

EuroCham Vietnam Business Confidence Index

Quarter 1, 2025



Decision Lab



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Introduction

The Business Confidence 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 2011, 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 2 of 2018, the quarterly BCI survey has been conducted by Decision Lab, a Vietnam-based market research agency with the mission to deliver agile, connected and decision focused market research. Decision Lab is the exclusive partner of YouGov in Vietnam. We help clients by delivering the best possible basis for decision making. Our value chain is a virtuous circle of a highly engaged online community, powerful analytics technology, delivery of syndicated data products, expert insights and an authoritative media presence.

As the external provider of this survey and reporting for EuroCham Vietnam, Decision Lab guarantees anonymity and confidentiality for all respondents by only providing anonymized and aggregated data to EuroCham.

We don't just collect data, we connect data.

Read more about our services at www.decisionlab.co

About EuroCham Vietnam

Founded in 1998, the European Chamber of Commerce in Vietnam (EuroCham) is the leading voice of European business in Vietnam. With offices in both Hanoi and Ho Chi Minh City, we represent a diverse range of companies, from SMEs to multinational corporations. EuroCham is a key player in shaping policy discussions, promoting trade and investment, and strengthening economic ties between Europe and Vietnam, particularly under the EU-Vietnam Free Trade Agreement (EVFTA).

As one of the largest foreign chambers in Vietnam, with over 1,400 member companies, EuroCham serves as a "chamber of chambers," uniting nine national European business associations. These include:

- Belgian-Luxembourg Chamber of Commerce (Beluxcham)
- Central and Eastern European Chamber of Commerce in Vietnam (CEEC)
- Chamber of Commerce and Industry Portugal-Vietnam (CCIPV)
- Dutch Business Association Vietnam (DBAV)
- French Chamber of Commerce and Industry Vietnam (CCIFV)
- German Business Association (GBA)
- Italian Chamber of Commerce in Vietnam (ICHAM)
- Nordic Chamber of Commerce Vietnam (Nordcham)
- Spanish Chamber of Commerce in Vietnam (SCCV)

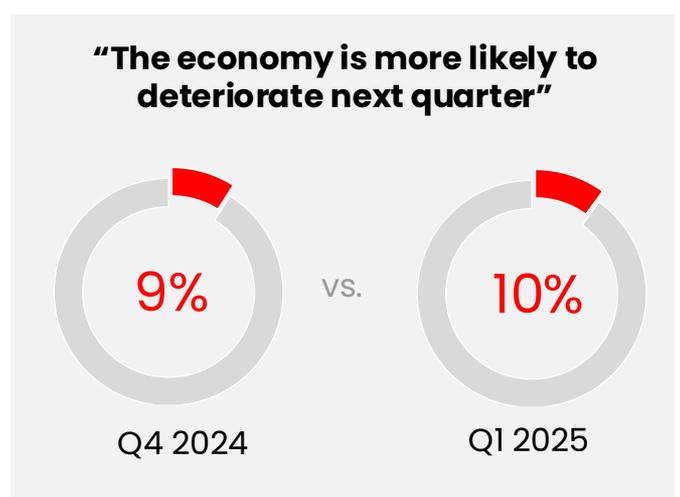
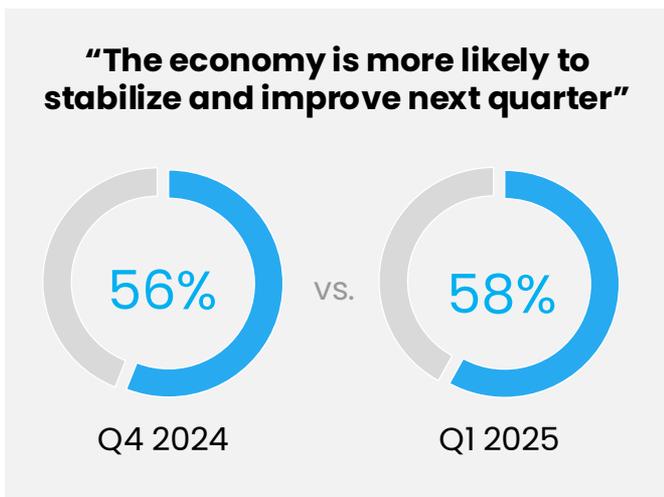
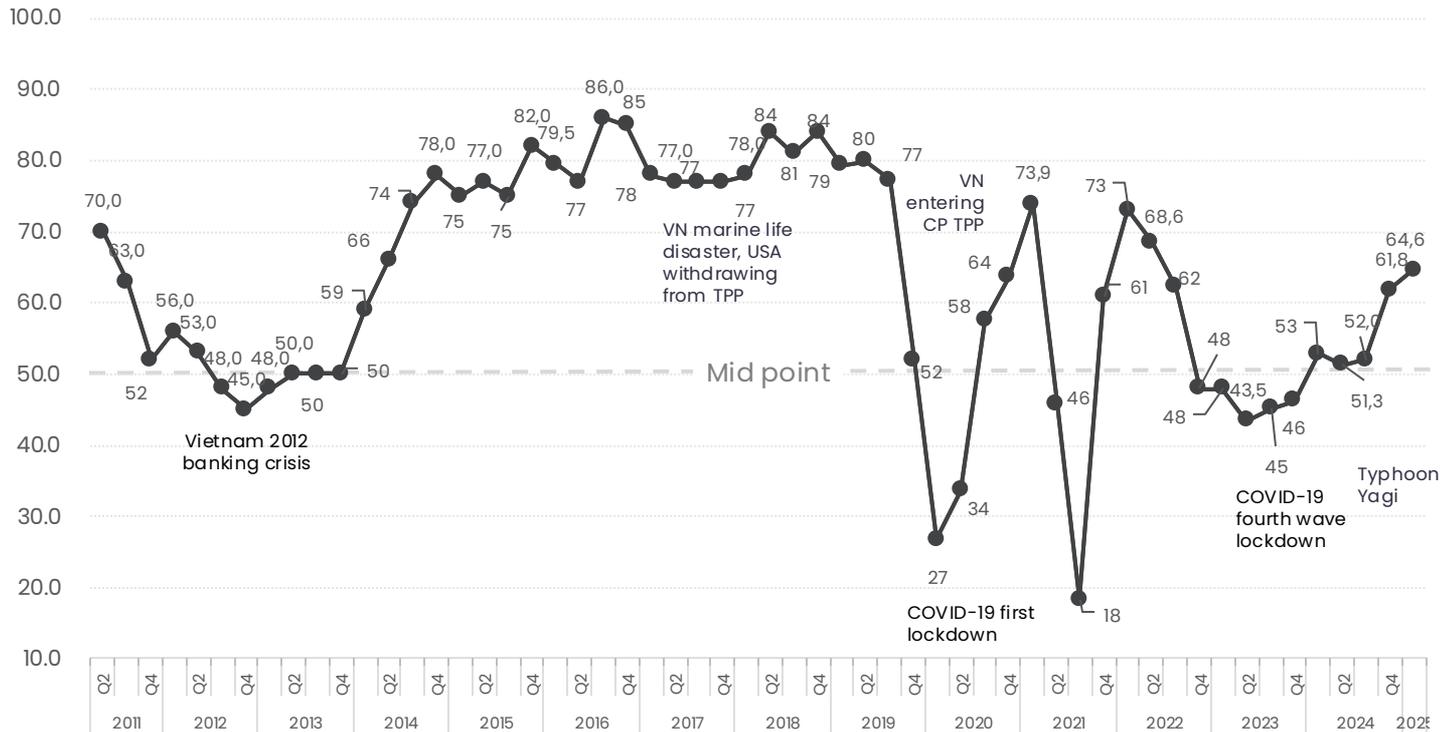
EuroCham's influence is underpinned by our extensive network of 19 specialised Sector Committees. These committees provide expert insights, shape policy recommendations, and foster sector-specific dialogue. This ensures that the diverse perspectives of our members are heard and reflected in EuroCham's broader agenda.

