

SURPRISINGLY INGENIOUS

Results

BUSINESS CONFIDENCE SURVEY 2021

among Austrian subsidiaries in Vietnam

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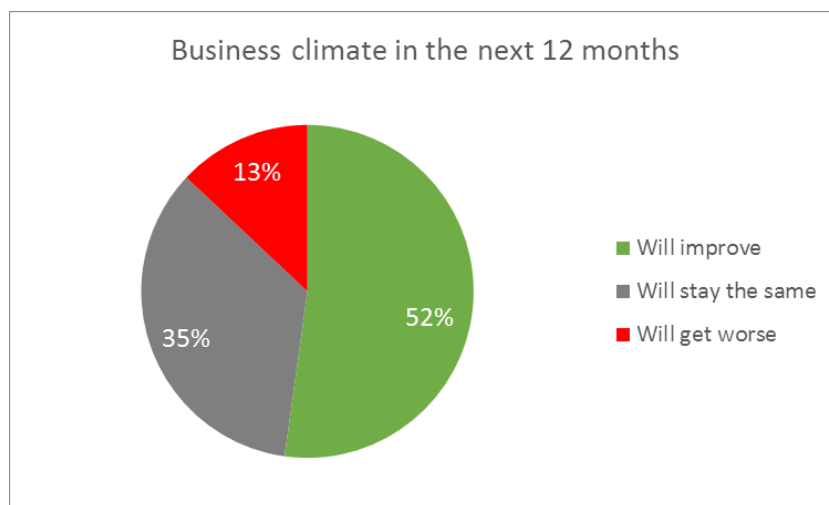
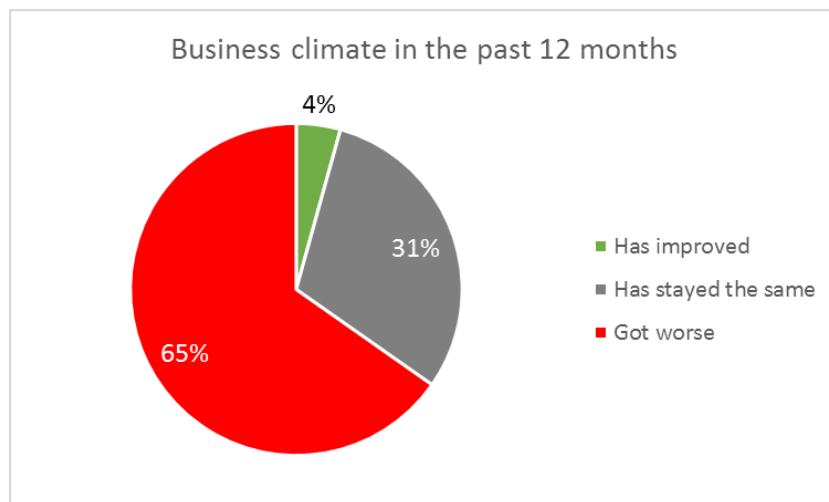


Key findings of the Austrian Business Confidence Survey 2021

Recovering from lock-down, Austrian companies in Vietnam expect positive business outlook

- Severe, but temporary deterioration of business climate due to Corona crisis in 2021
- Regulatory measures and supply chain issues slowed down business
- Drop in satisfaction with Vietnam's management of the Corona crisis
- Business climate outlook remains solidly positive
- 50 % of companies expect rise in turnover, 40 % rise in investment
- Despite difficulties continuing trust in Vietnam as a location
- Uncertainty and red tape are top concerns on a regulatory level
- Quality of labour, infrastructure and supply chain are the major market-related concerns
- Networking and lobbying are the services most requested from ADVANTAGE AUSTRIA in Vietnam

Q1: How would you characterise the current economic climate and state of the economy in the country in which your subsidiary is located?



