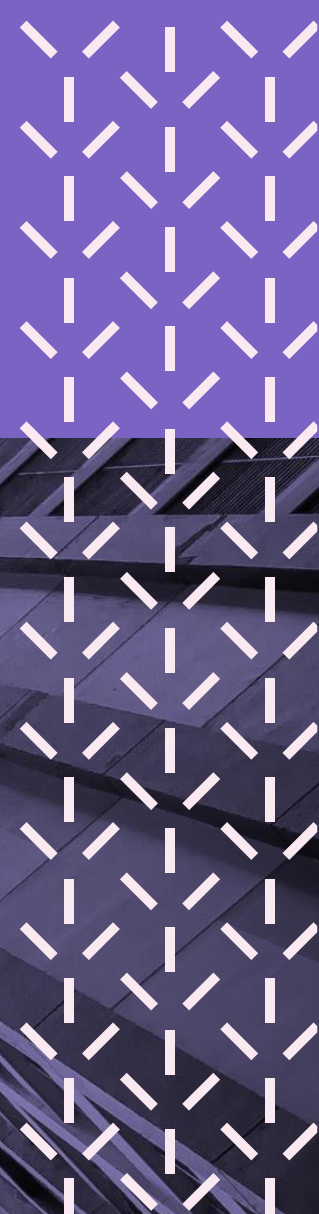


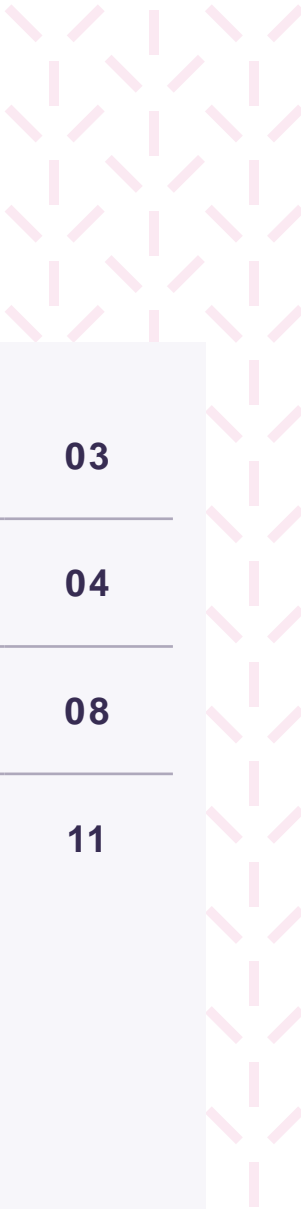
EuroCham Business Climate Index




Quarter 3, 2020



YouGov[®]

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Introduction

The Business Climate Index (BCI) is a regular barometer of the business sentiment among European companies operating in Vietnam. Because of the active participation of EuroCham members in this survey since 2013, the BCI is seen by decision-makers, the media, and business professionals in Vietnam as a key indicator of economic activity in the country.

The BCI consolidates perceptions of European and Europe-related companies operating in Vietnam regarding the state and evolution of the business environment in the country.

Since Quarter 3 of 2020, the quarterly BCI survey has been conducted by YouGov Vietnam. YouGov is an international data and analytics group. Our value chain is a virtuous circle consisting of a highly engaged online panel, innovative data collection methods, powerful analytics technology, delivery of syndicated data products, expert insights and an authoritative media presence. YouGov Vietnam is an independent partner of YouGov Plc.

