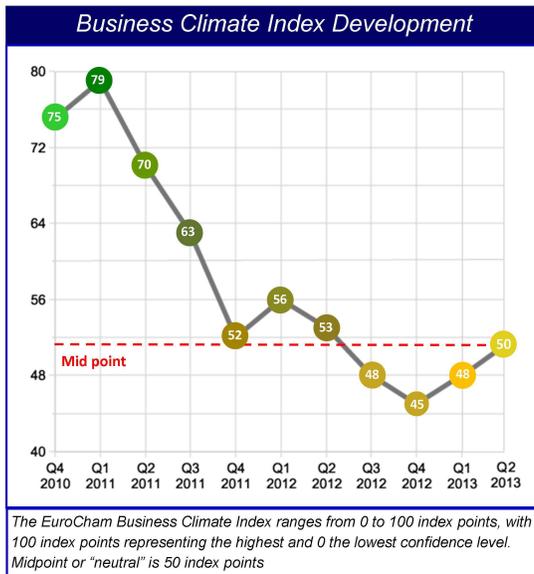


PRESS RELEASE

EuroCham Business Climate Index Vietnam

50

2nd Quarter 2013



Ho Chi Minh City, 30 May 2013 - Results of the 11th quarterly EuroCham Business Climate Index survey, conducted in May 2013 and released today, show that business confidence and outlook among European businesses in Vietnam continues to improve – even if hesitantly. This quarter the Business Climate Index has risen to the mid-point - from 48 to 50 points – following three quarters below 50. This is the second consecutive increase, and it seems to suggest that European companies are regaining trust in the Vietnamese market. The key indicators of this development are the improved business outlook, the increase of revenue/orders and the optimism about the overall economic outlook. However, it is important to keep in mind that the BCI remains at 50, far below the highpoint of 79 in 2011 and that the improvements over the last two quarters remains limited, with an increase of 2 points per quarter.

More than half of the businesses that participated in the survey are active in the services industry, a quarter in manufacturing and the rest in trading and other activities.

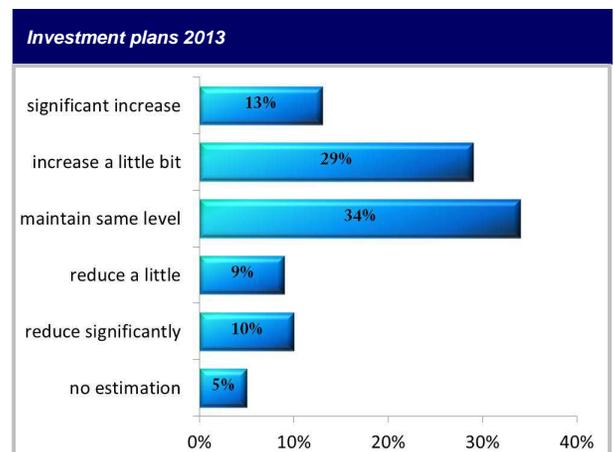
Business Climate Index at 50 - continued improvement in current business situation and business outlook:

In line with our last survey, there has been a continued increase in respondents assessing their current business situation as positive - from 40% to 43%. The previous quarter already saw a rise from 26% to 40% and the current level therefore represents a fortification of this improved business sentiment. However, a quarter of the respondents keep a negative view of the current situation, a number which has remained stable for a period of time.

Looking to the future, the business outlook for respondents has seen a significant improvement with members having positive expectations rising from 30% to 43%, a development which may be linked to the ongoing EU-Vietnam FTA negotiations. Yet, this still means that 57% assess their outlook as either 'neutral' or 'negative'.

Investment plans remain positive:

Reported investment plans also seem to be improving; more companies are intending to 'significantly increase investment', having doubled from last quarter's 7% to 13%. Overall, investment plans look more positive than they did a year ago, with 76% of respondents either expecting to keep or increase their investment levels versus 72% one year ago and the number of respondents expecting to cut investments further declined to 19% from last quarter's 24%. This again indicates a returning faith in Vietnam's medium term future and that Government initiatives are inspiring increasing confidence and optimism.



Business orders and recruitment pick back up:

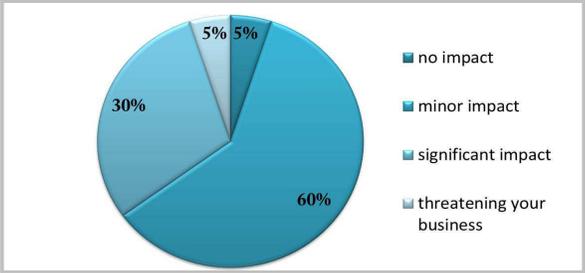
When asked about their expected number of orders and revenue in the medium-term the answers have also slightly improved. Whilst the share of companies expecting revenue to increase improved from 45% to 53%, those expecting a drop in orders fell further from 23% to 16%, which is a significant improvement. In other words, 84% of respondents consider their orders/revenue to remain constant or to improve.

This positive development has also had a positive impact on recruitment plans, with 39% expecting to increase headcount versus 14% expecting to decrease - a very positive ratio. Comparatively, the numbers at the same time last year were 33% and 19%, respectively. Government initiatives and the prospect of a strong FTA between EU and Vietnam seem to have led to an increase in confidence in the Vietnamese economy.

