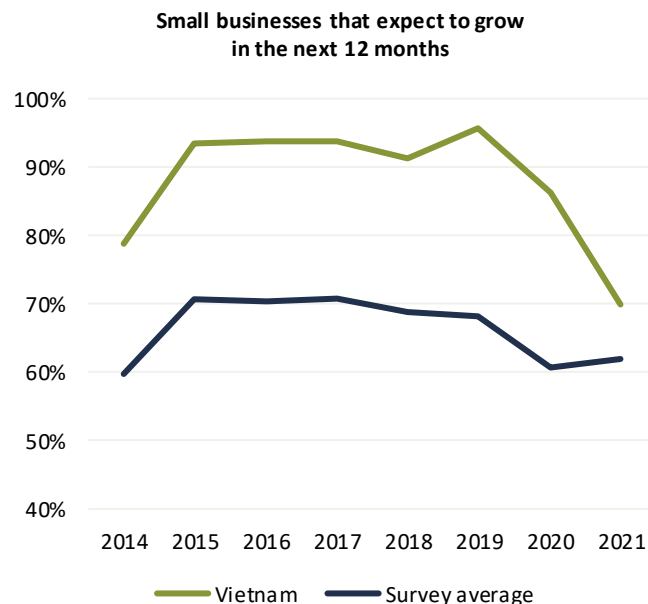
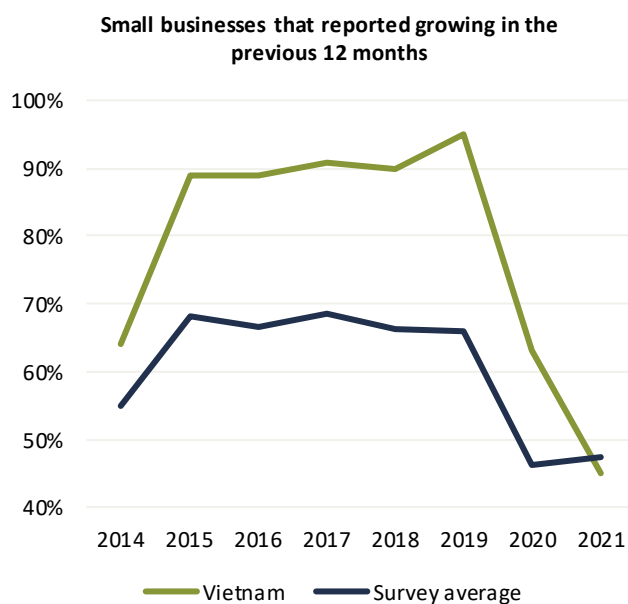


CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2021-2022

VIETNAM MARKET SUMMARY

Vietnam

Business and economic growth



	Vietnam 2021	Survey average 2021	Rank 2021	Vietnam 2020	Rank 2020	Vietnam 2019	Vietnam 2018	Vietnam 2017
Businesses that grew in the last 12 months	45.0%	47.3%	6/11	63.2%	2/11	95.0%	90.0%	90.7%
Businesses that expect to grow in the next 12 months	69.9%	61.9%	3/11	86.1%	2/11	95.7%	91.3%	93.7%
Businesses that expect the local economy to grow in the next 12 months	67.0%	60.6%	4/11	86.5%	1/11	95.0%	92.2%	85.0%

2021 was a weaker year for Vietnam's small businesses than 2020. Forty-five per cent grew last year, down significantly from 63.2 per cent in 2020. This is lower than the survey average of 47.3 per cent and the lowest on record for Vietnam. This is primarily due to COVID-19, with Vietnam's small businesses the most likely to state it had a negative impact on their business.

2022 is expected to be a better year for Vietnam's small businesses. 69.9 per cent of businesses expect to grow, the third highest result of the 11 markets surveyed.

There are many positive aspects of the results from Vietnam. Many small businesses have characteristics strongly connected with growth, especially a focus on:

- technology
- e-commerce
- innovation

We are therefore likely to see Vietnam's small businesses recover from COVID-19 and grow strongly in 2022 and beyond. Several of Vietnam's small businesses are likely to evolve into large, successful global businesses in the next few years.