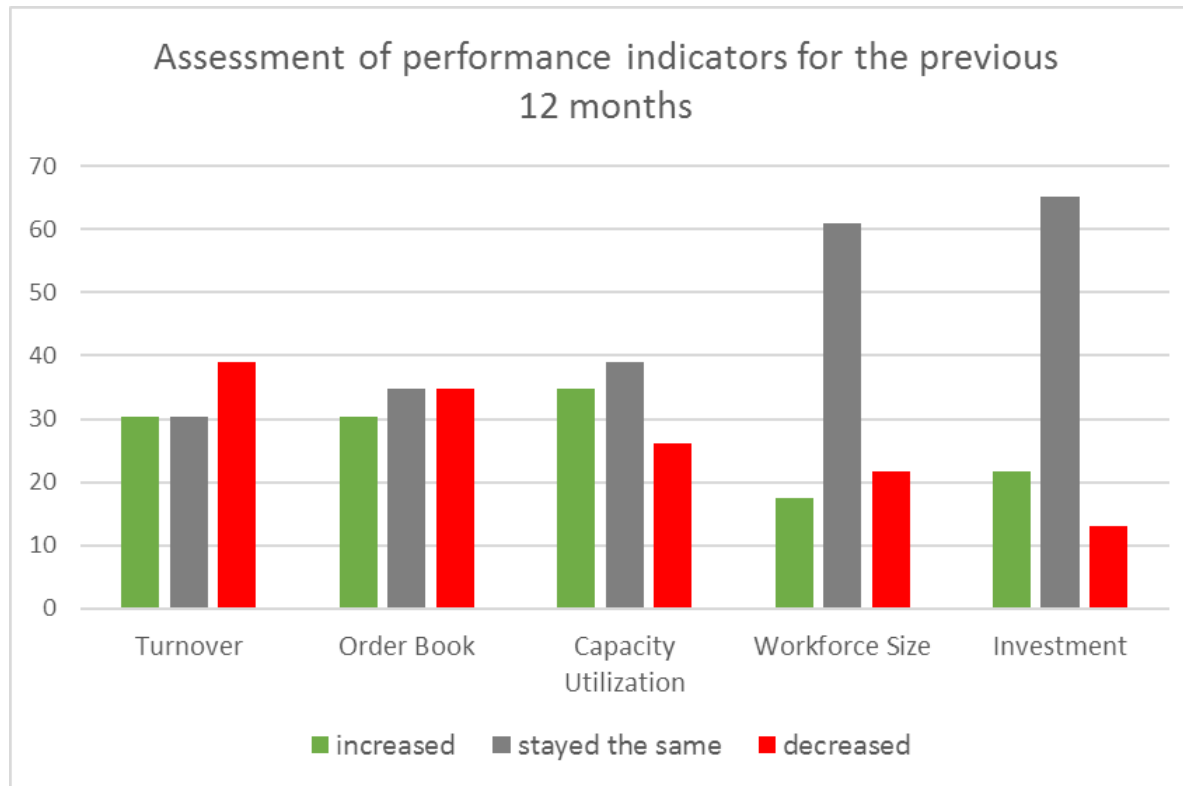
Positive outlook.

Not surprisingly, Austrian subsidiaries in Vietnam perceived a deterioration of the business climate throughout 2021.

Continuing movement restrictions, prolonged lock-down and related supply chain and logistics issues are among the main concerns.

The outlook remains quite positive, with a majority believing in an improvement of the business climate over the next 12 months.

Q2: Looking at your company's performance in Vietnam, how would you assess the indicators listed below over the last 12 months?



