



26th Annual Global CEO Survey
Asia Pacific

Leading in The New Reality

What matters to CEOs in Viet Nam?

February 2023

Foreword

Leading in the new reality

The confidence of Asia Pacific CEOs for an economic rebound last year took a hit in 2023. Facing a complex set of [challenges](#), such as geopolitical conflicts, inflation, supply chain disruptions, workforce changes, and growing pressure for ESG action, growth opportunities have become more limited.

[Our 26th Annual Global CEO Survey](#), which collected insights from almost 4,500 CEOs worldwide, including 1,634 in Asia Pacific, highlights the need for businesses to strike a balance between short-term profitability and long-term transformation. We refer to this as the *dual imperative*.

Leadership has never been more critical, as it can shape both a CEO's legacy and the relevance of their business. The results of our survey make it clear that it's time for Vietnamese CEOs to step up and navigate this new reality.



Dinh Thi Quynh Van
Chairwoman
PwC Viet Nam

About the survey



26th

edition of PwC's
flagship Annual
CEO Survey



4,410

global CEOs



105

countries &
territories
worldwide

18 in Asia Pacific



1,634

CEOs from Asia
Pacific region



In the new reality, Asia Pacific CEOs:

... have reversed their prior optimistic sentiment

69%

believe global economic growth will **decline** compared to last year when 76% felt growth would improve.

... prioritise short-term profitability

Nearly 50%

will focus on reducing operating costs, diversifying portfolio and raising prices in the short term.

... need to transform their business to remain viable

53%

believe their current business models will not survive within the next decade (**14% more than global**).

... see challenges in their people experience and culture

41%

believe current employee behaviours are mostly aligned to company values and direction.

... place a premium on broad collaborations to drive business value

6%

more likely to forge partnerships outside established stakeholder groups, compared to global CEOs.

Asia Pacific CEOs are facing **a dual imperative**: to overcome near-term obstacles while reinventing business for the future

What matters to CEOs in Viet Nam?

CEOs in Vietnam are facing a unique set of challenges, just like their counterparts in the Asia Pacific region. They must navigate the current economic landscape while also preparing their businesses for the future. Balancing these two priorities, referred to as the dual imperative, is crucial for success in today's business world.

Amid the turbulence of macroeconomic volatility and geopolitical strife worldwide, what insights can CEOs in Viet Nam draw from their regional peers and take action to ensure their companies' longevity?

1

High confidence in Viet Nam's market prospects

2

Prepare to be resilient amidst volatility

3

Overcome resistance to change

4

Rethink talent attraction and retention

5

Embrace partnerships to drive sustainable growth

High confidence in Viet Nam's market prospects



Viet Nam is expected to outperform regional peers despite the gloomy global outlook.

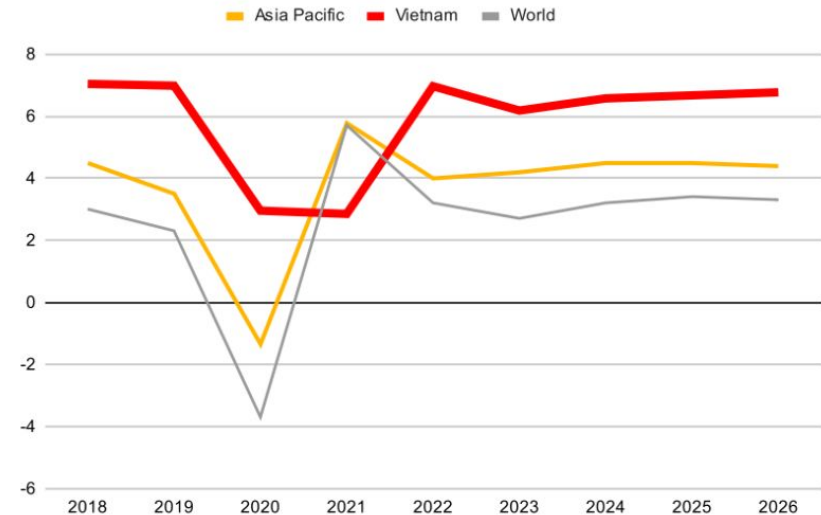
Viet Nam continues to show great strength and resilience with positive prospects in 2023:

- The country performed in 2022 with GDP growth at 8.02%, higher than the global (3.2%) and Asia Pacific averages (4%).
- Looking into 2023, Viet Nam has set its GDP growth target at 6.5%. Meanwhile, the other international financial institutions provide forecasts for Viet Nam's GDP growth ranging from 6.3% up to 7.2%.

This confidence is energised thanks to:

- The ongoing supply chain shifts from China to Viet Nam, which bodes well for future FDI
- The gradual impact of China's economic reopening
- The recovery in tourism and domestic consumer market.