01 | BCI, the macroeconomy, and the business outlook



The BCI maintains its growth momentum from Q3 2024, driving the Index to reach 64.6 this quarter

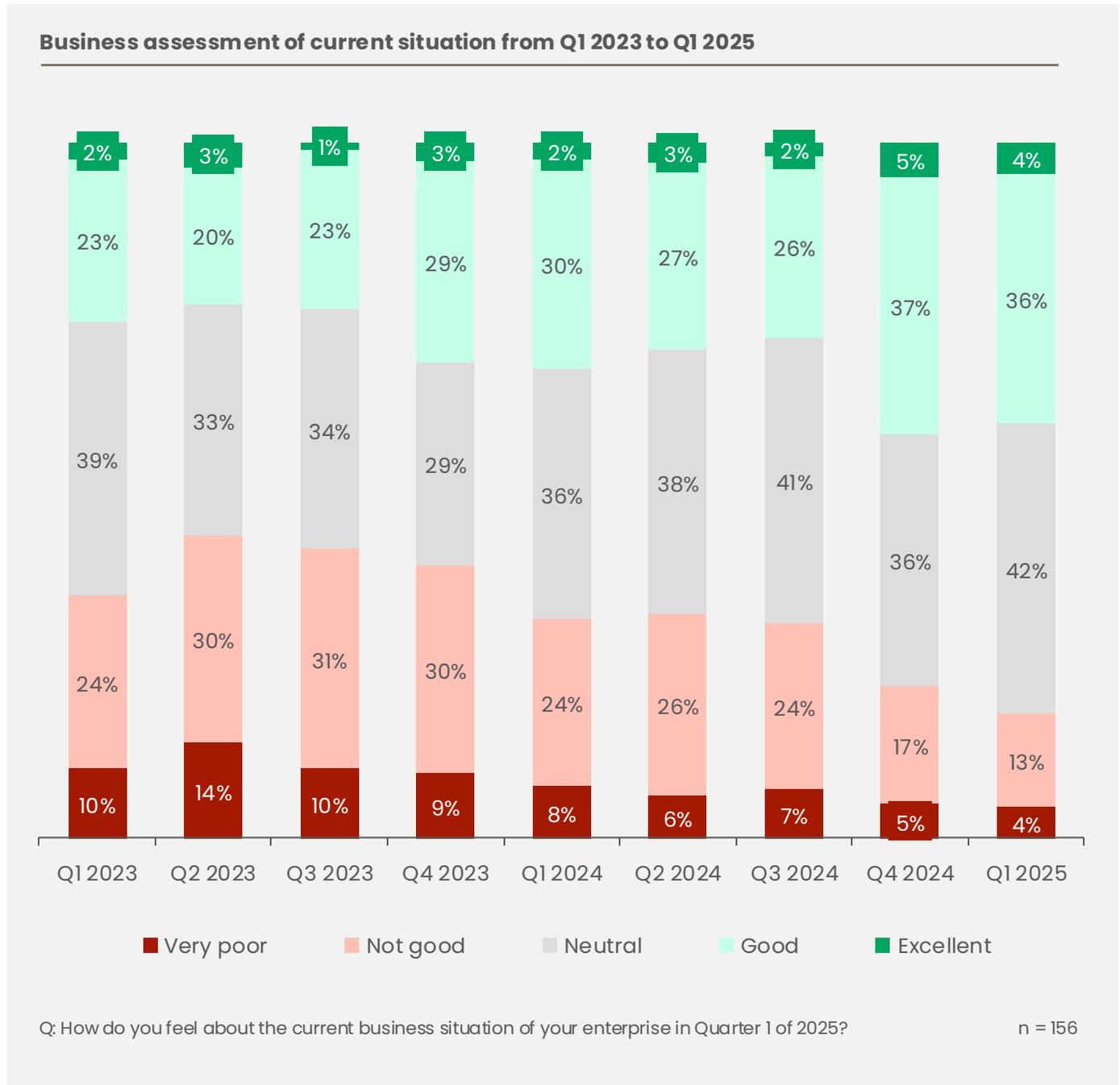
After the growth observed in Q4 2024, Vietnam's business outlook has experienced a steady increase in the Business Confidence Index (BCI) during Q1 2025. This trend indicates an encouraging start to 2025, even amidst a challenging global environment.



An increasing number of companies are confident that Vietnam's economy will stabilize and grow in the upcoming quarter (+2 pp); however, a slight rise in those foreseeing economic challenges indicates ongoing uncertainties (+1 pp).

Evaluations of the economy by businesses have turned less pessimistic than in previous times, though a neutral perspective remains dominant

Neutrality has once again been maintained in Quarter 1 2025, despite a decline observed in the previous quarter. This improvement can be attributed to a notable reduction in negativity (-5 pp) and a minor decrease in optimism (-2 pp).

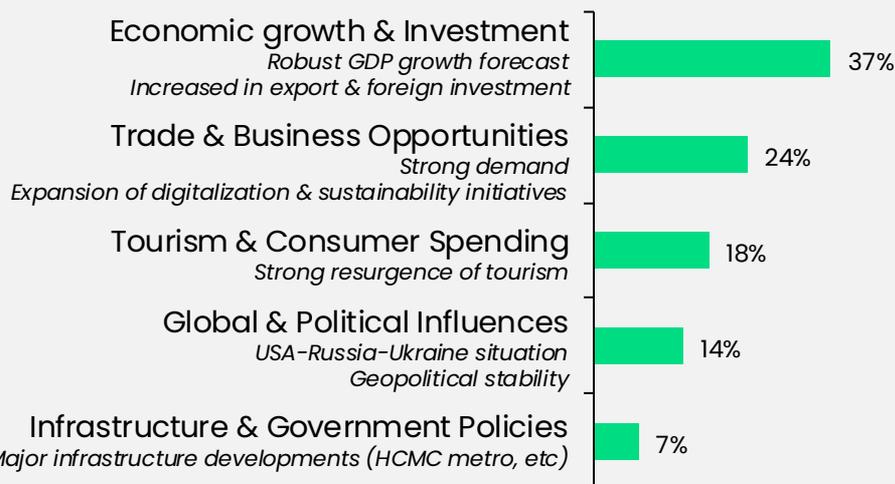


Optimism about future economic growth persists, even in a rapidly evolving environment with the government's restructuring, global uncertainty and economic decline.

The combination of economic growth and various business opportunities fosters a sense of optimism regarding the evaluation of current business operations; however, government policies and restructuring initiatives also bring about some apprehensions.

Reasons for positive assessment

(base: respondents answering "Good" or "Excellent" who answer open-ended question)

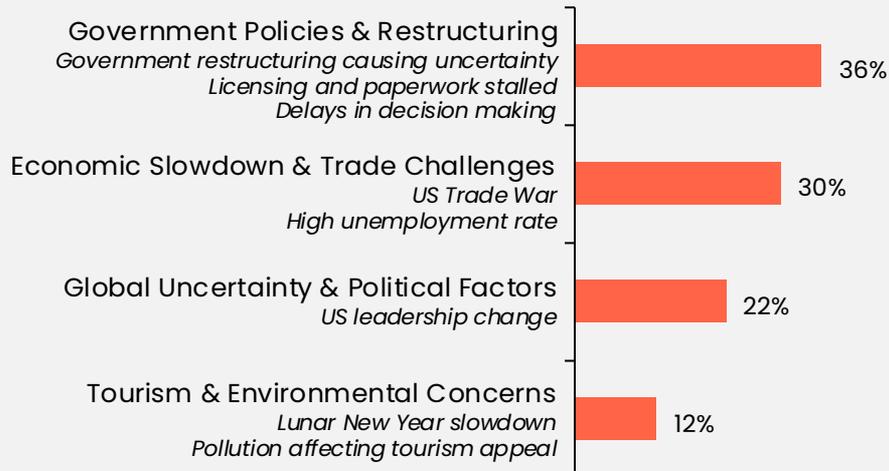


Q: How do you feel about the current business situation of your enterprise in Q1 2025?
Q: Could you share what factors or events have most influenced your viewpoint?

n=27

Reasons for negative assessment

(base: respondents answering "Not good" or "Very poor" who answer open-ended question)



