

THE ASEAN BUSINESS OUTLOOK SURVEY 2011

VIETNAM REPORT



Compiled by:

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INTRODUCTION

Research Background & Objectives

The American Chamber of Commerce in Singapore (AmCham Singapore), in cooperation with other AmChams in the ASEAN region, conducted a study among U.S. companies based in seven Southeast Asian countries: Cambodia, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

This study is now in its 10th year. The purpose of the study is to understand members' outlook on business growth in Southeast Asia and their perceptions about a series of local factors. The members surveyed were senior executives, working with a company held by or with an American majority interest. AmCham Singapore developed a survey design using a web-based instrument.

This report presents the feedback received from executives of U.S. companies in **Vietnam**.

Survey Methodology

Table 1.1

Survey Scope:	Senior Executives of U.S. Companies based in Vietnam
Sample Size:	A list of 207 AmCham members with e-mail contacts was provided by AmCham Vietnam (Hanoi and Ho Chi Minh City). Response rate was about 20% (42) at the end of the data collection period.
Data Collection Method:	Web-based, self-administered survey. No enforcement on participation.
Data Collection Period:	May 18 to June 8, 2011

Note: Percentages on certain graphs may not add up to 100 due to respondents selecting "I don't know" or "Not applicable."

Sample Profile

(See Appendix D)

- 33% of respondents are responsible for multiple countries, the same percentage as in 2010.
- 48% of respondents stated that their companies were in the services sector, up from 44% in 2010; the rate of respondents in the manufacturing sector decreased slightly from 41% in 2010 to 38% in 2011.
- 78% of respondents are responsible for a workforce below 500 employees.
- 63% of respondents' companies had a 2010 turnover between \$1 and \$50 million USD.
- In all, 87% of respondents find that this past year's turnover in Vietnam is less than 25% of their company's global turnover.
- 74% of respondents find that their 2010 turnover is less than 25% of their company's ASEAN turnover that year.

BRIEF SUMMARY

BUSINESS OUTLOOK

World Economic Outlook:

29% predict a better performing economy in 2011 than in 2010, 59% predict the economy to remain the same, and 12% expect it to worsen.

Current Business Climate:

- Respondents facing significant financing constraints decreased from 30% in 2010 to 19% in 2011.
- The majority of respondents (62%) do not face higher costs of borrowing.

Importance of ASEAN Markets in Global Business:

- 50% of respondents state that ASEAN markets have increased in importance to their companies in the past two years.
- Most respondents (69%) expect ASEAN importance to increase in the next two years.

Effectiveness of ASEAN:

- 78% of respondents find ASEAN integration important to doing business in the region.
- 93% of respondents use the ASEAN FTA.

Business Direction and Movement in ASEAN:

- 74% of respondents' companies expanded in ASEAN in the past two years. 88% of respondents plan to expand in the next two years.

Profit Outlook:

- 58% expect a profit increase in 2011.
- 70% expect a profit increase in 2012.

Workforce Expansion:

- 74% expect a workforce increase in 2011.
- 29% predict a workforce increase of 5 to 10%.
- 75% expected a workforce increase in 2010.

FACTORS IMPACTING BUSINESS IN VIETNAM

Economic Conditions:

- 50% expect overall Vietnamese economic growth to expand.
- 83% expect an increase in cost of living.
- 78% expect an increase in interest rate.
- 41% expect an increase in housing cost.
- 7% expect the Vietnamese Dong to appreciate against the U.S Dollar.

Figure 1: World Economic Outlook in 2011 in Comparison With 2010 Economy

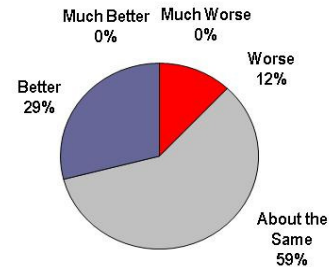


Figure 2: Growth of ASEAN Importance over Next Two Years

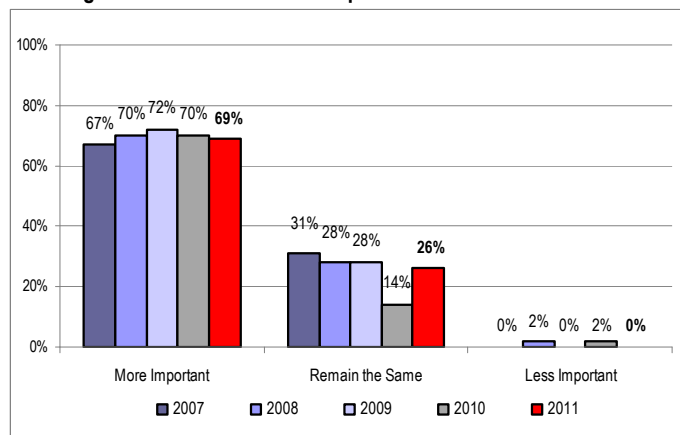


Figure 3: Profit Outlook 2011

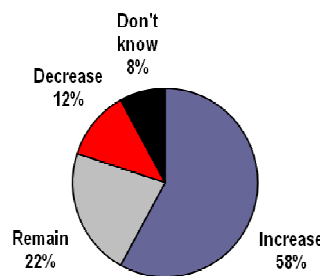
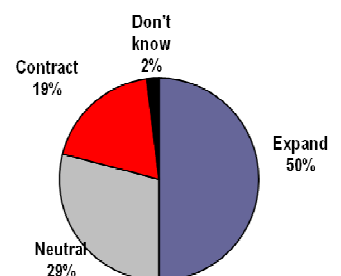


Figure 4: Expectations of Expansion of Vietnamese Economic Growth



Major Strengths (% Satisfied)	Major Concerns (% Dissatisfied)
Sentiment towards the U.S. (76%)	Infrastructure (73%)
	Corruption (72%)
Personal security (64%)	Laws & Regulations (60%)
	Availability of trained personnel (56%)
Availability of low cost labor (59%)	Ease of moving products through customs (52%)
	Housing costs (51%)
Stable government & political system (54%)	Local protectionism (42%)

2. BUSINESS OUTLOOK

2.1 World Economic Outlook

Figure 2.1.1: Expectations for performance of world economy compared with 2010

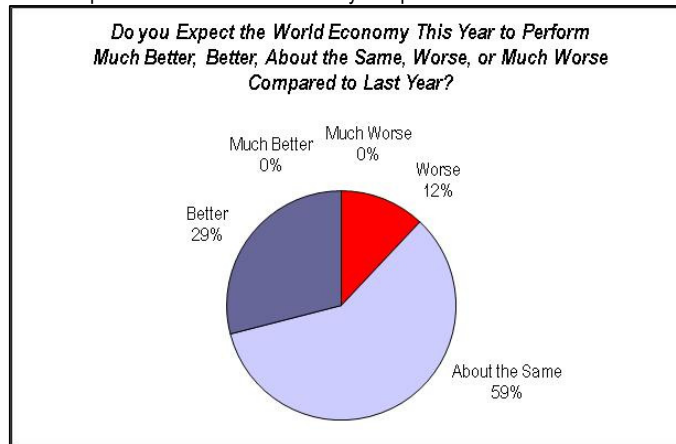
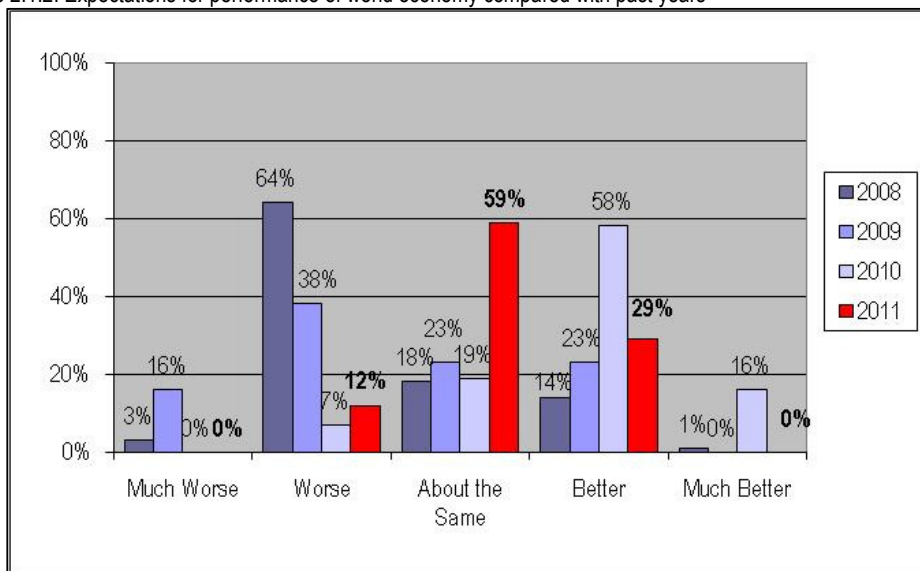


