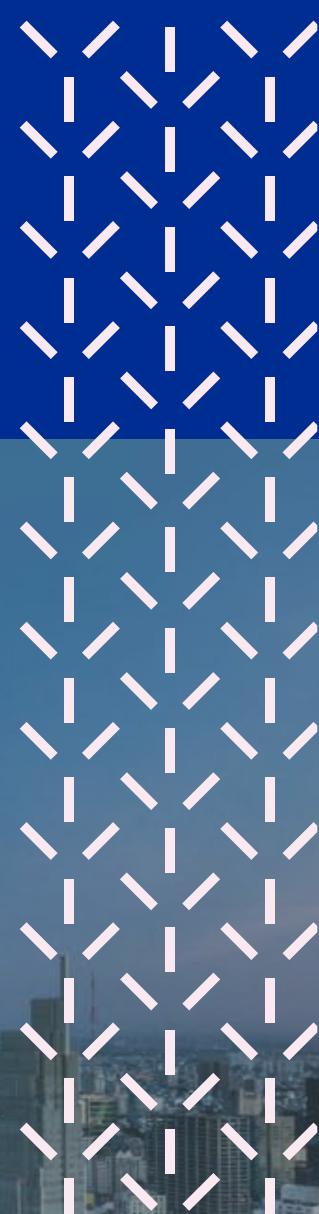


EuroCham Business Climate Index

Quarter 1, 2022



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, 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.

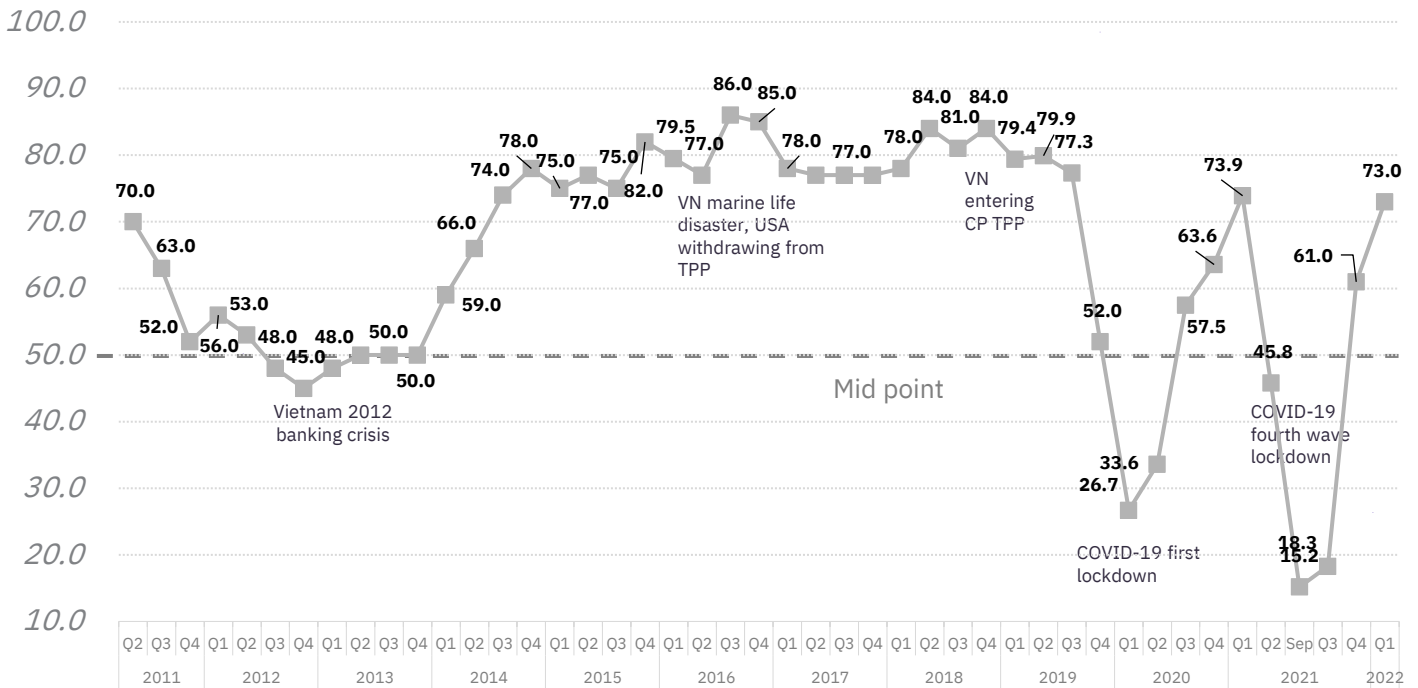
We don't just collect data, we connect data. Read more about YouGov at www.yougov.vn

01 IBCI, the macroeconomy, and the business outlook



A recovering outlook is on the way.

