipse developed countries, says Mr Kidley. SOMCHAI POOMLARD

support its clients, coupled with accessing special skills and services from the global network.

"One of the biggest bottlenecks for investment is infrastructure challenges, and investing in infrastructures should be seen as an opportunity to make the region as well as Thailand more attractive for investment," said Mr Kidley.

He said it is not surprising that Thailand attracts smaller flows of direct investment than its neighbours, particularly Indonesia and Myanmar, as the country has entered market maturity, while untapped business opportunities remain in newly emerging markets.

But Thailand can secure its foothold as an attractive investment destination given trade barrier elimination, continuous infrastructure development and a regulatory framework aligned with the region's standards.

PwC sees Thailand as a channel supporting its clients in smaller territories across the region, said Mr Kidley, adding that PwC's Thai team already provides services to clients in Cambodia, Myanmar and Vietnam.

Continuing to attract the right talent pool to serve its clients remains the key risk for the company's business, while global economic uncertainties are a challenge as well, he said.