

Press Release

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Viet Nam remains a top destination for cross-border investment despite rising constraints

- *Vietnam business leaders' confidence in revenue growth hits a five-year high with 49% saying "very confident".*
- *Four out of five Vietnam business leaders plan to increase budget in automation and accompanied workforce skills.*
- *80% see growing trust with customers as an impact of adopting advanced technology.*

Optimistic business outlook for Vietnam

Business leaders in Vietnam are more optimistic about prospects for their own organisations, with 49% "very confident" of revenue growth in the year ahead, as compared to 34% of APEC business leaders.

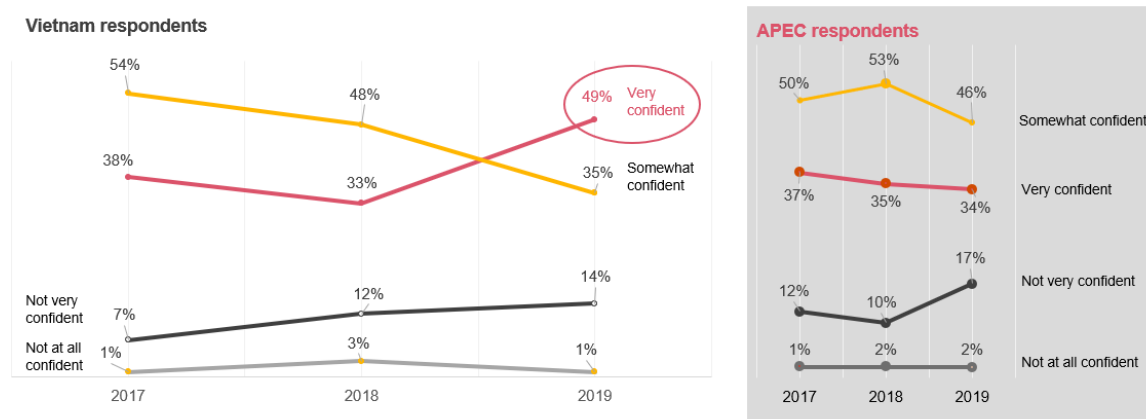


Figure 1: Leaders' prospects for revenue growth in their principal economy in the next 12 months
(Source: PwC's APEC CEO Survey 2019)

The findings are extracted from PwC's most recent survey **"Doing business across borders in Asia Pacific 2019-2020"**. Survey results include responses of over 1,000 business leaders from 21 Asia-Pacific Economic Cooperation (APEC) economies, which collectively account for half of world trade and more than half of the world's GDP.

Among APEC leaders with a footprint in Viet Nam, 44% plans to increase investment in the country over the next year, making Viet Nam once again the most attractive destination for foreign investment.

In addition to being positive on cross-border investment, 62% of Viet Nam's respondents expect to increase their domestic investment in the next 12 months, higher than other economies such as China, Japan and Singapore.

Dinh Thi Quynh Van, PwC Vietnam General Director said:

"Amidst anticipated pressure from increased challenges to cross border activities, Viet Nam is holding on to its momentum for continuous growth with business leaders' confidence boosted with uplifted optimism, and the economy continues to attract investments not only from overseas but also from its expanding domestic force."

Finding new pathways through technological and workforce changes

The responses from Viet Nam leaders showed noticeable prioritisation on advanced technology and equipping the workforce with the necessary skills to stay competitive in the market, which are both in line with global trends.

Approximately 80% of Viet Nam business leaders see technology advancement as a strategic priority. Thus, it is encouraging that a majority plan to increase budget allocation, especially in integrating data and systems, as well as accelerating digital skills development in the next two years.

However, as automation and AI advances in the workforce, this year's survey highlights that employee roles are also being redefined. 23% of Viet Nam leaders struggle to recruit people with appropriate skills to accommodate automation. And only 5% of Vietnamese leaders, as compared to 12% of total APEC businesses, say with automation, they are creating more jobs with the right talent fit.

Strategic stewardship of automation grows trust

While 80% of leaders surveyed in Viet Nam show that adoption of advanced technology has improved trust among their customers, only 49% believe there is improved public trust. In addressing the areas that need additional regulation to enhance the public trust, both Vietnamese and APEC leaders acknowledge ethical use of cybersecurity, AI and data privacy as top concerns.

In order to innovate and grow in the digital economy, business leaders want oversight, guidance and predictability.

On this, Bob Moritz, PwC's global chairman added:

"Business leaders don't often call for more regulation, but companies are acutely aware of the risk that disconnected or ineffective policies in areas such as AI, cyber security and privacy protection can have on their plans for investment and the trust that consumers have in business."

This year's findings show that now is a good time for businesses to help shape regulatory approaches that are principles-based. APEC provides a ready forum to collectively frame standards that support innovation, along with responsible and inclusive AI. Together, business and policy makers can help ensure that fragmented AI policies do not become a new digital barrier to progress in the APEC region.

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Notes to editors:

Find the full report **“Doing business across borders in Asia Pacific 2019-2020”** at www.pwc.com/apec

PwC surveyed 1014 Asia Pacific business leaders from June to July 2019.

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