The current “new-normal” and less severe Omicron variant of COVID-19 has allowed businesses to be resumed faster after the gloomy 2021, resulting in an increasing BCI in Q1’22. The BCI is expected to sustain this improving trend in the next quarter of 2022, with a more optimistic business outlook from members.

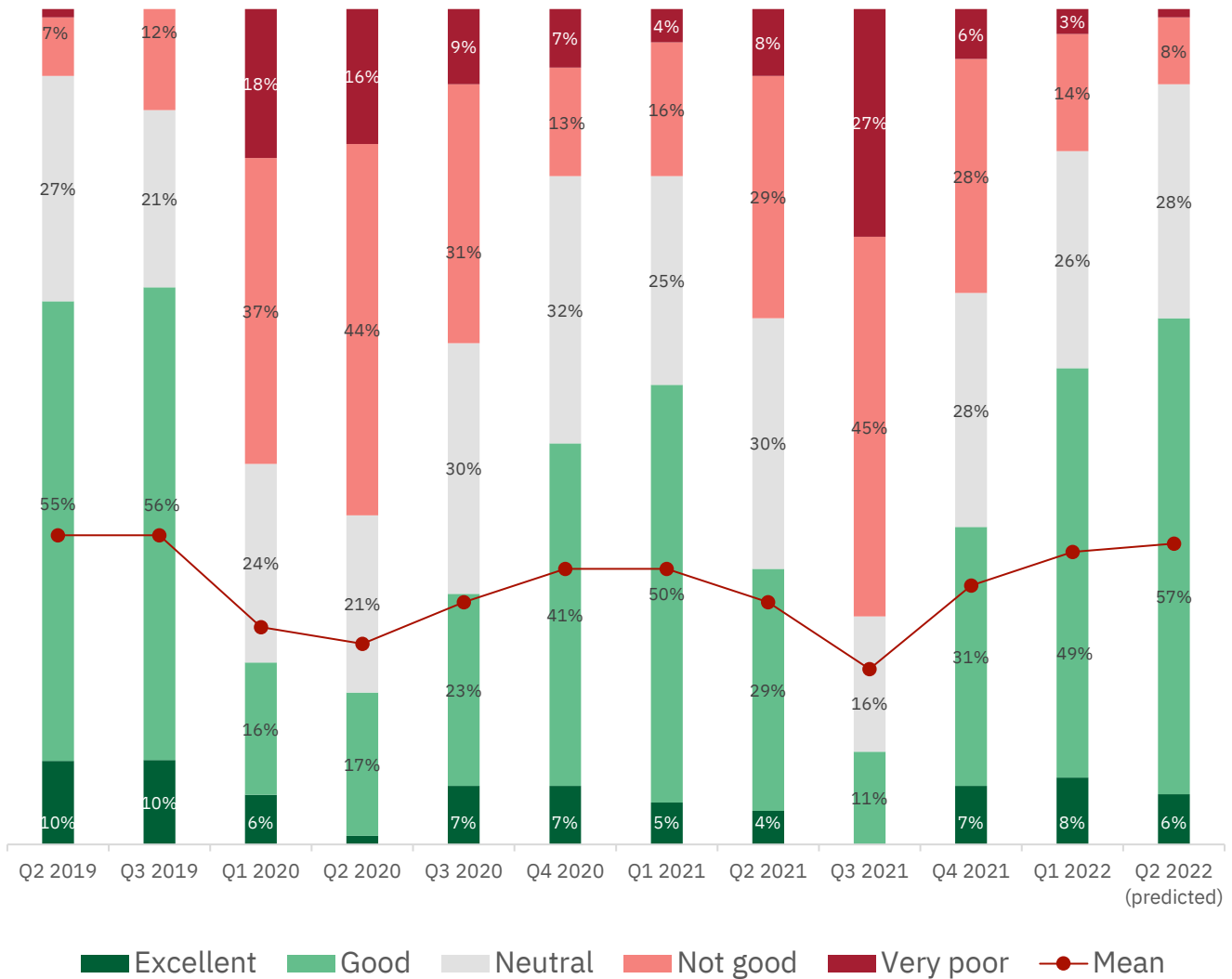


Generally, business leaders are steadily improving their attitudes towards the future growth of the Vietnamese economy. While more than two third of them believe in the