

THE IMPACT OF THE **COVID-19** PANDEMIC ON BUSINESSES IN VIETNAM

Key Findings from
The 2020 Business Survey

WITH SUPPORT OF
**Australian
Aid** 



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FORWARD

The report “The Impact of the COVID-19 Pandemic on Businesses in Vietnam” is the result of a robust collaborative effort between the Vietnam Chamber of Commerce and Industry (VCCI) and the World Bank (WB) in 2020 to investigate the impact of the COVID-19 pandemic on production and business activities, evaluate firms' ability to cope with the pandemic and provide insight into firms' assessment of a number of government support policies.

The report has been developed under the direct supervision of Dr. Vu Tien Loc - President of VCCI, Vice-President of the National Council for Sustainable Development and Competitiveness Improvement, Vice Chairman of the Prime Minister's Administrative Procedures Reform Advisory Council. The report was prepared by a competent research team from VCCI led by Dau Anh Tuan - General Director of VCCI's Legal Department, Pham Ngoc Thach - Deputy Director of VCCI's Legal Department, with other members including Le Thanh Ha, Nguyen Le Ha and Truong Duc Trong. The study was closely coordinated by World Bank experts in Vietnam, especially Doan Hong Quang - Senior Economist, who has contributed valuable comments and advice on the survey design process and the finalization of the report.

The research team would like to express our sincere thanks to all the experts who made important contributions to the development of the methodology as well as provided direct feedback for the refinement of the report, including Madam Pham Chi Lan - Senior Economist; Dr. Nguyen Dinh Cung - Senior Economist, former Director of Central Institute for Economic Management (CIEM), member of the Prime Minister's Advisory Board; Dr. Pham Dinh Thuy - Director of the Department of Industry and Construction Statistics, General Statistics Office; Nguyen Minh Thao, Head of Business Environment Department, Central Institute for Economic Management (CIEM); Nguyen Duc Lam - National Assembly Office; Tran Huu Huynh - Vietnam International Arbitration Center (VIAC); Nguyen Thi Cuc - President of Vietnam Tax Consulting Association; Dr. Le Duy Binh - Director of Economica Vietnam; Dr. Nguyen Phuong Bac - Director of Bac Ninh Socio-Economic Research Institute and many other experts that we cannot list here.

We would like to thank the businesses for their valuable time and cooperation in participating in the survey within the research framework. Each firm's questionnaire feedback is a crucial input for our team's report. The report will be shared with relevant government agencies to help policymakers elaborate more sound business relief policies as well as make reasonable adjustments to the existing regulatory framework, thereby supporting businesses to overcome the challenges presented by the COVID-19 pandemic as well as restore production and business activities in the coming time.

Last and most importantly, we would like to express our deepest gratitude and sincere appreciation to the Government of Australia for their support to VCCI and WB in the execution of the business survey as well as the finalization of the report.



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LIST OF ABBREVIATIONS/ACRONYMS

AP	Administrative Procedures
CIT	Corporate Income Tax
COVID-19	A Contagious Disease Caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)
FDI	Foreign Direct Investment
EU	European Union
FI	Firm/Enterprise
HI	Health Insurance
PC	People's Committee
PCI	Provincial Competitiveness Index
REV	A Firm's Revenue
SI	Social Insurance
UI	Unemployment Insurance
VAT	Value Added Tax
VCCI	Vietnam Chamber of Commerce and Industry
WB	The World Bank



EXECUTIVE SUMMARY

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The global pandemic of the new Coronavirus (COVID-19) emerging in early 2020 has taken a heavy toll on production, business operations and economic activities of enterprises. This unprecedented outbreak has plunged the world economy into a serious recession, leaving no country or region untouched. As one of the first countries outside of China to document infections, Vietnam has been suffering greatly just like all the others. According to the General Statistics Office's latest report on the socio-economic situation in the fourth quarter and the whole year 2020, the gross domestic product (GDP) grew by merely 2.91% this year, marking the lowest GDP growth level in the past decade. Moreover, in 2020, 101.7 thousand enterprises suspended business operations for a definite period, ceased operating and awaited dissolution procedures, and completed dissolution procedures, which is equivalent to an increase of 13.9% year-on-year. On average, there were nearly 8.5 thousand enterprises withdrawing from the market each month. Some sectors stand out as particularly hard hit by the crisis, such as accommodation, food and beverage services with an estimated revenue of VND 510.4 trillion in 2020, accounting for just 10.1% of total output and down 13% from a year earlier (given the reported growth of 9.8% in 2019). This is followed by the travel and tourism industry with total revenue in 2020 estimated at VND 17.9 thousand billion, making up a trivial share of 0.3% in total output and indicating a noticeable decline of 59.5% relative to last year. Another typical example is passenger and freight transportation of which revenues are expected to drop by 29.6% and 5.2% this year, respectively compared to the previous year...

In an attempt to investigate the impact of the COVID-19 pandemic on production and business activities, as well as to evaluate firms' ability to cope with the pandemic and provide insight into firms' assessment of some support policies executed by the State, the Vietnam Chamber of Commerce and Industry and the World Bank in Vietnam have jointly implemented a preliminary assessment of the impact of the COVID-19 pandemic on enterprises in Vietnam. The study features a nationwide survey with a randomly selected sample by province. Responding to this survey were 10,197 enterprises operating across the country, particularly including 8,633 domestic private enterprises and 1,564 foreign invested (FDI) enterprises. This survey is integrated into the Provincial Competitiveness Index (PCI) Survey 2020, known as the largest, most comprehensive annual enterprise survey using random sampling in Vietnam from 2005 until now which is developed and implemented by VCCI with the support of the United States Agency for International Development in Vietnam (USAID).

THE IMPACT OF THE COVID-19 PANDEMIC ON BUSINESS PERFORMANCE IN VIETNAM

Generally, the COVID-19 shock has been severe and widespread among businesses in Vietnam. 87.2% of the surveyed enterprises affirmed they were suffering from "mostly" or "completely negative" impacts. Only 11% said they saw "no effect at all" and nearly 2% noted a "positive" effect of the pandemic. Both domestic private and foreign invested (FDI) enterprises reported on profound hardships which impeded their business continuity over the past twelve months. If classified by years in operation, the most affected are enterprises that have just been in operation for less than 3 years and have micro or small-scale operations.

The negative impacts of the COVID-19 pandemic on businesses differ across industrial groups yet found particularly significant in some sectors. Industries with the largest proportions of private enterprises severely hit by COVID-19 range from textiles and garment production (97%), information and communication services (96%), to electrical equipment manufacturing (94%). Meanwhile, a high percentage of FDI enterprises injured by the pandemic can be easily spotted in real estate (100%), information and communication services (97%), agriculture/ fishery (95%). Furthermore, as the primary two-digit industries above comprise multiple sub sectors at a lower level, the impact of the COVID-19 pandemic also vary widely between different sub sectors.

Geographically, private enterprises in the Central Coast region (where 91% of firms reported being adversely affected) and FDI enterprises located in the Central Highlands (94% of enterprises struggling with the COVID-19 fallout) are more likely to see their production and business activities stalled with a sharp drop in sales revenue compared to the remaining areas. Da Nang, Kon Tum and Khanh Hoa are the three cities where the rates of private enterprises badly impacted by the pandemic were most significant (a lion share of 98% and 95% of firms were recorded for Da Nang and Khanh Hoa, respectively).

The COVID-19 pandemic has wreaked havoc on businesses on several fronts, resulting in various multifaceted effects and a plethora of challenges to business performance. As regards the biggest obstacles, the vast majority of enterprises have blamed the global pandemic for squeezing access to markets and customers, exhausting cash flow and impairing the availability of employees for operations. Apart from the widely perceived threat of disrupted supply chains, businesses also whined about other undesirable outcomes, such as the reduction of manufacturing orders, decreased output, delay and extension of investment projects, and even the cancellation of ongoing or upcoming projects. Some even incur exorbitant costs for preventing the infection of COVID-19 virus. Several businesses face with technical difficulties in operations because the foreign experts working for them cannot relocate to Vietnam due to strict travel bans. A significant number of firms are also unable to go overseas to conduct commercial and trading activities as planned. Numerous cases said that their operations were heavily interrupted or fell into stagnation. Some had to stop operating or even shut down the whole business under the impact of the pandemic. Many are on the brink of bankruptcy due to the abrupt contraction in consumption demand, which has led to a sharp fall in revenue as well as the rising risks of debt collection and insolvency.

The top difficulties faced by private enterprises during the COVID-19 pandemic, as illustrated by the proportion of affected businesses, include access to markets and customers (50%), cash flow (46%), availability of employees (38%), and disrupted supply chains (33%). The pandemic has also caused major disturbances to FDI enterprises in similar aspects, namely access to markets and customers (63%), cash flow (42%), disrupted supply chains (41%), and availability of employees (34%).

Our study also delves deeper into the impacts of the pandemic on employment. While grappling with the multitude of challenges posed by the pandemic, 35% of private enterprises and 22% of FDI enterprises have made the very difficult decision to reduce their workforce. Among domestic private enterprises, micro and small-sized private enterprises are the most likely to shed workers during the pandemic, with 36% and 35% of firms having laid off staff, respectively. In the FDI sector, labor redundancies were observed in both medium-sized (26%) and large-sized enterprises (32%). When classified by sector, domestic private businesses in information & communication services, along with manufacturers of motor vehicles and leather are leading the pack in terms of lay-off rate. Among FDI enterprises, the option of laying off workers is most chosen and executed by companies in information & communication services, as well as manufacturers of leather and wood products.

The results show that the Central Coast region has the largest proportion of FDI enterprises laying off employees (28%). This is also the region with the second-highest percentage of private enterprises cutting staff so far (37%), only after the Northern Mountainous region (43%). By contrast, enterprises in the Mekong River Delta seem to have the smallest layoff rates though the numbers remain relatively high in value: 29% of private enterprises and 14% of FDI enterprises in the region have implemented this measure due to the worsened business situation caused by the COVID-19 pandemic. On a national scale, domestic firms averagely released a median of 3 employees per firm (the median value). Provided that some particular private enterprises have made massive redundancies, the average number of laid-off workers in private enterprises increases to 10. The mean and median values calculated for FDI firms are 4 and 38 employees, respectively. For enterprises that provided information on firm size and the number of laid-off employees, general estimates show that laid-off employees account for about 30% of the total workforce. In particular, private firms have laid off nearly 32% of the average workforce, while the figure for FDI firms is roughly 17%. Micro and small-sized enterprises, including both private and FDI enterprises, rank top with the highest proportions of laid-off employees. Specifically, small-sized private enterprises have been forced to lay off about 40% of the workforce. For small FDI firms, this figure is 22%.