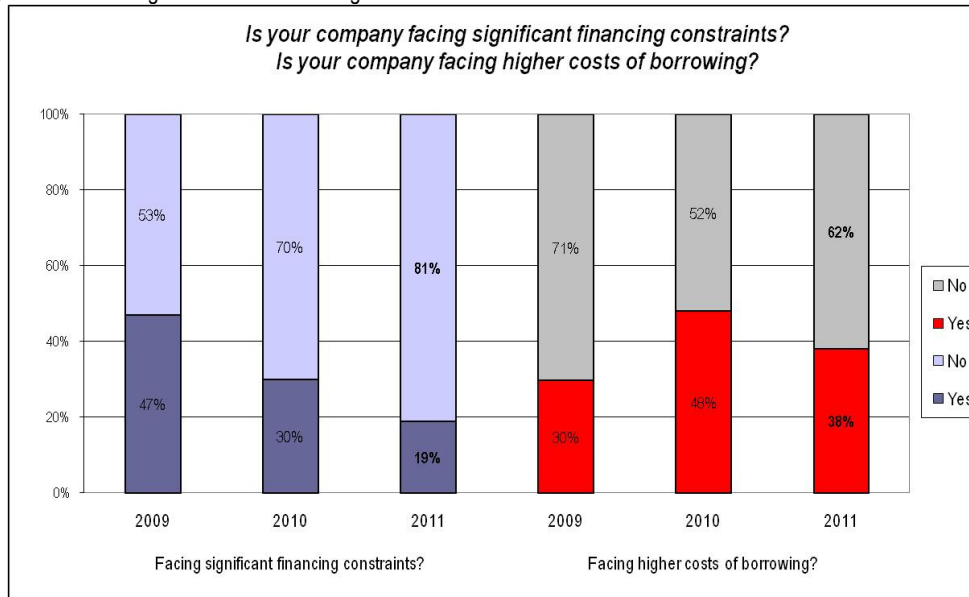
Figure 2.1.2: Expectations for performance of world economy compared with past years



- ◆ The majority of respondents (59%) expect the world economy to perform about the same this year compared to last year, and none expect it to perform much better or much worse.
- ◆ The 2011 expectations are less positive than those of 2010, in which the majority (58%) expected the economy to perform better.
- ◆ The 2011 expectations are still more positive than the low expectations of 2008, when 64% of respondents predicted that the economy would perform worse than the previous year.

2.2 Business Climate

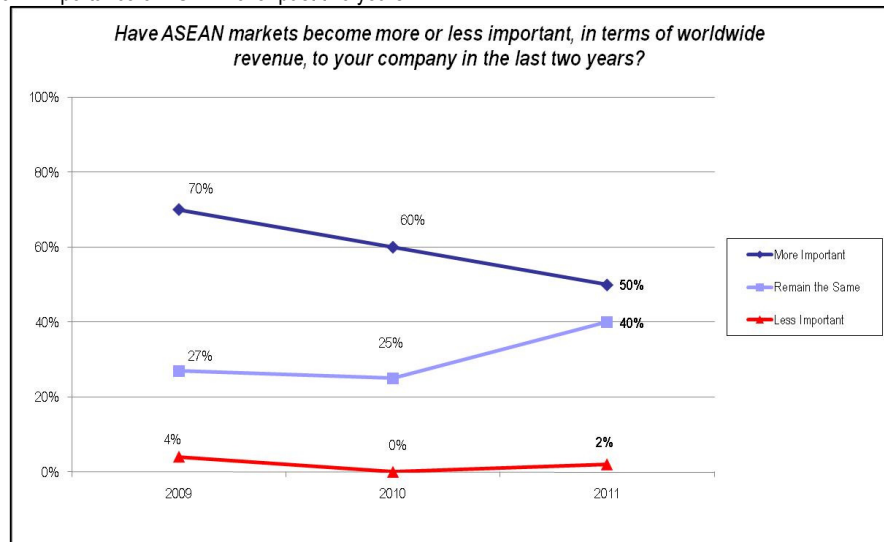
Figure 2.2: Financing and costs of borrowing



- ◆ The percentage of companies facing significant financing constraints continued to decrease in 2011, with most respondents (81%) stating that they do not face significant financing constraints.
- ◆ 62% of respondents stated that they do not face higher costs of borrowing, an increase from the 52% who did not last year.

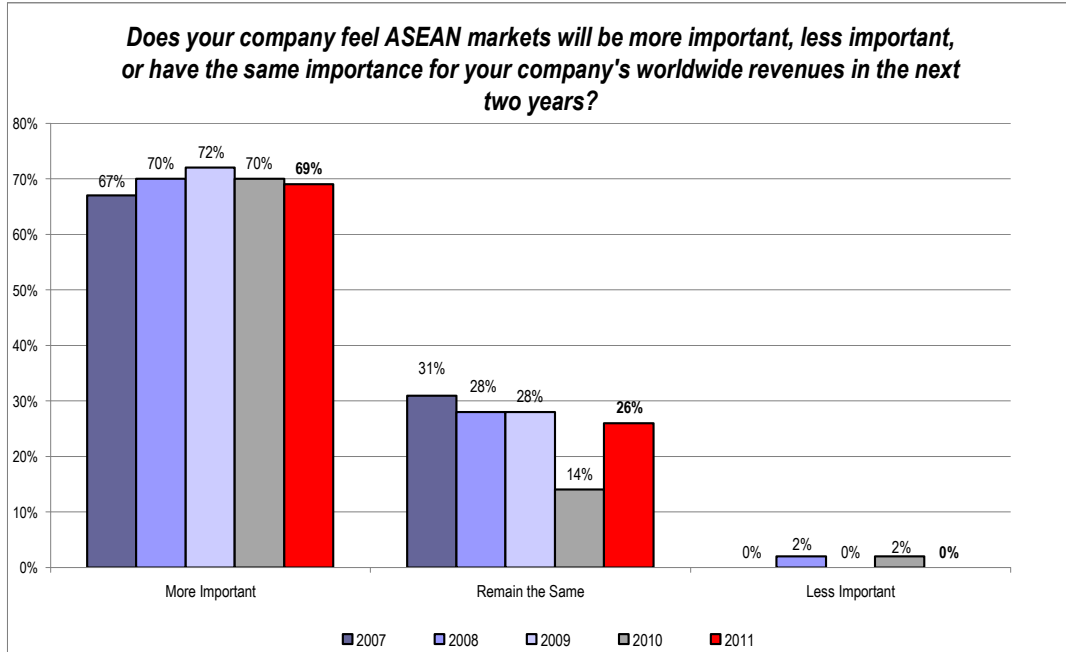
2.3 Importance of ASEAN Markets in Global Business

Figure 2.3.1: Importance of ASEAN over past two years.



- ◆ The percentage of respondents that believe ASEAN markets have become more important in terms of worldwide revenue to their company in the last two years has continued to decrease since 2009's figure of 70%, reaching 50% in 2011.
- ◆ More respondents believe that ASEAN markets have remained the same in terms of importance to worldwide revenue in the past two years (40%) compared to last year (25%).

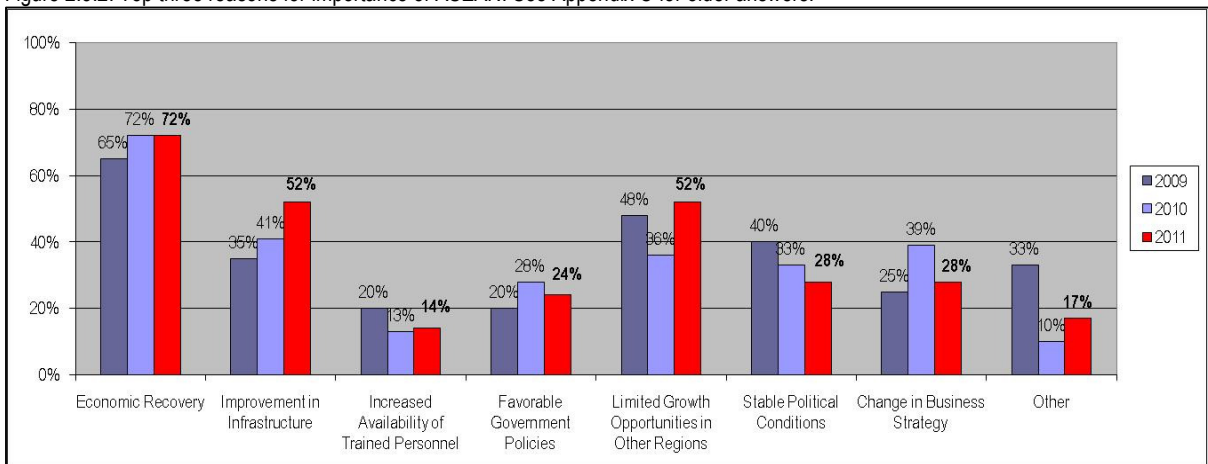
Figure 2.3.2: Importance of ASEAN over next two years.