We don't just collect data, we connect data. Read more about YouGov at

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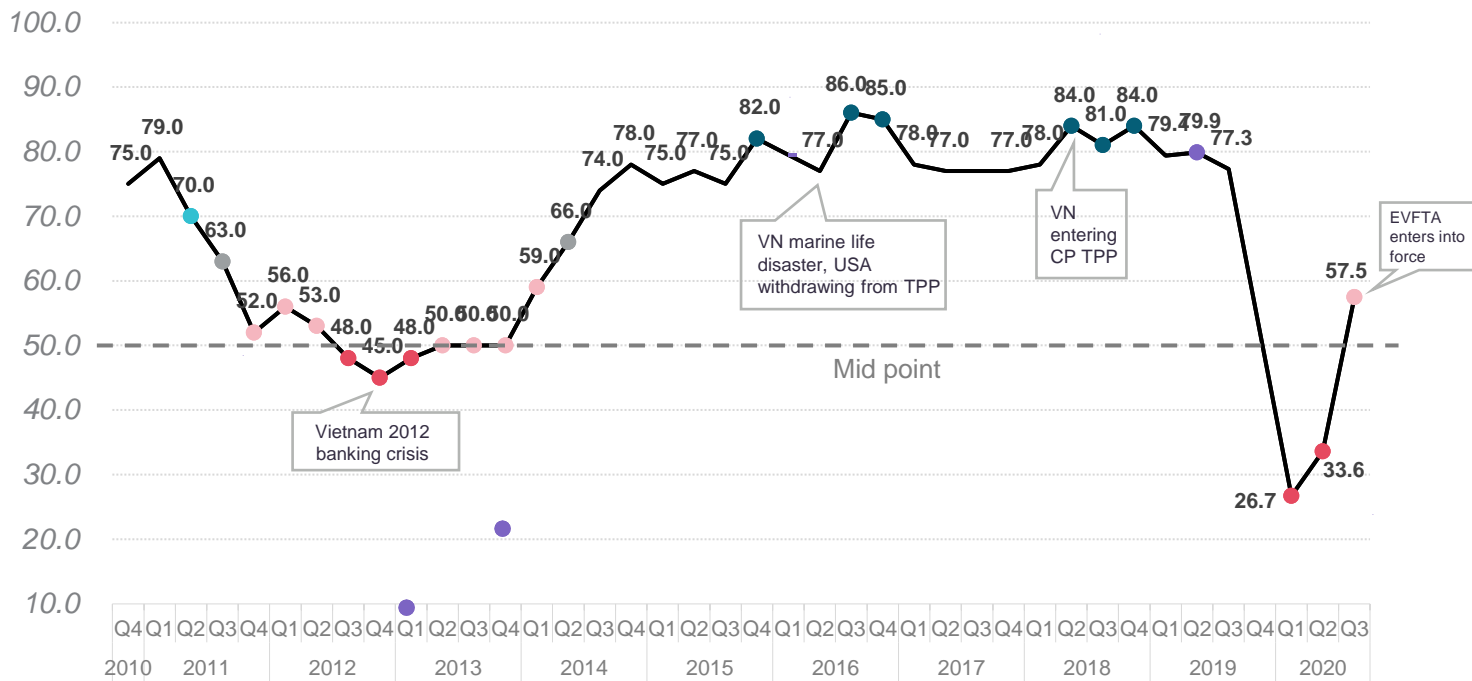


01 | The BCI, the macroeconomic climate and business outlook



High hopes for the economy

The BCI continues to bounce back as the Covid-19 situation in Vietnam is relatively under control and business is not restrained on a large scale. As Vietnam is operating under the “new normal” while the global situation remains unstable, this jump shows that businesses are recovering from the impact of the pandemic.