BUSINESSES' RESPONSE IN THE WAKE OF THE COVID-19 PANDEMIC

One of the main objectives of this study is to examine firms' response to the COVID-19 crisis. Most businesses have claimed to implement one or more measures to minimize the harmful effects of the pandemic. A dominant share of 92% of private enterprises and a similar super-majority of 96% of FDI enterprises noted that they have taken at least one of the relief measures. 57% of private enterprises and 71% of FDI enterprises confirmed to adopt the most popular measure of providing staff with hygiene advice and supplies for preventing disease infection. Following that, new and more flexible working methods have been actively deployed in at least 37% of private enterprises and 40% of FDI enterprises. Stockpiling supplies and raw materials are another strategic move taken by many businesses to weather the storm (implemented by one-fifth of private enterprises and nearly a quarter of FDI enterprises). In addition, others have tried to find new/alternative supply chains for operations (as reported by 16% of private enterprises and 24% of FDI enterprises). Notably, 13% of private enterprises and 15% of FDI enterprises have conducted training on digital skills for workers to allow for remote labor and online orders.

ASSESSMENT OF GOVERNMENT SUPPORT POLICIES TO HELP BUSINESSES OVERCOME THE COVID-19 PANDEMIC

In the very difficult context where the pandemic and natural disasters pose double hit to the country, despite being subject to a string of tight budget constraints, the Government of Vietnam has acted decisively and timely issued many relief policies to support businesses affected by COVID-19. Right from the beginning of the outbreak, the Prime Minister released Directive No.11/CT-TTg dated March 4th, 2020 on urgent tasks and crucial solutions to address difficulties in production and business and ensure social security in response to the COVID-19 pandemic. The government then promulgated Decree No.41/2020/ND-CP dated April 8th, 2020 on the extension of the time limit for payment of tax and land rental; Resolution No.42/2020/NQ-CP dated April 9th, 2020 on relief measures to support people vulnerable to the COVID-19 pandemic, Resolution No.154/NQ-CP, and Decision No.32/2020/QĐ-TTg... According to VCCI's review reports, in order to speed up the implementation of Directive No.11, relevant ministries, branches, and local authorities had quickly stepped in and issued around 95 guiding documents on the measures to eradicate hurdles in the production and business activities of enterprises. As part of efforts to remedy the consequences of the pandemic, drastic policy moves have been implemented with large-scale support packages, focusing on three major pillars: (i) monetary policies which hinge on debt restructuring, interest rate exemption and reduction, and credit support worth a total of VND 250 trillion; (ii) social assistance programs to ensure social security which are worth VND 62 trillion; (iii) fiscal policies which largely focus on the extension of tax and land rental payment with a total budget of VND 180 trillion; and (iv) a support scheme to help enterprises pay salaries for staff which is worth VND 16 trillion... Within the scope of the report, the research team will present an in-depth assessment of the ease of accessing information on support policies and the usefulness of some particular business relief measures. The policies of interest include interest rate reduction, loan payment extension, provision of zero-percent interest rate loans to pay salaries for staff, extension of payment due dates for value-added tax (VAT), corporate income tax (CIT), and land rental, delayed payment of social insurance (SI), health insurance (HI) and unemployment insurance (UI) as well as trade union fees...

The results reveal that tax policies, particularly the extension of CIT payment and VAT payment, are considered the easiest to access. On the other hand, enterprises rated the scheme of providing loans with a zero percent interest rate to pay salaries for staff as the most difficult to access. If classified by economic sector, large or medium-sized private firms tend to have positive assessments of the accessibility of support policies.

With regard to the usefulness of government support policies, the top three highly rated policies include the extension of payment periods for VAT, CIT and land rental. Although enterprises unanimously complained about the difficult access to the zero-interest loan scheme from which they can borrow to pay salaries for staff, they still expressed high expectations for the program. Private enterprises are fairly positive about government efforts and tend to have a more optimistic view on the utility of support policies than FDI firms as all of the mentioned policies received over a high rating score of 75% for the question regarding how useful they are. In general, the survey results show that firms with easier access to information on support policies are more likely to acknowledge the usefulness of the policies.

Indeed, business support for government anti-pandemic measures remains very high although firms are still struggling to stay afloat amidst the devastating consequences of the pandemic and a considerable number of them are facing major barriers in accessing support policies. In two distinctive scenarios where a hypothetical outbreak might take place at a low (25%) and high probability (75%), business support for government's prevention policies to contain the pandemic is extremely high. In the first case which supposes there is a 75% probability of a second wave of new COVID-19 infections, as it actually happened later in late July 2020, 85.9% of private enterprises and 87.5% of FDI firms are in favor of further lockdown measures. In the second case where there is only a 25% probability of a second wave of new COVID-19 infections, 84.3% of private enterprises and 85.2% of FDI enterprises show support for strict social distancing policies as what had been done in March/April 2020. Obviously, the collective spirit of community, resilience and support is shining through the way the government and businesses have pulled together in response to the threat of COVID-19.

ESTIMATES OF BUSINESS PERFORMANCE IN 2020

The COVID-19 pandemic has caused severe revenue downturns in businesses in 2020. Specifically, a similar share of private enterprises (65%) and FDI enterprises (62%) forecast revenue declines compared to the year before. The proportion of firms reporting a decline in sales and revenue appears to be positively correlated with the number of years in operation as older firms tend to possess a more pessimistic revenue outlook. The rate of revenue decline is inclined to be higher in private micro, small and medium-sized enterprises. On the other hand, for FDI enterprises, revenue fall seems to occur more in large-sized firms. Also, according to the survey results, revenues of domestic private enterprises might expect to shrink by 36% on average while the loss for FDI enterprises can be up to 34%.

BUSINESSES' POLICY RECOMMENDATIONS

While answering the survey's questionnaire, businesses also raised their opinions about the relief measures that government agencies might need to push forward. In addition to the direct solutions previously issued by the government, ministries, branches, and local authorities such as tax exemption and reduction, tax deadline extension, interest rate cuts, or business-related cost reduction, many businesses also mentioned more long-term policy options. For example, the government is advised to increase public investment, resume and complete infrastructure works, and implement essential stimulus packages to bolster economic recovery. Several firms believed that long-term macroeconomic policies need to put a high premium on the development of domestic markets and the strengthening of linkages between domestic businesses and consumers. More importantly, enterprises also called on an urgent need to finetune legislation, overhaul the judicial system and remove bottlenecks in administrative procedures to improve the business environment. Apparently, while solutions for tax, fees, and credit access issues have not had much room left for practical implementation due to government budget constraints, measures to reform administrative procedures are generally easier to implement, not to mention that they have been significantly promoted in recent years. Once again, the opinions of the business community gathered through the survey underscore the critical importance of administrative procedure reform and the improvement of law enforcement efficiency in creating an enabling and supportive business environment for the sustainable recovery of businesses under the pressures of the global COVID-19 pandemic.

Given the above proposals of businesses, which have been voiced through the 2020 Business Survey, the Vietnam Chamber of Commerce and Industry (VCCI) suggests a number of recommendations in order to support businesses to recover their production and business as well as counter the undesirable effects of the pandemic as follows:

- Ministries, branches, and local authorities need to continuously raise public awareness of current business relief measures while conducting efficient policy marketing efforts through effective government communication and dissemination of information to facilitate businesses' access to the in-effect support and resilience packages. In particular, it is necessary to construct purposeful, direct, explicit, and systematic instructions on administrative procedures and processes that can be introduced to businesses in a simple and easy-to-implement manner.
- Furthermore, ministries, branches, and local authorities need to actively supervise and keep track of the implementation progress of promulgated policies in practice. Special care needs to be taken when detecting issues and shortcomings in the implementation process so that policymakers can propose timely adjustments or come up with more appropriate solutions to support all businesses regardless of time and industry. Nevertheless, we recommend that businesses in industries severely damaged by the COVID-19 pandemic be placed at the heart of all policy moves. It is vital to pay more attention to micro and small-sized enterprises given the poor resilience of this group of businesses. The study refers to some additional measures that other countries are currently applying, such as providing financial support for businesses that retain a large scale of employment; or funding training costs to improve the skills and qualifications of workers.

- Another crucial step is to introduce policies that can promote Vietnam's support industries and services toward the direction of reducing national dependence on external supply and the manual job of doing outsourced works. Moreover, the government might consider shifting to some higher value-added industries as the rise of these sectors often promises a better position for Vietnam in global supply chains. Coming with them are bigger opportunities for the country to benefit from FTAs that specifically require a high ratio of domestic/intra-regional contents in products. The COVID-19 pandemic is unleashing a huge opportunity for Vietnam to realize this goal as the country's major partners such as Japan, the US, the EU, or Australia... are looking for suitable locations to place part of their supply chains after moving them out of China. With a number of new-generation FTAs such as CPTPP and EVFTA that the country has recently concluded, Vietnam might have a better chance to be chosen if the government can set out clear objectives and adopt effective policies to serve the goal. In the end, they should result in an enabling business environment that can facilitate the development of Vietnamese enterprises and promote attraction of investment from the above-mentioned partners into key target industries/ areas for Vietnam's economic growth.
- There should be support schemes to forge more favorable conditions for the operation of Vietnamese private enterprises so that they can survive and flourish after the COVID-19 pandemic. Of special interest are innovation and training of high-quality human resources which allow enterprises to be more readily prepared for new competitions. This is as equally important as saving struggling businesses since it will help the business community and the economy as a whole get back on track quickly and recover their growth prospects to enter a higher stage of development. This also helps businesses open the door to new opportunities in the new context.
- Relevant ministries and departments need to proactively study and propose to the government and the Prime Minister suitable, country-specific relief measures, including support packages to help enterprises recover and expand investment scale for the planning period from 2021 to 2025. According to forecasts, the COVID-19 pandemic will continue to exert serious impacts on a global scale in the coming time. Thus, the country is clearly in need of more long-term oriented policies.
- Finally, it is necessary to share and take in effective models as well as the best practices in coping with the COVID-19 pandemic, then replicate them on a wide scale. For ministries, branches, and local authorities, experiences in implementing business support policies might be the most important input. Meanwhile, business associations often seek to learn about effective pandemic response experiences based on the knowledge that businesses have gained through survival in the difficult context of the COVID-19 pandemic. Particular emphasis should be placed on lessons about choosing markets and partners, setting up business relations, or directing investment into building core "internal strengths" of enterprises to increase resilience to shocks. With various information-sharing forums and channels, stakeholders in different industries can look back on what has happened together and predict what might happen in each field, thereby discussing new directions to strengthen cooperation and joint efforts to go further together in the coming time...

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BACKGROUND

The COVID-19 pandemic as a global shock has marked the year 2020 with various far-reaching global impacts. As of December 31st, 2020, the world has surpassed 83 million confirmed infections and this pandemic has taken the lives of over 1.8 million people in 235 countries and territories. In many countries, the COVID-19 wave still continues and persistently breaks records for the number of infections and deaths per day.