likelihood of a thriving economy in the next 3 months, only 5% of business leaders expect future economic declines.

New normal, bright future.

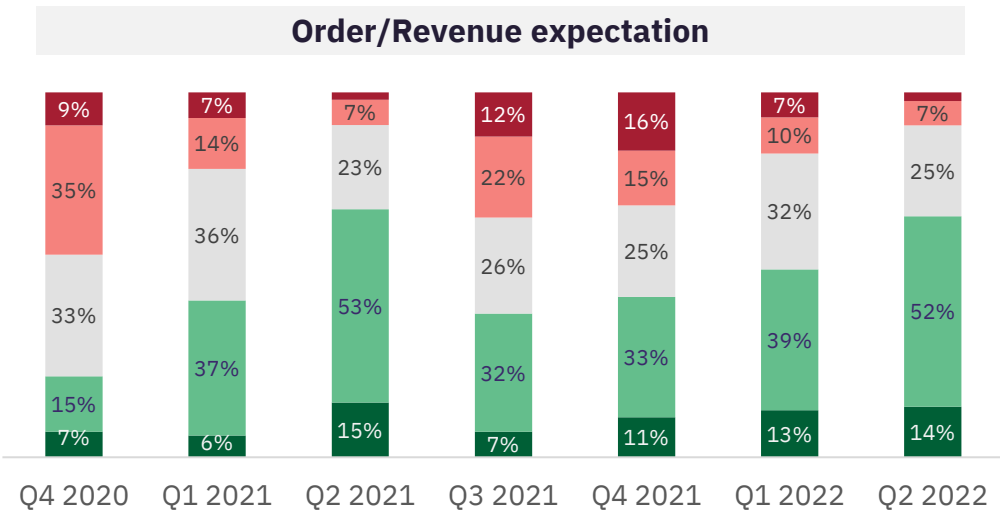
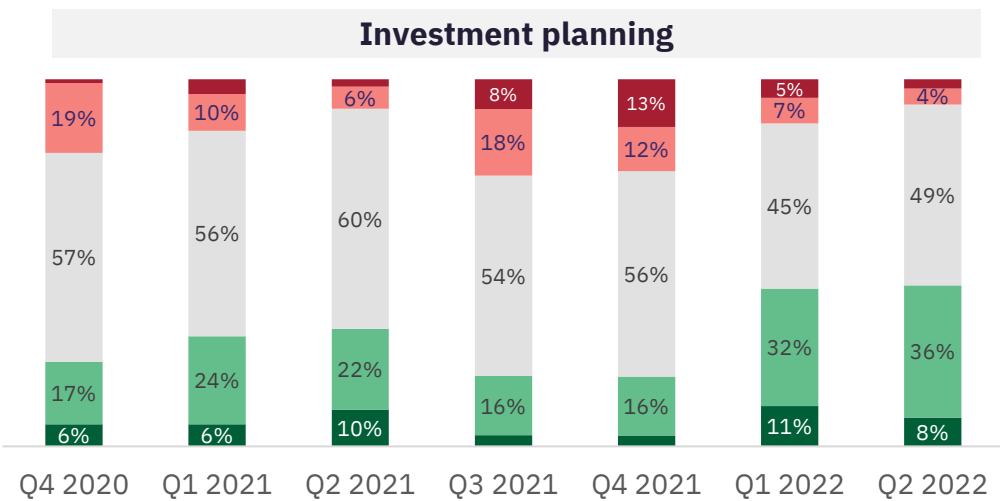
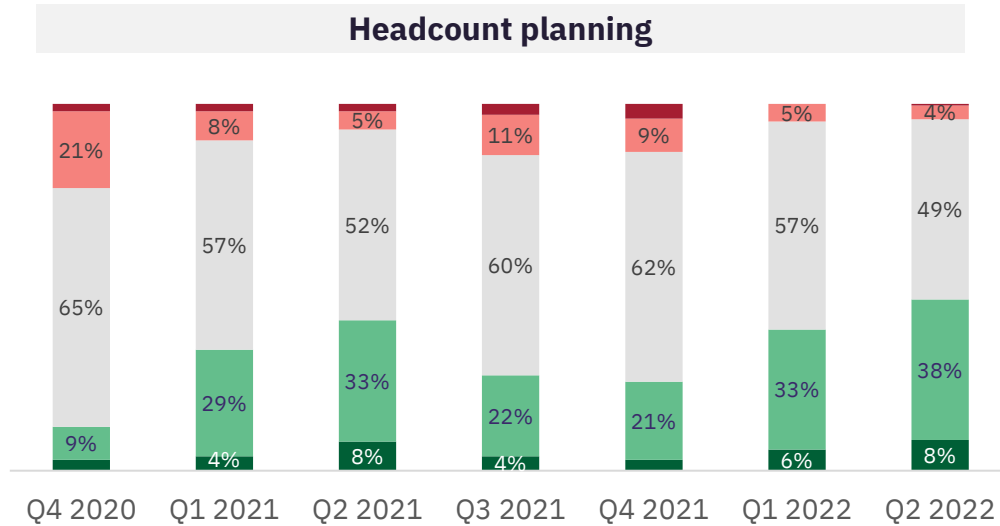
Leaders are more buoyant with the current improving scenario as business perceptions are recovered in line with the economy’s pace. As 2022 begins, a brighter future is expected, as operations is completely back to the new normal in major hubs of Vietnam.

