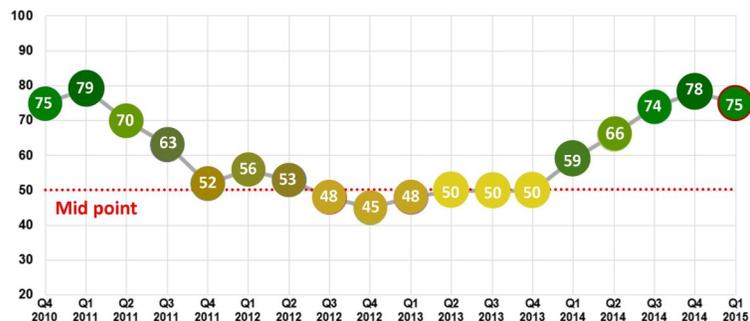


Business Climate Index



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 EuroCham BCI for quarter 1/2015 saw a slight dip from 78 at the end of 2014 to 75 at the end of the first quarter 2015.

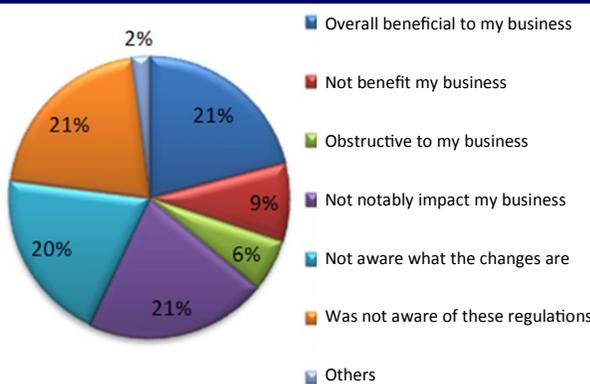
Ho Chi Minh City, June 3rd 2015, results of the 18th quarterly EuroCham Business Climate Index (BCI) survey, conducted in April 2014, shows that business confidence, outlook and expectations for the future among European businesses in Vietnam declined slightly from the previous quarter. During the first quarter of 2015 the BCI decreased from 78 to 75. The overall score still expresses a relatively positive perception of the current and future business environment in the market. Most respondents replied prior to the internet cuts during April. The first quarter therefore does not fully take into account how that may have affects the perception of the business environment.

EuroCham members' awareness of the new Enterprise law and Investment law

The 18th BCI survey asked the participants a question regarding the new regulations regarding the enterprise law and investment law of Vietnam. Asking if the participants were aware of the new regulations and how they perceive the changes. The three largest and equally large groups at 21% respectively said that they are aware and believe the changes to be overall beneficial, aware of the changes but do not believe they will impact their business and were uninformed and not aware that there will be new regulations.

Another 20% said that they are aware that there will be changes but not what those changes will be. 9% said that they are aware and believe the changes will not benefit their business and 6% said they are aware and believe the changes to be obstructive to their business. Notable here is that 41% of the participants are unaware of the details of the new regulations, and 20% completely unaware.

Awareness of the new Enterprise law and Investment law



Slightly lower but overall positive expectations on the current business climate in Vietnam.

When comparing with previous quarters the number of respondents that assert their current business situation as "positive" declined. Participants perceiving the situation as "good" shifted from 52% the previous quarter to 45%. Participants with a "neutral" view remained largely unchanged at 31%. "Very poor" conditions were reported by 2%, previous quarters survey having had no mentioning of that view. In contrast the number of participants that report excellent conditions rose to 11%.

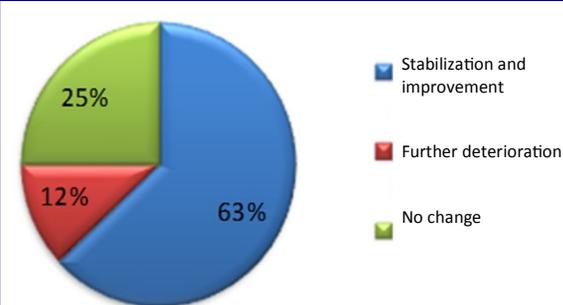
An overall positive outlook on the future business environment

The greater majority of respondents continued to perceive their business outlook as "positive" but the number saw a decline from 62% last quarter to 57%. The second largest group of respondents was those of a "neutral" outlook, rising from 28% last quarter to 30%. The remaining participants were equally divided between "excellent" and "poor" conditions.

Confidence in the macroeconomic outlook for Vietnam

In the participants assessment of the macroeconomic outlook for Vietnam 63% reported "stabilization and improvement", a rise from last quarter's 59%.