While posing a health risk to the community, the COVID-19 pandemic has plunged the global economy into a severe contraction. This pandemic has disrupted supply chains, narrowed both aggregate supply and demand, and increased financial risks to many economies. A record wave of corporate bankruptcies is taking place all over the world, with a cumulative increase in global insolvencies of up to 35 percent between 2019 and 2021. This is followed by a tidal wave of job cuts among workers. In September 2020, the World Labor Organization calculated the global loss of working hours for the third quarter of 2020 as 12.1%, equivalent to 345 million full-time jobs. In the Global Economic Outlook Report released in June 2020, the World Bank predicted that the world economy could experience a negative growth and fell by 5.2% in 2020, representing the deepest economic recession since the Second World War.

Vietnam is no exception in the wake of the COVID-19 pandemic. As soon as the first case was discovered in Vietnam on January 23rd, 2020, the government immediately took urgent and aggressive action to contain the pandemic. Along with the implementation of medical and biosecurity measures to prevent the spread of the pandemic, many other strong measures have been applied such as strict border control, restriction on international routes and some domestic routes, application of strict social distancing on March 3rd-4th, 2020. With many measures already in place, Vietnam has successfully controlled the first wave of the COVID-19 pandemic. Thus, social distancing measures have been gradually relaxed since May 2020. However, after the initial achievements, the second wave of COVID-19 infections suddenly returned on July 25th, 2020 with the discovery of a new infection after 99 days in a row without new transmissions among the community. The government had to re-apply the measures to control the pandemic but according to the current level of risk with more effective and closer coordination between departments at all levels. As of December 31st, 2020, Vietnam has recorded 1,456 COVID-19 cases so far, with 35 deaths.

Even in the early months of 2020 when the first COVID-19 wave took place in Vietnam, this pandemic had some negative impacts on the economy as well as on the production and business activities of enterprises. The Report on the Socio-economic situation in April and the first 4 months of 2020 published by the General Statistics Office (GSO) on April 27th, 2020, showed that the index of industrial production recorded for the first four months of 2020 was only 1.8% higher than that of the same period last year, which was the smallest year-on-year increase in recent years. In the first four months of the year, there were only 37.6 thousand newly established enterprises nationwide, down 13.2% compared with the same period in 2019. In comparison with the same period of the period 2015-2020, this was the first time the number of newly established businesses declined. The total additional registered capital flowing into the economy in the first four months of 2020 was VND 1,126,164 billion, down 20.4% over the same period in 2019. Up to 41,755 enterprises withdrew from the market, up 5.6 % over the same period in 2019, of which 22.7 thousand enterprises registered to suspend operation for a definite period, up 33.6% over the same

period last year. The consumption of goods and consumer spending decreased sharply. Many accommodations, catering and travel establishments had to temporarily close down during the period of social distancing. Total retail sales of consumer goods and services in April was estimated to decrease by 26% over the same period last year (it increased by 10.3% in the same period in 2019). Generally, for the first four months of 2020, total retail sales of consumer goods and services would decrease by 4.3%. In the first four months of the year, passenger transport volume only reached 1,231.3 million passengers, down 27.5% over the same period in 2019, and transited 57.4 billion passengers-kilometers, down 30.6% over the same period in 2019. The Report of the First Round of COVID-19 Business Pulse Survey in the first quarter of 2020 published by the Vietnam Chamber of Commerce and Industry in May 2020 showed that the financial health of firms fell sharply from 56 points in the fourth quarter of 2019 down to 19.9 points in the first quarter of 2020, which is the lowest level in the past 10 years. Up to 90% of businesses could not meet their business targets and plans for the first quarter of 2020. The main difficulties faced by enterprises are shrinking consumption markets, lack of capital or cash flow for business and operations, lack of supply of input materials for production and business activities, and shortage of suitable labor...

When the first wave of the COVID-19 pandemic appeared in Vietnam, the Vietnam Chamber of Commerce and Industry (VCCI) and the World Bank in Vietnam (WB) discussed and quickly agreed to find out about the impacts of the COVID-19 pandemic on businesses. This matter of concern was later integrated into the Provincial Competitiveness Index (PCI) Survey 2020. This is the largest annual business survey using random sampling in Vietnam from 2005 to date, developed and implemented by VCCI with the support of the United States Agency for International Development in Vietnam (USAID). PCI survey collects information from businesses to provide a ranking-based evaluation of provincial economic governance and the ease of the investment and business environments in 63 provinces and cities of Vietnam to promote the development of the private sector. With about 10,000 enterprises from all provinces and cities participating in the survey annually and randomly selected based on the business characteristics representing each locality, the PCI Survey is a suitable tool to collect information about the impacts of the COVID-19 pandemic on enterprises in Vietnam from many different perspectives.

OBJECTIVES

This study was jointly agreed by VCCI and WB to (1) Investigate the impact of the COVID-19 pandemic on business activities and operations of enterprises in Vietnam; (2) Examine the coping capacity of businesses; (3) Collect businesses' assessment of the ease to access policy information as well as the usefulness of some government support policies recently issued to help enterprises overcome difficulties caused by the COVID-19 pandemic. The study will provide valuable information to finetune the process of planning, elaborating, and implementing State policies so as to reduce the adverse impacts of the COVID-19 pandemic and create more favorable conditions for businesses to recover and stabilize operations in the new normal context.

METHODOLOGY

The questions about the impact of the COVID-19 pandemic are integrated into the PCI Survey Questionnaire. Thus, it also applied the same survey methodology. Specifically, the PCI survey conducted stratified random sampling based on the list of businesses generating taxes in each province/city sourced from the competent tax authorities. This helps to ensure a more comprehensive representation of the business population by region. Accordingly, the overall list of enterprises operating in each province or city would be synthesized and grouped by legal type, industry of operation, and years in operation. Enterprises were randomly selected by a computer software in proportion to each of the above groups in each province or city.

From the selected sampling list, the research team verified the address and phone number of the enterprises and then proceeded to send survey forms to them. To improve the response rate, the research team conducted thorough training for the collaborators on the content of the questionnaire and in communication skills to connect with the enterprises. In this survey, the research team also paid great attention to the design of a professional questionnaire. The team also prepared an electronic copy, a printed copy, and a complete invitation letter with information about survey objectives and survey agencies to strengthen businesses' confidence level.

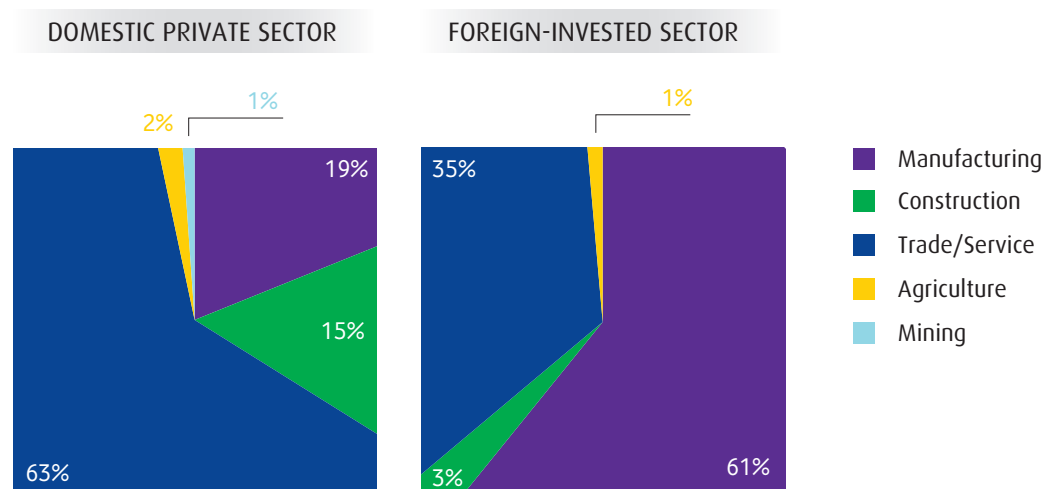
CHARACTERISTICS OF PARTICIPANT BUSINESSES

The total number of respondents participating in the 2020 Business Survey is 10,197 enterprises. Of which, 8,633 are from the domestic private economic sector (private enterprises) and 1,564 are operating in the foreign-invested sector (FDI enterprises). The following section describes the characteristics of the surveyed enterprises by two-digit industrial sector, years in operation, capital stock, firm size, and by region where the business is operating. Basically, the characteristics of the surveyed enterprises are quite consistent with the current statistics on enterprises in Vietnam.

Figure 1.1 depicts the distribution of survey respondents by two-digit industrial sector. Among private enterprises, 63% are operating in trade and services. Meanwhile, 19% are working in manufacturing industries and 15% are doing construction jobs. Firms in agriculture/forestry/fishery or mining sectors only account for trivial shares of 2% and 1% of total respondents, respectively. Among FDI enterprises, businesses operating in manufacturing industries make up the largest proportion with 61%. Next is businesses doing trade and services with a remarkable percentage of 35%. FDI enterprises operating in the construction and agriculture/forestry/fishery sectors occupy marginal percentages of 3% and 1% of total respondents, respectively.

FIGURE 1.1

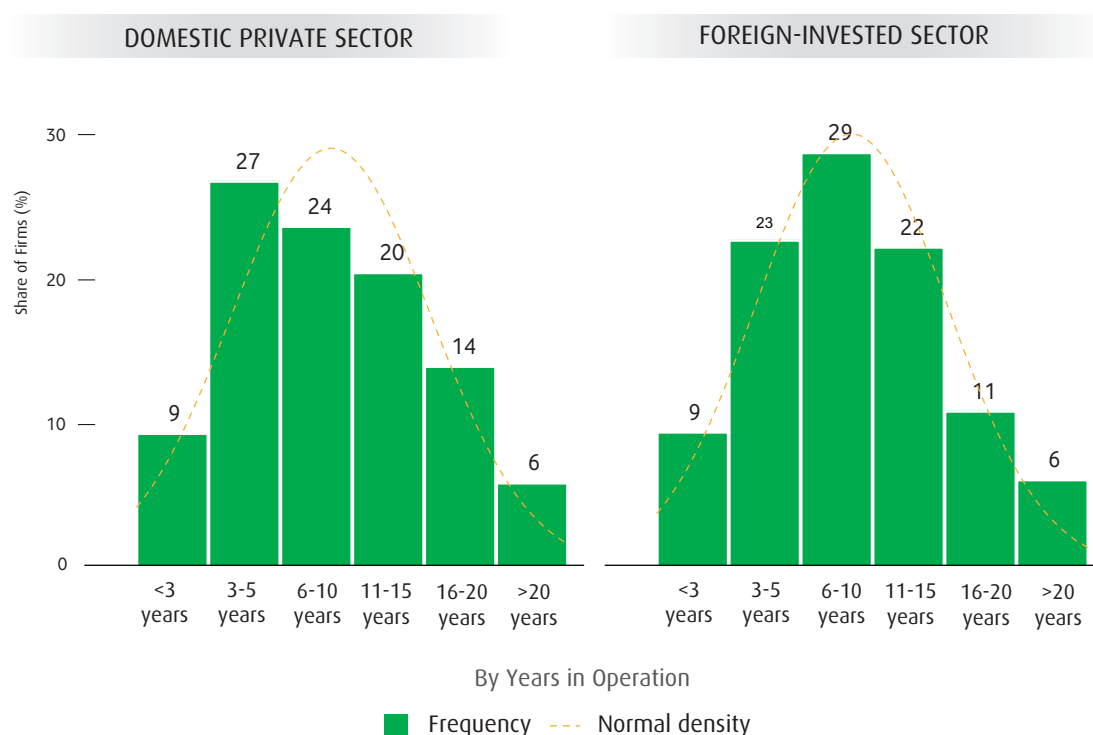
Main Sectors of Enterprises by Economic Categories



This survey involved both newly established enterprises as well as those with a relatively long history of operations in Vietnam. On average, the number of years in operation of a typical firm in this survey is about 8 years. There is a considerable proportion of private and FDI enterprises that have operated for less than 3 years (9%). Enterprises with more than 20 years of operation account for around 6% of the total respondents of this survey.