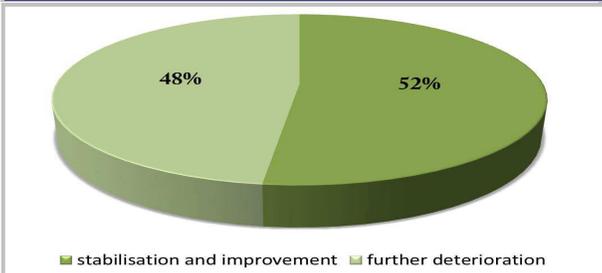
Fewer concerns about inflation:

Concerns about inflation are declining, with 65% of companies expecting inflation to have no, or limited impact on their business in the medium-term, as compared to 55% last quarter and up from 43% a year ago. Members were also asked to indicate what they think the rate of inflation will be and the average came to 5.13%, which is extremely close to last quarter's estimate of 5.12% and down half a percentage point on last year's 5.63%.

Will inflation have an impact on your business in Vietnam in the medium-term? *(next 6 Months)



How do you assess the Macroeconomic outlook for Vietnam?



Hesitant optimism about overall economic outlook:

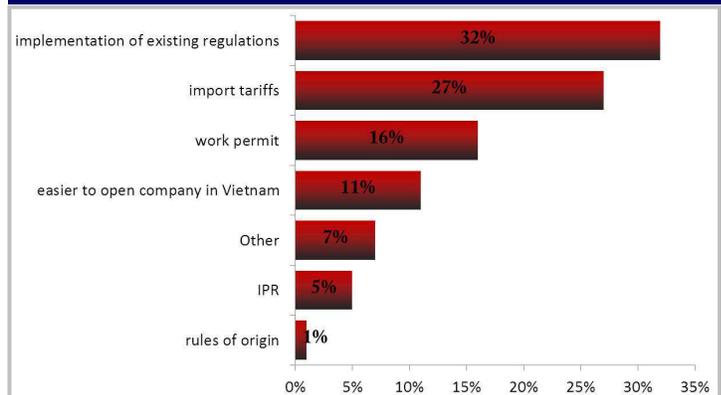
Respondents' appreciation of the macroeconomic situation is also improving. Whereas last quarter a considerable 57% expected a further deterioration in conditions (and a staggering 72% the quarter before), this has now fallen below the midpoint to 48%. In other words, 52% of the respondents believe that the economy will stabilize and improve in the future, something which has not been seen in our Business Climate Index since 2011.

EuroCham members welcome EU-Vietnam FTA:

One year ago, upon the completion of the scoping exercise and impending start of formal negotiations for an EU-Vietnam Free Trade Agreement, we asked our members what this would mean for their business. At the time, a majority of 51% expected a positive impact on their business, 29% expected no impact and 16% were unsure what an FTA would mean for them. One year later, we have asked our members the same question, and the results remain similar – 50% are expecting a positive outcome of the FTA on their business – with 18% expecting a 'very positive' impact. Only 3% were afraid that an EU-Vietnam FTA could have a negative impact on their business and these were often linked to issues related to rules of origin.

In line with last year's Business Climate Index, we also asked which parts of an FTA would be most important to their business, and the two most common answers were 'implementation of existing regulations' (32%) and addressing 'import tariffs' (27%). These priorities were followed by the issues of 'work permits' (16%), 'easier to open a company in Vietnam' (11%) and issues related to 'IPR' (5%). Comparatively, the answers last year were 'elimination of import tariffs' (56%), 'enhancing the trade in services' (51%) followed by 'tackling non-tariff barriers' (34%) and reaching an 'agreement on intellectual-property rights' (27%).

In the EU-Vietnam FTA, which of the following issues would you most like to see addressed?



EuroCham Chairman Preben Hjortlund commented on the survey: "It is encouraging to see EuroCham's Business Climate Index increase for the second quarter in a row – and especially that it has now reached the midpoint of 50. It reflects a perceived stabilization in the macroeconomic situation as well as the continued belief of European businesses in the Vietnamese economy. However, we must remember that even if this represents an important step in the right direction, it is a small step on a long road. We need to see continued efforts by the Government to improve the underlying structural problems of the economy as well as a strong and well implemented FTA."

EuroCham Executive Director Paul Jewell added that: "The Business Climate Index (BCI) has experienced incremental improvements across the indicators for the second time in a row – something which we have actually never experienced since the BCI was launched back in 2010. This is a very healthy sign as it demonstrates that European companies are slowly regaining trust in the Vietnamese market. However, it is also important to note that we are still only at the midpoint – in other words, we are only half-way there. and the BCI needs to significantly improve, if Vietnam is to remain competitive within ASEAN"

Please see the detailed findings of the survey here: www.eurochamvn.org

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ABOUT EUROCHAM:

Since its establishment with only 60 members in 1998, the European Chamber of Commerce in Vietnam (EuroCham) has grown to represent more than 750 European businesses, counting among its supporters many of the world's leading enterprises. With offices in both Hanoi and Ho Chi Minh City, EuroCham's mission is to represent the business interests of our European members in Vietnam, and to improve the business environment in Vietnam for the benefit of all players. EuroCham also aims at helping Vietnamese enterprises to successfully meet the many challenges posed by the nation's ongoing global economic integration.

As the lead organization representing European business interests in Vietnam, EuroCham now works in partnership with the German Business Association in Vietnam (GBA), the French Chamber of Commerce and Industry in Vietnam (CCIFV), the Dutch Business Association Vietnam (DBAV), the Belgium Luxembourg Chamber of Commerce in Vietnam (BeluxCham), the Italian Chamber of Commerce in Vietnam (ICham), the Spanish Business Group in Vietnam (SBG) and the Hanoi chapter of the Nordic Chamber of Commerce Vietnam (NordCham). EuroCham is also a member of the European Business Organizations (EBO) Network, which works to represent the interests of European businesses in more than 30 countries.



French Chamber of Commerce
and Industry in Vietnam

