

Understanding Asia

Brand Shifts in Asia Pacific
Amid the Iran Conflict





Asia Pacific at an Inflection Point

Ipsos' latest research and analysis from the markets show how the Iran conflict is sending shockwaves across Asia Pacific. This has implications for economic stability, energy security, consumer confidence, and geopolitical perceptions.

Ipsos' Global Consumer Confidence Index is down 2.7 points this month and sits at 46.7. Many countries are feeling negative effects as a result of the ongoing U.S.-Iran War, which is now in its third month.

Consumer confidence has declined particularly sharply in Asia, with falls not seen since the COVID 19 era. Five of the six largest declines came from this region: Thailand (-10.9 points), Malaysia (-6.1 points), South Korea (-5.1 points), Japan (-4.7 points), and Australia (-4.6 points). At this point in time trust in Brand America is weakening—only 39% across 30 countries now see the U.S. as a positive force—while China's influence is rising, especially in ASEAN. Nationality is no longer a passive label; it is a decisive signal shaping brand trust and purchase intent.

1-Month Change (vs. March 2026)

Thailand	-10.9
Malaysia	-6.1
South Korea	-5.1
Japan	-4.7
Australia	-4.6

Source: Ipsos | Global Consumer Confidence Index - April 2026



Only 39%

see the **US** as a positive global force

America's reputation is falling across key markets, while China's influence is rising—particularly in ASEAN, where positive views now exceed 70%. This shift is reshaping brand perceptions: nationality has become a core attribute, with U.S.-linked brands facing reputational headwinds and Asian-origin brands gaining trust.

The impact varies by market, but the regional story is clear: Asia Pacific is absorbing the conflict (for now) through energy costs, inflation anxiety and weakening consumer confidence. As pressure moves through households and businesses, consumers are becoming more cautious, more value-conscious and more selective about who they trust.



"The sharp fall in consumer confidence across Asia Pacific reflects how deeply the conflict is being felt in households and businesses. With trust in Brand America and consumer confidence weakening, brands need a total understanding of local expectations to stay relevant."

- Hamish Munro, Ipsos CEO, APEC

Voice from the Markets: How the Conflict is Shaping Asia Pacific

Across Asia Pacific, Ipsos leaders describe a region adjusting to the economic and behavioural effects of the Iran conflict. While the degree of impact varies by market, a common theme emerges: energy volatility, inflation pressure, and supply-chain uncertainty are influencing both policy responses and everyday consumer decisions.

In Southeast Asia, governments are working to cushion households from rising costs. Malaysia and Thailand continue to balance subsidies and cost-of-living support, while India is prioritising stability in essential inputs such as LPG and fertilizer. The Philippines is managing elevated fuel prices under a National Energy Emergency, with early signs of reduced mobility and more cautious spending. Singapore is strengthening energy and supply-chain resilience through diversification and long-term planning.

North Asia is navigating exposure to global energy markets. Japan's reliance on Middle Eastern oil

is contributing to inflation and more restrained household spending. South Korea has introduced temporary fuel caps and drawn on reserves to support both consumers and exporters. In China, strong NEV adoption has helped moderate fuel-related pressures, though consumer confidence has softened, affecting vehicle sales.

Across other parts of the region, the situation is accelerating transitions. Vietnam is expanding EV taxis, charging infrastructure, and public transport incentives. New Zealand is seeing increased interest in EVs as fuel costs rise. Indonesia's diversification of crude supply reflects a broader focus on energy security.

Across the region, consumers are becoming more value-conscious and selective. Brands that provide clarity, reliability, and practical value are well-positioned to maintain trust as households navigate a period of ongoing uncertainty.



"China's high NEV penetration (exceeding 50% as of 2025) has provided a significant buffer against global fuel price volatility. However, geopolitical instability stemming from the war in Iran has weighed heavily on consumer confidence. Consequently, new car buying intentions have softened, leading to a 17% contraction in passenger vehicle sales for Q1 2026."