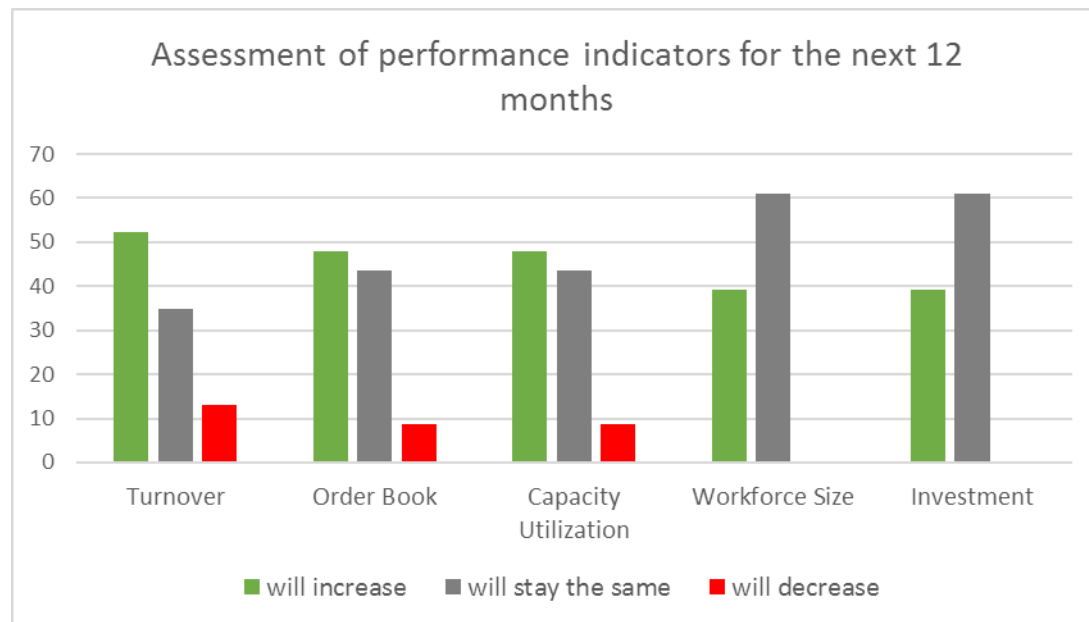
Diverse performance.

Investment and workforce remained stable in over 60 % of companies.

The effects of the crisis on turnover depends on the sector. Half of the production companies report a decrease in turnover.

Trade and service companies generally fared better. Overall, a third of the subsidiaries managed to increase their performance.

Q3: Looking at your company's performance in the subsidiary's country, how would you assess the indicators listed below over the next 12 months?

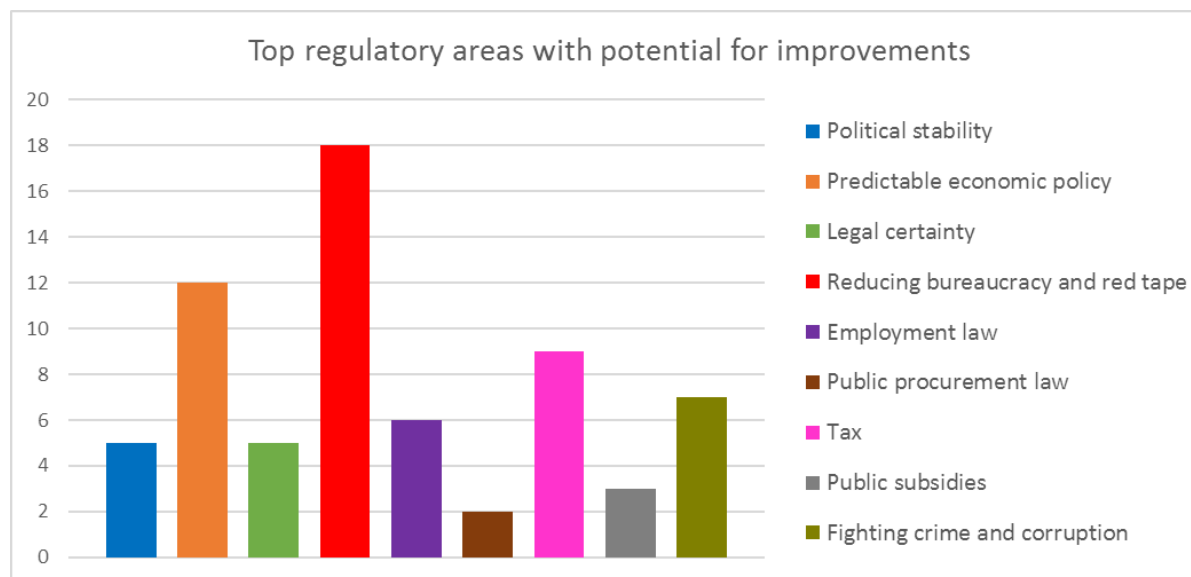


Stabilization and expansion.

90 % of companies expect turnover to increase or remain stable.

No company in the survey plans to shut down or decrease investment or workforce.

Q4: Looking at the areas of regulation listed below, in which three areas do you see the most potential to make your local market more attractive for Austrian companies? Where is most room for improvement and reform?

