



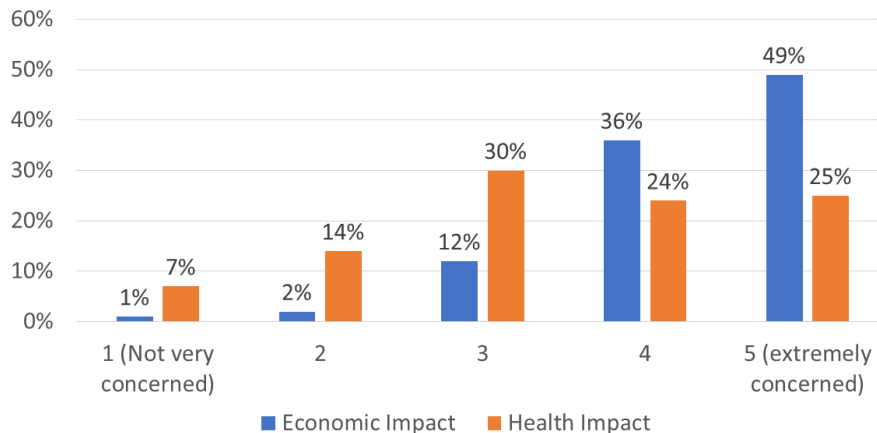
AmCham Vietnam-HCMC Survey Highlights

The Business Impact of Coronavirus Disease (COVID-19) Outbreak

AmCham Vietnam-HCMC launched a 36-hour flash survey of its members over two days from February 18-20 to measure the business impact in Vietnam of the coronavirus disease (COVID-19) outbreak. (Survey opened Tuesday, February 18, 2020 at 6:00 p.m. and closed it at noon on Thursday, February 20.) Over 170 AmCham Vietnam-HCMC member representatives participated in the survey; 140 responded to the manufacturing survey questions. A vast majority of members responding are located in HCMC. (89%)

More concerned now about economic than health impact: While the overwhelming majority of AmCham members are concerned about both health and economic impacts of the coronavirus outbreak in Vietnam, almost 50% are extremely concerned about the economic impact, whereas 25% are extremely concerned about the health impact.

How concerned are you about the economic and health impacts of the coronavirus outbreak in Vietnam?



Health Protocols in Workplace: AmCham members are also proactively taking measures to protect their staff and workplaces from the spread of the coronavirus. Over 90% responding they have made changes, including educating employees on good hygiene, including frequent handwashing and avoiding touching face, providing hand disinfectant in the workplace (88%), more cleaning of surfaces (70%), and providing links for public information updates from WHO, CDC and/or MOH. Other measures included encouraging or requiring masks (51%), temperature checks at the workplace (40%), among others.

Also over 75% of members are encouraging employees to stay home if they are sick or have a sick family member.

Over one-third (38%) are allowing optional work from home for their employees.



When asked about the adequacy of supplies to help protect employees from the spread of coronavirus (COVID-19) infection, over 20% of our members are reporting they are unable to source sufficient supplies. Of those members, approximately 38% report they are unable to source face masks and 17% cannot get adequate supplies of hand sanitizers, among other reported supply shortages.

Projected 2020 revenue down: Over 60% of AmCham members estimate a negative impact to their 2020 revenues (with another 28% who don't have sufficient information at this time to estimate the impact on their revenues this year).

Of those projecting a hit to their 2020 revenue:

- 9% expect 1-5% reduction
- 16% forecast 6-10% reduction
- 10% predict 11-15% reduction
- 9% expect 16-20% reduction
- 14% forecast more than 20% reduction

Expect Vietnam's 2020 GDP to Drop at least 1%: Almost three-quarters of AmCham members believe the coronavirus outbreak will have a negative impact on Vietnam's GDP in 2020, with half of those members expecting more than a 1% drop.

2020 Business Planning in Flux: For many AmCham members (44%), it is too early to say whether they will re-evaluate their Vietnam business strategy as a result of the coronavirus outbreak. Of those who have considered it, 41% are not currently contemplating changes to strategy, although 15% members report they are considering changing their business strategy here.

Most members (73%) are not considering moving jobs out of Vietnam or cannot move jobs, but another 24% say it's too early to say. Approximately 3% are considering moving out of Vietnam as a result of the outbreak.