Viet Nam GDP Growth exceeds both global and APAC averages in the coming 4-5 years



Source: [International Monetary Fund, 2022](#)

| Prepare to be resilient amidst volatility

Navigating impacts from global headwinds

Since Viet Nam is highly integrated into the global economy, the country is also exposed to changes and threats under the current economic environment. While it successfully managed to keep inflation rates below 4% in 2022, there are still risks going into 2023.

Inflationary pressures continue to hit the bottom line of Vietnamese businesses, especially small and medium enterprises that are trying to recover post-pandemic. And those relying on imported input are facing increasing costs from overseas inflation and supply chain disruptions. Business leaders need to have a focus on efficiencies to ensure continuity and competitiveness.

Conversely, businesses can explore opportunities from ongoing supply chains shifts as Viet Nam remains an attractive investment destination due to its strategic position in the global supply chain; supported by 15 free trade agreements and stable macroeconomic advantages.

Learning from examples:

Asia Pacific CEOs think that inflation, macroeconomic volatility and geopolitical conflict will be top three threats to businesses today and over next five years. When considering the medium term, cyber risk and climate change are seen as emerging important threats that companies will be exposed to.

What actions are APAC CEO taking to mitigate against potential challenges and volatility?

- **More than 50%** are planning to adjust their presence in the current market and/or expand to new markets
- **Nearly 50%** are cutting operational costs, diversifying products and raising prices, adjusting supply chains
- **Less than 16%** are tackling cost through workforce-related changes

| Overcome resistance to change

Transformation agenda is indeed top of mind for Vietnamese CEOs.

Findings in our [Family Business Survey in Viet Nam](#) show that local business owners are more likely than their regional and global peers to prioritise:

- rethinking / adapting the business model,
- adopting new technologies

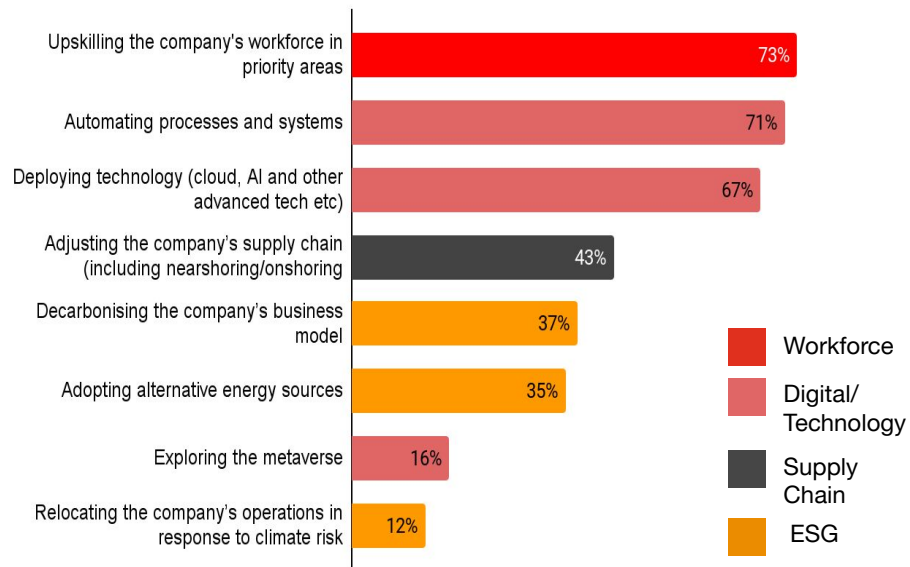
This reflects their increased needs and focus on driving their business agenda. However, to make the transformation journey a success, key challenges that CEOs in Viet Nam need to overcome are:

- resistance within the company to embrace change
- lack of digital capabilities to enable the company leverage digital and technology advantages

In addition, ESG has become more visible in the minds of leadership as shown in our [ESG Readiness Survey](#), where 80% respondents said they have made or plan to make ESG commitments in the next two to four years. Although there is a lot more to do to fill the ESG action gap, the high level of ESG commitment of business can be considered a good starting momentum.

Learning from examples:

Which are key areas CEOs in Asia Pacific prioritise investments in?



Q: Which of the following investments, if any, is your company making in the next 12 months?

| Rethink talent attraction and retention



Viet Nam, with the young and globally-mobile population, is also facing a challenge of hyper-growth and talent in huge demand globally and locally. For employees today, job satisfaction is much more than fair financial rewards. They want more meaningful work and to be their authentic selves to work in an environment that is consistent with their values. Leaders need to rethink conventional approaches to attracting, retaining and managing talent. Career conversations and career enablement are critical for organisations and their employees.”



Christopher Lee (Aik Sern)

Director, Management Consulting, Workforce Transformation
PwC Viet Nam

Learning from examples:

How can CEOs in Asia Pacific do more to engage and inspire their people?