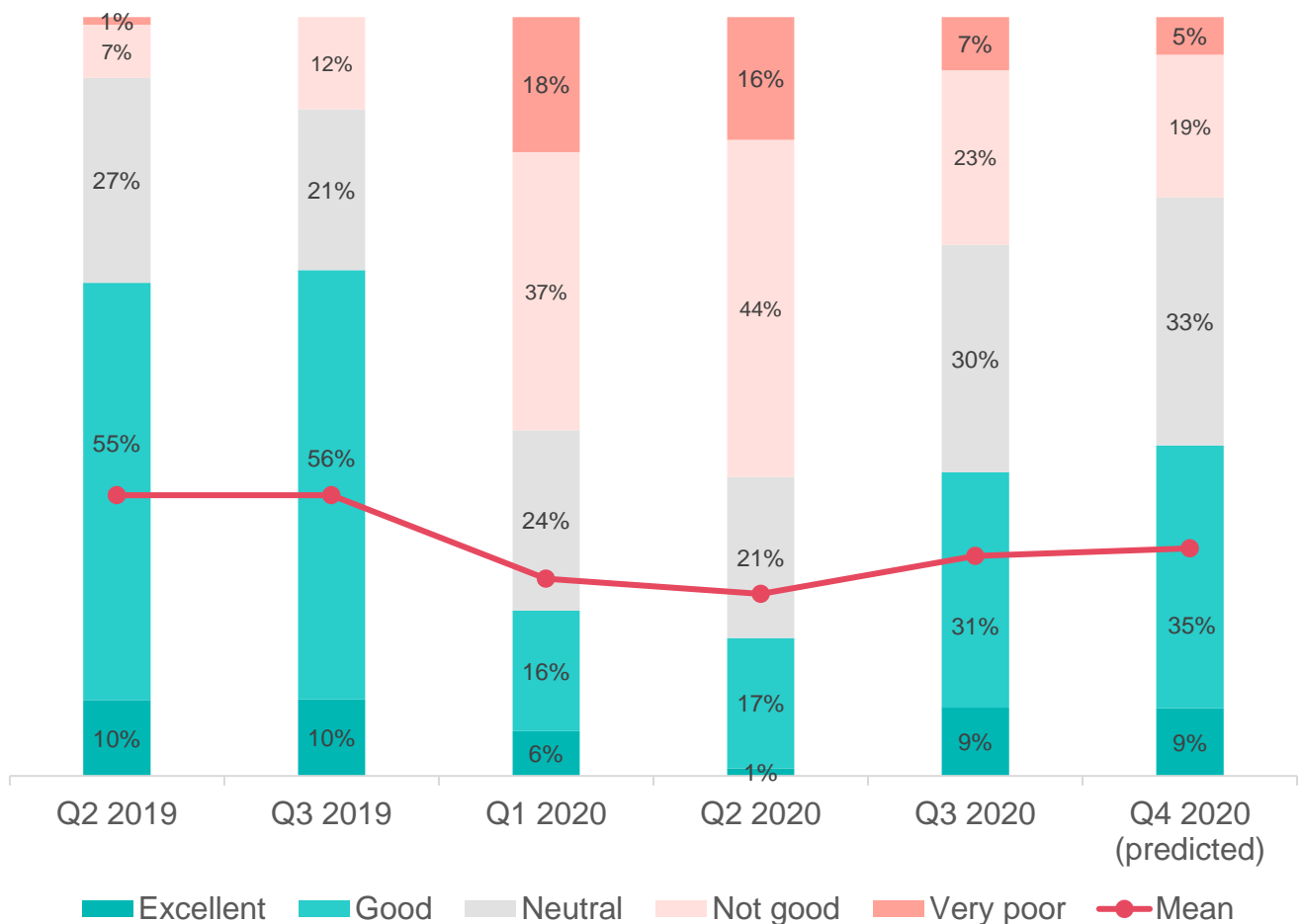


Overall, a more optimistic sentiment is seen among business leaders. Their belief that the economy is more likely to stabilize and improve indicates a stronger sense of hope for the economy in the future.

A sense of normalcy

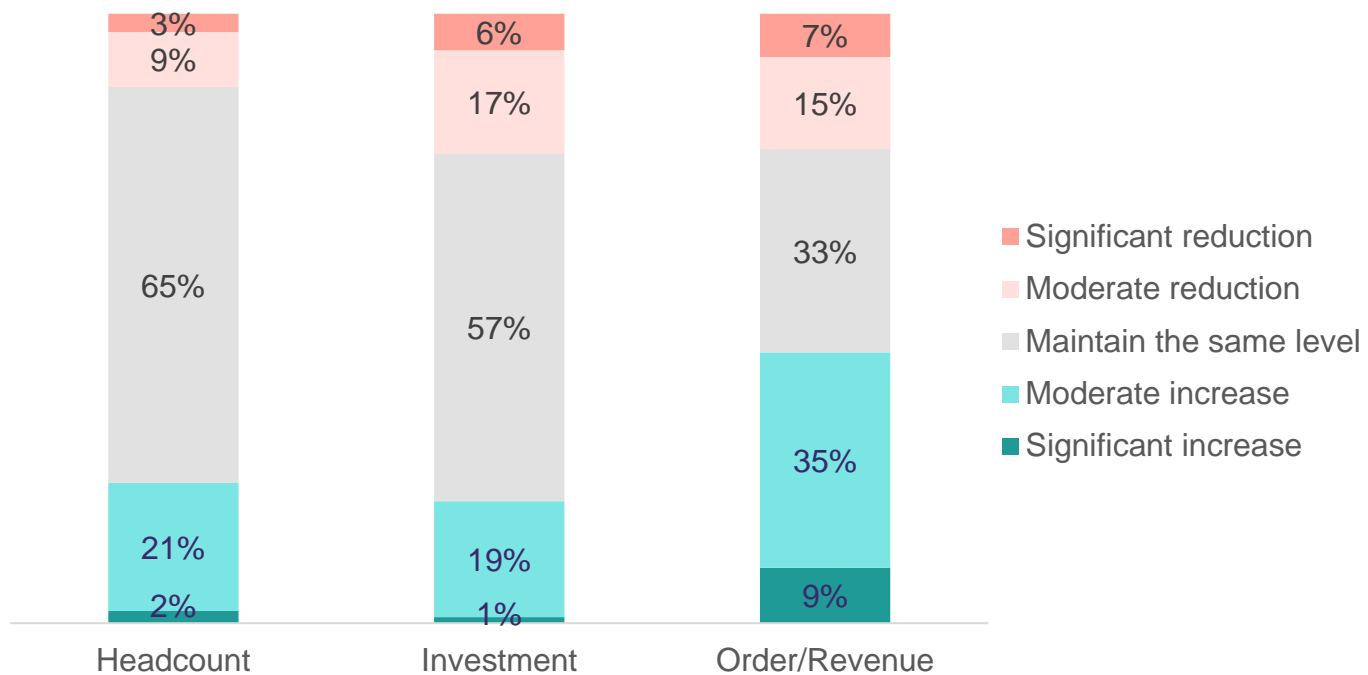
While the pandemic is highly unpredictable on a global scale, in Vietnam, businesses are slowly bouncing back to normalcy. With Vietnam's swift response regarding the small second wave of COVID-19 in Quarter 3, European business leaders are more optimistic about their business performance, even anticipating that Quarter 4 performance will greatly improve.