FIGURE 1.2

Number of Years in Operation of Enterprises



Most of the surveyed enterprises are micro, small and medium sized enterprises. The figure below illustrates the characteristics of business respondents by capital stock and firm size. In the following analysis sections, enterprises are grouped by micro, small, medium, and large size according to the definition of enterprise classification set out in Decree No.39/NQ-CP dated March 11th, 2018, of the government on detail guidelines for some articles of the Law on Small and Medium Enterprises Support.

FIGURE 1.3

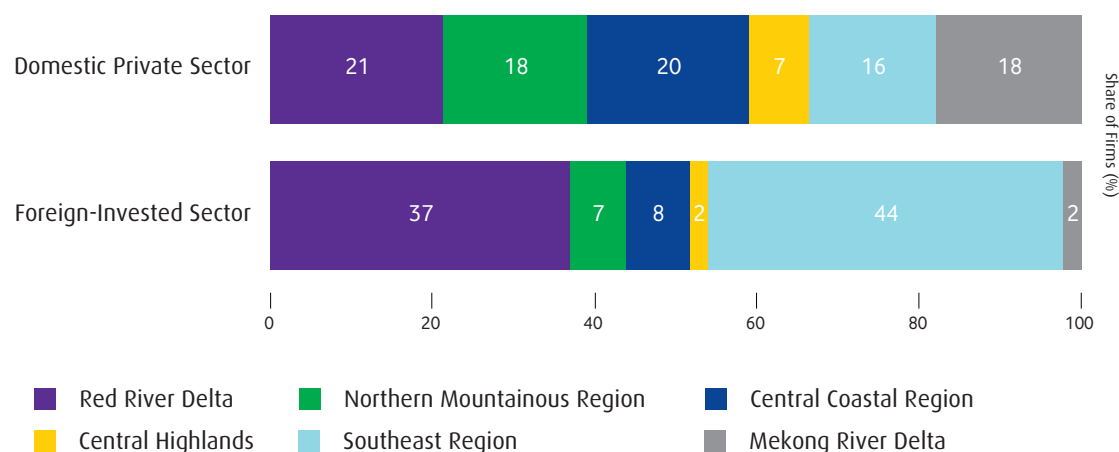
Proportion of Enterprises by Firm Size



As mentioned in Section 1.3 Methodology, the survey sampling was stratified on provinces and cities and the response data specific to each location will be shown in the appendix. For each particular case, we will group businesses by region to describe some of the analysis results. The figure below shows the distribution of business respondents across six regions in Vietnam.

FIGURE 1.4

Distribution of Enterprise by Region





THE IMPACT OF THE COVID-19 PANDEMIC AND BUSINESSES' RESPONSE

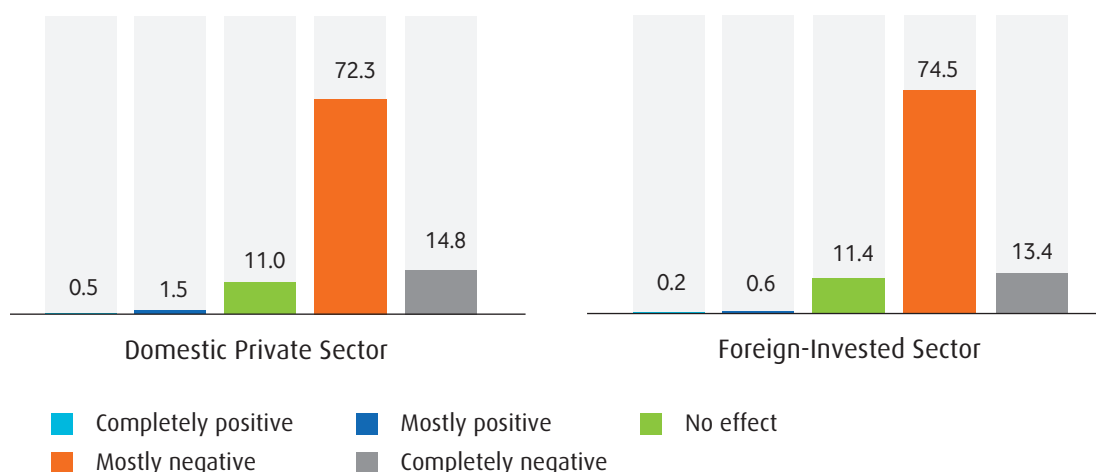
Overall Impacts	30
Specific Impacts	38
The Impacts on Employment	42
Businesses' Response to the Pandemic	50

OVERALL IMPACTS

The survey started with a general question asking enterprises whether and to what extent the COVID-19 pandemic has put an impact on their businesses. The response incorporates a five-point scale denoting the level of impact for businesses to choose, including: (1) Completely positive; (2) Mostly positive; (3) No effect; (4) Mostly negative; and (6) Completely negative. 87.2% of the surveyed enterprises affirmed they were suffering from "mostly" or "completely negative" impacts. Of which, 72.6% of enterprises claimed that the impacts of COVID-19 were "mostly negative" and 14.6% chose the "completely negative" option. Only 11% said they saw "no effect at all" and nearly 2% noted a "mostly positive" (1.3%) or "completely positive" (0.5%) impact on their businesses. The difference in the evaluation of the COVID-19 effects between private and FDI enterprises is negligible, as a similar proportion of private enterprises (87.1%) and FDI enterprises (87.9%) reported that they have experienced "mostly" or "completely negative" impacts caused by the COVID-19 pandemic. Although the survey has just been concluded in December 2020, these results are quite consistent with the early statistics announced by the General Statistics Office on April 27th, 2020, in which 85.7% of enterprises were reported to be negatively affected by the COVID-19 pandemic. It implies that the COVID-19 pandemic has exerted rather persistent impacts on the businesses in Vietnam.

FIGURE 2.1

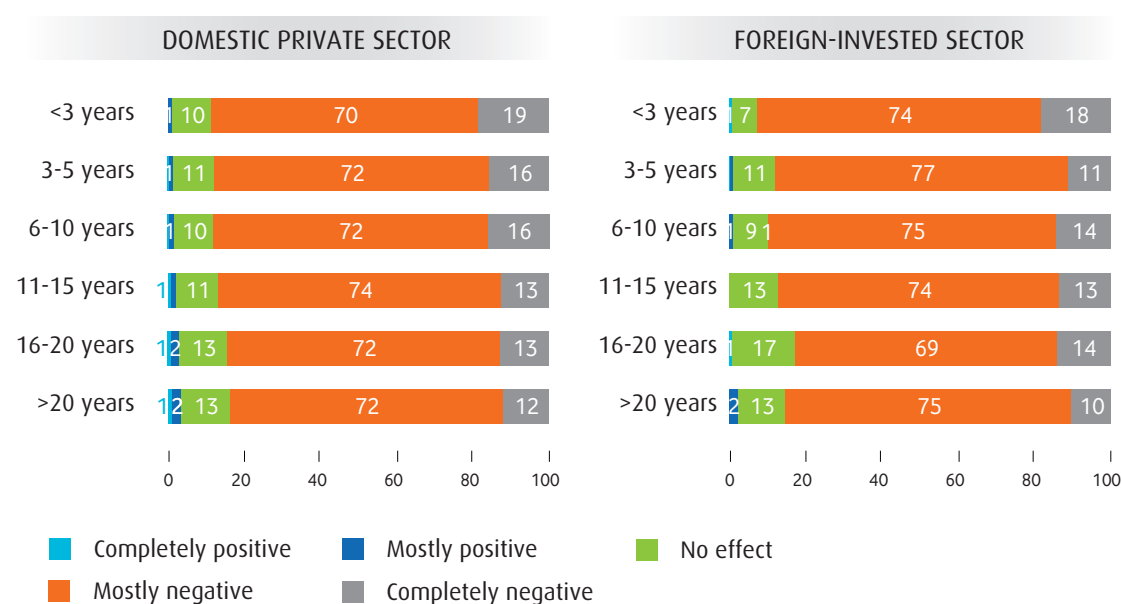
Overall Impacts of COVID-19 on Enterprises



The survey results show that newly established businesses are the group most severely affected. Specifically, 89% of private enterprises and 92% of FDI enterprises that have just launched their operations for less than three years are largely or completely affected by the COVID-19 pandemic. The proportion of businesses enduring mostly/completely negative impacts tends to decrease as the number of years in operation increases. Paradoxically, a record high of 84% of private enterprises and a similar share of 85% of FDI enterprises that have been in operation for more than 20 years are still found significantly or completely affected by the COVID-19 pandemic.