Business outlook from Q3 2019 to predicted Q2 2022



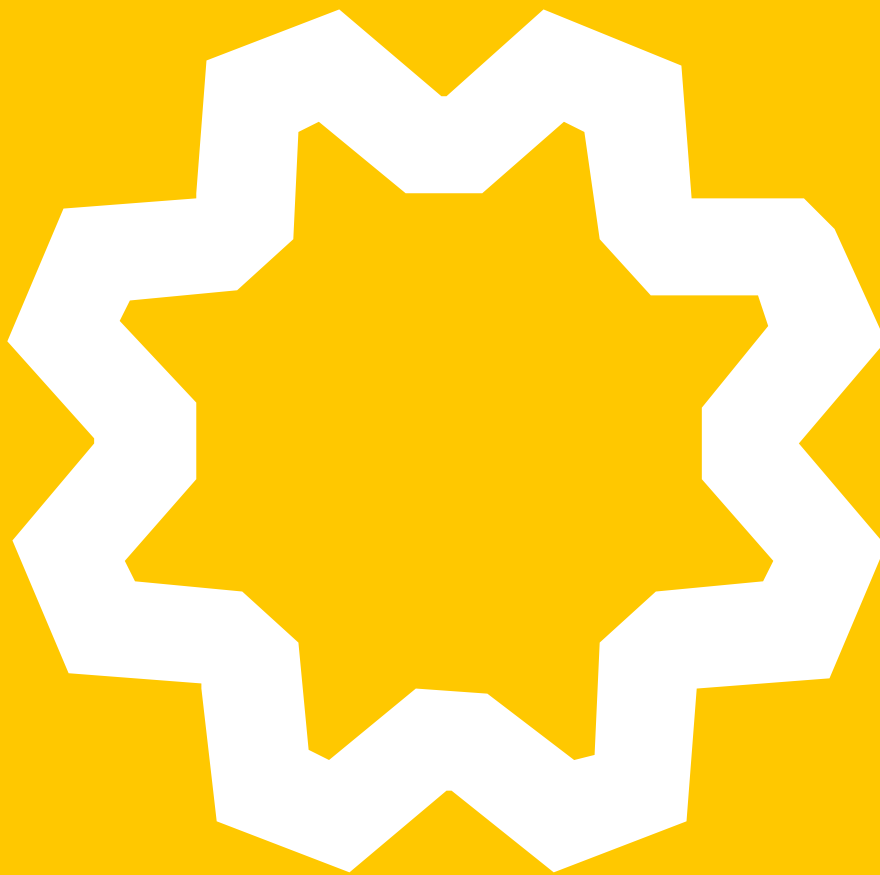
Plans are prepared for the new normal.

