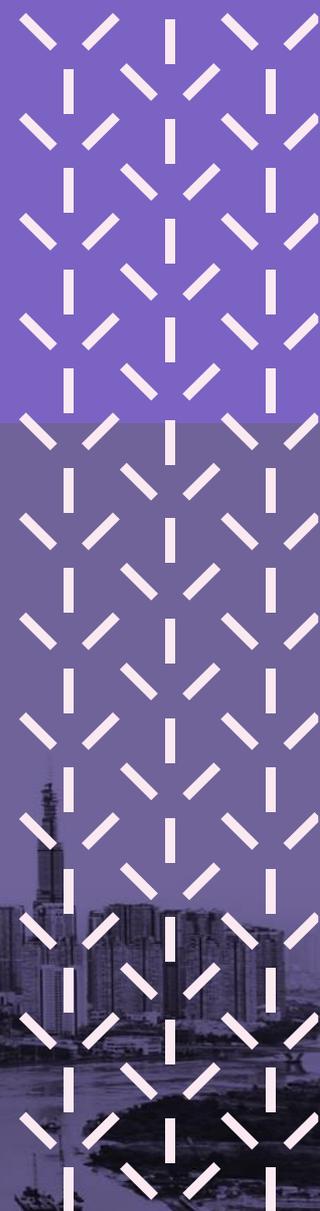


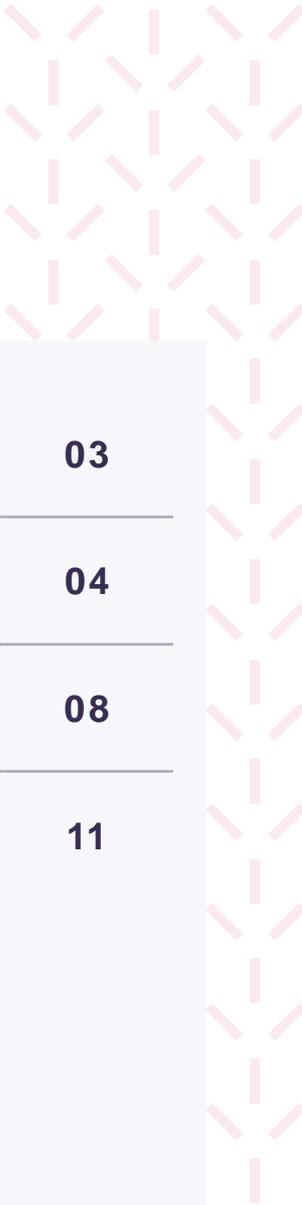
EuroCham Business Climate Index

Quarter 4, 2020



YouGov[®]

Content



Introduction	03
 BCI, the macroeconomy, and the business outlook	04
 EVFTA implementation	08
 Methodology	11

Introduction

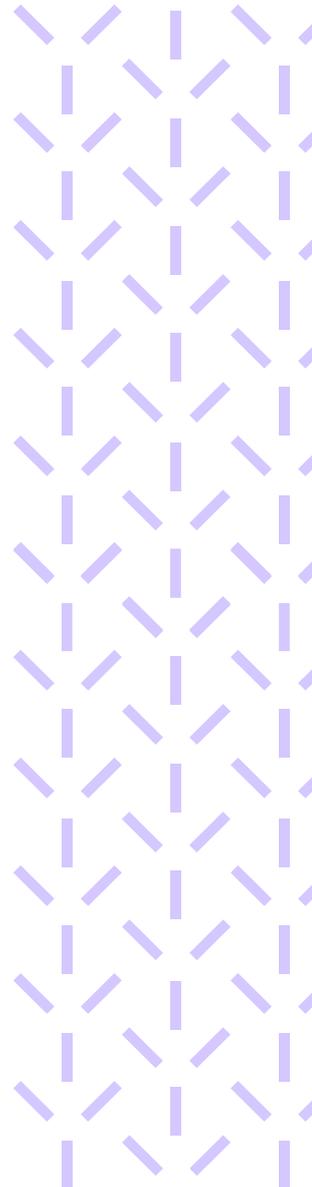
The Business Climate Index (BCI) is a regular barometer of the business sentiment among European companies operating in Vietnam. Because of the active participation of EuroCham members in this survey since 2013, the BCI is seen by decision-makers, media, and business professionals in Vietnam as a key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