Impacts of COVID-19

	Vietnam 2021	Survey average 2021	Rank 2020	Vietnam 2020	Rank 2020
COVID-19 had a major negative impact on my business in the past 12 months	78.0%	51.0%	1/11	81.3%	1/11
My business' major reaction to COVID-19 was to begin or increase its focus on online sales	42.4%	24.3%	2/11	42.3%	1/11

As in 2020, Vietnam's small businesses considered COVID-19 their biggest challenge in 2021. Seventy-eight per cent said it had a major impact on their business last year – the highest of the markets surveyed.

Small businesses in Vietnam were the second most likely to have begun or increased their focus on online sales as a reaction to COVID-19 (42.4 per cent). As the survey results show a strong relationship between online sales and business growth, this strong focus on e-commerce will help many Vietnamese small businesses navigate COVID-19.

Use of technology

	Vietnam 2021	Survey average 2021	Rank 2021	Vietnam 2020	Rank 2020	Vietnam 2019	Vietnam 2018	Vietnam 2017
Did not earn any revenue from online sales	11.0%	19.0%	8/11	21.9%	6/11	6.3%	14.9%	4.3%
Did not use social media for business purposes	11.0%	17.2%	9/11	21.6%	3/11	4.0%	10.4%	2.0%
Investment in technology by the business over the past 12 months has improved profitability	81.9%	53.6%	1/11	77.7%	1/11	88.0%	76.4%	76.4%
Technology the business invested in most heavily over the past 12 months	Customer Relationship Management software	Computer equipment	N/A	Point of Sale equipment	N/A	Artificial intelligence, machine learning and chatbots	Website	N/A
Consider the business likely to be cyberattacked in next 12 months	63.8%	44.3%	2/11	45.5%	4/11	64.7%	65.7%	80.7%
Reviewed the business' cybersecurity protections in last six months	60.2%	46.7%	1/11	32.3%	11/11	70.7%	69.6%	N/A
More than 10 per cent of sales is received through digital payment options such as PayPal, MoMo and WeChat Pay	78.6%	64.9%	3/11	74.8%	3/11	82.5%	60.0%	62.5%

One factor driving growth of Vietnam's small businesses is their strong uptake of new technologies. Most Vietnamese small businesses sell online. 72.8 per cent received more than 10 per cent of their revenue from online sales in 2021, up from 60 per cent in 2020.

Further, an overwhelming majority of Vietnam's small business use social media. Vietnam's small businesses are the most likely to use social media to communicate with existing customers.

Most of Vietnam's small businesses offer customers the choice of paying by new digital and mobile payment options such as MoMo. 78.6 per cent received more than 10 per cent of their sales through such technology, the third highest result of the markets surveyed.

Vietnam's small businesses were the most likely to have invested in Customer Relationship Management (CRM) software equipment in 2021. This indicates that many of Vietnam's small businesses are focusing on better understanding customer needs and preferences—essential elements for growth. CPA Australia's [Business Technology Report](#) shows that there is a positive link between the use of such technology and business growth. Respondents from high-growth businesses were much more likely to have used CRM software than respondents from businesses that did not grow or shrank.

Vietnam's small businesses are taking cybersecurity more seriously. 63.8 per cent expect to be cyberattacked in 2022. 60.2 per cent have reviewed their cybersecurity in the past six months, the highest of the markets surveyed.

Helping to drive this focus on technology are the very strong short-term returns such investments are generating. 81.9 per cent of Vietnam's small businesses that invested in technology in 2021 reported such investments were already profitable. This is the highest result of the 11 markets surveyed.

Business activity over the past 12 months

	Vietnam 2021	Survey average 2021	Rank 2021	Vietnam 2020	Rank 2020	Vietnam 2019	Vietnam 2018	Vietnam 2017
Increased employee numbers	16.2%	28.7%	8/11	27.4%	5/11	42.7%	56.0%	64.8%
Improved customer satisfaction had a major positive impact on my business	19.7%	23.0%	5/11	32.9%	2/11	41.7%	49.5%	34.2%
Increasing costs had a major negative impact on their business	32.0%	29.2%	3/11	28.7%	2/11	50.0%	43.4%	29.6%
Required funds from an external source	78.6%	60.2%	3/11	72.6%	2/11	88.7%	78.0%	90.0%
Sought external funds for business growth	36.6%	48.2%	9/11	58.2%	2/11	67.3%	70.1%	47.6%
Sought external funds for business survival	67.1%	49.0%	1/11	16.0%	11/11	9.4%	16.2%	32.1%
Found it easy or very easy to access external finance	55.1%	45.9%	3/11	48.4%	4/11	17.3%	28.6%	27.7%
A bank was the business' main source of external finance	66.3%	34.2%	1/11	55.6%	1/11	84.6%	46.9%	46.1%