- Jack Chiu, Automobile & Mobility Development Service Line Lead, Ipsos Greater China



"In South Korea, the pressure is being felt through both household costs and business confidence. Seoul has introduced temporary fuel price caps, drawn on strategic petroleum and LNG reserves, and prepared support for affected exporters and middle-to-lower income households. These measures show how closely energy volatility is tied to consumer behaviour. For brands, the priority is to offer stability, practical value, and reassurance."

- Hwanglye Park, Country Manager, Ipsos in South Korea



"Japan is highly exposed via energy imports (>90% Middle East oil). The conflict shows the difficult tradeoff between energy security and climate commitments is driving fuel price spikes, inflation, and supply risk, pressuring firms, and consumers. Government response: fuel subsidies, potential reserve releases, and no extra budget yet; companies raise prices and adjust supply chains, while consumers cut discretionary spending."

- Shunichi Uchida, Country Manager, Ipsos in Japan



"Oil prices in the Philippines, especially diesel, surged ahead of other markets in SEA due to opportunistic pricing of many gas depots. With low oil supply threats looming, the country has been placed under a National Energy Emergency since March 24. Already we are observing behavioral shifts such as reduced mobility, deferred spending, and dipping Overseas Filipino Workers (OFW) remittances. Further, the state of crisis is amplified by the continuing political rifts and corruption allegations, leaving ordinary Filipinos even more economically vulnerable."

- Vicky Abad, Country Manager, Ipsos in the Philippines



"As a small, open economy heavily reliant on global energy supplies, Singapore is particularly vulnerable to fluctuations, leading to increased costs in electricity, transport, and everyday expenses. The Government has intensified efforts to fortify energy and supply chain resilience, including steps to diversify energy sources, seek alternative LNG supplies, and maintain access to essential goods and food supply lines. This strategic approach underscores Singapore's commitment to maintaining stability and ensuring the well-being of its residents amidst global uncertainties."

- Katharine Zhou, Country Manager, Ipsos in Singapore



"The Iran conflict has delivered a stagflationary shock—fuel prices up 33%, inflation at 4.6%, and consumer confidence plunging 12.5%. Australians are tightening household budgets and turning to hybrids, EVs, and solar homes. Brands that emphasize affordability, resilience, and sustainability are gaining traction as consumers seek stability in uncertain times."

- Simon Wake, Country Manager, Ipsos in Australia



"The Iran conflict has pushed New Zealand into a period of heightened economic uncertainty. Rising global fuel costs have fed directly into transport and household expenses, driving inflation higher and eroding consumer confidence. At the same time, there is growing interest in sustainable alternatives—electric vehicle sales in New Zealand jumped by nearly four times in March from an average of 800 per month in the last 2 years to 3,100. The NZ Government has formed a Ministerial Oversight Group and implemented a four phase Fuel Response Plan, monitoring fuel supplies closely."

- Carin Hercock, Country Manager, Ipsos in New Zealand



"Indonesia's response reflects a focus on energy security and supply stability. Turning to Russian crude shows how the crisis is pushing markets to diversify partnerships and secure reliable supply sources based on national interest. As fuel and logistics costs weigh on households, consumers are likely to become more cautious and value-conscious."

- Hansal Savla, Country Manager, Ipsos in Indonesia



"Vietnam's response shows how energy volatility is accelerating cleaner, more resilient mobility. Petrol motorbike restrictions, EV taxi transition, faster charging rollout and free bus rides in Ho Chi Minh City all point to changing transport behaviour. With 59% of Vietnamese consumers saying global brands make better products, brands have an opportunity to support affordability, accessibility and lower energy dependence."

- Rakesh Dayal, Country Manager, Ipsos in Vietnam



Energy Security and Inflationary Pressures

The Iran conflict has placed renewed pressure on Asia Pacific economies, particularly those exposed to Middle Eastern energy supplies. Japan and South Korea, which rely heavily on oil imports from the region, face clear vulnerabilities. India, with high crude import dependence, is also exposed to disruptions that can affect households, transport, and sectors such as fertilizer production.