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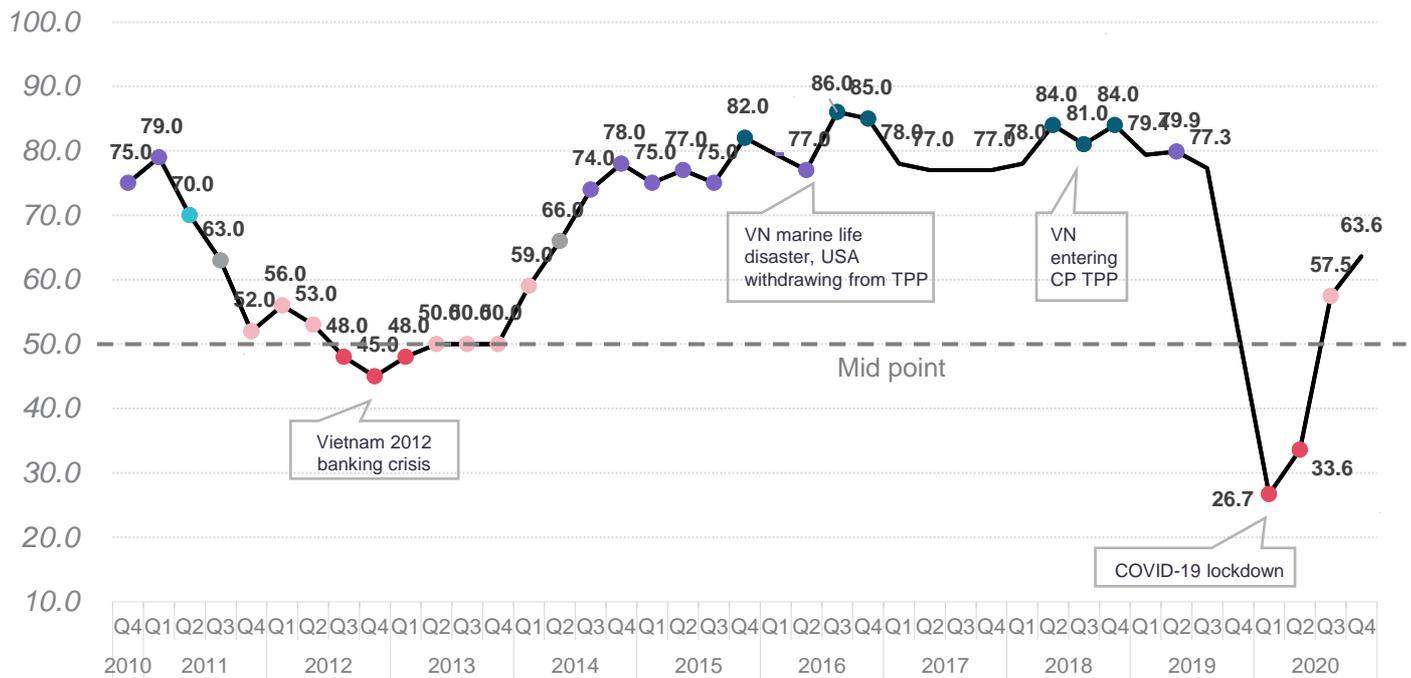


01 | BCI, the macroeconomy, and the business outlook



Anticipating 2021 with high hopes

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. Vietnam continues to operate under “the new normal” while the global situation remains unstable; this increase demonstrates businesses’ recovery and growth.