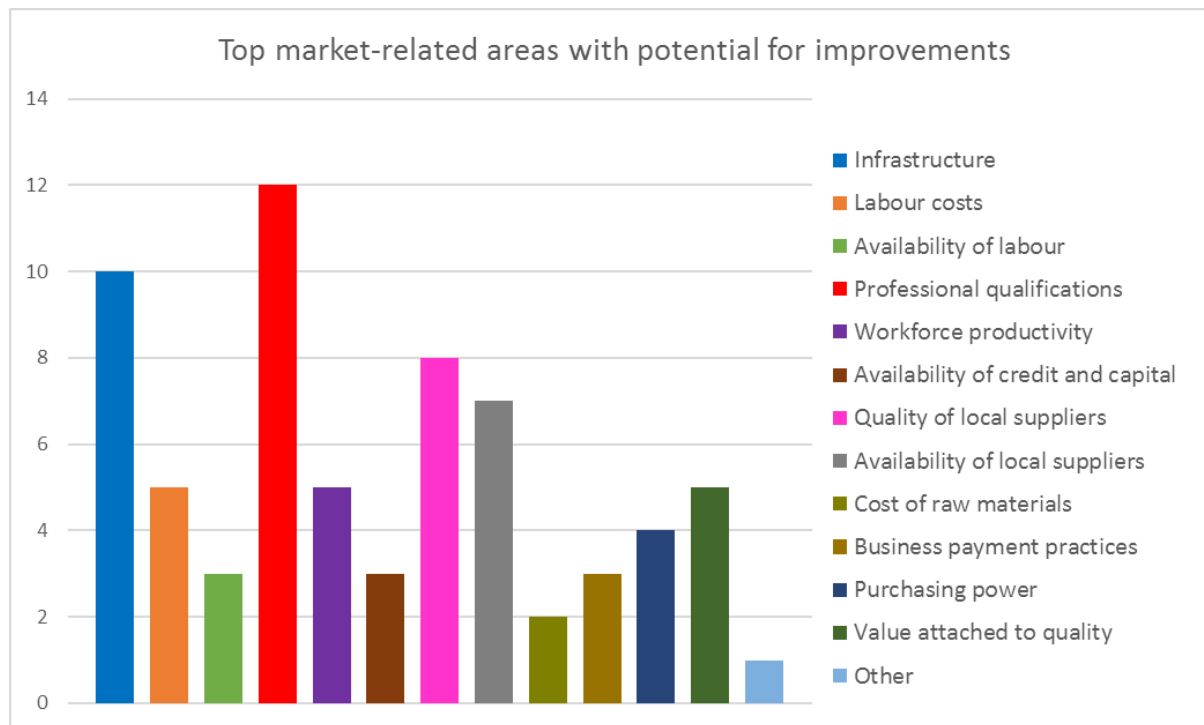


Regulatory suggestions

Austrian companies' main suggestions to the government for improving the business climate are:

1. Reducing bureaucracy and red tape
2. Making economic policy more predictable
3. Improving the tax situation

Q5: Looking at the factors listed below, in which three areas could your local market be made even more attractive for Austrian companies? Where is most room for improvement?