Across ASEAN markets, including Malaysia, Indonesia, Thailand, Vietnam, the Philippines and

Singapore, governments are monitoring the impact of higher energy and logistics costs on consumers and businesses. Australia and New Zealand are less directly dependent on Middle Eastern energy but are not insulated from wider inflationary spillovers.

The issue is therefore not only about energy supply. It is also about how quickly higher costs move through the economy, affecting transport, food, household spending, and business confidence.



"In Malaysia, the impact is being felt less through direct pump price increases and more through indirect cost pressures. Malaysia's status as an oil-producing economy and its fiscal buffers offer some protection, but this resilience comes with trade-offs as fuel subsidies continue to strain government budgets. Rising packaging and logistics costs are also creating a more hidden form of inflation that can still reach consumers through everyday prices."

- Arun Menon, Country Manager, Ipsos in Malaysia

Consumer Confidence Slumps

Going into the conflict, consumer confidence in the region was reasonably high, with four APAC countries among the top five most confident markets in March.

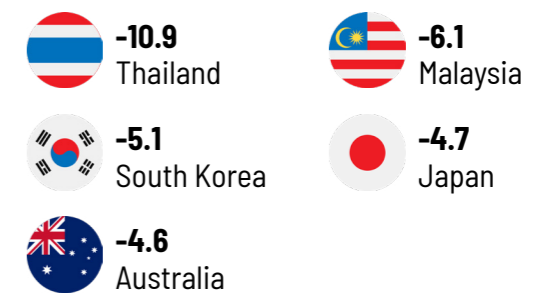
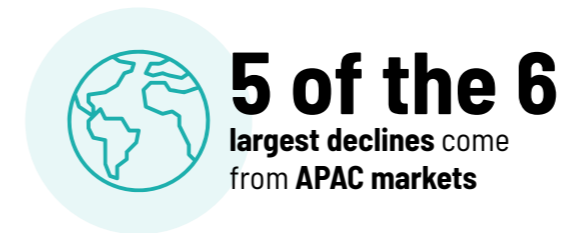
The latest numbers see the mood darkening. Our new [Ipsos' Global Confidence Index](#) reports "the second biggest decline ever, only behind April 2020, which was the first reading after the start of the COVID-19 pandemic." And we see the biggest drops among some of the Asia Pacific markets, with five of the six largest declines coming from the region: Thailand (-10.9 points), Malaysia (-6.1 points), South Korea (-5.1 points), Japan (-4.7 points), and Australia (-4.6 points).

Meanwhile, the latest release of Ipsos' [What Worries the World monitor](#) finds a fall in the proportion considering the overall economic

situation as "good" in Singapore (70%, -6 pp), Malaysia (69%, -7 pp), Indonesia (41%, -5 pp), Australia (37%, -11 pp), Thailand (29%, -11 pp), South Korea (25%, -17 pp), and Japan (14%, -5 pp).

For brands, this matters because weaker confidence changes how people make decisions. Consumers become more cautious; more price sensitive and more selective about who they trust. In this environment, value, reassurance, and relevance become more important than broad brand promises.

This is where the conflict moves from being a macroeconomic shock to a whole new set of brand challenges: when consumers feel exposed, they become more deliberate about what they buy, who they trust and which brands feel aligned with their realities.



"The Iran conflict is testing India's resilience. While forex reserves provide a cushion, rising import costs are fueling inflation and forcing consumers to prioritize essentials. In response, the government has rolled out creative measures like 'Low Flame Menus' to cut LPG use, promoted fuel saving cooking alternatives, and accelerated incentives for renewables and electric mobility. These initiatives reflect India's dual push for affordability and sustainability, with brands that emphasize resilience and innovation best placed to connect with cautious consumers."