Business outlook from Q3 2019 to predicted Q4 2020



Cautiously optimistic in the face of COVID-19

Company's headcount/investment planning and revenue expectation for Quarter 4, 2020

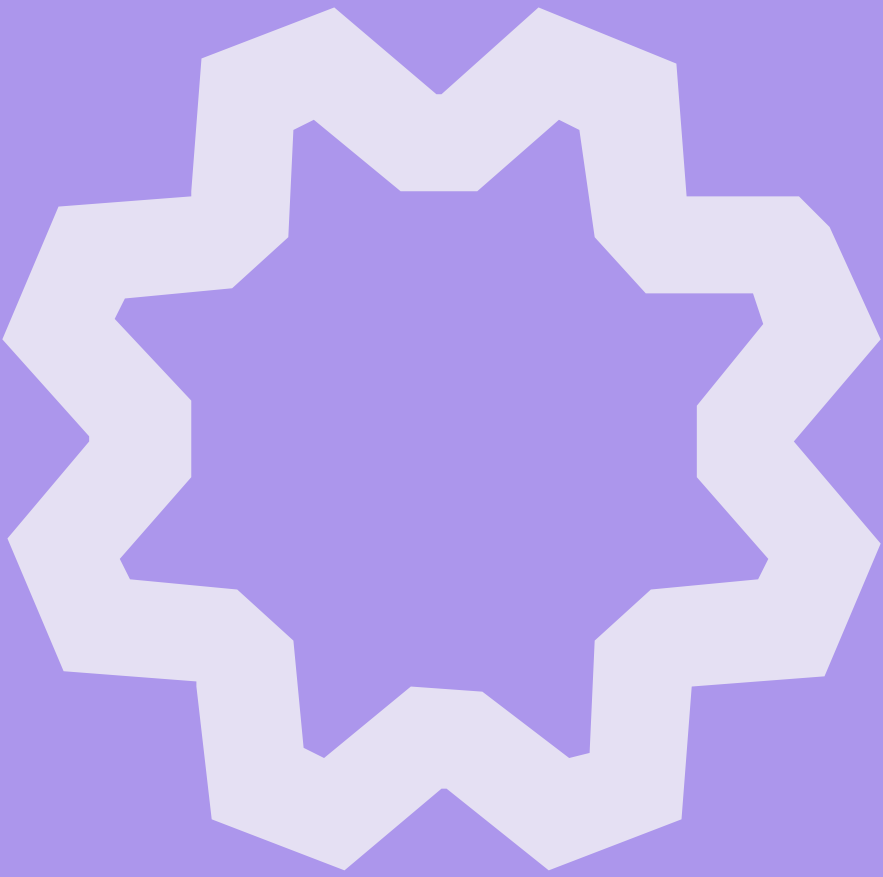


European businesses are cautiously optimistic. They are hopeful about the economy's improvement, and more than half plan to maintain the same level of headcount and investment.

More than 40% of business leaders forecasted the volume and revenue of orders next quarter to increase moderately or significantly.

As companies return to normal business, this optimistic sentiment continues to rise. This hopefully indicates a driver for growth in Quarter 4.