Hiring and investment planning are highly increased to get entities ready for the return to a new normal.



■ Significant reduction ■ Moderate reduction ■ Maintain the same level ■ Moderate increase ■ Significant increase

02 I EVFTA implementation and beyond



021 EVFTA implementation and beyond

The EU-Vietnam Free Trade Agreement (EVFTA) represents an historic change in EU-Vietnam relations. It will boost trade and investment on both sides and help Vietnam to further integrate into the global economy and the international community.

1. Tariff Reductions: The EVFTA will eliminate almost all tariffs between the EU and Vietnam. It removed tariffs on 65 percent of the value of EU exports the moment the FTA entered into force, with the remaining tariffs being phased out over the following decade. Meanwhile, 71 percent of EU imports from Vietnam became tariff-free once the EVFTA entered into force. This will rise to more than 99 percent over the following 7 years.

2. Customs Duties: Customs duties will be almost eliminated over a transitional period of 7 years for Vietnamese goods and 10 years for EU goods. This will be a ‘win-win’ for business and consumers, in the form of lower prices and greater competitiveness.

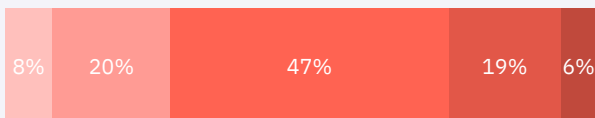
3. Market Access for EU Service Providers: In the EVFTA, Vietnam has gone further than the World Trade Organisation (WTO) in terms of market access granted to EU service providers. Additional (sub)sectors will be opened up, giving the EU the best possible access to Vietnam’s market. The FTA also contains a ‘Most-Favoured Nation’ clause.

Source: [EuroCham EVFTA 2019 Report](#)



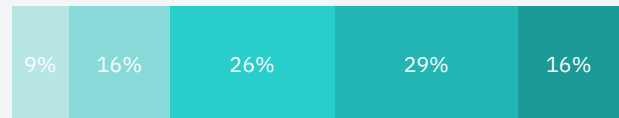
72% business leaders have a concrete understanding of EVFTA and its implications; almost half of them believe that it is relevant to their business

“How well do you understand EVFTA and its implications?”



■ Not well at all
■ Inadequately
■ Adequately
■ Reasonably well
■ Very well

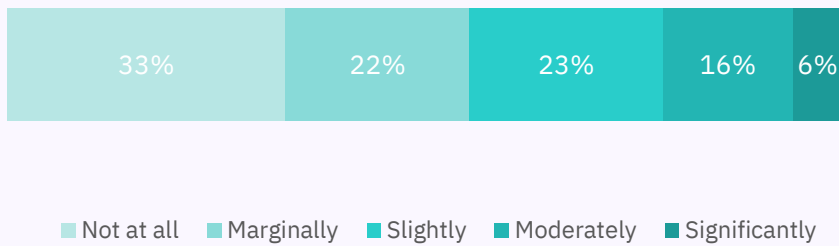
“How relevant is EVFTA for your business?”