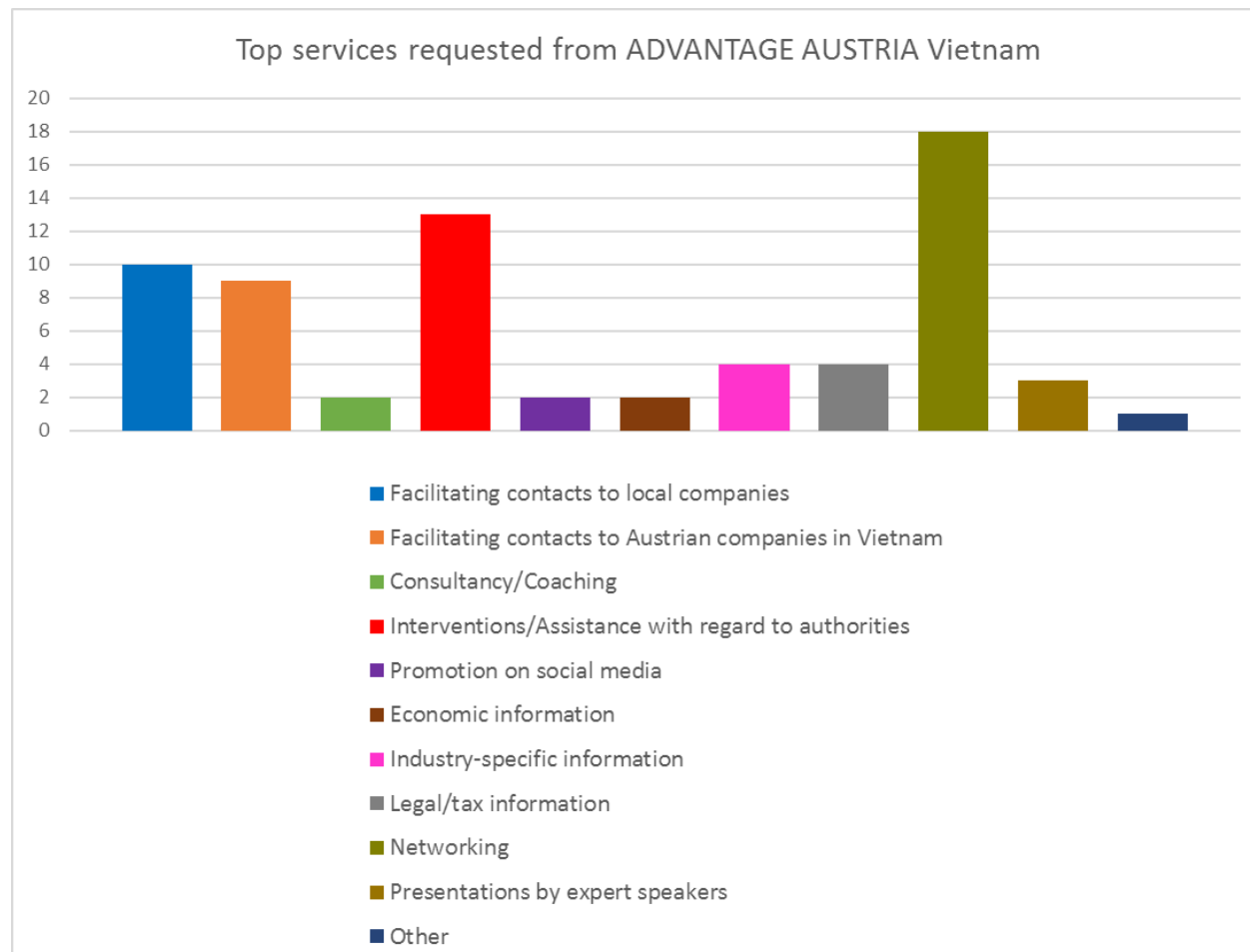


Market deficits

Austrian companies' main market-related concerns in Vietnam are:

1. Qualified labour
2. Infrastructure
3. Local suppliers

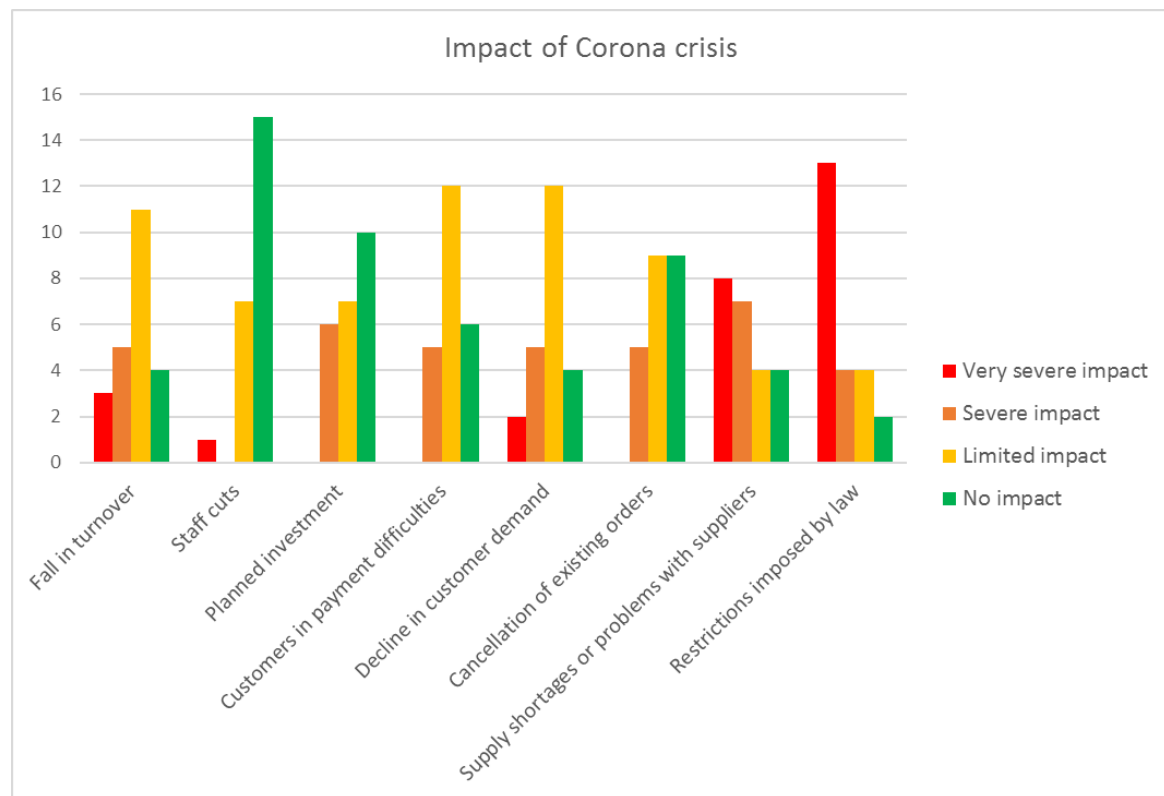
Q6: Looking at the services provided by ADVANTAGE AUSTRIA Vietnam (Austrian Embassy-Commercial Section), which do you value the most?



Networks

Networking, interventions and contact facilitation are the services mostly requested from the ADVANTAGE AUSTRIA office.

Q10: Looking at the indicators listed below, how would you assess the impact of the Corona crisis on your company?

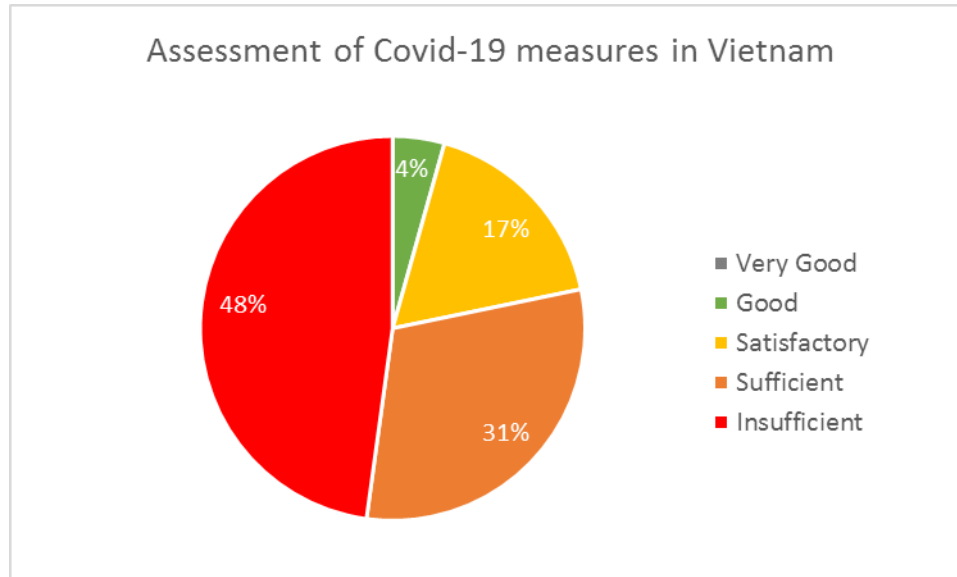


Crisis impacts

In the Corona crisis, Austrian subsidiaries struggled most with restrictions imposed by law as well as supply shortages in the country.

To some extent, declining demand and payment difficulties of customers were also an issue.

Q12: How would you rate the impact of the measures (especially the economic measures) taken by the local government to fight the COVID-19 pandemic on your business?