- Suresh Ramalingam, Country Manager, Ipsos in India



"The ongoing conflict in Iran has triggered a dual blow to the Thai market, driving up energy costs while simultaneously impacting consumer sentiment. Our April data reveals a significant shift toward extreme value-consciousness; for brands, the challenge has moved beyond simple pricing."

- Yupin Muntzing, Country Manager, Ipsos in Thailand



We're now asking these questions in a wider range of markets. Compared with six months ago, the proportion saying the United States will have an overall positive impact is down in 27 out of 29 countries where we have trends available.

On average, just under two in five (39%) currently agree America will be a positive force. That's significantly lower than the 50% who now think China will have a positive influence, with the majority in 13 countries having this view.

The United States' standing with its historical allies in the region is deteriorating. Just look at these changes in just six months: minus 16 pp in Malaysia, -14 pp in Thailand, -13 pp in Indonesia, -8 pp in Australia, -7 pp in Japan.

Conversely, China's reputation is comparatively unblemished: views of its role are overwhelmingly positive in ASEAN countries (83% positive in Malaysia, 81% in Indonesia, 74% in Thailand and 71% in Singapore). But wariness remains very strong among China's eastern neighbours: its positive ratings stand at just 23% in South Korea and 18% in Japan.

 **Only 39%**
see the **US** as a positive global force

 **Only 18-23%**
in East Asia view **China** positively
Japan (18%), South Korea (23%)

America's Reputation is Taking a Hit

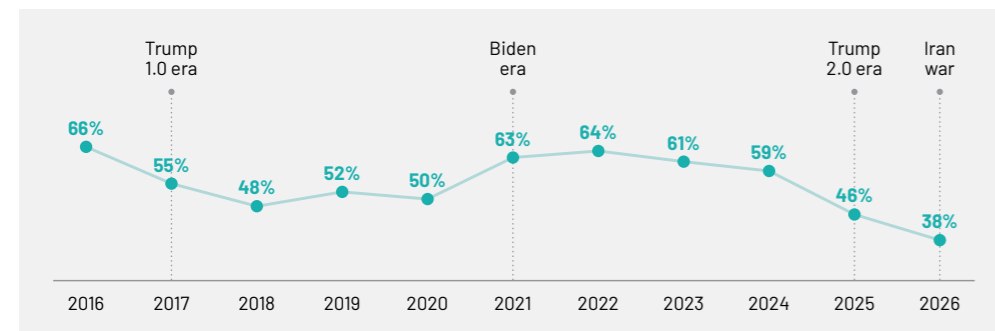
This trend pre-dates the war. We have been tracking whether people around the world think the U.S. (alongside a number of other countries and international organisations) will have an overall positive impact on world affairs for more than a decade. America's numbers fell during the first Trump term, rebounded during the Biden years and, by the end of Trump's first year back in office, were already going into

reverse. For more on this, see the [Ipsos / Halifax Security Forum](#) report from November 2025.

The Iran conflict prompted us to ask these questions again, with fieldwork taking place 20 March-3 April. And they show that decline in the reputation of the United States continuing further, right around the world. Here is the trend for 20 countries where we have been tracking attitudes since 2016:

America's Reputation Over Time

% saying the U.S. will have an overall strongly / somewhat positive influence on world affairs over the next decade. 20-country average*



*Change for 20-country average is based on the countries which were in all editions of the Ipsos for the Halifax Security Forum report since 2016.

Source: Ipsos

America's Reputation Falls Further in 2026

% who agree the following countries will have an overall positive influence on world affairs. 29-country average

Country	Percentage	Change from 2025
China	50%	N/C
America	39%	-9
Iran	26%	+1
Israel	26%	+1

Source: Ipsos



International Brand Matters

With Japan and South Korea remaining so much more cautious in their views of China, we are reminded that regional sentiment cannot be read as a single Asia Pacific story. But the broader signal is important: consumers and citizens are reassessing reliability, stability, and influence through the lens of current events.

This creates a more complex environment for international brands. In some markets, association with a particular country may strengthen trust. In others, it may create hesitation. The same brand signal can now carry different meanings across different markets.