FIGURE 2.2

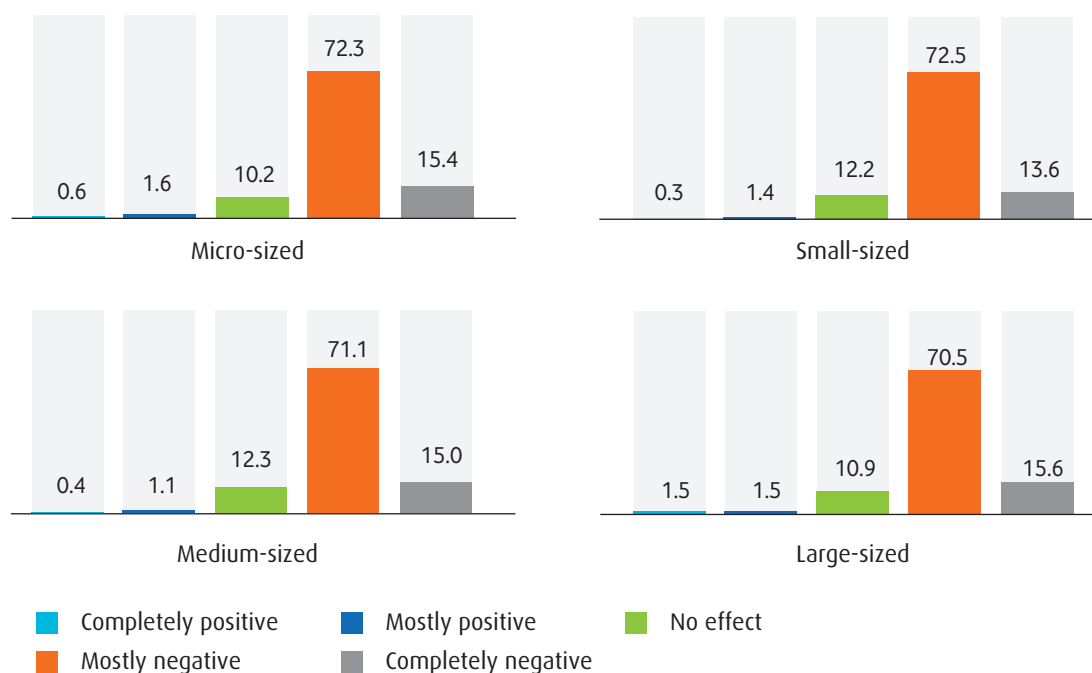
Overall Impacts of COVID-19 on Enterprises by Years in Operation



87.7% of micro private enterprises reported negative experiences during the year, which represents the greatest proportion of firms suffering from mostly/ completely negative impacts caused by the pandemic in the private sector. The remaining group of businesses has a slightly lower percentage of enterprises negatively affected by COVID-10, at 86.1%.

FIGURE 2.3

Overall Impacts of COVID-19 on Domestic Private Enterprises by Firm Size



Small-sized FDI enterprises suffer most from the COVID-19 pandemic, with 89.3% of respondents reporting to mostly/completely negative experiences over the past twelve months. 88% of large-sized FDI firms report to be severely impacted by the pandemic, being the second-largest rate in this regard. The shares of negatively affected firms recorded for the two remaining groups: small & medium-sized enterprises and micro enterprises were slightly lower, at 87.3% and 87.2% respectively.

FIGURE 2.4

Overall Impacts of COVID-19 on Foreign-Invested Enterprises by Firm Size

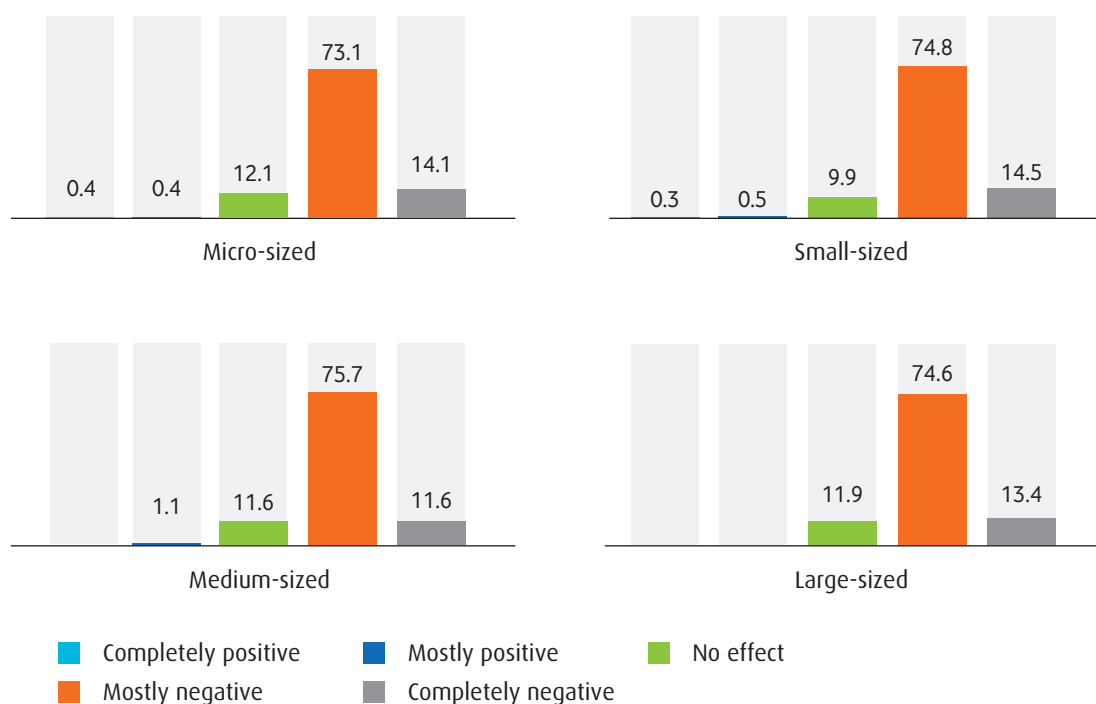


Figure 2.5 provides more detailed information about the proportion of firms suffering from mostly/completely negative impacts of the COVID-19 pandemic by two-digit industrial sector and by economic sector. Industries with the largest proportions of private enterprises negatively affected by COVID-19 include textiles and garment (97%), information and communication services (96%), and electronic equipment manufacturing (94%). On the other hand, industries that record the lowest percentages of private businesses enduring negative impacts of the pandemic include real estate (76%), mining (80%) and other services (81%). It is noticeable that the average value of the rate of affected firms still hovers around 80%. In the FDI sector, industries that have a high proportion of injured FDI enterprises due to the pandemic include real estate (100%), information and communication services (97%), agriculture/fishery (95%). Industries that appear to suffer the least and have a much lower proportion of enterprises choosing the “mostly/completely negative” options include paper manufacturing (76%), finance and insurance (80%), and rubber/plastic manufacturing (82%). It is noteworthy that each of the above-mentioned two-digit industrial sectors comprises multiple sub-sectors. As an illustration, according to the Vietnam Standard Industrial Classification, information and communication services consists of publishing activities, motion picture, broadcasting activities - television program production, computer programming activities, and information service activities. Therefore, the impacts of the COVID-19 pandemic on each of these particular economic activities will differ considerably. Within the Information and Communication section, computer programming activities are likely to suffer less than the rest.

FIGURE 2.5

Overall Impacts of COVID-19 on Enterprises by Two-Digit Industrial Sector

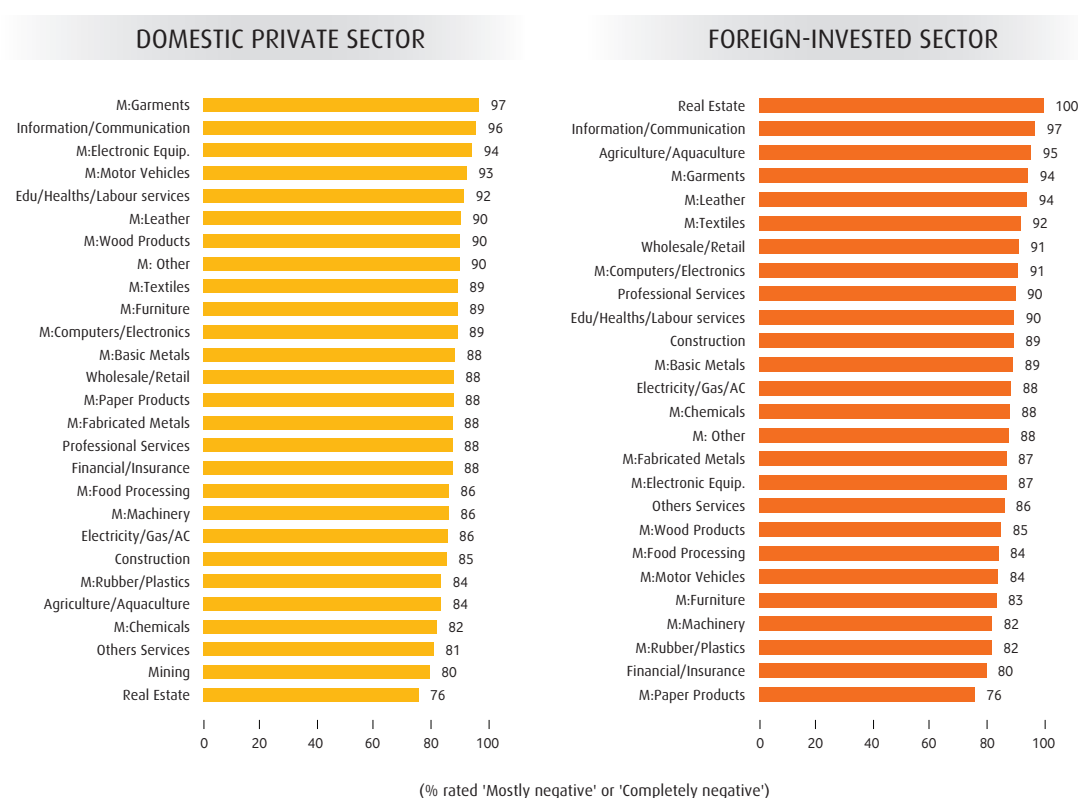
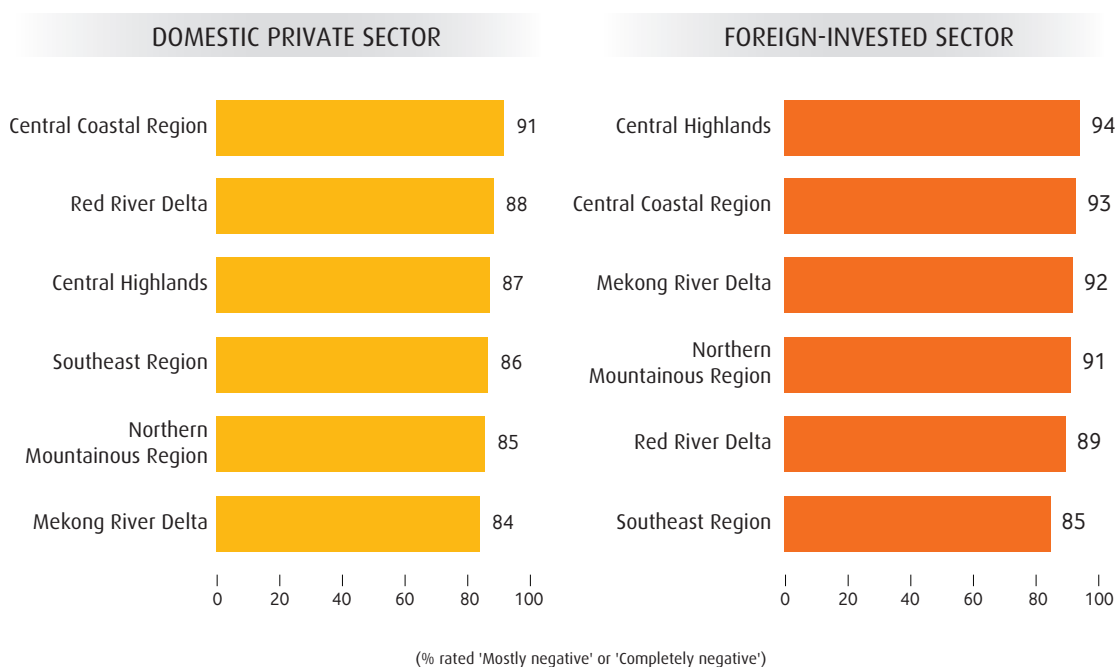


Figure 2.6 demonstrates the negative effects of the COVID-19 pandemic by region. For private enterprises, the Central Coast region is the region that reports the highest percentage of affected businesses, at 91%, whereas the Mekong River Delta has the smallest proportion of severely impacted businesses among all, though it still reached a high of 84%. For FDI enterprises, 94% of the FDI enterprises in the Central Highlands said they suffer from the blow of the COVID-19 pandemic, which is also the highest value recorded for a region. Conversely, the Southeast Region has the tiniest share of FDI enterprises reporting experiences of business set-back due to COVID-19 compared to other regions, at 85%.