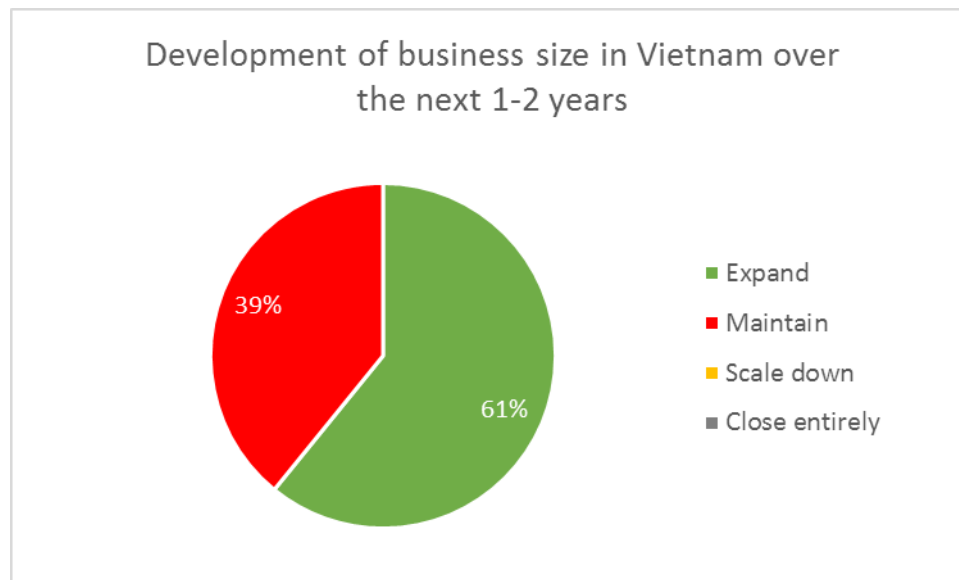


Little satisfaction with Covid measures

Austrian businesses in Vietnam report little satisfaction with the handling of Covid-19, which heavily impacted operative business, especially during summer 2021.

Almost half of respondents called the measures insufficient, and only 21 % consider them satisfactory or good.

Q11: How are you planning to develop the size of your local business over the next 1-2 years?



Expansion of business and investment

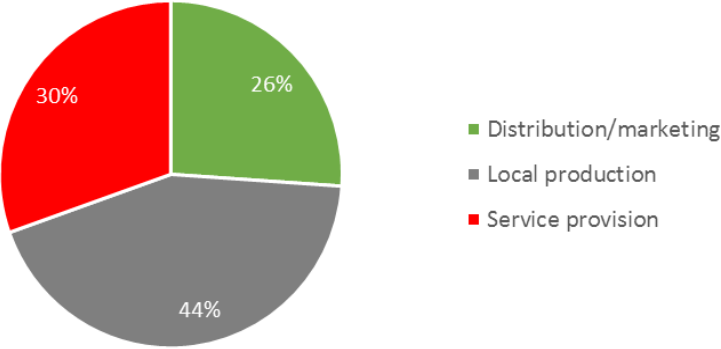
Austrian businesses continue to trust in Vietnam as a location.

61 % are planning to expand further, whilst the rest will maintain the size of investment.

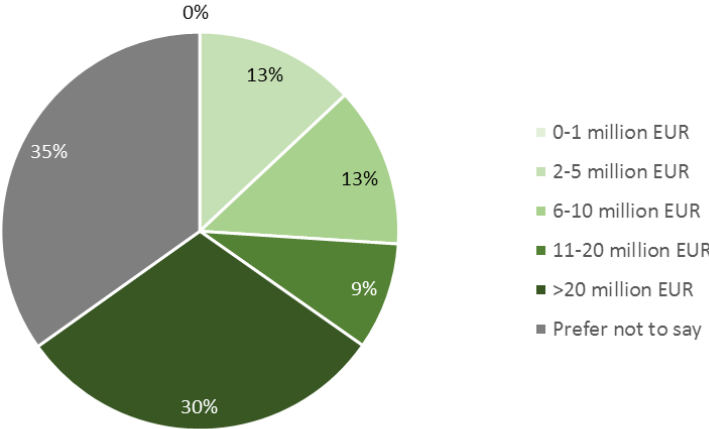
No company intends to scale down or close entirely.

Q7-9: Profiles of the respondents

Main activities of respondents in Vietnam



Annual turnover



Export share of turnover