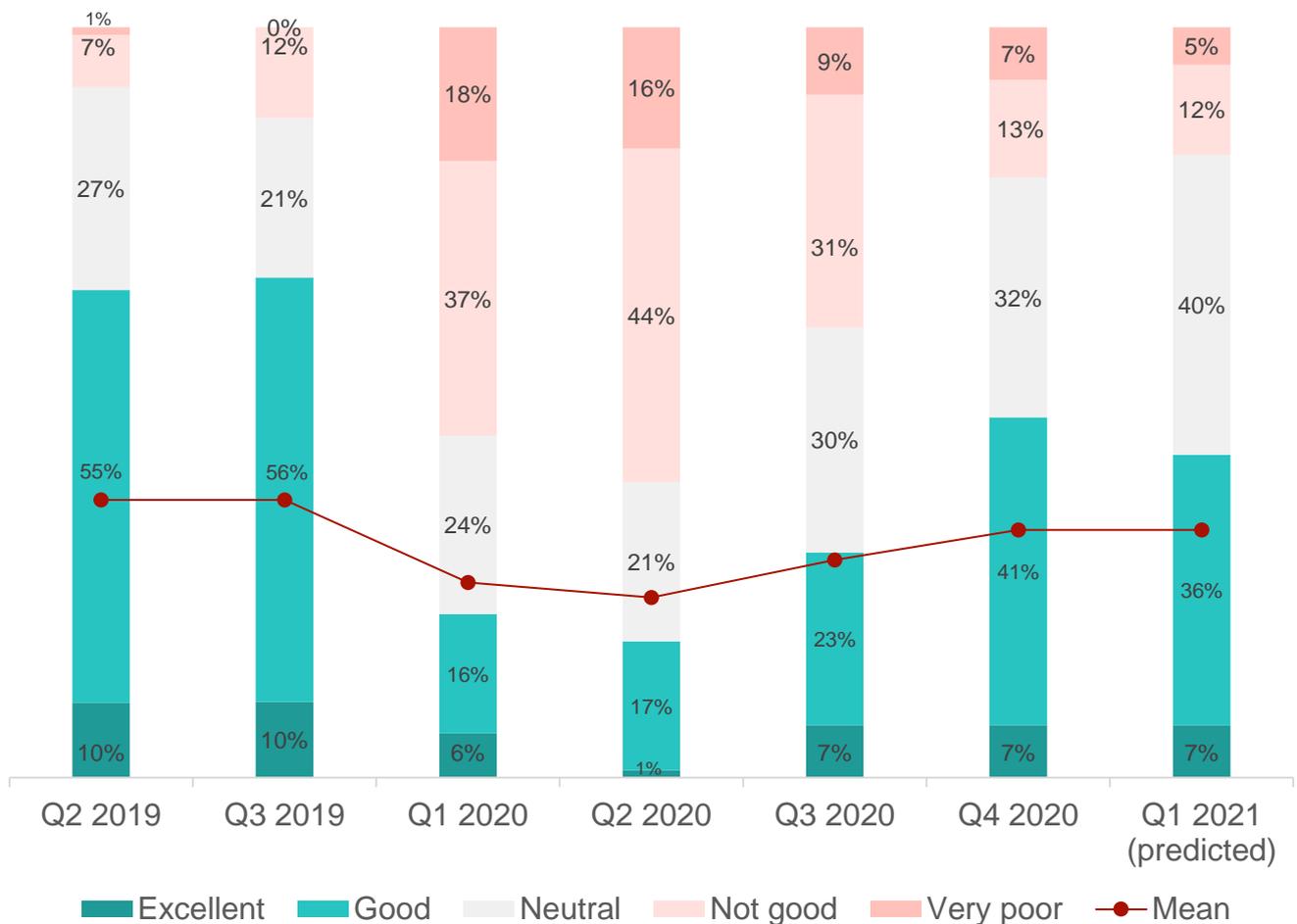


Overall, an optimistic sentiment is seen among business leaders, as they look forward to 2021 and an improved economy. Only 10% believe that the economy is likely to deteriorate next quarter.