- ◆ The percentage of respondents believing that ASEAN markets will have more importance for their company's worldwide revenue in the next two years (69%) has remained consistent with the past four years data.
- ◆ 26% of respondents believe that ASEAN markets will have the same importance, almost double last year's 14% who responded the same way.

Top Three Reasons for Importance of ASEAN

Figure 2.3.2: Top three reasons for importance of ASEAN. See Appendix C for older answers.



- ◆ "Economic recovery" continues to be the top reason for believing that ASEAN markets will be more important in the next two years, with 72% of respondents citing it as one of their top three reasons.
- ◆ "Improvement in infrastructure" grew to 52% as another top reason for ASEAN importance.
- ◆ "Limited growth opportunities in other regions" grew from 36% in 2010 to 52% in 2011 as a top reason for believing ASEAN to be important for the next two years.

What Does Your Company View as the Most Significant Barrier to Conducting Business within ASEAN?

This was an open-ended response; selected comments are listed.

“Corruption is the most significant. This is often 'facilitated' by unclear or non existing laws/regulations”

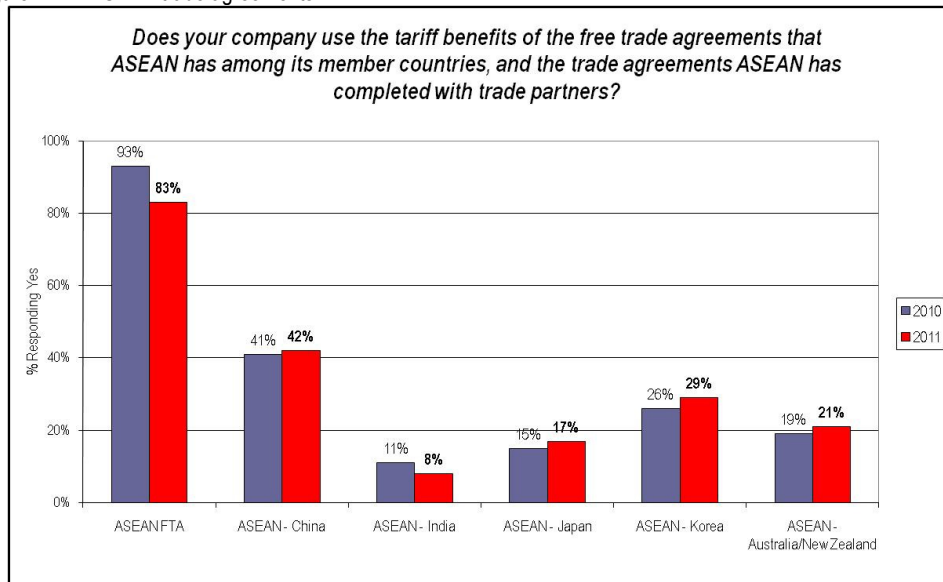
“Rapid changes in laws and investment incentives”

“Human resources/lack of skilled labor”

“Legislation in the country we operate in needs to be refined and made more transparent”

2.4 Effectiveness of ASEAN

Figure 2.4.1: ASEAN trade agreements



- ◆ The ASEAN FTA is the most used trade agreement, with 83% of respondents using its tariff benefits. The number of respondents using the ASEAN FTA decreased from 93% in 2010.
- ◆ The ASEAN-China FTA is the second most popular free trade agreement, with 42% of respondents using its tariff benefits. The ASEAN-Korea FTA is the third most popular agreement, and 29% of respondents use its tariff benefits.

What hinders your business in using these trade agreements?

This was an open-ended response; selected comments are listed.

“A challenge in using the agreements is that Vietnam customs too often ignores them”

“Bureaucracy/ Red tape”

“Poor governance”

Importance of ASEAN Integration

Figure 2.4.2: Importance of ASEAN integration

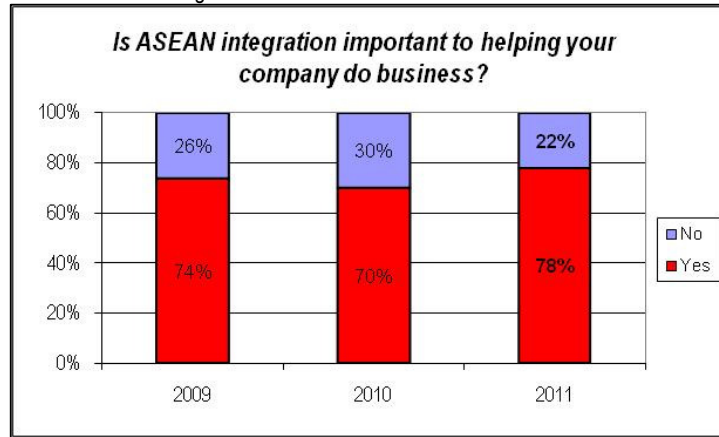
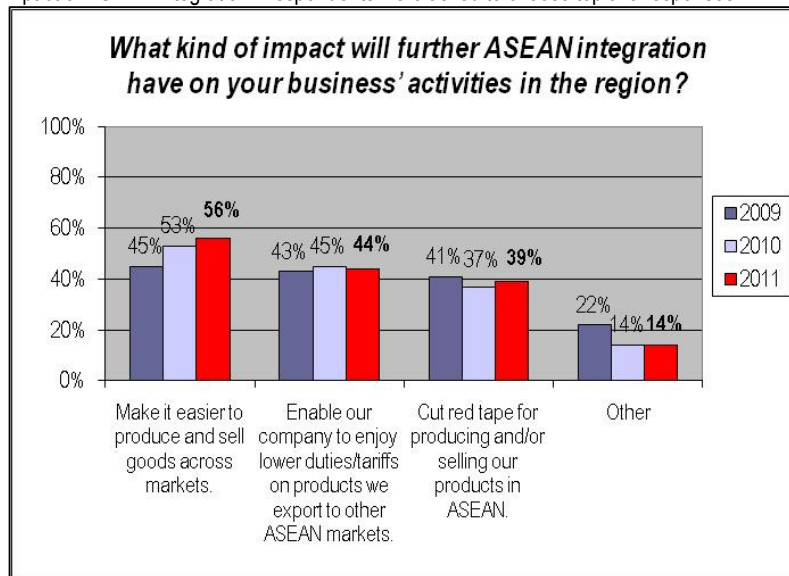


Figure 2.4.3: Impact of ASEAN integration. Respondents were asked to choose top two responses.



- ◆ Most respondents (78%) believe that ASEAN integration is important to helping their company do business. This percentage is slightly higher than the figures from the past two years.
- ◆ The most popular impact that further ASEAN integration will have on their business' activities in the region is "make it easier to produce and sell goods across markets," with 56% citing it as one of their top two responses. The second most popular impact is "Enable our company to enjoy lower duties/tariffs on products we export to other ASEAN markets" (44%).