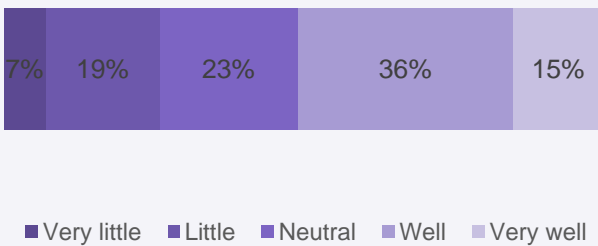
02 | EVFTA implementation and more



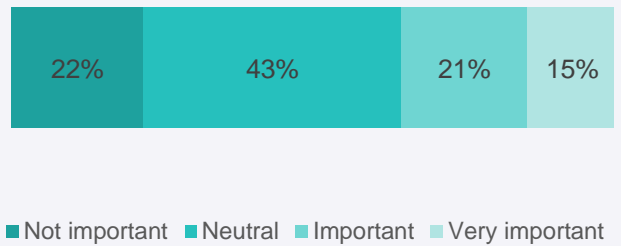


More than half of business leaders have a concrete understanding of the EVFTA and its implications; 1 in 3 believes it has an important role in their FDI decision-making

“How well do you understand the EU-Vietnam Free Trade Agreement (EVFTA) and its implications?”

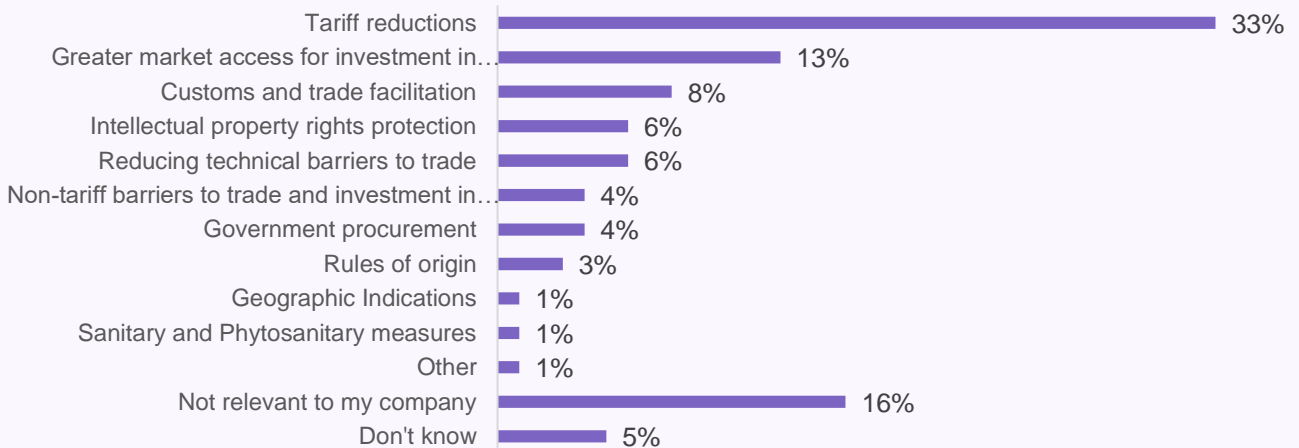


“How important is the EVFTA to your company’s decision whether to proceed with FDI in Vietnam?”



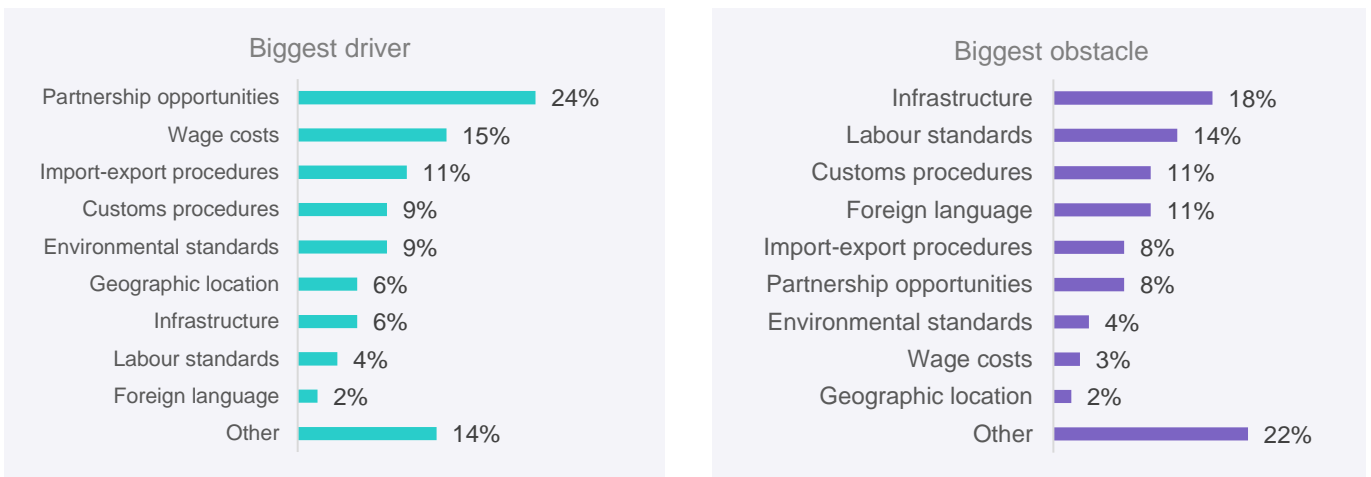
33% say tariff reductions have the highest impact on increasing trade within their company’s sector