FIGURE 2.6

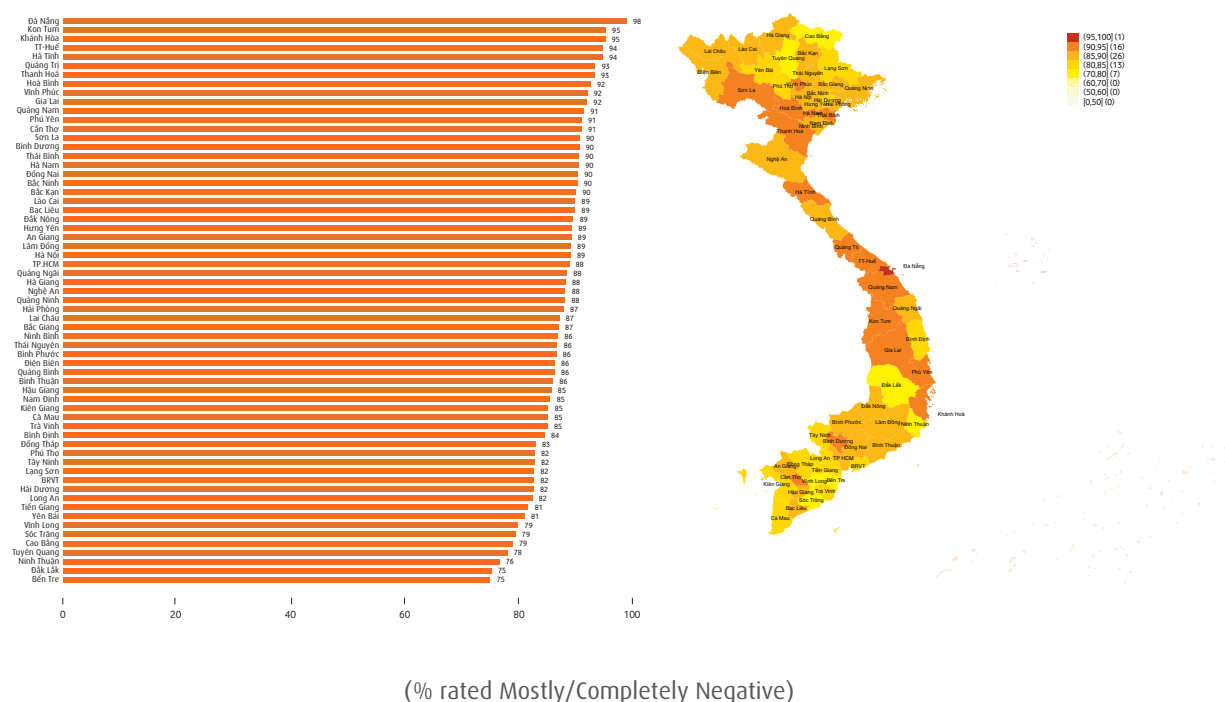
Overall Impacts of COVID-19 on Enterprises by Region



The figure below presents in more detail the proportion of firms negatively affected by the COVID-19 pandemic by province/city that is directly under the management of the central government. This figure only shows data of private enterprises since the survey of FDI enterprises only covers 21 provinces and cities where the density of FDI enterprises is sufficiently large to conduct the survey. According to the survey results, Da Nang, Kon Tum and Khanh Hoa are the three cities where the rates of private enterprises badly impacted by the pandemic were most significant (a lion share of 98% and 95% of firms were recorded for Da Nang and Khanh Hoa, respectively). Provinces that report much lower proportions of enterprises adversely impacted by the pandemic include Ben Tre, Dak Lak (75%), and Ninh Thuan (77%), though these remain relatively large numbers.

FIGURE 2.7

Overall Impacts of COVID-19 on Domestic Private Enterprises by Province



SPECIFIC IMPACTS

For businesses that have selected the “mostly negative” or “completely negative” options, the research team suggested these firms provide more information about the specific areas on which the COVID-19 pandemic has had an impact to gauge the extent to which they have been impacted by the COVID-19 pandemic. A wide range of common issues was raised, such as supply chain, customer and market access, employment/workforce, and cash flow.

The COVID-19 pandemic has wreaked havoc on businesses on several fronts, resulting in various multifaceted effects and a plethora of challenges to business performance. As regards the biggest obstacles, the vast majority of enterprises have blamed the global pandemic for squeezing access to markets and customers, exhausting cash flow and impairing the availability of employees for operations. Apart from the widely perceived threat of disrupted supply chains, businesses also whined about other undesirable outcomes, such as the reduction of manufacturing orders, decreased output, delay and extension of investment projects, and even the cancellation of ongoing/upcoming projects. Some even incur exorbitant costs for preventing the infection of COVID-19 virus. Several businesses face with technical difficulties in operations because the foreign experts working for them cannot relocate to Vietnam due to strict travel bans. A significant number of firms are also unable to go overseas to conduct commercial and trading activities as planned. Numerous cases said that their operations were heavily interrupted or fell into stagnation. Some had to stop operating or even shut down the whole business under the impact of the pandemic. Many are on the brink of bankruptcy due to the abrupt contraction in consumption demand, which has led to a sharp fall in revenue as well as the rising risks of debt collection and insolvency...

FIGURE 2.8

Specific Impacts of COVID-19 on Enterprises

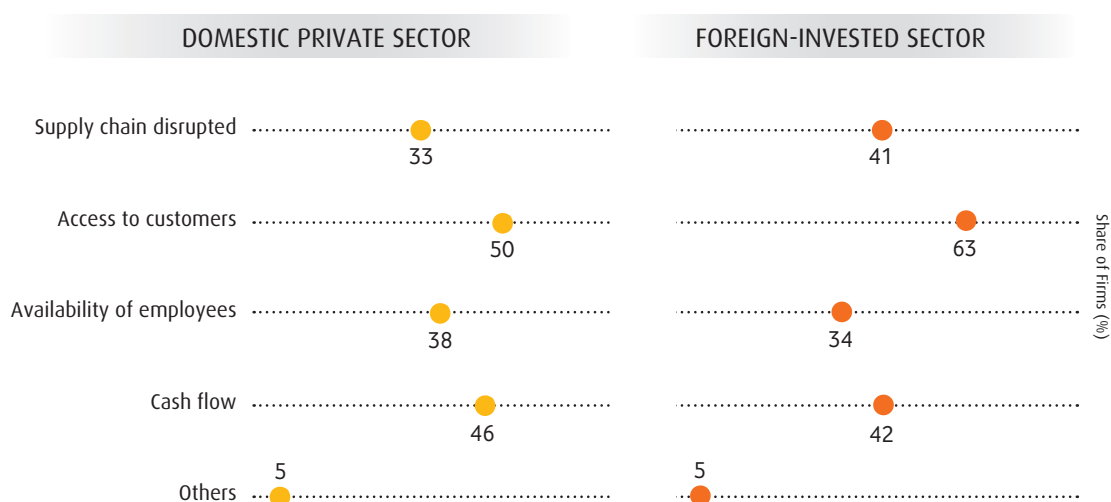


Figure 2.8 depicts the specific impacts of the COVID-19 pandemic on businesses by economic sector. Concerning private enterprises, half of private firms have difficulty in accessing markets and customers while a slightly smaller percentage of 46% encounter problems with cash flow. 38% of the businesses are faced with the reduced availability of the workforce and 33% have to deal with disrupted supply chains. Regarding FDI enterprises, the main difficulties for the businesses primarily lie in access to customers (63%) and cash flow (42%). Meanwhile, 41% and 34% of the enterprises respectively reported having difficulties in keeping their supply chains and labor force stable.

The collected data can help policymakers assess the specific effects of the COVID-19 pandemic according to the size of the firm. For private enterprises, the main difficulty associates to customer access. The only exception is the group of small-sized businesses to which cash flow remains the most worrying problem. As the size of the firm increases, the proportion of businesses facing supply chain disruptions and workforce scarcity also expands.

FIGURE 2.9

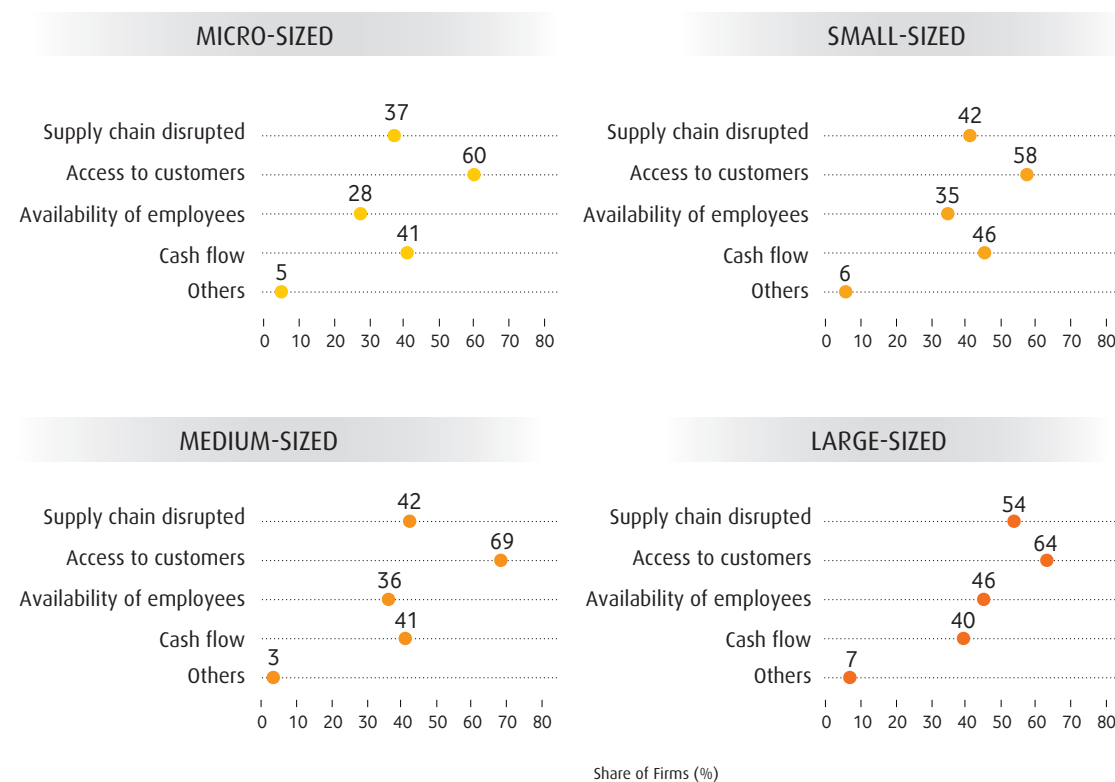
Specific Impacts of COVID-19 on Domestic Private Enterprises



A similar trend is observed for FDI firms as well. The biggest challenge for FDI enterprises in all groups of firm size is caused by obstacles in accessing customers. As firm size increases, the proportion of firms facing supply chain disruptions and reduced availability of workforce also climbs up.

