**HSBC Navigator reaffirms Vietnam’s power of positivity**

**Vast majority of Vietnamese firms (97%) expect their sales to grow over the next year**

**Asia-Pacific remains the key region for Vietnamese firms with leading markets being China (21%), Japan (20%), South Korea (12%) and Thailand (9%)**

**Ho Chi Minh City** – Buoyed by a strong economy and excited by international prospects, Vietnamese businesses are anticipating a very bright future, according to the latest HSBC Navigator: Now, Next and How report.

The global survey polled 9,131 businesses in 35 markets and revealed nearly all Vietnamese businesses (97%) believe their sales will grow over the next year; significantly higher than the global and APAC averages (79% and 77% respectively).

39% of businesses in Vietnam are classified as ‘high-growth firms’, meaning they foresee achieving at least 15% growth over the next year – nearly double the number of high-growth businesses globally (22%). The mid-term view in Vietnam is even brighter with 100% of firms expecting sales to grow over the next five years.

“From an international trade perspective, Vietnam is one of the most optimistic countries globally and justifiably so,” said Tim Evans, CEO, HSBC Vietnam. “The domestic economy is in a good place, hitting a 10-year peak of 7.1% growth in 2018, and bolstered by continued strong momentum in 2019 with Q3 growth reaching 7.31%. Middle-class income and consumption are increasing and the manufacturing sector continues to go from strength to strength and the service sector is providing additional positive impetus to strong underlying economic growth. Vietnam remains well-poised to make substantial gains from international trade in the years ahead,” said Mr. Evans.

**Investing in innovation and sustainability**

The survey shows Vietnamese firms also see beyond the bottom line when it comes to the positive impacts of international trade. Over the next five years, 98% believe it will drive innovation (compared to 80% globally), while 96% say it will provide new business opportunities (79% globally) and 95% feel it will improve efficiency (78% globally).

More than one third of firms surveyed (32%) are already exploring digital technologies to enhance their supply chains to accelerate the speed to market and to move closer to the end consumer. As a shortage in skilled labour continues to be a deterrent for foreign investors, businesses in Vietnam are improving the quality of their products and services and investing in new skills in their workforce.

Vietnamese companies are also increasingly recognising the importance of sustainability as a factor driving the long-term viability of their business and as a way to attract and retain talent. More companies in Vietnam (28%) believe their expected sales growth will be supported by making their business sustainable than any of the 35 markets surveyed in the Navigator report.

**Global partnerships unlock new opportunities**

Over the last three years, businesses in Vietnam have become increasingly aware of protectionist policies across the globe. More than four-fifths (87%) say governments are
becoming more protective of domestic businesses, compared to 78% last year and 67% the year before.

However, like many companies around the world, 72% of Vietnamese firms feel they are gaining more than they are losing as a result of protectionism, compared to 57% globally and 56% in APAC. Only one in 10 feel that they're losing more than they gain, lower than peers globally and in APAC (16% and 17% respectively).

"Vietnamese firms are increasingly aware of how international trade will help shape the country's future, making Vietnam more integrated into the global economy, more advanced from a technology perspective and overall an even more dynamic economy," said Mr. Evans.

To counter geopolitical risk and protectionism, businesses are seeking out joint ventures and taking more business online. Sourcing locally and securing supply of raw materials and energy are also mitigating factors.

Mr. Evans concludes, "At HSBC Vietnam we are excited to play our part in the country's ongoing development and to help our clients grasp the wealth of opportunities so they too can thrive on the international stage."

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**Media enquiries to:**
Giang Cao +028 35203232 giangcao@hsbc.com.vn

**HSBC Navigator: Now, next and how for business**
HSBC’s Navigator report comprises a global survey gauging business sentiment and expectations on trade activity and business growth from 9,131 decision-makers in 35 markets. Research was conducted by Kantar for HSBC between August and September 2019. HSBC’s Navigator helps businesses capitalise on new opportunities and make informed decisions for the future by understanding the outlook for international trade.

Interviews for the *Navigator: Now, next and how* survey were conducted in Argentina, Australia, Bangladesh, Belgium, Brazil, Canada, Egypt, France, Germany, Greece, Hong Kong SAR, India, Indonesia, Ireland, Italy, Japan, mainland China, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Sweden, Switzerland, Thailand, Turkey, the UAE, the UK, the US, and Vietnam.

Over 5,000 of the companies interviewed were SMEs making annual sales of between US$5m and US$50m, with the remainder being larger enterprises.

For more information, please visit: [www.business.hsbc.com/trade-navigator](http://www.business.hsbc.com/trade-navigator)

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**HSBC Bank (Vietnam) Ltd.**
HSBC has been in Vietnam for more than 140 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity

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on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank’s current network includes two branches and five transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

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