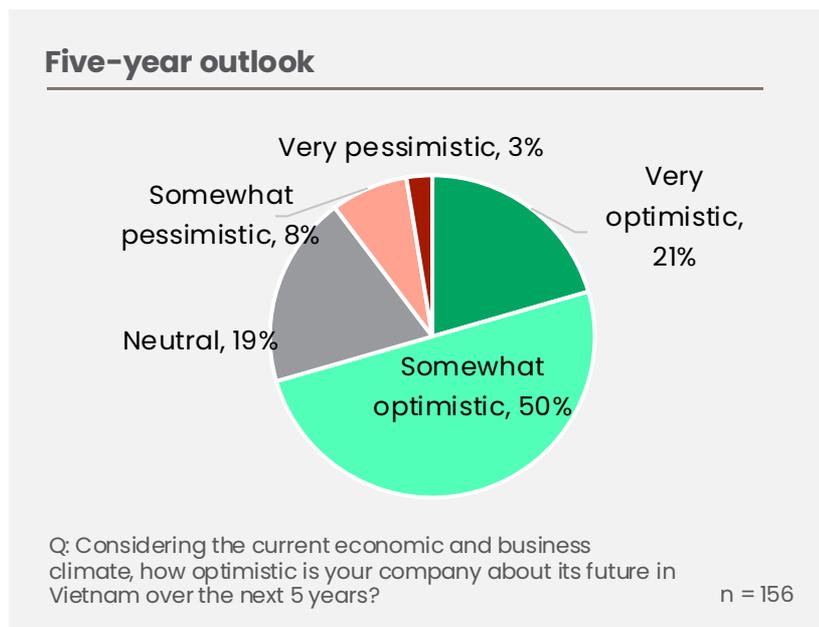
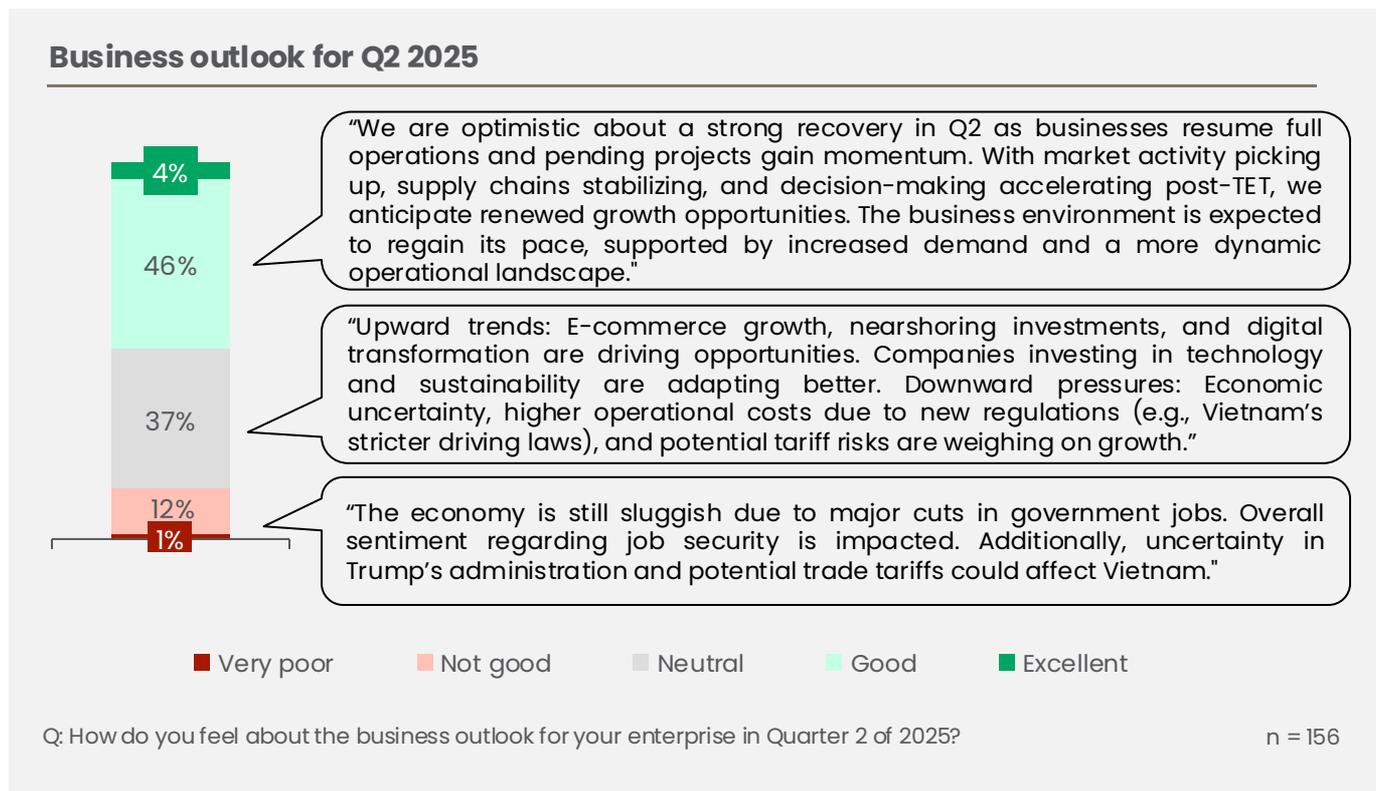
Q: How do you feel about the current business situation of your enterprise in Q1 2025?
Q: Could you share what factors or events have most influenced your viewpoint?

n=17

(*) Because some responses mention multiple factors, the total percentage can add up to more than 100%

Respondents indicate a more optimistic view regarding the future, with 50% expecting a “Good” or “Excellent” business environment for Quarter 2 of 2025

The economy shows mixed signals, though optimism prevails. A positive outlook stems from business recovery, e-commerce growth, and digital transformation, but concerns remain over economic uncertainty, rising costs, and job security due to regulations and U.S. policy risks.



Optimism regarding the outlook for the next five years has been steadily increasing. This growing confidence reflects a broader recognition of Vietnam’s potential as a stable and attractive environment for long term growth.

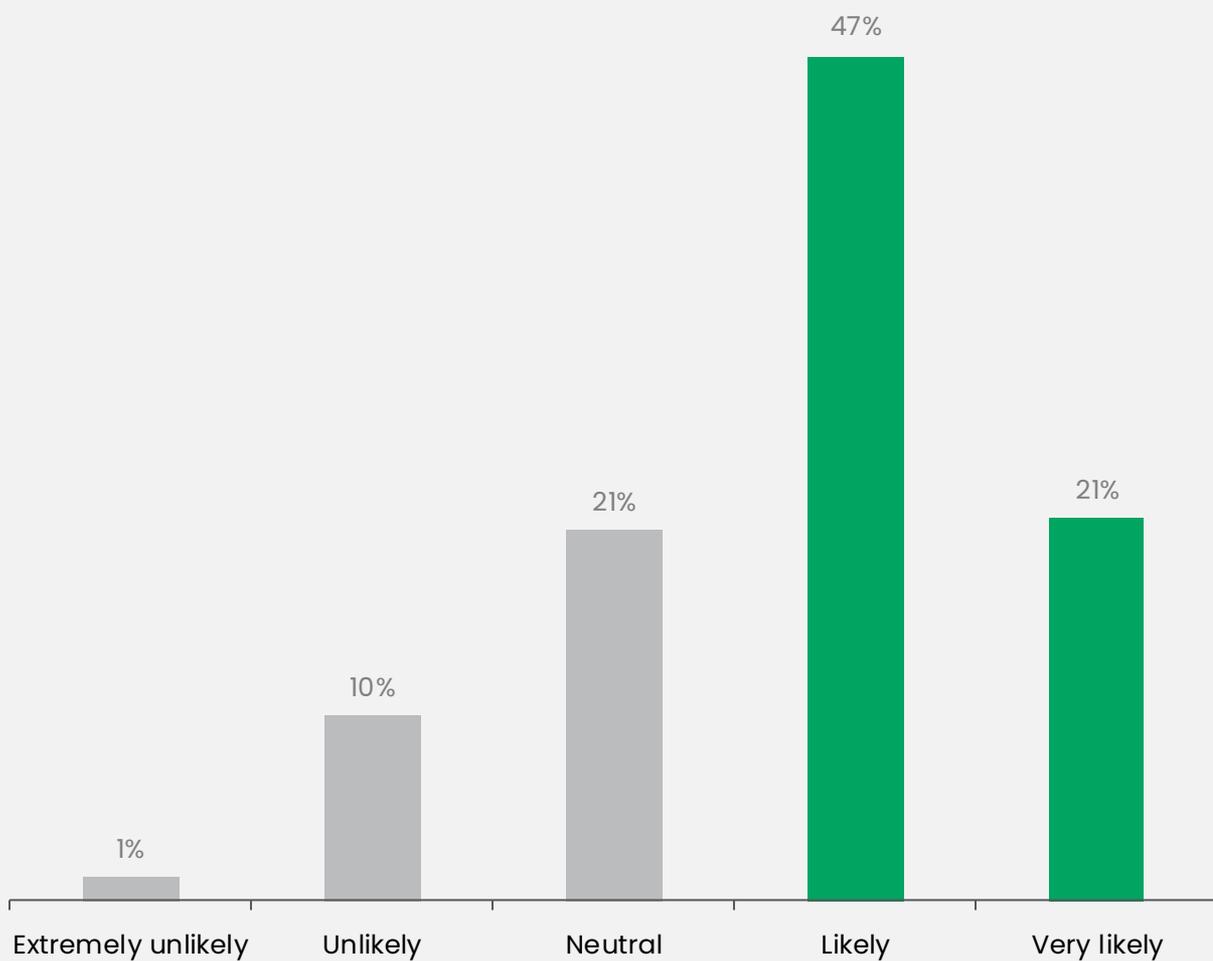
02 | Vietnam as an investment destination



With the rise in business enthusiasm, Vietnam continues to strengthen its appeal as a desirable destination for foreign direct investment (FDI)

68% of European business leaders in Vietnam would recommend the country as an investment destination.