FIGURE 2.10

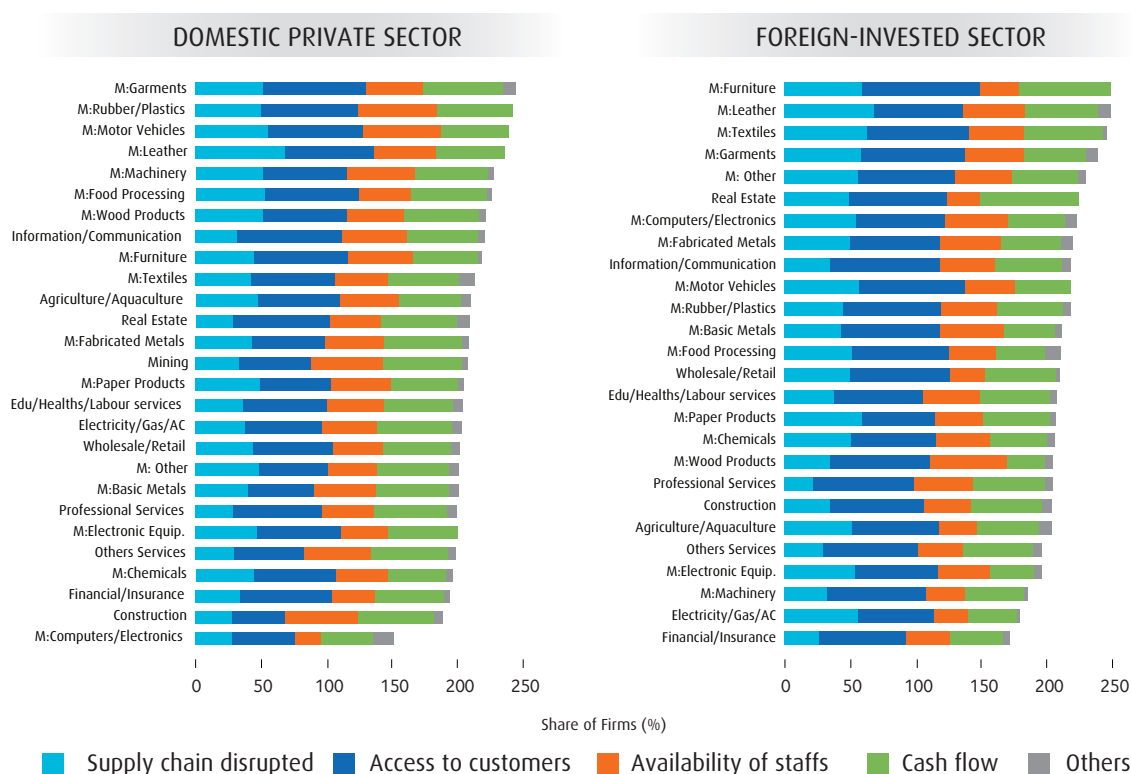
Specific Impacts of COVID-19 on Foreign-Invested Enterprises



The figure below breaks the specific impacts of the COVID-19 pandemic down by two-digit industrial sector. As regards domestic private enterprises, firms in the textile & garment industry, rubber, plastic, and motor vehicle manufacturing industries tend to endure the greatest cumulative effect from the pandemic. For FDI enterprises, manufacturers of wood products, furniture, leather, and textiles report the largest cumulative impact.

FIGURE 2.11

Specific Impacts of COVID-19 on Enterprises by Two-Digit Industrial Sector



BOX 2.1

THE IMPACT OF THE COVID-19 PANDEMIC: A CASE STUDY OF TEXTILE & GARMENT INDUSTRIES

The textile & garment industry is one of the economic sectors that have greatly suffered from the tremendous negative impacts of the COVID-19 pandemic. According to Truong Van Cam - Vice Chairman of the Vietnam Textile and Apparel Association, textile and apparel businesses are exposed to the risk of supply chain disruption and the shortage of raw materials. This happened right from the first quarter of 2020 when the supply of raw materials (mainly from China) was shaken by the pandemic. However, supply chain risks are not the only problem. Consumer demand began to decline sharply from the second quarter of 2020 due to a dramatic contraction in the volume of purchases and orders from major markets such as the US, EU, Japan, and South Korea. Sales volume decreased by about 27% in the second quarter of 2020 and even by 36% in some particular months. This year, Vietnam's textile and garment industry is forecast to fall for the first time after 25 consecutive years maintaining a tremendous growth pace!

Sources: The information is collected from the VnEconomy.

<https://vneconomy.vn/goi-ho-tro-do-covid-ngat-ngheo-qua-nen-tha-khong-duoc-huong-con-hon-20201209235637564.htm>

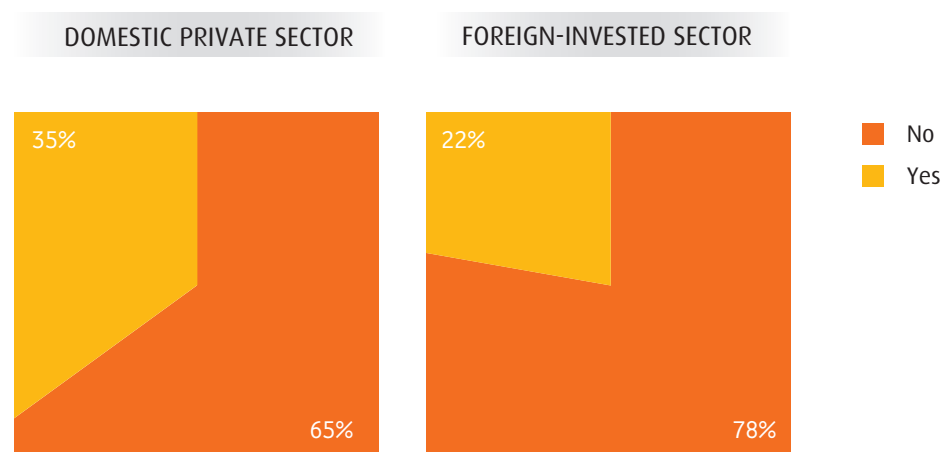
THE IMPACTS ON EMPLOYMENT

Although the topic of employment/workforce has been discussed earlier in the evaluation of the overall impacts of the COVID-19 pandemic, the research team continued to ask enterprises to provide more information on this issue as it is not only a problem faced by businesses but also associated with social security. Based on the information provided by enterprises on the number of employees who were laid off due to the business decline caused by the COVID-19 pandemic, the team can estimate the percentage of enterprises that had to lay off their employees, the average number of laid-off employees per enterprise as well as the proportion of laid-off employees in the total workforce of an enterprise.

The 2020 Business Survey suggests enterprises reveal the number of employees who were laid off due to the declining business performance caused by the COVID-19 pandemic. While grappling with the multitude of challenges posed by the pandemic, 35% of private enterprises and 22% of FDI enterprises have made the very difficult decision to reduce their workforce. Although the impacts of the COVID-19 pandemic remain persistent and severe, there is still a significant proportion of firms that are able to maintain their workforce.

FIGURE 2.12

Share of Enterprises Laying Off Workers Due to COVID-19



BOX 2.2

THE IMPACT OF THE COVID-19 PANDEMIC: A CASE STUDY OF THE TOURISM INDUSTRY

According to Vu The Binh - Vice Chairman of the Vietnam Tourism Association, 2019 was another successful year for tourism, marking a new peak of the industry with more than 18 million international and 85 million domestic tourists coming to the country. The industry alone contributed about 9.2% of the national gross domestic product. However, the COVID-19 pandemic in 2020 has created countless disruptions in the tourism sector, causing a sharp drop in the number of international tourist arrivals to Vietnam, which is expected to only hover around 7 million. Meanwhile, the number of domestic tourists is predicted to plunge to about 50 million. The Vietnamese tourism industry has certainly lost billions of dollars this year. Specifically, the number of employees working in the tourism industry was 2.9 million people in 2019. Nevertheless, from the COVID-19 pandemic up to date, about 90% of workers have to quit their jobs or temporarily stop working. Under the severe impacts of COVID-19, approximately 60% of hospitality businesses and firms are forced to cut capacity or suspend operations while trying to hold on until the pandemic ends. Only about 5% of the businesses can maintain regular jobs in the current situation.

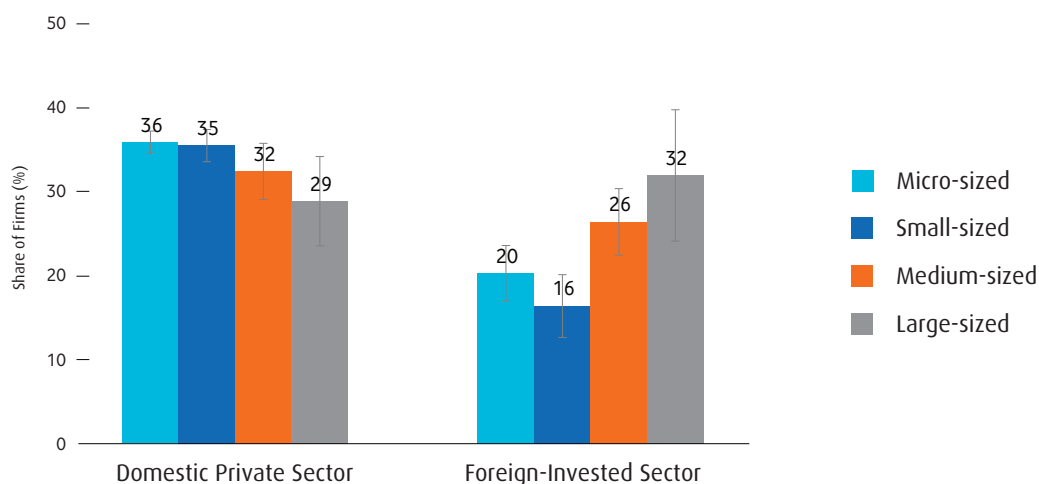
Sources: The information is collected from the *Dau Thau News*.