2.5 Business Direction and Movement in ASEAN

Figure 2.5.1: Past ASEAN expansion

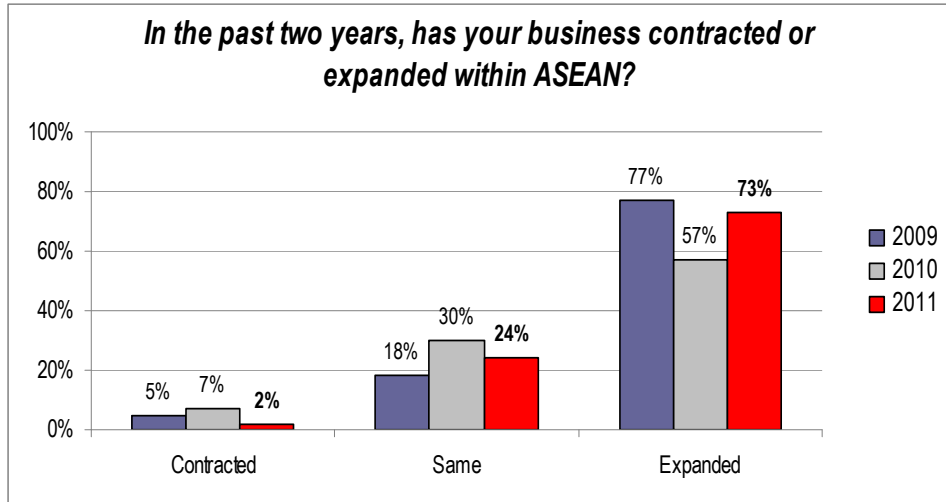
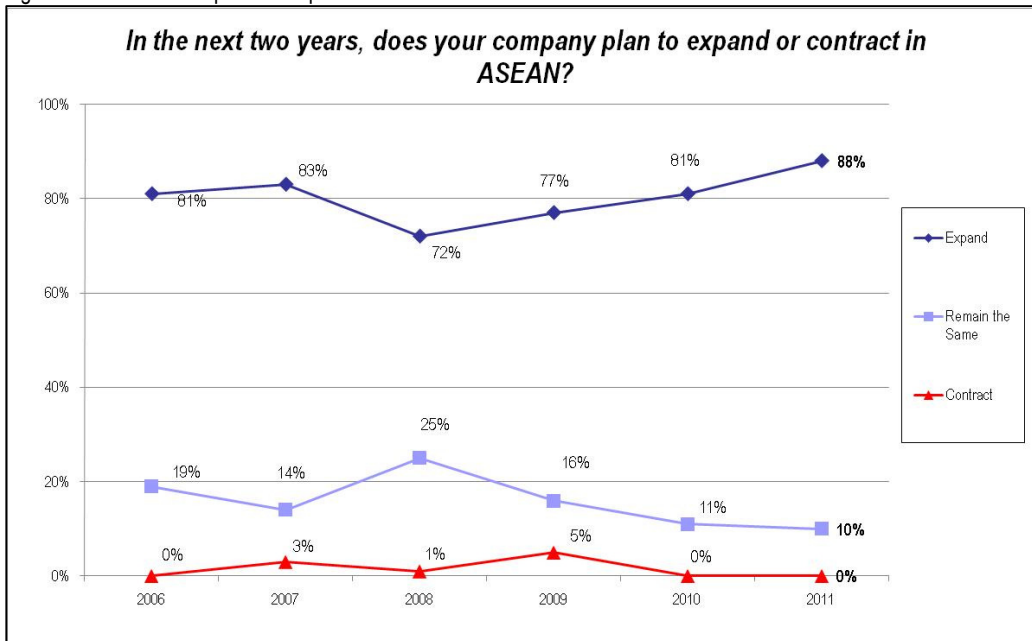


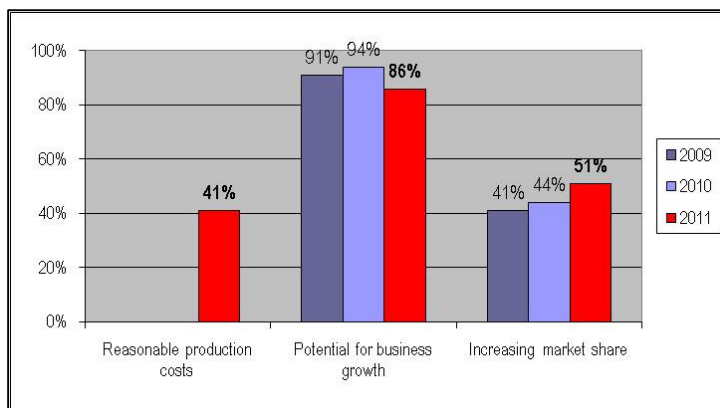
Figure 2.5.3: ASEAN Expansion expectations.



- ◆ During the past two years, 74% of respondents increased or significantly increased their business in ASEAN, and none decreased their business significantly, an increase from 57% in 2010. However, this year's figure is still a decrease from 2009 (77%).
- ◆ Most respondents (88%) plan to expand in ASEAN over the next two years, a slight increase compared to the 2010 figure of 81%.
- ◆ No respondents plan to contract their companies in ASEAN over the next two years.

Top Three Reasons for ASEAN Expansion

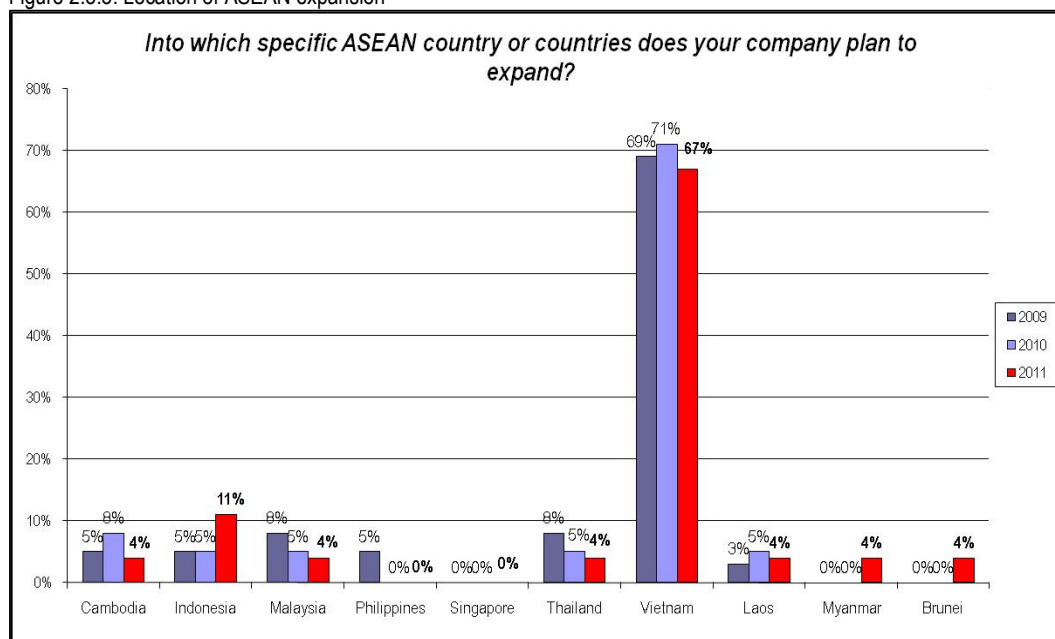
Figure 2.5.4: Top three reasons for ASEAN expansion. “Reasonable production costs” not a top reason in 2009 and 2010.



- ◆ “Potential for business growth” remains the most cited reason for ASEAN expansion, with 86% of respondents claiming it as one of their top three reasons.
- ◆ Reasonable production costs became one of the top three reasons for the first time since 2009, at 41%.
- ◆ Economic recovery, one of the top three reasons for ASEAN expansion in 2009 and 2010, fell to the 4th most cited reason in 2011 at 32%. See Appendix B for more reasons.

Location of ASEAN Expansion

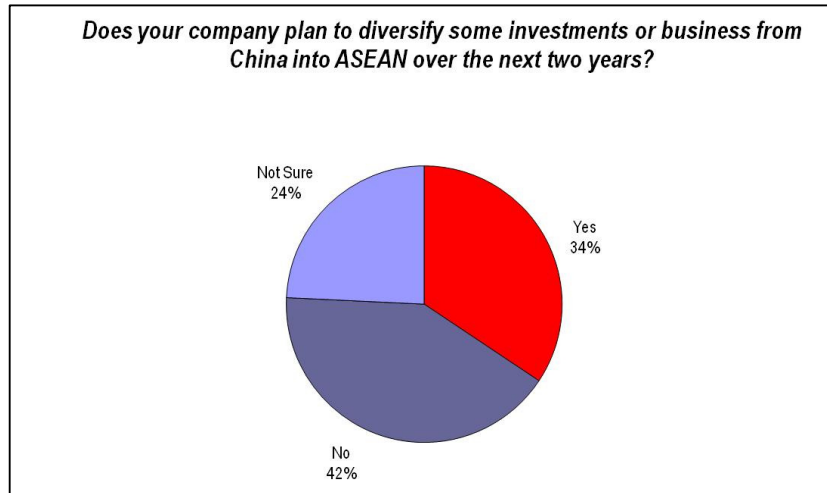
Figure 2.5.5: Location of ASEAN expansion



- ◆ Vietnam remains the most popular choice of country for expansion into ASEAN at 67%
- ◆ Indonesia, at 11%, is the second most selected country, almost doubling from 5% in the last two years.
- ◆ Myanmar and Brunei were selected as countries for ASEAN expansion for the first time in three years.