Likelihood to recommend Vietnam as an investment destination

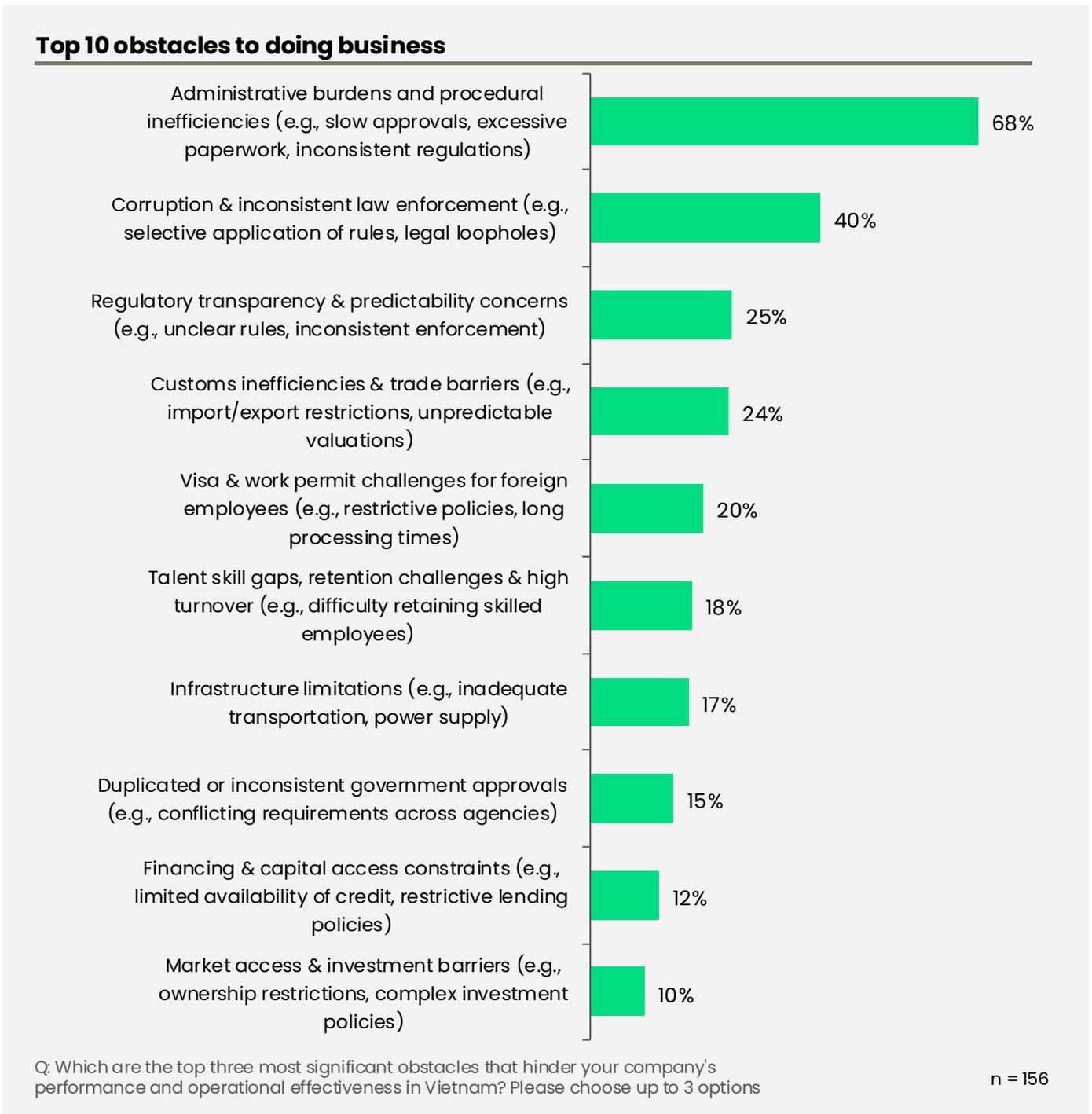


Q: How likely are you to recommend Vietnam as an investment destination to other foreign businesses?

n = 156

Administrative burdens and procedural inefficiencies remain the top obstacles to doing business in Vietnam

Business efficiency is greatly affected by operational challenges such as bureaucratic red tape, corruption, inconsistent law enforcement, and issues related to regulatory transparency and predictability.



Visa procedures are a pain point for both foreign workers and their employers

Together with obtaining visas for foreign experts, tax-related procedures, such as VAT refunds, and Investment/Enterprise Registration Certificate add to the administrative burdens that companies face.

Top 10 pillars to encounter administrative burdens and procedural inefficiencies

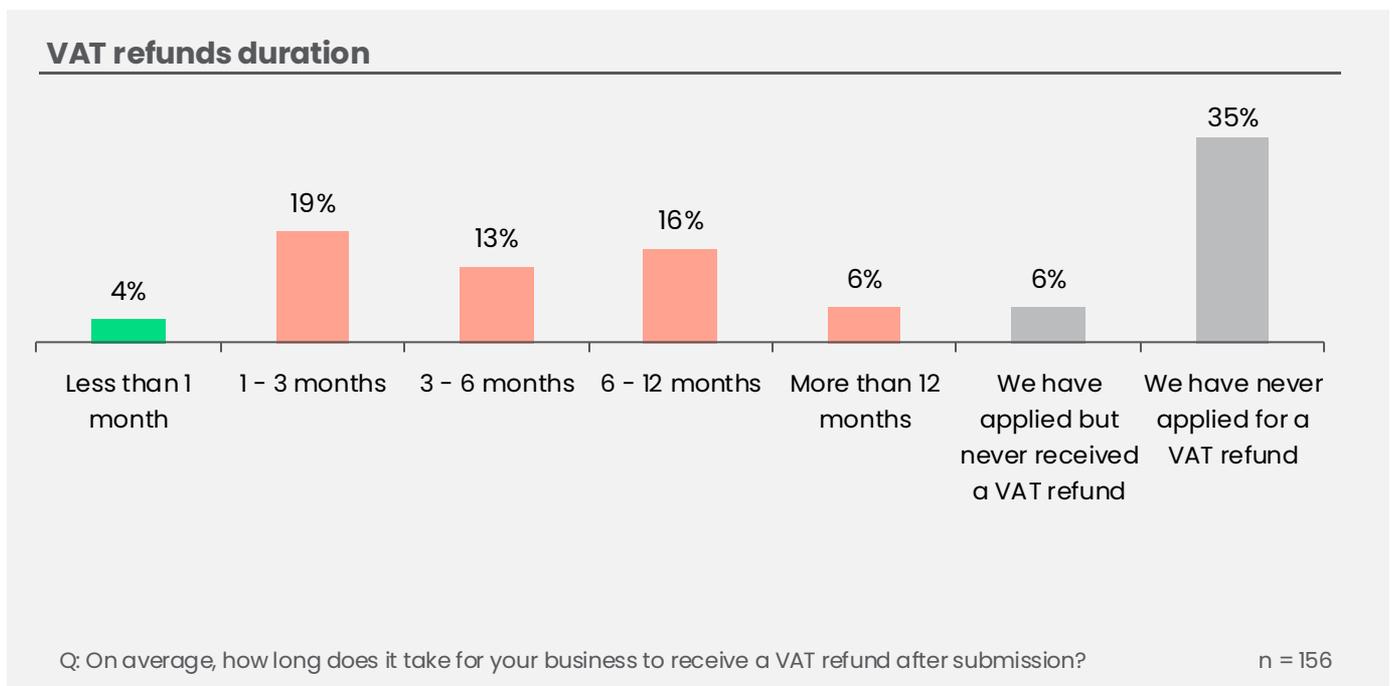
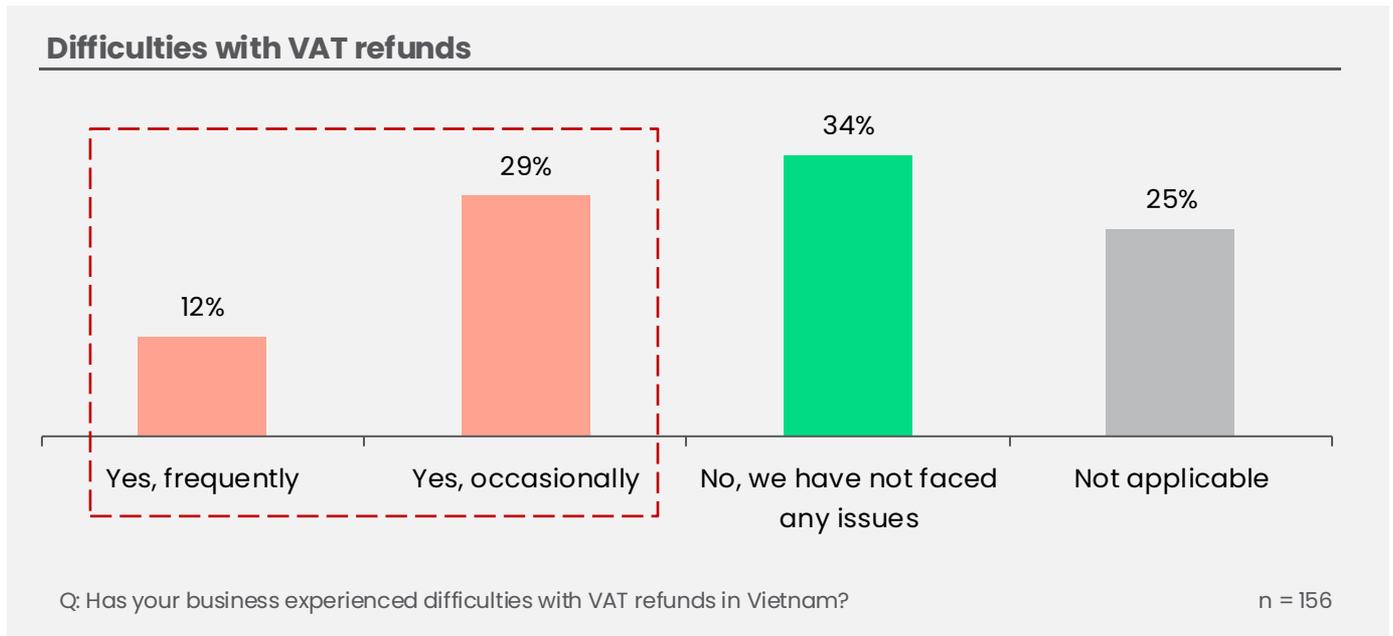