Manufacturing Sector: Production Down: Of our members in the manufacturing sectors, approximately 69-70% are currently operating at or above 70% of their normal capacity and 17% of members operating between 50-70%. Of those answering, the following percentage of members are reporting operations at these levels:

- 38% of members report operations at 90-100%
- 15% of members report operations at 80-90%
- 16% of members report operations at 70-80%
- 11% of members report operations at 60-70%
- 6% of members report operations at 50-60%



The other 13% of our members are operating below 50% of their normal capacity, with almost all of those members reporting operations of 20%-50%.

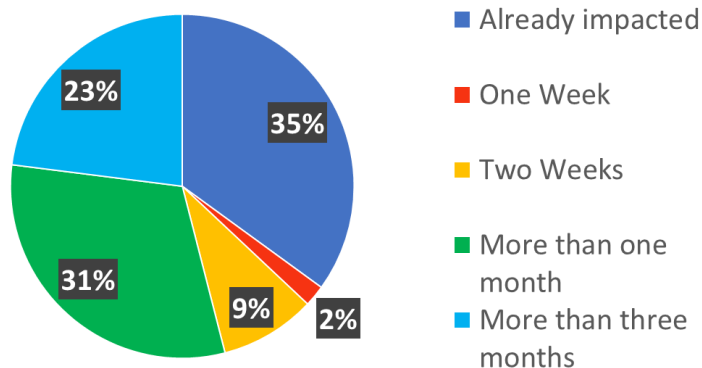
When we asked our manufacturing members what percentage of normal capacity they expect to be operating at in two weeks (by early March), members estimate similar capacity to their current operations, with 74% expecting to be operating between 70-100%. Approximately the same number of members currently operating under 50% capacity estimate no improvements, as they expect to be operating less than half their normal capacity two weeks from the survey date.

No labor shortages: Most of our members report no shortage of staff (71%). Other than normal post-Tet staff turn-over, approximately 7% of members report some staff shortage due to coronavirus health concerns, travel restrictions, and school closures.

Supply Chain Disruption Key: More than half of our manufacturing members (53%) are experiencing issues sourcing supplies and materials due to the outbreak. Most of those experiencing an impact to their supply chains are reporting issues getting supplies and materials from Chinese suppliers and those outside Vietnam or China.

Over one-third of our members (35%) are already reporting they are “seriously impacted” by the disruption to supply chains, another 10% will be impacted within two weeks and another one-third of our members will see impact to their global operations between 1 and 3 months from time of the survey.

If supply chain disruption continues, how long before it seriously impacts your company’s global operations?



Biggest Challenges: Of the concerns our members are facing, the biggest reported challenges involve reduced demand for members’ products or services, finding alternatives for supply chain, logistics, and cash flow management.



Travel restrictions in place/meetings and events canceled: AmCham members are restricting travel (or have been restricted by their companies), both within and outside Vietnam.

Within Vietnam, travel has been restricted at a little less than half of the member companies, with 3% canceling all travel and 38% allowing only essential travel within Vietnam.

Outside of Vietnam, 60% of members have made restrictions on international travel. 12% of members have canceled all international travel; 30% only allow of essential travel; and 18% have imposed travel bans to mainland China.

Many members are having difficulty getting people to Vietnam (over 40%).

A vast majority of AmCham members (68%) have canceled or postponed meetings and events. Some members (44%) also report that they either do not feel comfortable going to events or they are prohibited by their employer from attending business events.

School re-opening supported, particularly for international schools. About two-thirds of members believe that, based on publicly available information, schools in HCMC/Hanoi should reopen, and should not continue to stay closed another 6 weeks through the end of March.

Approximately 1/4 of members stated that they did not have enough information to respond to the questions regarding public and international school closures.

Of those who did opine:

- 67% of AmCham members stated that international schools in HCMC/Hanoi should not remain closed through the end of March.
- 64% stated that public schools in HCMC/Hanoi should not remain closed through the end of March.

A vast majority of AmCham members who had sufficient information on this topic believe schools should reopen in HCMC and Hanoi.

We also asked members for the impact on them of continued school closures of international schools in HCMC/Hanoi through the end of March:

- Approximately three-quarters will continue with the school program, including online learning (if available) (73%)
- Over 17% plan to send their children and possibly spouse to their home country or overseas for the rest of the school year.
- Over 33% will be forced to cancel existing summer plans, including college/university visits and other educational programs.
- 13% of AmCham members will:



- Experience negative impact to their 12th grade children who will be unable to take international baccalaureate exams in May, required for graduation.
- Find it difficult to transfer employees to/from Vietnam during the traditional summer break.
- 8% will consider leaving Vietnam.

AmCham Vietnam Hanoi conducted a similar survey of its members on February 13-14, 2020. For those survey highlights and results, please see <http://bit.ly/2uKZuQ3>.