■ Irrelevant
■ Slightly relevant
■ Neutral
■ Relevant
■ Very relevant

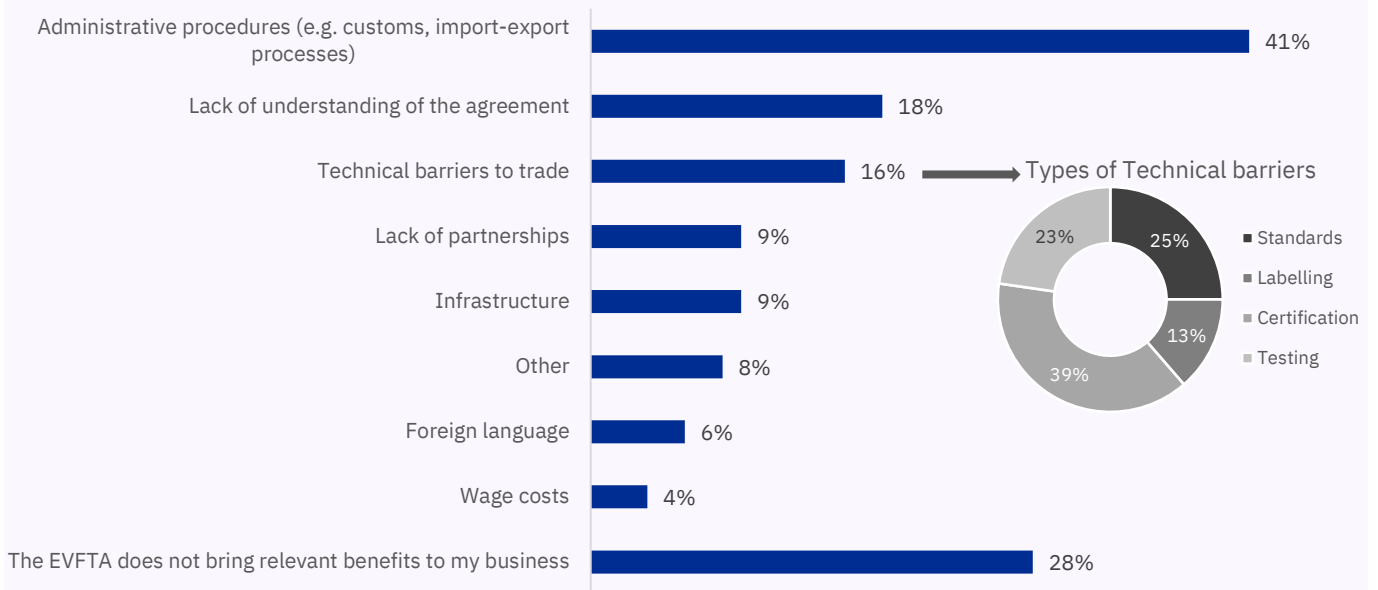
About 6% of European business leaders in Vietnam believe that EVFTA has already benefitted their businesses

Has your company benefitted from the EVFTA?



Administrative procedures continues to be the biggest barrier when it comes to utilizing EVFTA in their business. Among the Technical barriers, Certification contributes the highest.

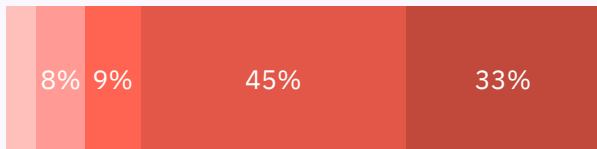
What are the main barriers for you to utilize EVFTA in your business?



021 EVFTA implementation and beyond

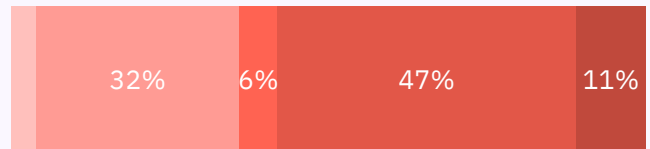
This quarter, the BCI asked business leaders for their opinions on the Vietnamese Government's handling of the pandemic situation, International travel and the Green Initiatives.

Are you satisfied with the Vietnamese government's handling of the pandemic situation in Quarter 1 of 2022?

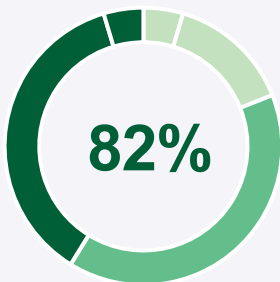


- Not at all
- Marginally
- Slightly
- Moderately
- Significantly

Will resuming international travel and visa exemptions to Vietnam impact your business?