Q: In which pillar(s) have you encountered administrative burdens and procedural inefficiencies?

n = 106

Most businesses have either encountered no issues or only occasional challenges with VAT refunds

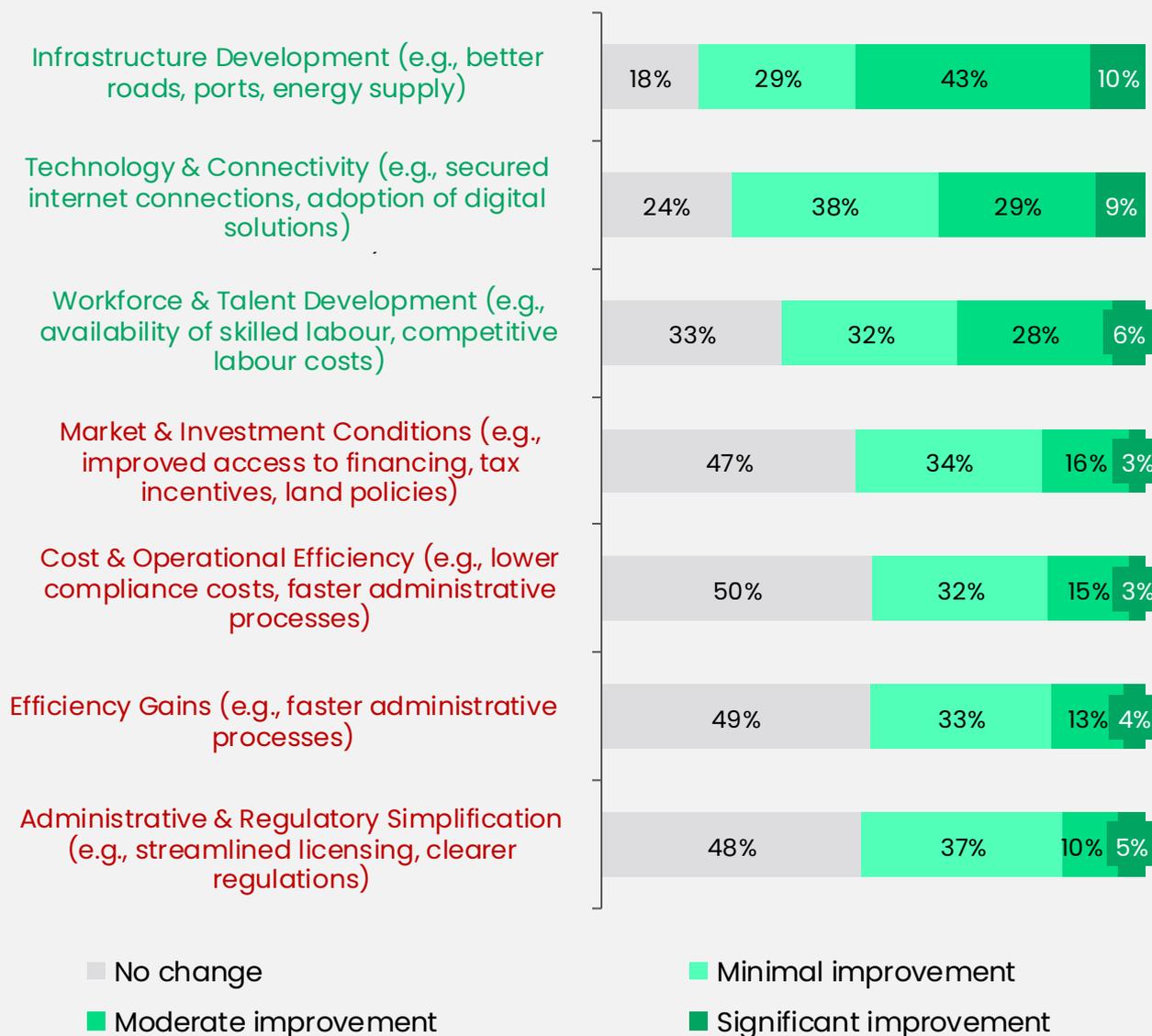
Many businesses have yet to pursue a VAT refund, and the typical timeframe for receiving such refunds is between 1 to 3 months.



Vietnam's business environment has seen improvements in several important areas compared to the prior years

Business conditions in Vietnam have improved in infrastructure, technology, and workforce development, but challenges persist in market conditions, cost efficiency, and administrative simplification, needing further enhancement.

Improvement aspects compared to previous years



Q: Compared to previous years, how would you assess the ease of doing business in Vietnam?

n = 156

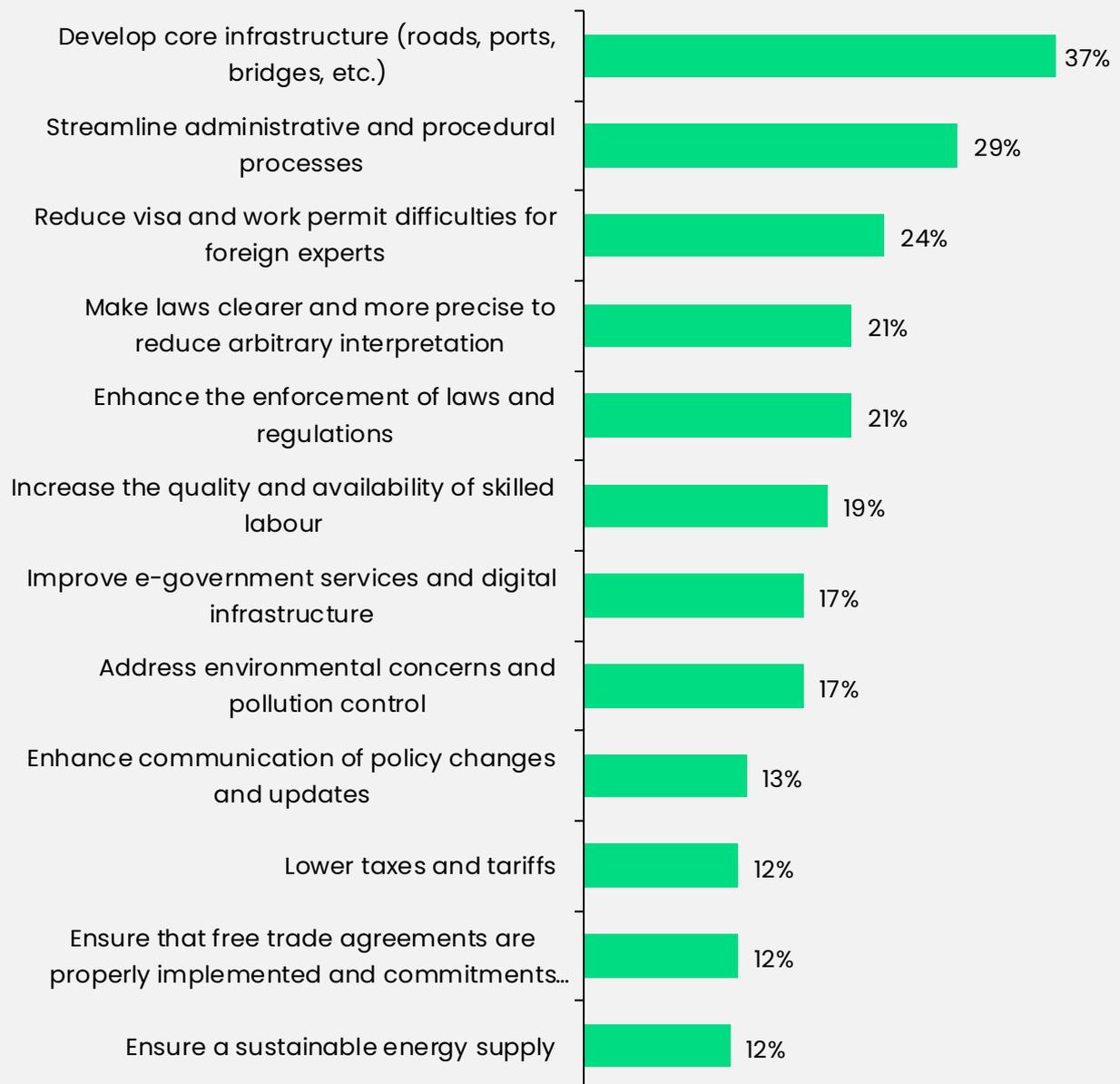
Green text: These areas have demonstrated progress since previous years.