Macroeconomic outlook for Vietnam



Participants expecting the situation “not to change” also shifted from 20% to 25%. The noticeable decline was in the number of participants that expected “deterioration of the macroeconomic conditions” from 21% to 12%.

A rise in expected inflation rate

The participants expect that over the next 6 months the market will see a slight reduction in inflation from 5.78% to 5.25%.

Business strategy

For headcount development the largest group remains unchanged at 48% saying that they are considering increasing “slightly” the number of employees. With the second largest group at 32% saying that they expect to “maintain” the number of employees at the current level.

This is also true for investment plans in the medium term where the largest group remains unchanged at 41% saying that they consider increasing their investment in Vietnam “slightly”. This is followed by the second largest group at 35% expecting to “maintain” their level of investment.

In terms of expected orders/revenue the largest group, rising from 56% to 60% said they expect a “slight increase”. 14% respectively said that they expect a “significant increase” or that that they wish to “maintain” the same level.

The greater majority at 65% reported that they believe the inflation will have a slight impact on their business situation and 17% fear a significant impact. 1% event went so far as to say that the inflation threatens their business. Only 7% of participants said they expect inflation to have no impact on them.

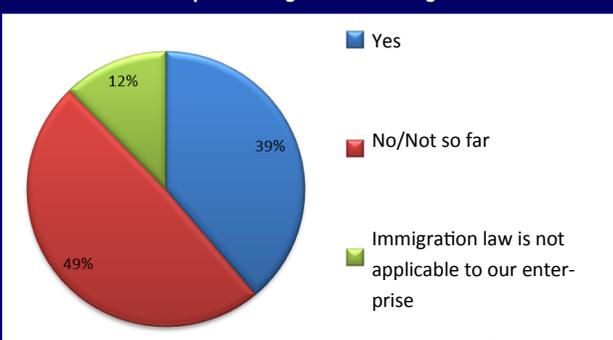
The new immigration law

On behalf of the EuroCham Human Resources and Training Sector Committee the BCI asked the members questions relating to the new immigration law.

On the question whether the participant’s enterprises have met difficulties when implementing the new immigration law 49% reported no/no difficulties so far, followed by 39% reporting difficulties and another 12% percent reporting that the new immigration law is not applicable to their business.

On the question whether the procedure to obtain/renew appropriate visa, temporary residence card is clear enough to the participants and their HR departments 56% reported that they always need to seek clarification from the authorities/service provider during the application process and 44% said the process is clear and that they can apply it.

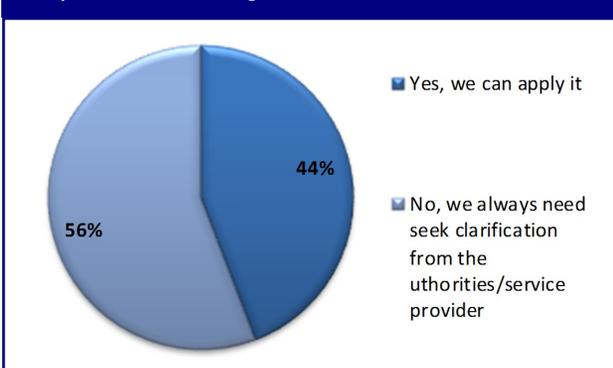
Difficulties when implementing the new immigration law...



How the participants principally describe the implementation of the new immigration law?

73% of the participants described the implementation as “troublesome” and expect to have clearer procedure and required criteria for each via type. 24% reported unidentified practices in different provinces. 20% described it as hard to apply as it is not compatible with Labor Code and its relevant Circulars and Decrees. 9% report the processing time since lodging non-problematic applications to be reasonable and see this as encouraging. 4% perceive the process as clear and easy compared to the immigration law/requirements in other countries.

Is the procedure clear enough...?



Participants of the survey

The three largest groups of participants in this quarter’s survey in falling order came from services, trading and manufacturing.

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

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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 almost 800 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 Belgium Luxembourg Chamber of Commerce in Vietnam (BeluxCham), the French Chamber of Commerce and Industry in Vietnam (CCIFV), the Dutch Business Association Vietnam (DBAV), the German Business Association in Vietnam (GBA), the Italian Chamber of Commerce in Vietnam (ICHAM), the Hanoi chapter of the Nordic Chamber of Commerce Vietnam (NordCham) and the Spanish Business Group in Vietnam (SBG) and EuroCham is also a member and founder of the EU-ASEAN Business Council representing European business interests in ASEAN and member of the European Business Organisations (EBO) Network, which works to represent the interests of European businesses in more than 30 countries across the globe.

