



EuroCham Business Climate Index Vietnam

1st Quarter 2011

Ho Chi Minh City, February 10th 2011 — Results of the second quarterly EuroCham Business Climate Index survey, conducted in January 2011, and released today, show that business confidence and outlook among European businesses in Vietnam has **increased** since our last survey. Among the EuroCham members that participated in the survey, business confidence was overall positive. This resulted in a EuroCham Business Climate Index of:

79

Solid current business situation:

With 73 percent, the majority of respondents to the survey focus their activities on the local market in Vietnam. When asked about the current situation of their business, the response was largely positive. The majority of businesses assessed their current situation as 'good' or 'neutral'. The number of businesses describing their situation as 'excellent' rose from 6 to 11% points.

Investment plans increased in 2011:

When asked about their business outlook and investment plans 2011, the predictions were largely positive without major changes. The percentage giving a negative response declined from 12% to 8%. As far as investment plans were concerned, there was a slight shift in respondents that wanted to increase their investment in Vietnam 'significantly' (up from 23% in the last survey to 32% this time).

Significant salary increases expected:

Salaries for skilled labor in 2011 are expected to increase significantly: 54% indicated they expect salaries to rise by more than 10% this year (up from 30% last time). For unskilled labor salaries, a massive increase of 36% was expected (up from 19% last time).

Optimistic about their own sector growth:

58 percent of businesses in the survey responded that they expect their sector to grow by more than 8% in 2011 (up from 42% last time), showing an overall confidence in further economic development of their business in Vietnam.

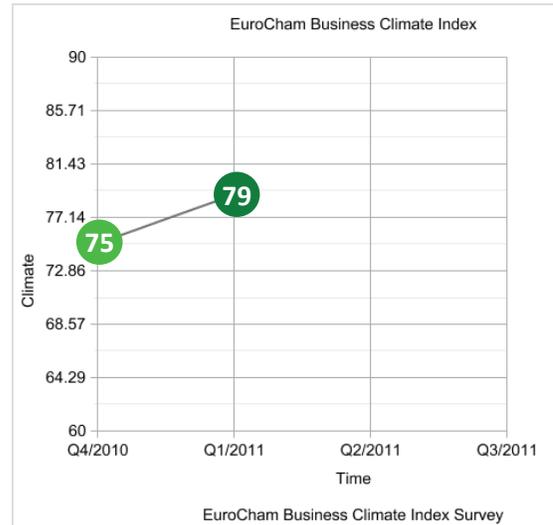
Higher inflation rate expected in late 2011

The majority of businesses in the survey (32%) expects inflation in Vietnam to reach 6-8% by the middle of the year. Towards the end of 2011, the majority of respondents see inflation rising to levels higher than 10% (35%)

EuroCham Chairman Alain Cany commented on the survey: *"The increase of the EuroCham Business Climate Index from 75 to 79 came a bit surprising to me. However, it certainly reflects the broad confidence of our membership in Vietnam's business prospects after the 11th Party Congress and the new leadership announcement. It also means that European companies doing business in Vietnam believe that the new Government team will be able to tackle the main economics issues and accelerate some key structural reforms to further increase Vietnam's competitiveness."*

EuroCham Executive Director Matthias Dühn added that *"In particular, the survey shows that our member companies are more optimistic about their sector growth in Vietnam, and have increased their investment plans for Vietnam as compared to our last survey. However, it also seems that our members are increasingly concerned about inflationary pressures. EuroCham therefore believes the key challenges for Vietnam's leadership in 2011 will now be maintaining investor's confidence in macro-economic stability, in particular by balancing growth and inflation."*

Please see the detailed findings of the survey here: www.eurochamvn.org



The EuroCham Business Climate Index ranges from 0 to 100 index points, with 100 index points representing the highest and 0 the lowest confidence level. Midpoint or "neutral" is 50 index points. The last survey we had conducted had resulted in a business climate index of 75 index points.

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ABOUT EUROCHAM:

Since its establishment with only 60 members in 1998, the European Chamber of Commerce in Vietnam (EuroCham) has grown to represent more than 750 European businesses, counting among its supporters many of the world's leading enterprises. With offices in both Hanoi and Ho Chi Minh City, EuroCham's mission is to represent the business interests of our European members in Vietnam, and to improve the business environment in Vietnam for the benefit of all players. EuroCham also aims at helping Vietnamese enterprises to successfully meet the many challenges posed by the nation's ongoing global economic integration.

As the lead organization representing European business interests in Vietnam, EuroCham now works in partnership with the German Business Association in Vietnam (GBA), the French Chamber of Commerce and Industry in Vietnam (CCIFV), the Dutch Business Association Vietnam (DBAV), the Belgium Luxembourg Chamber of Commerce in Vietnam (BeluxCham), the Italian Chamber of Commerce in Vietnam (ICham), the Spanish Business Group in Vietnam (SBG) and the Hanoi chapter of the Nordic Chamber of Commerce Vietnam (NordCham). EuroCham is also a member of the European Business Organizations (EBO) Network, which works to represent the interests of European businesses in more than 30 countries.