Red text: These areas need improvement.

Enhancements across different areas are essential to more effectively attract foreign direct investment (FDI) and secure business commitment

Enhancing core infrastructure is crucial for boosting Vietnam's attractiveness to FDI. Moreover, there is a significant emphasis on streamlining administrative processes and alleviating the challenges related to visas and work permits for foreign professionals.

Factors to improve ability to attract FDI



Q: What are the most important factors for Vietnam to improve its ability to attract FDI?

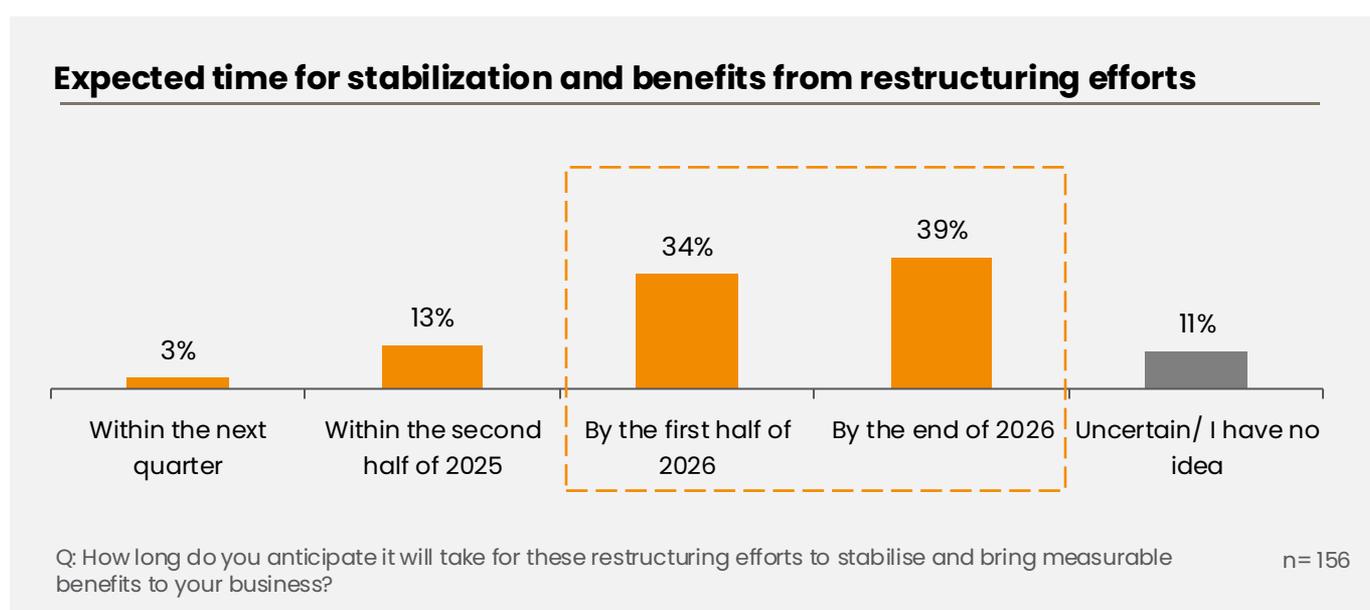
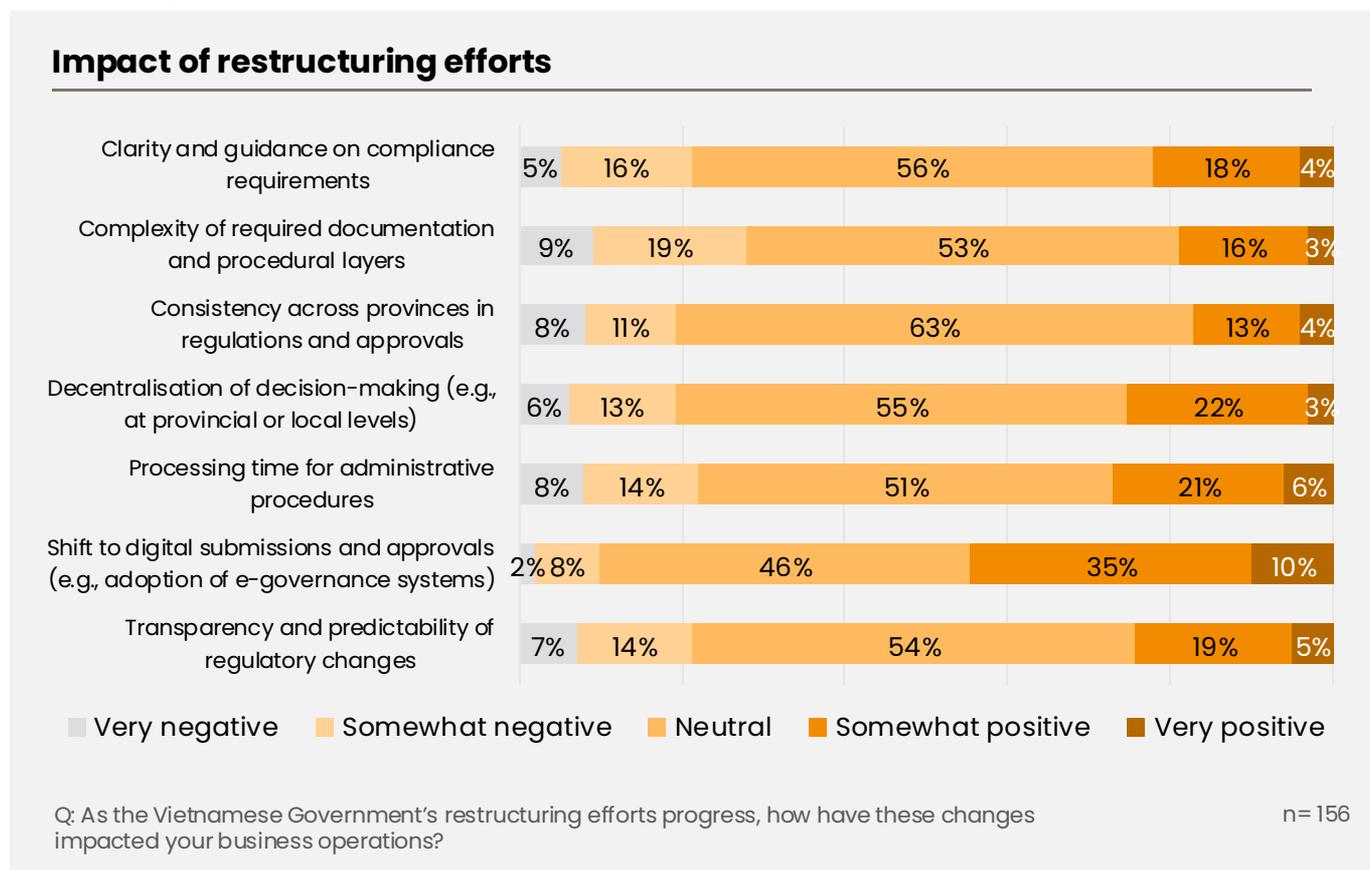
n = 156