- **Purpose of work:** Findings in CEOs Asia Pacific survey show only 41% believe current employee behaviours are mostly aligned to company values and direction. This indicates the signal of employees feeling disconnected from the purpose of their work. The level of misalignment is emphasised when comparing private (38%) and public companies (46%). This reflects the relatively less structured approach for smaller companies in managing their people and culture experience, compared to their more scrutinised public peers.
- **Empowerment in the workforce:** Currently about half of CEOs think that their leadership team do not often encourage debate or dissent, nor do they tolerate small-scale failures. 73% noted that their leadership team did not often make independent strategic decisions for their function or division. In many organisations, optimal conditions do not appear to be in place for managers and employees to independently cultivate new opportunities or respond to disruptive threats. This indicates a demand for transformative leadership.

| Embrace partnerships to drive sustainable growth

Collaboration is key to solve Viet Nam's challenges

Viet Nam is a prime example of welcoming global integration and international partnerships to enable the nation to overcome rising challenges from environmental degradation, climate change, and the rise of automation, etc.

On the Net Zero race, government and businesses must collaborate to drive decarbonisation at the necessary pace and scale. It presents a golden opportunity for green growth that businesses leaders can seek to adopt more sustainable and ESG practices through greater communication and collaboration with the government and other partners.

Learning from examples:

How do Asia Pacific CEOs broaden collaborations to drive business value and address societal challenges?

Asia Pacific CEOs are more likely to forge partnerships outside established stakeholder groups than global CEOs:

- The primary goal is to create new sources of value
- They are looking at greater collaboration with government and industry partners - both to drive value and address societal issues

On societal challenges, Asia Pacific CEOs are partnering with non-business entities to:

- Address the top three issues: Sustainable development, Climate change, and Diversity, Equity & Inclusion (DE&I).
- Prioritise Sustainable development and Climate change (5% and 3% more than global peers, respectively) over DE&I and education (6% and 9% less than global peers respectively). This reflects increasing stakeholder expectations in the race towards Net Zero and potential for the commerciality of ESG imperatives as a whole in the region.

“ Despite the tumultuous economic and political climate globally, the Asia Pacific region remains a major player in trade and economic activity, with Viet Nam shining as a bright spot for growth. As with their counterparts in the region, Vietnamese CEOs are facing growing societal pressures.

To lead effectively in this challenging environment, they need a comprehensive understanding of both the challenges and opportunities at hand. This presents a unique opportunity for these leaders to establish trusted, resilient, and profitable businesses for the future through visionary leadership.”



Mai Viet Hung Tran
General Director
PwC Viet Nam



Five actions on the dual imperative to lead in the new reality

Comprehensively understand forces in the new reality



- Expand the scale and scope of insights available to the C-Suite
- Understand mutual reinforcing themes including sector-specific volatility drivers, supply chain, climate, cyber and social impact
- Calibrate pessimism and optimism accordingly

Mobilise and empower executive leadership to take action that supports the business' long-term strategic goals



- Empower executive team to make tactical decisions with agility (e.g. over key topics such as products, services and processes)
- Leverage real time insights to do so
- Use CEO and board to guide and ensure alignment to longer term strategy and business resilience

Take a disciplined approach focused on capabilities to balance profitability, transformation and growth



- Prioritise investments today (e.g. diversification and supply chain) and where not to cut costs or limit capacity measures on critical items (e.g. talent and infrastructure)
- Holistically consider people, ESG and tax/structuring in addition to pricing product and cost
- Where appropriate - explore executing deals in the downturn

Adapt leadership approach to address the concerns and aspirations of employees



- Embrace transformative leadership and lead a cultural reinvention - with a focus on diversity
- Embed purpose through the talent model
- Align workforce strategy to growth - again linked to capabilities
- Use meaningful initiatives that foster empowerment, inclusion and trust

Embrace a collaborative mindset and seek out alliances to achieve sustained outcomes



- Broaden the breadth and scope of the alliance ecosystem
- Clearly define technical, financial, talent and technology players supporting the capability ecosystem
- Focus on amplifying what the business does best to guide the transformation

Contact us



Dinh Thi Quynh Van

Chairwoman
dinh.quynh.van@pwc.com



Mai Viet Hung Tran

General Director
mai.hung.tran@pwc.com



Nguyen Thanh Trung

Partner
Tax Services Leader
nguyen.thanh.trung@pwc.com



Johnathan Ooi

Partner
Consulting and Deals Leader
johnathan.sl.ooi@pwc.com

www.pwc.com/vn



This publication has been prepared for general guidance on matters of interest only and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

©2023 PwC (Viet Nam) Limited. All rights reserved. PwC refers to the Viet Nam member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Explore the report

[Asia Pacific report](#)



[Global report](#)