What Now?

This isn't the first time the reputation of the United States has come under pressure, and history suggests it can recover. American influence, both cultural and economic, has proven durable over time. The country still carries enormous weight in how people interpret the world around them.

But this moment has a different feel to it. It follows years of trade disputes, geopolitical fragmentation, and unease about America's role in multiple conflicts. The direction is not yet settled, but the drift is noticeable and is shaping behaviour.

For countries like the ASEAN member states, Japan, South Korea, and ANZ, the geopolitical policies of the Trump administration have already made their reliance on the US for security and free trade much more insecure. These latest events pave the way for a further regionalisation/reorienting of alliances and exchanges; China looks well-placed to benefit.

For decades, being an American brand came with a built-in advantage, maybe even more

so in the APAC region. It signalled innovation, quality, and leadership in a way that required little explanation. That halo extended well beyond the product itself and into how companies were perceived in markets around the world.

That advantage can no longer be assumed. In a growing number of markets, consumers are more cautious about brands they associate with the United States, and in some cases are actively looking for alternatives that feel closer to home or less politically charged. Trust, which once came easily, is becoming more conditional and more context dependent.

Let's take the automotive sector as an example. [Recent Ipsos research](#) shows that the highest levels of openness to electric and to self-driving cars are found in the APAC zone. Established Western-based automakers no longer are seen as the most legitimate and attractive brands in this context. And this is only one example among many.

What Does this Mean for Brands and Consumers?

For our clients, this changes the question entirely. Nationality is no longer a secondary reputational consideration that sits at the edge of brand strategy. It is becoming a core attribute of the brand itself, shaping how products are evaluated before price, quality, or performance even enter the equation.

Our [Ipsos Global Trends](#) studies have consistently found APAC consumers more likely to consider that global brands make better products than strictly local ones (60% in Thailand, 59% in Vietnam and Malaysia, 55% in Singapore, vs. 42% globally). But the rise of global brands of Asian origin (Japanese, Korean, Chinese, Indian) in many different sectors from apparel to automotive through to the tech sector, is profoundly changing the meaning and implications of this assertion.

That shift forces a more deliberate choice. In some markets, country of origin will strengthen

a brand by signalling shared values, stability, and trust. In others, the same signal may introduce friction, raising questions that have nothing to do with the product but everything to do with the environment in which it is being sold.

There is no universal answer, but there is no avoiding the issue either. National identity is moving to the centre of brand perception at the same time the global environment is becoming more volatile and more politically charged.

Country of origin is no longer a passive label. It is an active signal that consumers interpret through the lenses of geopolitics, economics, and trust, and those interpretations are shifting in real time. For companies operating across borders, understanding how nationality interacts with their brand is no longer optional. It is becoming a core part of how they compete.

APAC consumers more likely to consider global brands as having better products than local ones



Source: Ipsos Global Trends

Resources from Ipsos

For all the latest research on the [conflict and its implications, check out our dedicated web page](#)

[April 2026: Global consumer confidence declines sharply amid ongoing U.S.-Iran War](#)

Additional Reading

- From a **geopolitical perspective**: The [Ipsos World Affairs and Security Report](#) has been tracking the image of 13 key countries (including China and India), alongside international organisations like BRIC, EU, NATO and World Bank for nearly a decade.
- For an examination of the **international impact of having an "American" brand image**, including the impact on trust and purchase intent, see our [Brand America](#) study. This features perspectives from people in 10 markets, including China and India.

- To explore what citizen-consumers are looking for **from foreign-based companies doing business in their country**, see our [Impacts of Multinational Corporations](#) research. The study asks people in 31 markets how they feel about companies headquartered in 16 "HQ Countries", including China, India, Japan and South Korea. The team notes that, aside from the United States, "the other headquarter countries with country-of-origin negativity are China and India, but this pushback primarily originates from North America and Europe".

About Ipsos

Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing nearly 20,000 people. www.ipsos.com

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