Business continues to thrive

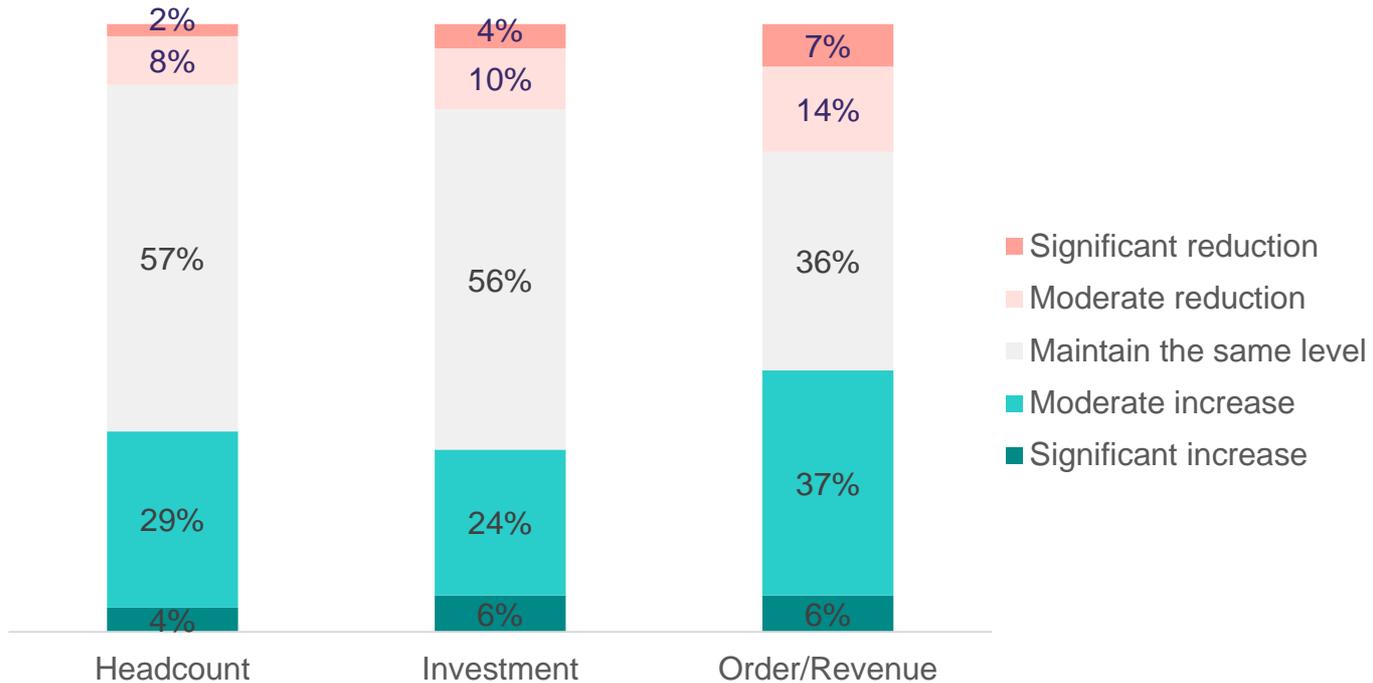
In Vietnam, apart from ongoing international travel restrictions, it is business as usual. European business leaders are more optimistic about their business performance, even anticipating that Quarter 4 performance will greatly improve.

Business outlook from Q2 2019 to predicted Q1 2021



Planning for a successful year ahead

Company's headcount/investment planning and revenue expectation for Quarter 1, 2021