- Not at all
- Marginally
- Slightly
- Moderately
- Significantly

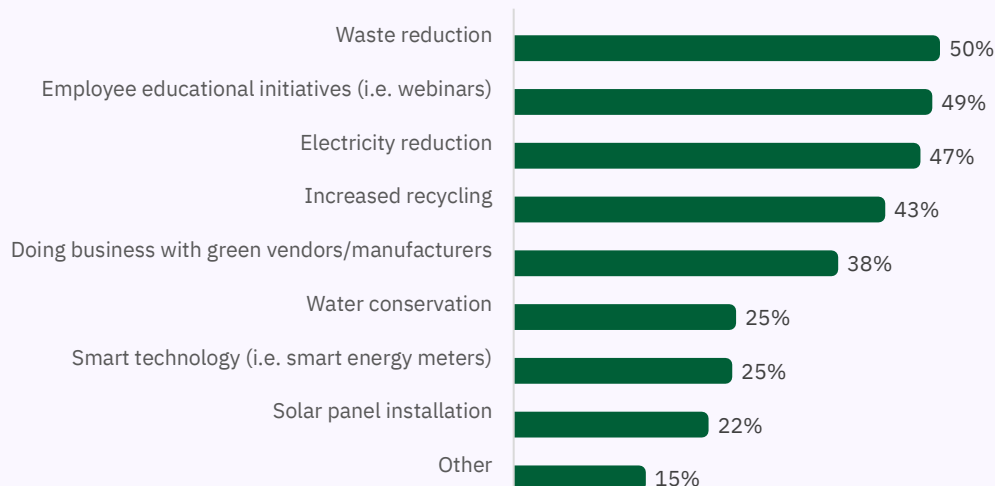


- Very poor
- Not good
- Neutral
- Good
- Excellent

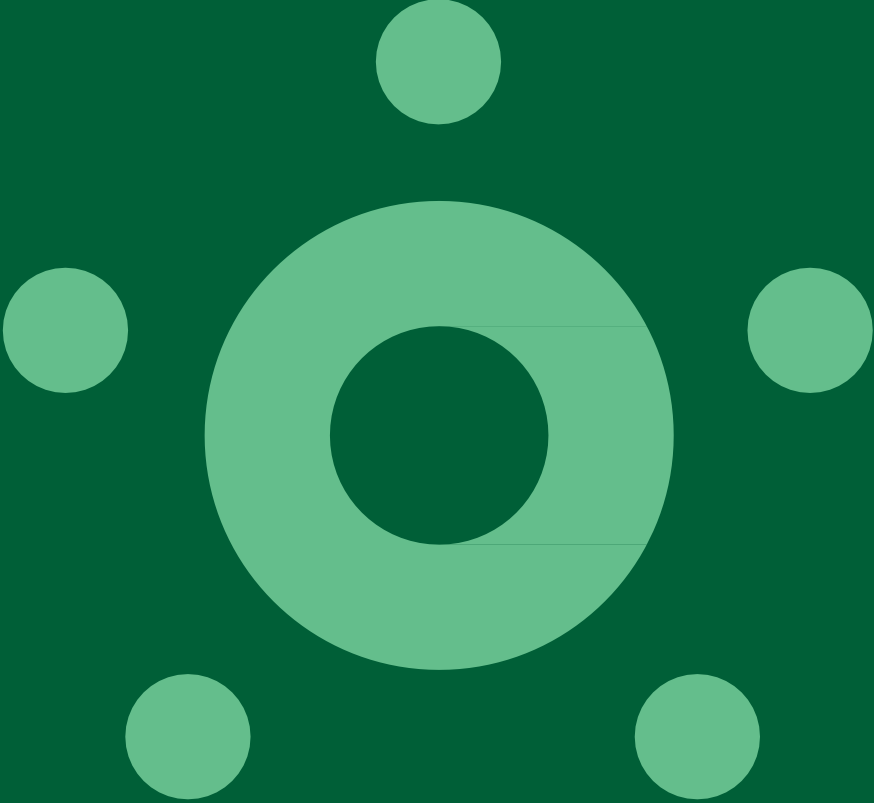
How is your outlook regarding the potential for Vietnam's green, sustainable development?

82% of the business leaders have potential outlook to the Vietnam's green and sustainable development

What green initiatives are you currently using in your own business/company?



03 | Methodology



Methodology



Purpose

The purpose of this survey is to collect European business leaders' opinions about their business situations, 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 2,317 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, 221 completed the full questionnaire in this round. This represents a response rate of 9.5%, which is considered moderately high for a survey amongst the top business executives.

Reach out to us

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