03 | Impact of the Government's restructuring efforts



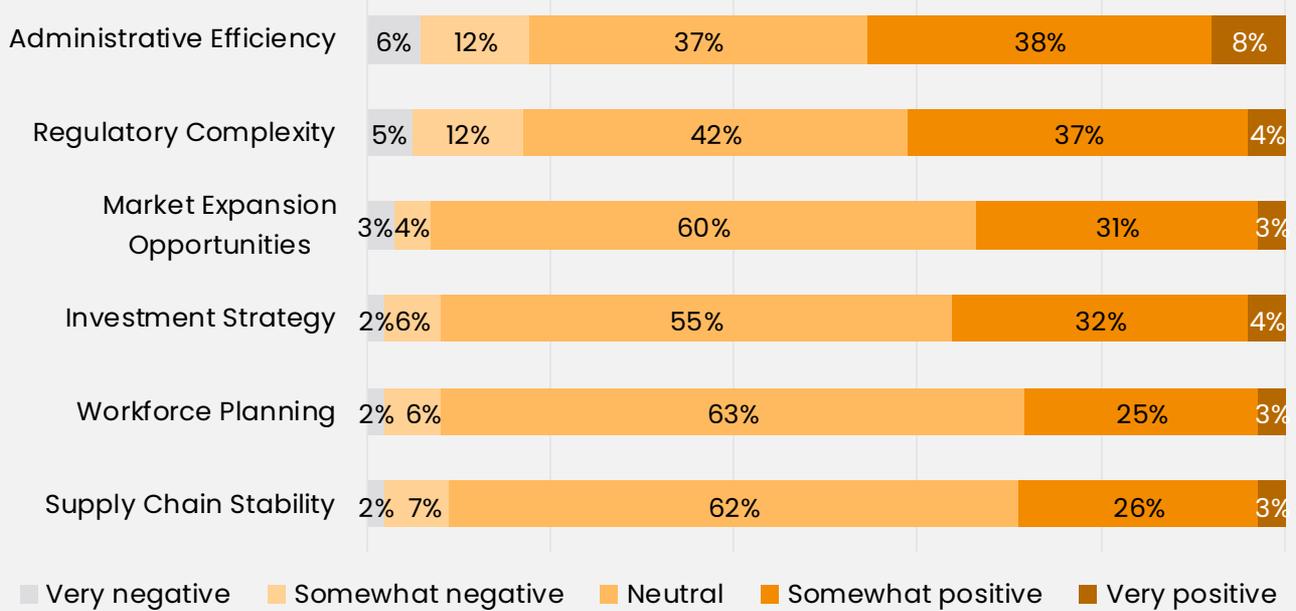
Most respondents remain neutral about the impact of restructuring efforts, with the majority anticipating benefits by 2026

Of the various restructuring efforts, the transition to digital submissions and approvals stands out as the most favorable, with nearly half of the respondents expressing positivity.



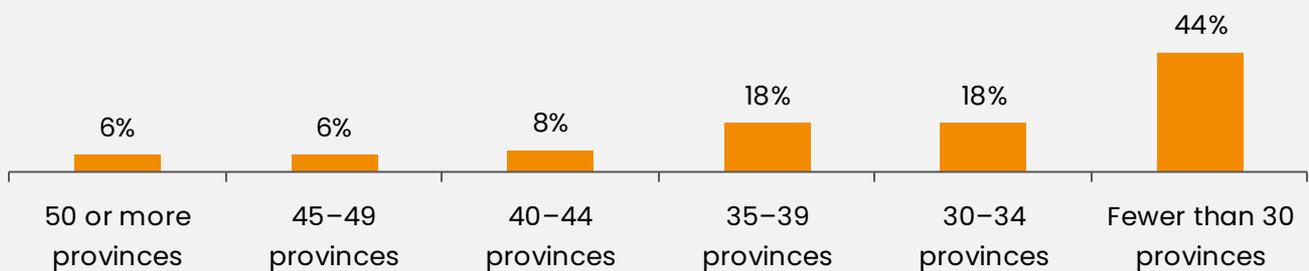
Concerning the effects of the planned provincial mergers, there is a notably optimistic perspective on administrative efficiency and regulatory complexity. A reduced number of provinces is perceived as beneficial for EuroCham members

Expected impact of merging provinces



Q: How do you expect the proposed provincial mergers to impact the following aspects of your business? n= 156

Ideal numbers of provinces in Vietnam for optimal business efficiency



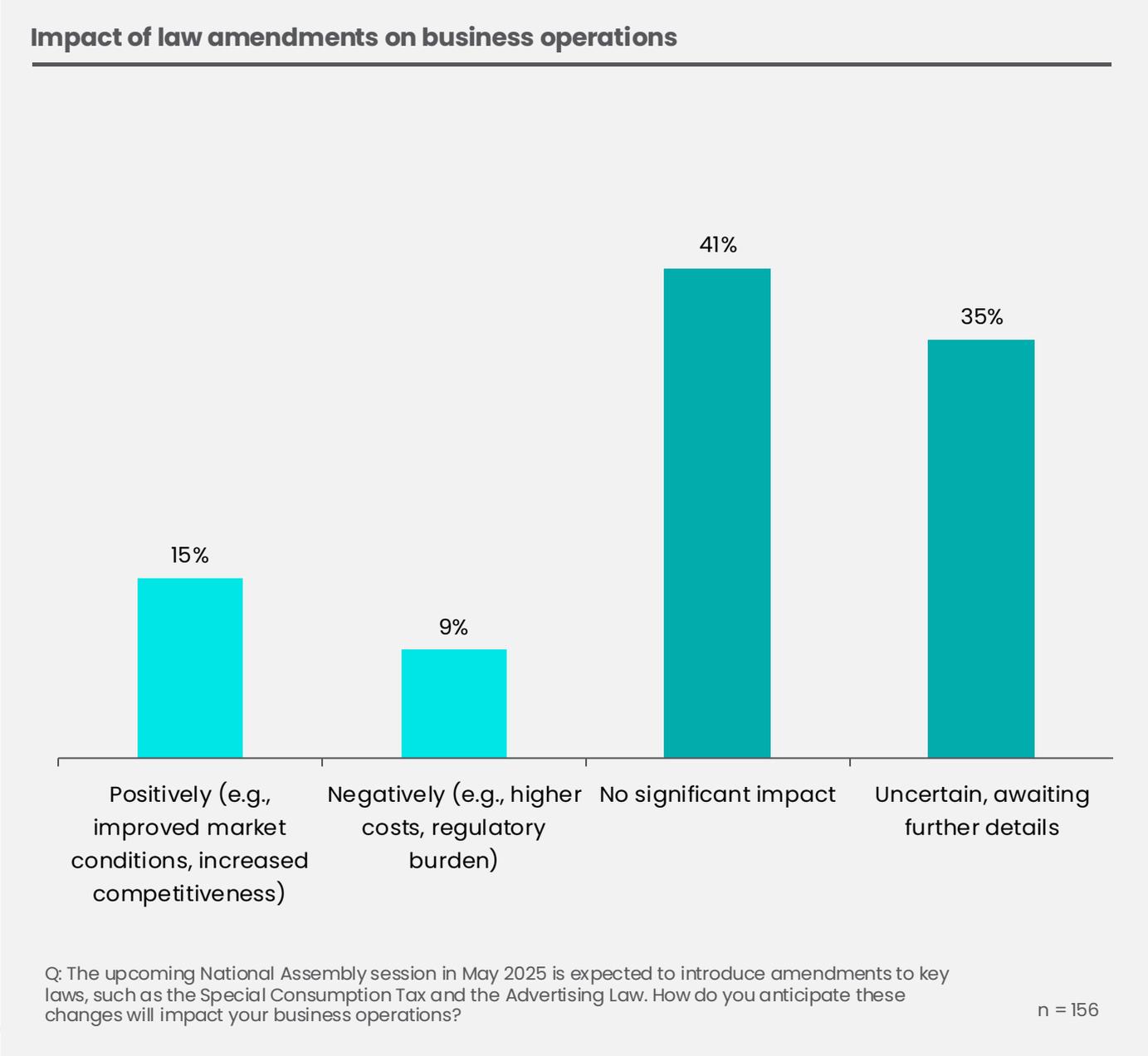
Q: In your opinion, what is the ideal number of provinces Vietnam should ideally have to support a more efficient business environment? n= 156