- ◆ Thailand and Malaysia both fell to 4% in 2011, half of the 2009 figure (8%).
- ◆ See Appendix E for reasons behind choice.

Figure 2.5.6: Diversification from China into ASEAN



- ◆ 34% of respondents stated that their company plans to diversify some investments or business from China to ASEAN over the next two years.

2.6 Profit Outlook

Compared to the past year, do you expect your profits in ASEAN in the current and coming years to increase, decrease, or remain the same?

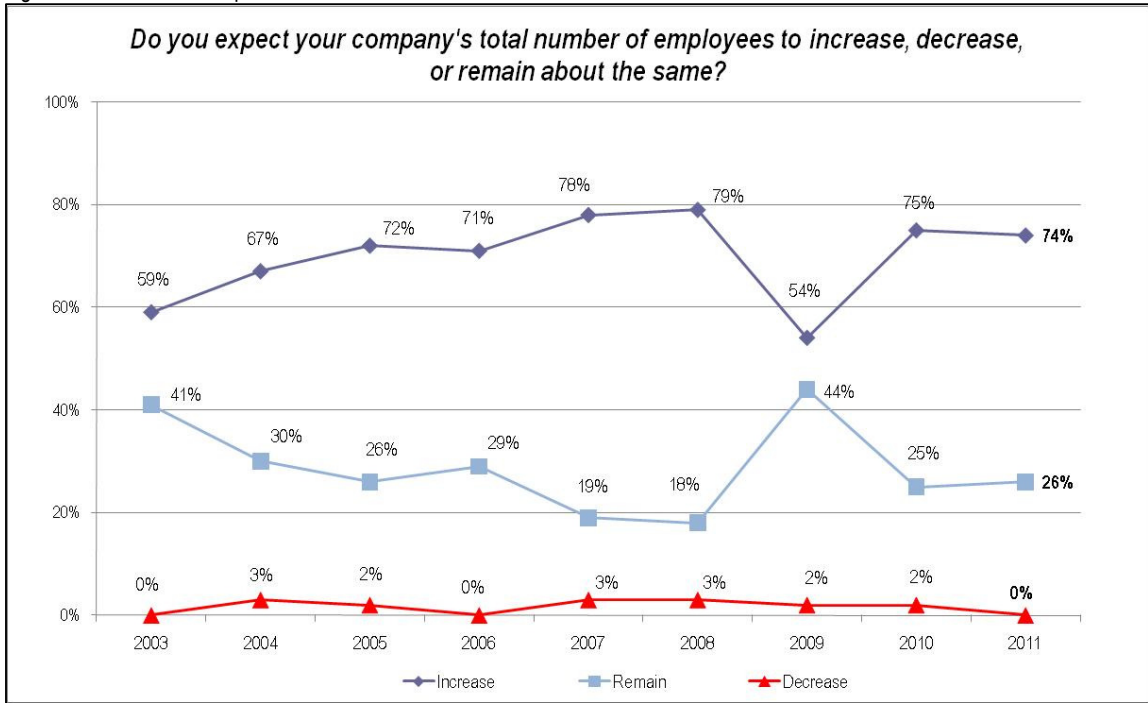
Table 2.6: ASEAN profit outlook

Year of Survey		2006	2007	2008	2009	2010	2011	
Profit Expectation	Current Year	Increase	76%	86%	69%	47%	62%	58%
		Remain	12%	9%	21%	22%	29%	22%
		Decrease	10%	6%	10%	22%	2%	12%
	Coming Year	Increase	74%	86%	88%	80%	79%	70%
		Remain	10%	6%	8%	11%	11%	15%
		Decrease	7%	6%	4%	4%	0%	5%

- ◆ Profit outlook remains positive, with most respondents (58%) expecting profits to increase in the current year, and 70% expecting profits increase in the coming year.
- ◆ The 2011 expectations are lower than those in 2010, in which 62% expected profits to increase for the current year, and 79% expected profits to increase for the coming year.

2.7 Workforce Expansion

Figure 2.7.1: Workforce expansion



By what percentage will the number of employees increase?

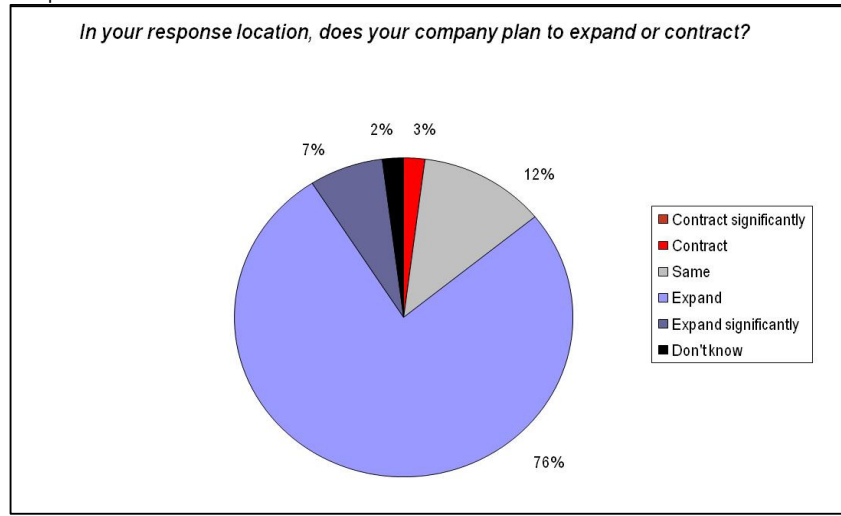
Table 2.7.1: Percentage of employee increase

Year of Survey	2003	2004	2005	2006	2007	2008	2009	2010	2011
Workplace Expansion	0 to less than 5%								3%
	5 to less than 10%	34%	42%	37%	50%	25%	29%	32%	35%
	10 to less than 15%								16%
	15 to less than 20%	40%	36%	43%	26%	25%	34%	32%	37%
	20 to less than 50%	11%	9%	7%	13%	36%	21%	23%	22%
	>50%	14%	13%	13%	10%	15%	16%	13%	7%

- ◆ Most respondents (74%) expect the number of employees to increase, consistent with 2010's figure of 75%. Out of these respondents, 29% expect an increase of 5 to 10%, and 19% expect an increase of 20 to 50%, the two most popular responses.
- ◆ For the first time in five years, no respondents expect a decrease in the company's total number of employees.

Future Expansion

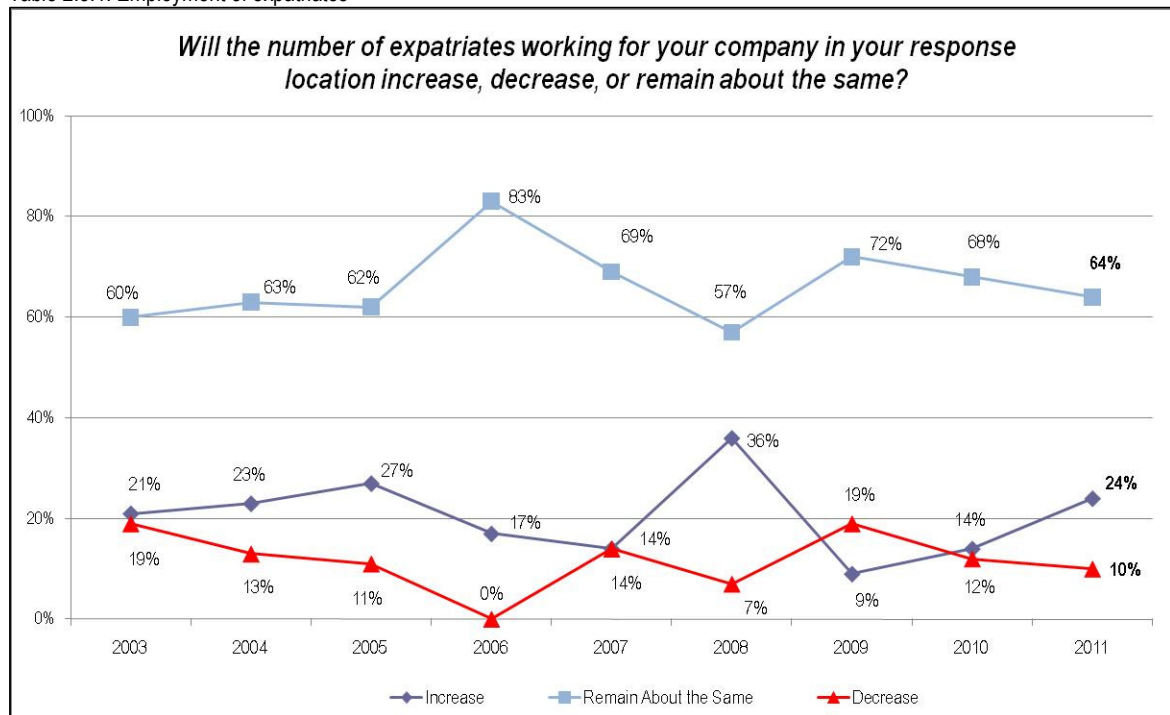
Figure 2.7.2: Expansion or contraction



- ◆ The majority (83%) of companies plan to expand or expand significantly in the response location, and 3% plan to contract.
- ◆ When asked their top three reasons for expansion, respondents most often chose “potential for business growth” (75%), “reasonable production costs” (54%), and “increasing market share” (46%).