Planned business activity over the next 12 months

	Vietnam 2021	Survey average 2021	Rank 2021	Vietnam 2020	Rank 2020	Vietnam 2019	Vietnam 2018	Vietnam 2017
Expect to increase employee numbers	38.2%	39.9%	4/11	41.9%	4/11	72.0%	73.1%	67.4%
Will introduce a new product, service or process unique to their market or the world	26.9%	27.0%	5/11	25.2%	5/11	37.0%	33.7%	41.9%
Expect revenue from overseas markets to grow strongly	12.3%	19.3%	8/11	16.8%	3/11	22.0%	29.4%	51.2%
Will seek external funds	57.0%	27.3%	1/11	50.6%	1/11	68.0%	38.5%	54.8%
Expect easy to very easy access to finance	53.6%	40.6%	2/11	37.5%	2/11	14.5%	26.6%	24.2%

Innovation

Vietnam's small business sector continues to be innovative. 26.9 per cent will introduce a totally new product, process or service to Vietnam or the world in 2022. This focus on innovation is likely to result in Vietnam having a stronger and more competitive small business sector in the long term.

Employee growth

Vietnam's small businesses created less new jobs in 2021 than in 2020. 16.2 per cent added to their employee numbers in 2021, down from 27.4 per cent in 2020. This reflects the smaller number of businesses that grew last year.

An expected pick up in business activity in 2022 should see the sector create many jobs. 38.2 per cent of Vietnam's small businesses expect to add to their headcount in 2022.

Access to finance

Vietnam's small businesses were very likely to have sourced external finance in 2022. 78.6 per cent needed external finance in 2021, the third highest result.

Reflecting a challenging 2021 for many, Vietnam's small businesses were the most likely to source such finance for business survival. 67.1 per cent accessing finance for survival, up from only 16 per cent in 2020. They were much less likely to need external finance for growth in 2021 (36.6 per cent) compared to in 2020 (58.2 per cent).

Despite challenging conditions, respondents from Vietnam found accessing external finance considerably easier last year than 2020. 55.1 per cent found accessing finance in 2021 easy or very easy, up from 48.4 per cent in 2020. Banks were by far the most likely source of that finance.

Factors that had positive and negative influences on business

Top four factors that had a positive influence on Vietnam's small business in 2021	Top four factors that had a positive influence on Vietnam's small business in 2020	Top four factors that had a positive influence on Vietnam's small business in 2019
Technology	Customer loyalty	Technology
Government support/incentives	Technology	Improved customer satisfaction
E-commerce	Improved customer satisfaction^	Good staff
Customer loyalty	E-commerce	Cost control

^ equal second

Top four factors that had a negative impact on Vietnam's small business in 2021	Top four factors that had a negative impact on Vietnam's small business in 2020	Top four factors that had a negative impact on Vietnam's small business in 2019
COVID-19	COVID-19	Increasing competition
Increasing costs	Poor overall economic environment	Increasing costs
Poor overall economic environment	Increasing costs	Increasing rent
Increasing competition	Tax	Cash flow difficulties

Small businesses in Vietnam found “technology” had the most positive impacts on their business in 2021. Those businesses are most likely focused on investing in and effectively using technology to position for growth and handle disruptions.

Small businesses in Vietnam found “increasing costs” and “poor overall economic environment” as the largest barriers to growth outside of COVID-19. Materials, stock and staff costs were the costs that caused them the most detriment.

Demographics

	Vietnam 2021	Survey average 2021	Rank 2021	Vietnam 2020	Rank 2020	Vietnam 2019	Vietnam 2018	Vietnam 2017
Business has been established for 10 years or less	64.1%	62.8%	5/11	89.4%	1/11	71.7%	77.0%	64.5%
Respondent is aged under 40	61.8%	45.2%	2/11	69.7%	1/11	65.0%	75.7%	41.8%
Respondent is the business owner	51.5%	39.0%	5/11	27.1%	8/11	33.7%	19.7%	5.3%
Business has 10 to 19 employees	28.5%	30.1%	5/11	45.5%	3/11	59.7%	47.9%	75.4%