EVFTA aspect with highest impact on increasing trade in respondent’s sector

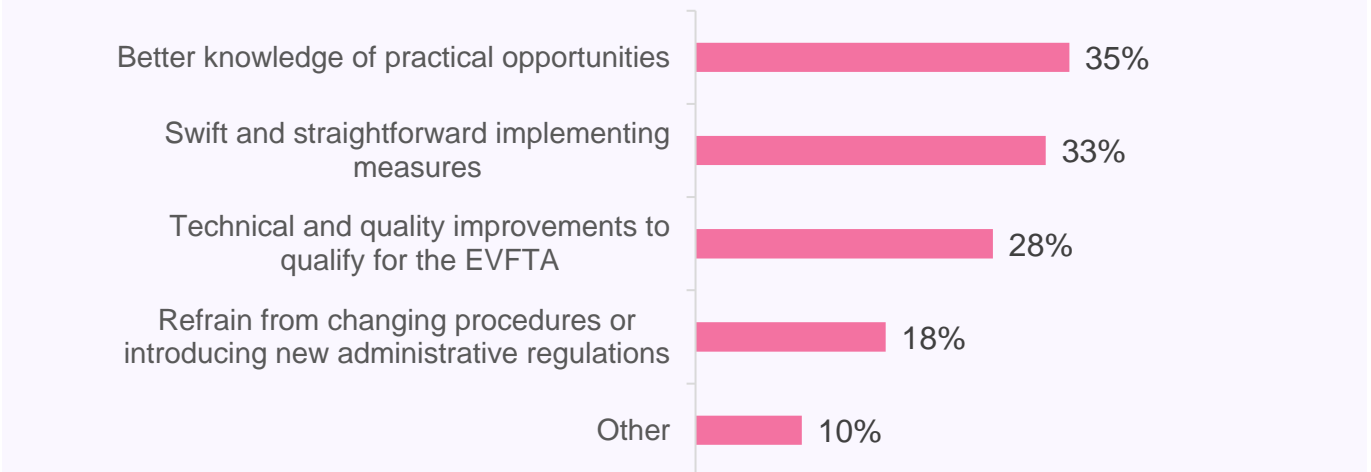




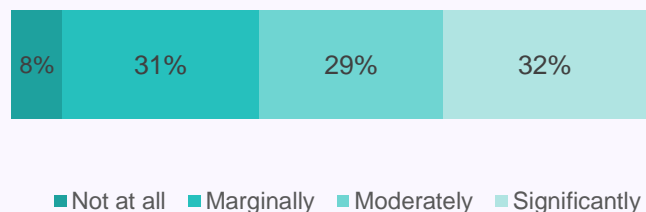
“What is the biggest driver or obstacle for your company to include more Vietnamese enterprises into EU global value chains?”



Urgent aspects to address post-implementation



More than 50% business leaders say that international travel restrictions will continue to have moderate to significant impact on their business



03 | Methodology



Methodology



Purpose

The purpose of this survey is to collect European business leaders' opinions about their business situation, which reflects the state Vietnam's business environment and helps identify any potential changes in the economic climate.



Research and Data Collection

The survey is conducted using an online questionnaire, scripted and managed by YouGov's surveying and data management platform. The survey is emailed quarterly to 2,012 business leaders among representatives from EuroCham's more than 1,000 members.

The respondents typically represent top management from European companies and Vietnamese companies with close business connections to Europe, such as suppliers or distributors. A minority are European individuals working in non-European companies in Vietnam.



Result

Among the invited, 141 completed the full questionnaire in this round. This represents a response rate of 7%, which is considered moderately high for a survey amongst the top business executives.

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