2.8 Employment of Expatriates

Table 2.8.1: Employment of expatriates



What are the TOP THREE reasons the number of expatriates working for your company will INCREASE?

Table 2.8.1: Reasons for increased employment of expatriates

Year of Survey	2009	2010	2011
Policy decision by Head Office	0%	0%	10%
Lack of skilled manpower in the local market	80%	88%	80%
Business expansion	80%	63%	70%
Improved security conditions for expatriates	0%	0%	0%
Other	40%	38%	20%

- ◆ The majority of respondents (64%) expect the number of expatriate employees in their company to remain the same in 2011.
- ◆ There was significant increase in the number of respondents who believe that the employment of expatriates will increase (24%) compared with last year (14%).
- ◆ The top reason that the number of expatriates will increase continues to be “lack of skilled manpower in the local market” (80%), followed by “business expansion” (70%).
- ◆ Of those citing a decrease in expatriates, the most popular reason is to “reduce costs,” (100%), followed by a “policy decision by head office” (50%).

Table 2.8.2: Expatriate satisfaction

Year of Survey	2009	2010	2011
<i>Does your company regularly receive requests from employees based in other locations to work in your response location?</i>			
Yes	44%	29%	21%
No	56%	71%	79%
<i>Are your expatriate employees generally satisfied with their assignments in your response location?</i>			
Yes	89%	82%	84%
No	11%	18%	16%
<i>Do your expatriate employees attempt to extend their time in your response location?</i>			
Yes	72%	71%	81%
No	28%	29%	19%

- ◆ Overall expatriate employee satisfaction remains high at 84%.
- ◆ There is an increase in the percentage of respondents who had expatriate employees attempt to extend their time in Vietnam, from 71% in 2009 to 81% in 2011.
- ◆ Most respondents do not receive requests from employees based in other locations to work in Vietnam (79%).

3. FACTORS IMPACTING BUSINESS IN VIETNAM

Respondents were asked to rate their satisfaction with a series of local factors that could affect their business. The percentage of respondents who are satisfied or extremely satisfied with a given factor can be used to identify factors of strength. Conversely, the percentage of respondents dissatisfied or extremely dissatisfied with a particular factor can be used to identify areas held as concerns.

3.1 Local Business Environment Factors

Major Strengths

(Responded “Satisfied” or “Extremely Satisfied” at a considerable rate)

Table 3.1: Time Comparison of satisfaction with major strengths.

Factors	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Personal security	78%	82%	84%		72%	72%	73%	73%	76%	64%
Sentiment towards the U.S.	65%				58%	70%	65%	72%	76%	
Stable government & political system		62%	82%	71%	61%	66%	70%	63%	54%	
Availability of low cost labor	64%				58%	55%	51%	63%	59%	

See Appendix, Table A-1 for responses on all listed factors). *Empty boxes indicate areas that were neither strengths nor concerns for the year indicated. Responses bolded represent that year’s response with the highest rate of satisfaction.

- ◆ Vietnam’s business factor with the highest rate of satisfaction in 2011 is “sentiment towards the U.S.” at 76%. This factor increased slightly from 72% last year and overtook “personal security” as the factor with the highest satisfaction rate.
- ◆ “Personal security,” the most highly-rated factor since 2003, dropped from 76% in 2010 to 64% in 2011.
- ◆ “Stable government & political system” also decreased in satisfaction rating from 63% last year to 59% this current year.

Major Concerns

(Responded “Dissatisfied” or “Extremely Dissatisfied” at a considerable rate)

Table 4.3: Time Comparison of satisfaction with major concerns.

Factors	2003	2004	2005	2006	2007	2008	2009	2010	2011
Laws & Regulations	67%	58%	64%	62%	53%	50%	48%	48%	60%
Corruption	79%	70%	68%	79%	67%	69%	77%	74%	72%
Housing costs	55%	61%	66%	55%	47%	67%	62%	50%	51%
Local protectionism									42%
Infrastructure	66%	62%	62%	46%	55%	56%	60%	73%	73%
Availability of trained personnel	35%		34%	40%	45%	46%	43%	45%	56%
Ease of moving products through customs									52%

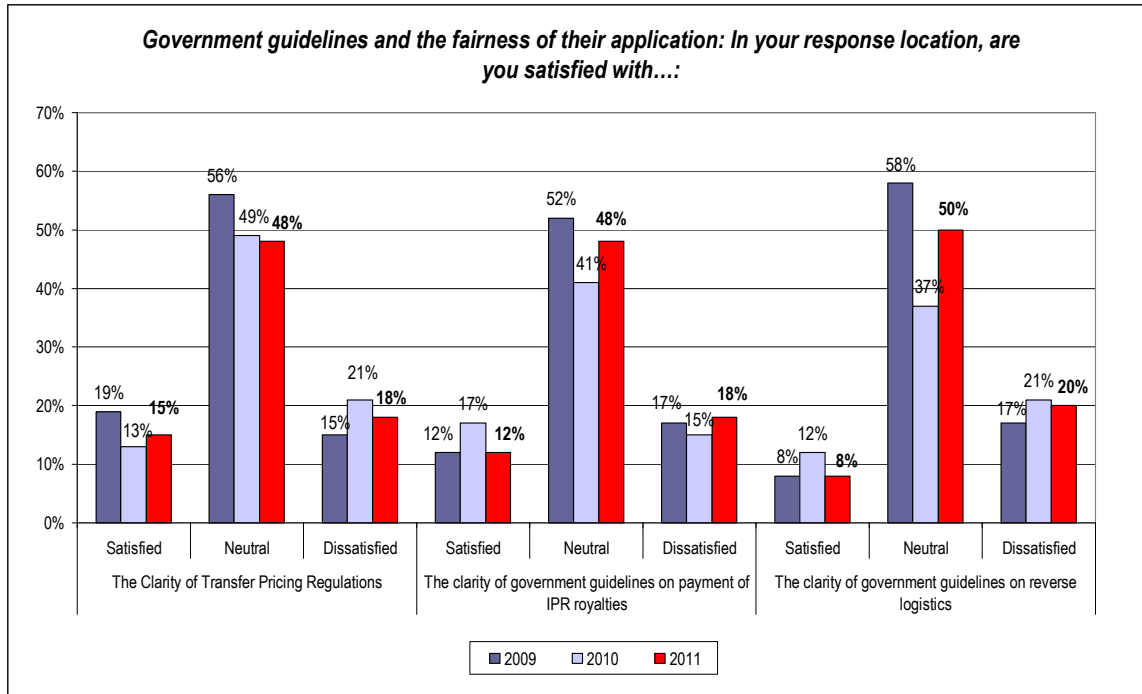
(See Appendix, Table A-1 for responses on all listed factors). *Empty boxes indicate areas that are neither strengths nor concerns. Responses bolded represent that year’s response with the highest rate of dissatisfaction.

- ◆ “Infrastructure” has the highest dissatisfaction rating of the local factors at 73%, consistent with last year.
- ◆ “Corruption” remains a top concern, receiving 72% dissatisfaction rating in 2011. It was the top rated dissatisfaction factor from 2003 to 2010.
- ◆ Respondents have become increasingly dissatisfied with the “availability of trained personnel,” from 45% in 2010 to 56% in 2011.

3.2 Other Local Business Factors

Government Guidelines and the Fairness of their Application

Figure 3.2.1: Government guidelines.



- ◆ Satisfaction levels with the three government guidelines overall have remained consistent, with the only significant changes being in the “neutral” response. Close to a majority of respondents in all three categories selected “neutral” regarding their satisfaction levels towards the government guidelines and the fairness of their application.
- ◆ Satisfaction is highest with “the clarity of transfer pricing regulations” (15%).
- ◆ Dissatisfaction is highest with “the clarity of government guidelines on reverse logistics” (20%).