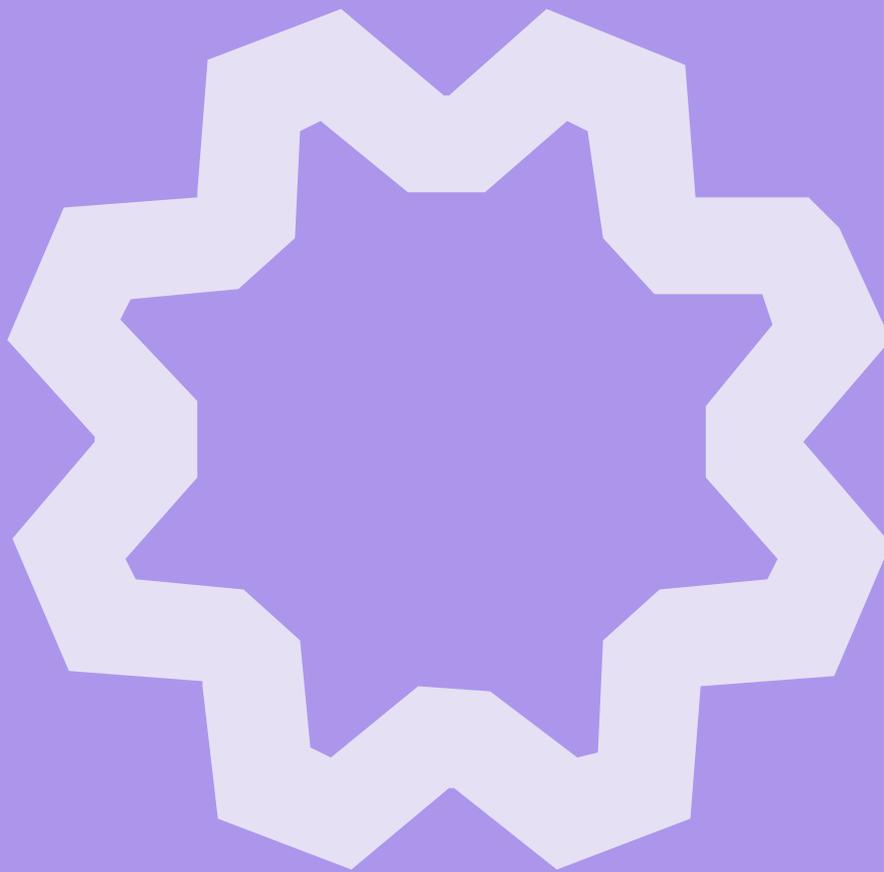


While COVID-19 continues to develop new variants outside Vietnam, European businesses cautiously look forward to a great year ahead. They are hopeful about the economy's improvement, and about 30% of businesses plan to increase headcount and investment.

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

The optimistic sentiment seen in Q3 continues to stabilize and rise in Q4. This indicates a driver for growth in 2021 in general and Q1 in particular.

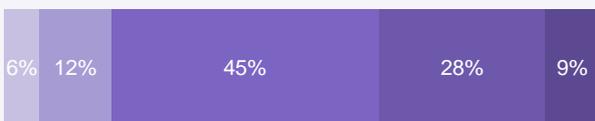
02 | EVFTA implementation





82% business leaders have a concrete understanding of EVFTA and its implications; half of them believe that it is relevant to their business

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



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

“How relevant is the EVFTA for your business?”