04 | Current Events



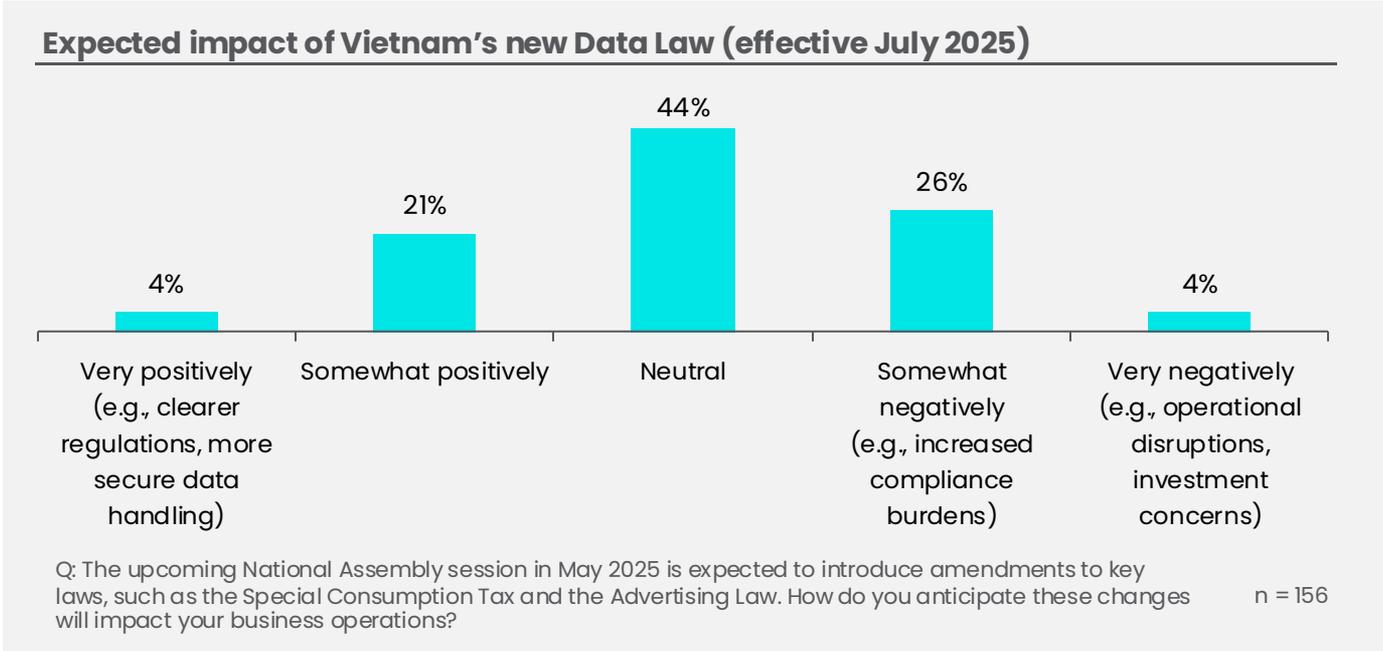
1. Impact of Law Amendments

Amendments to business operation laws are viewed as having either no substantial effect (41%) or remain uncertain (35%), pending additional information.

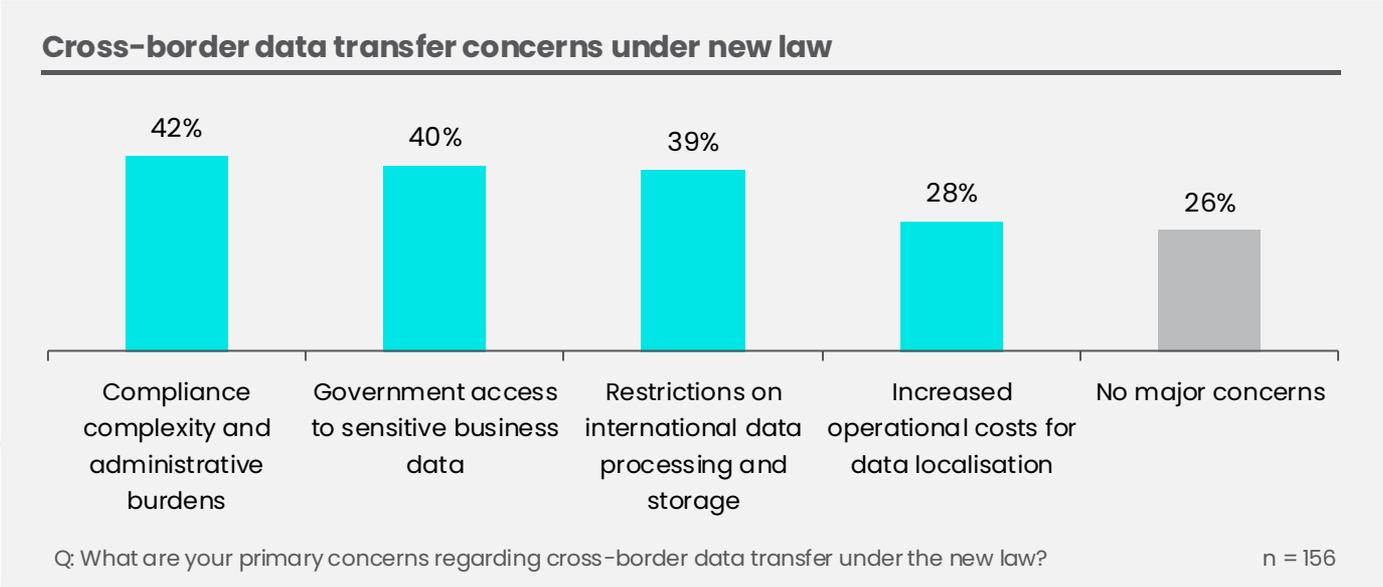


2. Vietnam's new Data Law (effective July 2025)

The majority of respondents maintain a neutral viewpoint regarding the effects of Vietnam's new Data Law, with negative sentiments slightly outweighing positive ones.



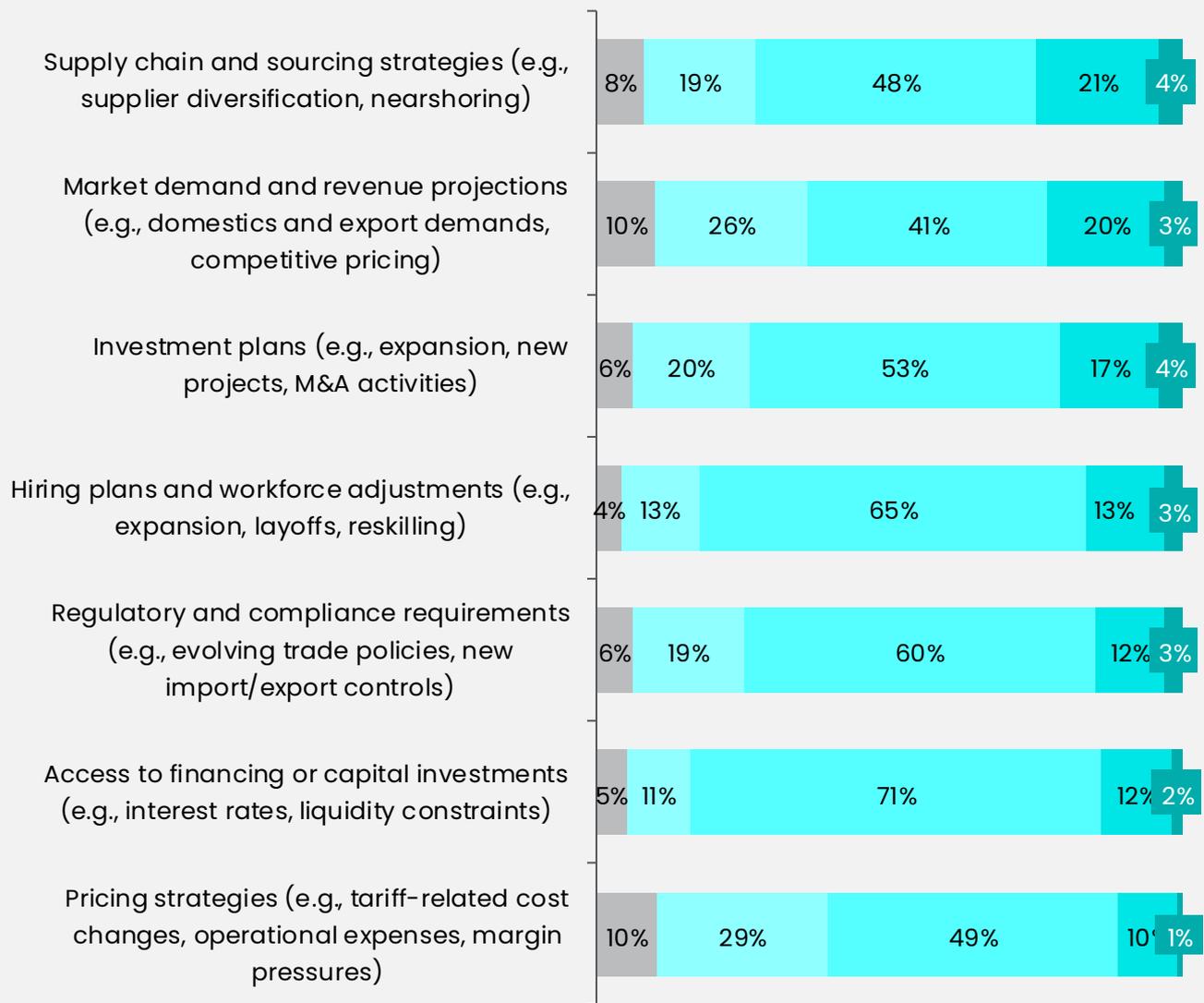
The top three concerns include compliance complexity and administrative burdens (42%), government access to sensitive business data (40%), and restrictions on international data processing and storage (39%)



3. Global trade tensions

Top three perceived impact of global trade tensions include supply chain and sourcing strategies, market demand and revenue projections, and investment plans.

Expected impact of global trade tensions



■ Significantly challenging ■ Slightly challenging ■ Neutral
 ■ Slightly positive ■ Significantly positive

Q: Given recent geopolitical and economic shifts, how have the global trade tensions affected the following aspects of your business in Vietnam?

n = 156

05 | Methodology



Methodology



Purpose

The purpose of this survey is to collect European business leaders' opinions about their business situations, in order to reflect the state of Vietnam's business environment and help 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 business leaders from more than 1,400 EuroCham's 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, 156 completed the full questionnaire in this round. This represents a response rate of 8.2% which is considered moderately high for a survey amongst the top business executives.

Reach out to us

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