Government Institutions

- ◆ Respondents overall are neutral towards local government institutions.
- ◆ “Immigration” received the highest satisfaction rating at 41%, and “customs” received the highest dissatisfaction rating at 46%. See appendix Table A-2 for more details.

3.3 Economic Conditions

Over this year, 2011, what do you think will happen in your response location regarding...?

Table 3.3: Expectations about local factors.

	Total Appreciate/ Increase	Appreciate/ increase Significantly	Appreciate/ increase	Neutral	Depreciate/ decrease	Depreciate /decrease Significantly	Total Depreciate/ Decrease
Local currency vs. US dollar	7%	0%	7%	12%	71%	10%	81%
Housing Cost	41%	7%	34%	46%	10%	0%	10%
Living Cost	83%	29%	54%	12%	0%	0%	0%
Interest Rate	78%	10%	68%	10%	10%	0%	10%
Overall economic growth	50%	2%	48%	29%	19%	0%	19%

- ◆ Most respondents (81%) believe that over this year, the local currency will depreciate or depreciate significantly compared to the U.S. dollar.
- ◆ 83% predict that the living cost in Vietnam will increase or increase significantly over this year.
- ◆ Most (78%) believe the interest rate will increase or increase significantly over 2011.
- ◆ Half expect the overall economic growth to increase, and only 19% predict that it will decrease.

*The U.S. Taxation, International Schools, and Corporate Social Responsibility sections were optional questions on the 2010 and 2011 surveys, and thus have a significantly smaller sample size. Of the 42 respondents that took the 2011 survey, 25 answered the optional questions. Results may have been affected by this change.

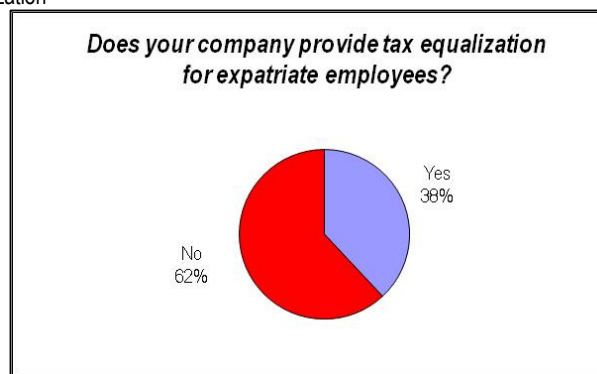
3.4 Taxation

Table 3.4: U.S taxation

Year of Survey	2009	2010	2011
Have you experienced a significant increase in the amount you must pay toward U.S. income tax on your foreign earned income since the recent legislative changes in 2006?			
Yes	54%	27%	32%
No	46%	73%	68%

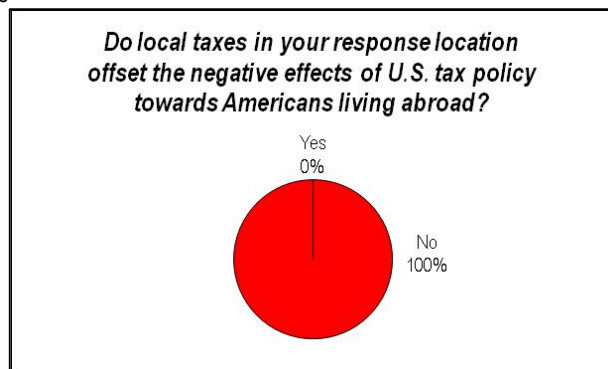
- ◆ Most respondents (68%) cited that they have not experienced a significant increase in the amount they must pay toward U.S. income tax on their foreign earned income. This figure decreased from the 2010 response of 73% not experiencing a significant increase in taxation on foreign earned income.

Figure 3.4.1: Tax equalization



- ◆ A majority of the respondents' companies (62%) do not provide tax equalization for their expatriate employees.

Figure 3.4.2: Local taxes



- ◆ All respondents cited that local taxes in Vietnam do not offset the negative effects of U.S. tax policy towards Americans living abroad.

Figure 3.4.3: Tax on foreign earned income



- ◆ Most respondents (75%) believe that this increase in the amount of U.S. taxes on foreign earned income has affected their companies' decision to employ Americans abroad.

3.5 International Schools

Table 3.5: International schools

Year of survey	2009	2010	2011
Will the ability to find adequate space at international educational institutions in your response location be a significant problem in the next 1-3 years?			
Yes	56%	42%	24%
No	44%	58%	76%
Do you feel that the government of your response location is actively pursuing solutions to correct the space constraint at international educational institutions?			
Yes	52%	22%	67%
No	48%	78%	33%
Will the lack of adequate space at international educational institutions at your response location affect your company's decision to hire more local employees over foreign employees?			
Yes	36%	36%	33%
No	64%	64%	67%

- ◆ The ability to find adequate space at international educational institutions is not a significant problem for the majority of respondents this year (76%), compared with 42% in 2010.
- ◆ Two-thirds of respondents believe that the Vietnamese government is actively pursuing solutions to correct the space constraint at international educational institutions, a significant increase from the 22% who thought so in 2010.
- ◆ Most respondents (67%) do not believe that lack of adequate space at international educational institutions will affect their company's decision to hire more local employees over foreign employees.

Selected Comments on International Schools

“Hanoi has one world-class international school, Ho Chi Minh City has more.”

“I am the expat in Vietnam for our company. Our children could not get into our first choice. Had to settle for second choice international school.”

“Went into international school in Hanoi asking to start the next week, they laughed at us and said they would not even add us to the waiting list since it was 3 years long (got in 1 year later, though)”

3.6 Corporate Social Responsibility

Table 3.6: Corporate Social Responsibility

Year of Survey	2009	2010	2011
Is your company involved in CSR efforts?			
Yes	68%	73%	76%
No	32%	27%	24%
Do you expect your company's CSR efforts to increase or decrease in 2011 compared with 2010?			
Increase	45%	58%	68%
Remain the Same	48%	37%	21%
Decrease	5%	5%	5%
How frequent are your company's CSR efforts?			
Ongoing	41%	58%	37%
Monthly	5%	0%	0%
Multiple times per year	35%	32%	42%
Yearly	22%	11%	21%
What form does your company's CSR efforts take? (check all that apply)			
Fundraising	43%	56%	72%
Employee volunteering	68%	61%	72%
Cash donations	76%	100%	72%

- ◆ Most respondents stated that their company is involved in CSR efforts (76%), a slight increase from 73% in 2010. Most (68%) expect their company's CSR efforts to increase in 2011 compared with 2010.
- ◆ 42% of respondents stated that the frequency of their company's CSR efforts is multiple times per year, the most popular response.
- ◆ Most respondents' companies (72%) engage in each of the three types of CSR efforts (fundraising, employee volunteering, and cash donations).

4. CONCLUSION

Outlook

Members in Vietnam overall express a neutral outlook towards future global economic performance, with the majority (59%) believing that the world economy will perform about the same this year compared with 2010. No respondents predict drastic changes. This attitude contrasts with the very high positive expectations of economic performance in 2010 compared with 2009 in last year's survey.

Individuals are more optimistic about the Vietnamese economy, and 50% expect the economic growth to increase. Most companies do not face significant financial constraints and expect the number of employees to increase in 2011. 83% of businesses expect to expand or expand significantly in Vietnam, due to large potential for business growth as well as reasonable production costs.

Location Specific

Vietnam's major strengths are derived from its friendly and stable political and social environment. Respondents believe there is a high degree of personal security, positive sentiment towards the United States, and a stable government and political system. These characteristics help foster a favorable environment for foreign businesses. However, the respondents also noted several concerns with Vietnam, involving its infrastructure, corruption in the government, as well as housing and living costs. Companies are satisfied with the availability of low cost labor, but are concerned with the availability of skilled personnel. This problem is one main reason for the expectation of increased expatriate employment in 2011.

ASEAN

The respondents in Vietnam find ASEAN very important for their businesses. 93% of them use the ASEAN FTA, and most state that ASEAN integration is important for their company for reasons including the economic recovery as well as improvements in infrastructure. The majority of respondents expect their ASEAN profits to increase in the next year and the coming year. An overwhelming 88% of them predict an expansion for their company in ASEAN markets in the next two years, mostly in their response location of Vietnam. However, respondents are hindered by barriers such as corruption, lack of transparency, and poor governance.

APPENDICES

(A) Local Factors Impacting Business

How Satisfied Are You With These Local Factors?