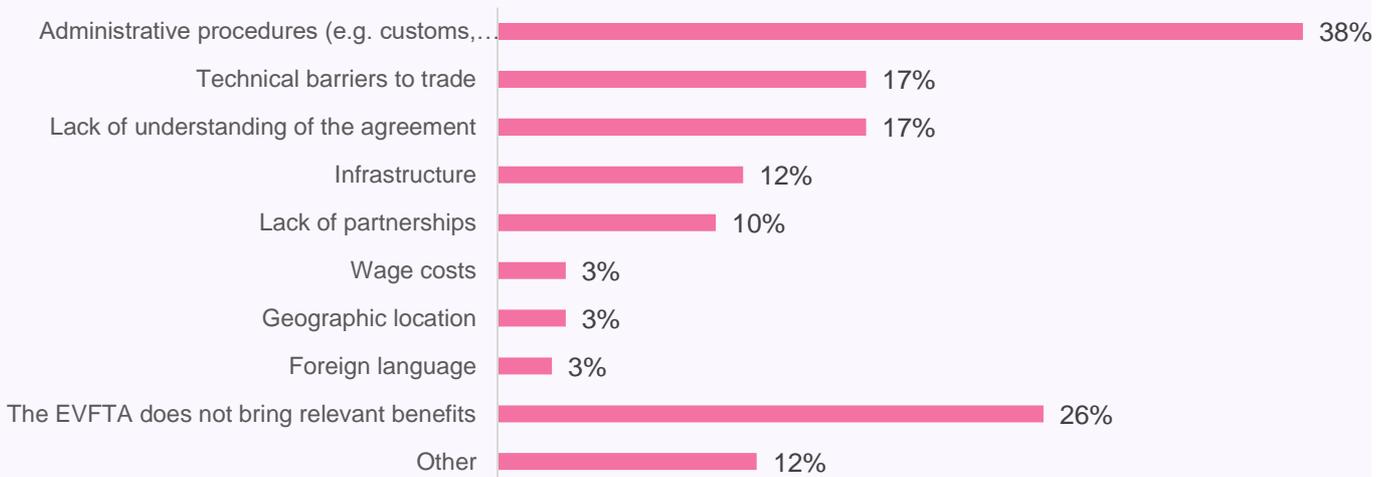


- Irrelevant
- Slightly relevant
- Neutral
- Relevant
- Very relevant



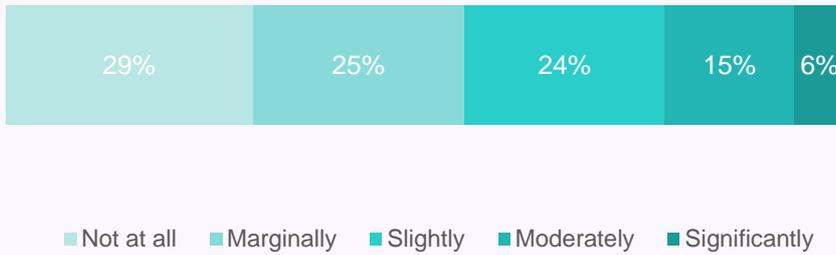
33% say administrative procedure is a big barrier for them when it comes to utilizing the EVFTA in their business

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

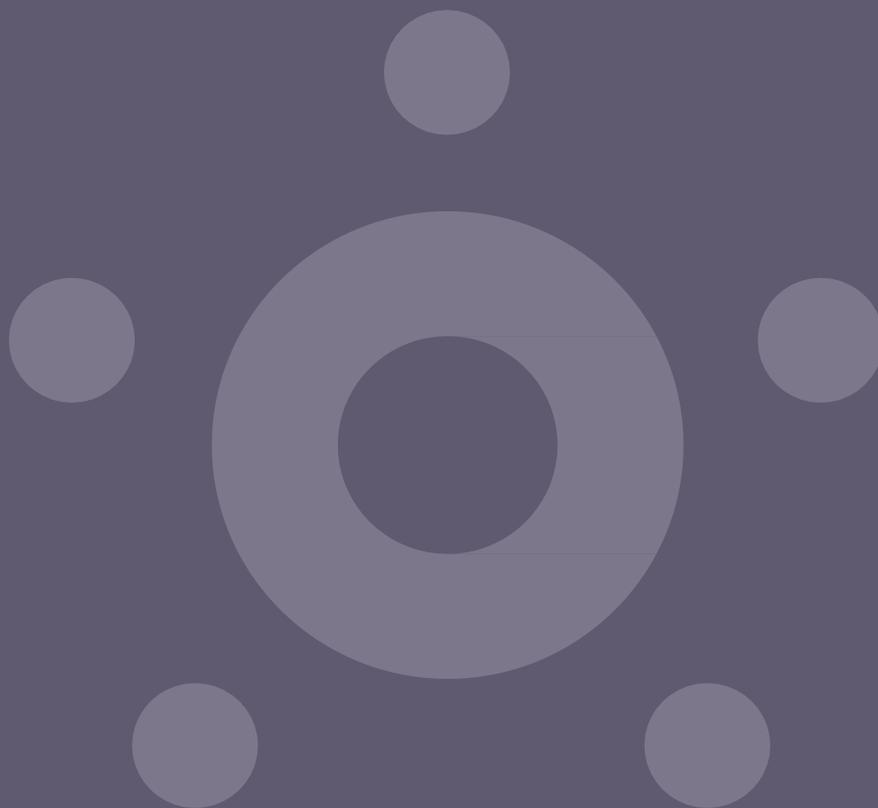




About 60% of European business leaders in Vietnam believe that EVFTA has already benefitted their businesses



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 2,036 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, 179 completed the full questionnaire in this round. This represents a response rate of 9%, which is considered moderately high for a survey amongst the top business executives.

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