Table A: Satisfaction with factors

	Total Satisfied	<i>Extremely Satisfied</i>	<i>Satisfied</i>	Neutral	<i>Dissatisfied</i>	<i>Extremely Dissatisfied</i>	Total Dissatisfied
Infrastructure	12%	0%	12%	15%	68%	5%	73%
Availability of raw materials	12%	6%	6%	47%	22%	3%	25%
Availability of low cost labor	59%	10%	49%	31%	5%	0%	5%
Availability of trained personnel	15%	0%	15%	28%	51%	5%	56%
Office lease costs	26%	3%	23%	38%	28%	3%	31%
Housing costs	3%	0%	3%	22%	43%	8%	51%
Laws & regulations	15%	0%	15%	25%	48%	12%	60%
Corruption	15%	0%	15%	25%	41%	31%	72%
Local protectionism	17%	2%	15%	32%	40%	2%	42%
Tax structure	20%	2%	18%	40%	35%	2%	35%
Personal security	64%	22%	42%	28%	5%	2%	7%
Stable government and political system	54%	26%	28%	36%	5%	0%	5%
New business incentives by government	17%	2%	15%	50%	22%	2%	24%
Sentiment towards the U.S.	76%	28%	48%	22%	0%	0%	0%
Free movement of goods within the region	28%	10%	18%	46%	15%	3%	18%
Ease of moving products through customs	10%	5%	5%	31%	44%	8%	52%

How Satisfied are You with Local Government Institutions?

Table A-2: Satisfaction with local government institutions

	Total Satisfied	<i>Extremely Satisfied</i>	<i>Satisfied</i>	Neutral	<i>Dissatisfied</i>	<i>Extremely Dissatisfied</i>	Total Dissatisfied
Agency to promote/develop investment	21%	0%	21%	51%	15%	0%	15%
Customs	13%	0%	13%	41%	28%	18%	46%
Immigration	41%	0%	41%	33%	21%	0%	21%
Taxation/Revenue	15%	0%	15%	52%	20%	5%	25%
Central Bank	10%	0%	10%	59%	15%	0%	15%
Ministry of Finance	13%	3%	10%	46%	23%	0%	23%

(B) Reasons for Business Expansion in ASEAN over the Next Two Years

Table B: Top 3 Reasons for ASEAN Expansion

Year of Survey	2007	2008	2009	2010	2011
Reasons for Expansion					
Economic recovery	73%	65%	41%	50%	34%
Potential for business growth	73%	65%	91%	93%	83%
Increasing market share	47%	54%	41%	43%	46%
Reasonable production cost	27%	37%	30%	15%	54%
Diversity of customer base	37%	28%	33%	20%	17%
Lack of growth in current market/countries	13%	13%	16%	7%	3%
Availability of trained personnel/efficient manpower	13%	14%	5%	15%	6%
Availability of raw materials			2%	0%	9%
High level of personal security			2%	0%	0%
Low level of corruption			0%	2%	0%
Adequate laws and regulations to protect business			2%	0%	0%
Adequate laws and regulations to encourage foreign investment			9%	7%	0%
Stable government and political system		29%	27%	22%	9%
Low level of local protectionism			0%	4%	0%
Weak competition in market/countries			7%	15%	14%
Other			11%	0%	6%

Empty boxes indicate that no comparative data is available for those years.

(C) Importance of ASEAN Markets over the Next Two Years

Table C: Top Reasons for ASEAN Importance over Next Two Years

Year of Survey	2007	2008	2009	2010	2011
Reason					
Economic recovery	61%	59%	65%	72%	72%
Limited growth opportunities in other regions	48%	49%	48%	36%	52%
Improvement in infrastructure	48%	35%	35%	41%	52%
Increased availability of trained personnel	39%	23%	20%	13%	14%
Favorable government policies	26%	45%	20%	28%	24%
Stable political conditions	17%	42%	40%	33%	28%
Change in business strategy		21%	25%	38%	28%
Other			32%	10%	17%

Empty boxes indicate that no comparative data is available for those years.

(D) Sample Profile

Table D: Workforce and Turnover

Year of Survey		2003	2004	2005	2006	2007	2008	2009	2010	2011
Scope of Responsibility	Only One Country	55%	63%	64%	71%	61%	74%	70%	67%	67%
	Multiple Countries	44%	37%	36%	29%	39%	26%	30%	33%	33%
Size of Current Workforce in Region	Below 50 employees	62%	42%	31%	28%	39%	40%	35%	36%	22%
	50 to <500 employees	28%	50%	37%	38%	31%	47%	48%	44%	56%
	500 to <1000 employees	8%	5%	10%	13%	12%	5%	7%	11%	12%
	1000 to <1500 employees	2%	3%	10%	9%	2%	3%	0%	2%	2%
	1500 to <2000 employees	0%	0%	0%	2%	2%	2%	4%	2%	0%
	2000 employees or above	0%	0%	12%	11%	14%	3%	6%	4%	5%
Company's Past Year Turnover in Vietnam (USD)	Below \$1 million	36%	24%	8%	16%	13%	13%	9%	13%	15%
	\$1 to <\$50 million	66%	59%	56%	40%	48%	64%	56%	55%	63%
	\$50 to <\$100 million	2%	8%	14%	13%	13%	10%	9%	13%	5%
	\$100 to <\$500 million	7%	8%	14%	16%	15%	8%	18%	9%	12%
	\$500 to <\$1 billion	0%	1%	2%	7%	4%	2%	0%	2%	0%
	\$1 billion or above	0%	0%	6%	4%	4%	3%	6%	0%	0%
Past Year's Turnover As Percentage of Company's Global Turnover	Below 5%	64%						64%	57%	63%
	5 to <25% (Before 2006: 5 to <20%)	13%						15%	16%	24%
	25 to <50% (Before 2006: 20- <50%)	7%						9%	2%	3%
	50 to <75% (Before 2006: 50% or above)	16%						6%	2%	0%
	75 to <100%							4%	12%	5%
	100%							2%	12%	5%

Empty boxes indicate that no comparative data is available for those years. Bolded figures represent the top responses.

		2009	2010	2011
Past Year's Turnover as Percentage of Company's Total ASEAN Turnover	Below 5%	35%	46%	37%
	5 to less than 25%	42%	24%	37%
	25 to less than 50%	6%	6%	5%
	50 to less than 75%	8%	4%	3%
	75 to less than 100%	4%	6%	3%
	100%	6%	14%	15%
ASEAN Country That Holds the Next Largest Turnover for Company	Vietnam	20%	41%	34%
	Cambodia	2%	4%	3%
	Indonesia	14%	14%	20%
	Laos	0%	0%	0%
	Malaysia	4%	4%	9%
	Thailand	18%	16%	14%
	Philippines	14%	10%	6%
	Singapore	26%	10%	14%
Myanmar	2%	0%	0%	

. Table D-2: Primary Responsibility

Primary Activity		2009	2010	2011
Services	Accounting	0%	0%	0%
	Architecture and Engineering Services	2%	4%	0%
	Banking	6%	2%	2%
	Consulting	4%	7%	2%
	Healthcare	4%	0%	2%
	HR Services	0%	4%	0%
	Insurance	2%	2%	2%
	Legal	4%	7%	2%
	Marketing & Communications Services	0%	0%	2%
	Other Financial Services	0%	4%	2%
	Software, IT, Telecommunications Services	4%	2%	5%
	Transportation & Logistics	2%	7%	10%
	Wholesale & Retail	6%	0%	10%
	Business Process Outsourcing/Shares Services		4%	7%
	Other	4%	2%	2%
Total Services		34%	44%	48%
Manufacturing	Consumer Goods	15%	16%	2%
	Electronics	4%	2%	10%
	Food & Food Products	4%	2%	2%
	Oil & Petrochemical	4%	5%	2%
	Pharmaceuticals/Medical	4%	0%	2%
	Machinery & Equipment	2%	0%	2%
	Other	11%	16%	17%
Total Manufacturing		44%	41%	37%
Other		24%	16%	12%

E) Reasons behind the choice of ASEAN country for business expansion

Table E: ASEAN Expansion

Year of Survey	2009	2010	2011
Reasonable production costs	49%	32%	43%
Availability of raw materials	5%	0%	7%
Availability of trained personnel/efficient manpower	23%	13%	11%
Increasing market share	46%	47%	36%
Diversification of customer base	23%	16%	29%
High level of personal security	8%	0%	4%
Low level of corruption	0%	3%	4%
Adequate laws and regulations to protect business	5%	5%	4%
Adequate laws and regulations to encourage foreign investment	15%	8%	21%
Stable government and political system	36%	34%	29%
Low level of local protectionism	0%	0%	4%
Weak competition in the market/country	13%	8%	18%
Other	26%	16%	14%