<https://baodauthau.vn/doanh-nghiep-du-lich-kho-tiep-can-cac-goi-ho-tro-covid-19-post100264.html>

Due to the persistent decline in overall business performance under the pressure of the COVID-19 pandemic, laying off employees is deemed a necessary action for enterprises to cling to during hardships. However, there are certain differences in the behaviour pattern of businesses according to firm size and the industrial sector in which the firm is operating. Among domestic private enterprises, micro and small-sized private enterprises are the most likely to shed workers during the pandemic, with 36% and 35% of firms having laid off staff, respectively. In the FDI sector, labor redundancies were observed in both medium-sized (26%) and large-sized enterprises (32%) with significantly higher lay-off rates than micro and small-sized enterprises.

FIGURE 2.13

Share of Enterprises Laying Off Workers Due to COVID-19 by Firm Size and Economic Sector



Some manufacturing industries record a distinctively high ratio of enterprises laying off staff due to the COVID-19 pandemic. In the private sector, the most affected industries involved firms working in information & communication services, motor vehicle manufacturing, and leather production. With regard to FDI enterprises, the most severely hit sectors include information & communication services, leather production and wood products manufacturing.

FIGURE 2.14

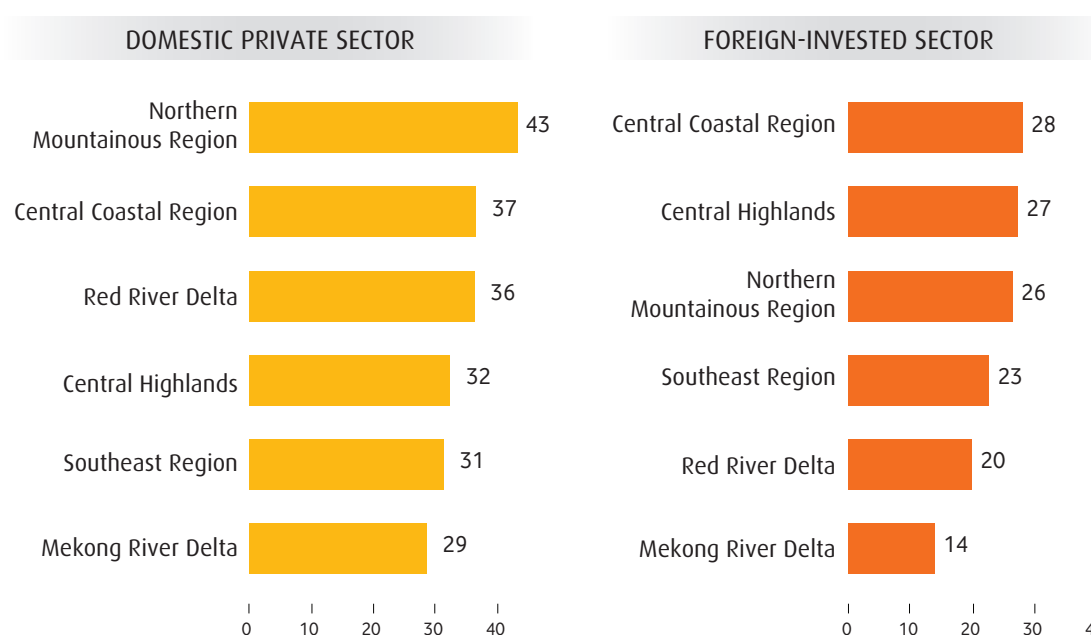
Share of Enterprises Laying Off Workers Due to COVID-19 by Two-Digit Industrial Sector



The results show that the Central Coast region has the largest proportion of FDI enterprises laying off employees (28%). This is also the region with the second-highest percentage of private enterprises cutting staff so far (37%), only after the Northern Mountainous region (43%). By contrast, enterprises in the Mekong River Delta seem to have the smallest layoff rates though the numbers remain relatively high in value: 29% of private enterprises and 14% of FDI enterprises in the region have implemented this measure due to the worsened business situation caused by the COVID-19 pandemic.

FIGURE 2.15

Share of Enterprises Laying Off Workers Due to COVID-19 by Region



The number of employees who were laid off in each enterprise under the pressure of the COVID-19 pandemic, classified by economic sector, was calculated using the data of enterprises agreeing to provide information in this regard. On a national scale, domestic firms averagely released a median of 3 employees per firm (the median value). Provided that some particular private enterprises have made massive redundancies, the average number of laid-off workers in private enterprises nationwide increases to 10. The mean and median values calculated for FDI firms are 4 and 38 employees, respectively.

FIGURE 2.16

Number of Laid-Off Workers Due to COVID-19 by Economic Sector

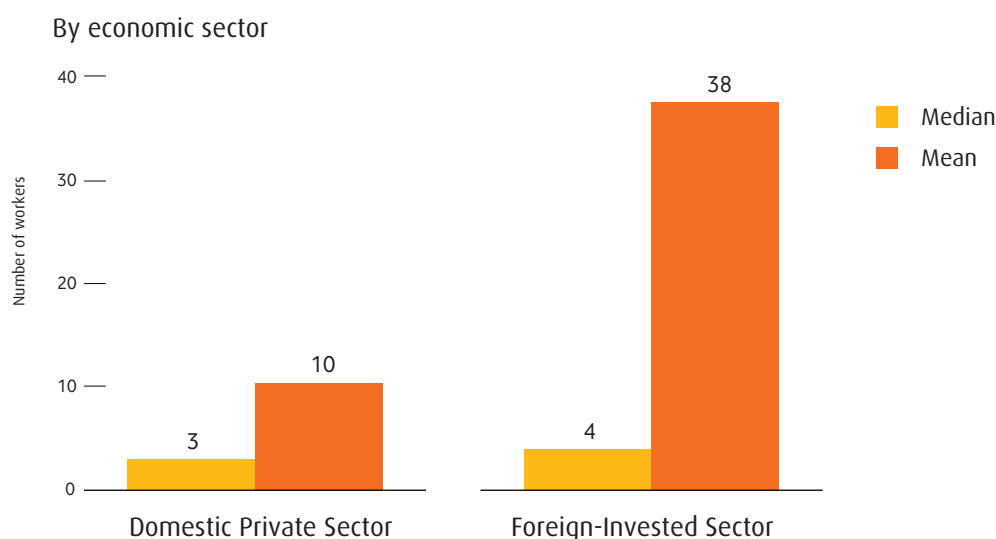
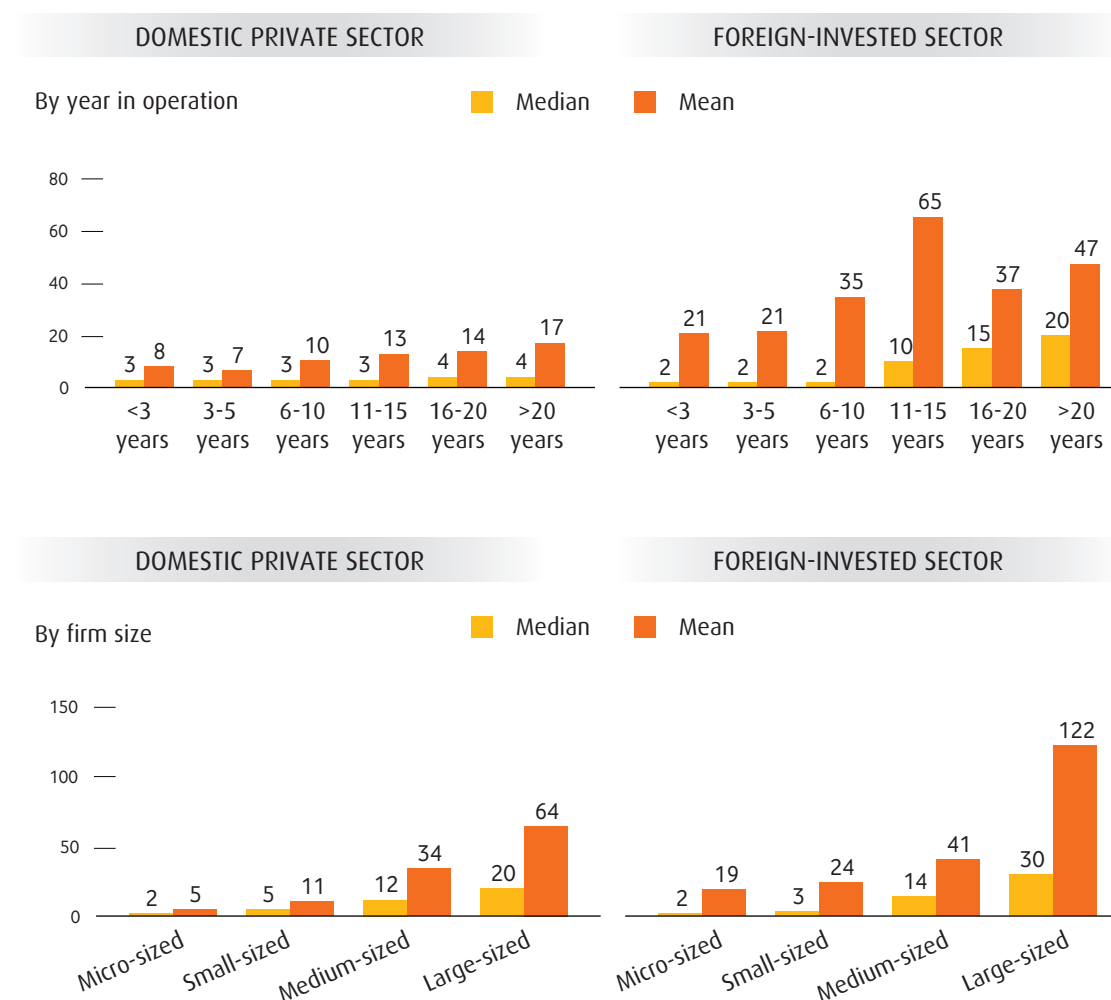


Figure 2.17 illustrates the numbers of employees laid off per enterprise, classified by the number of years in operation and by firm size. The number of employees laid off in each enterprise, whether it is a domestic private enterprise or an FDI enterprise, tends to go up as the number of years in operation increases. A similar pattern can be also observed in the charts categorized by firm size.

FIGURE 2.17

Number of Laid-Off Workers Due to COVID-19 by Years in Operation and Firm Size



For enterprises that provided information on firm size and the number of laid-off employees, general estimates show that laid-off employees account for about 30% of the total workforce. In particular, private firms have laid off nearly 32% of the average workforce, while the figure for FDI firms is roughly 17%. Micro and small-sized enterprises, including both private and FDI enterprises, rank top with the highest proportions of laid-off employees. Specifically, small-sized private enterprises have been forced to lay off about 40% of the workforce. For small FDI firms, this figure is 22%.

FIGURE 2.18

Proportion of Workers Laid-Off in Enterprise's Total Workforce by Firm Size

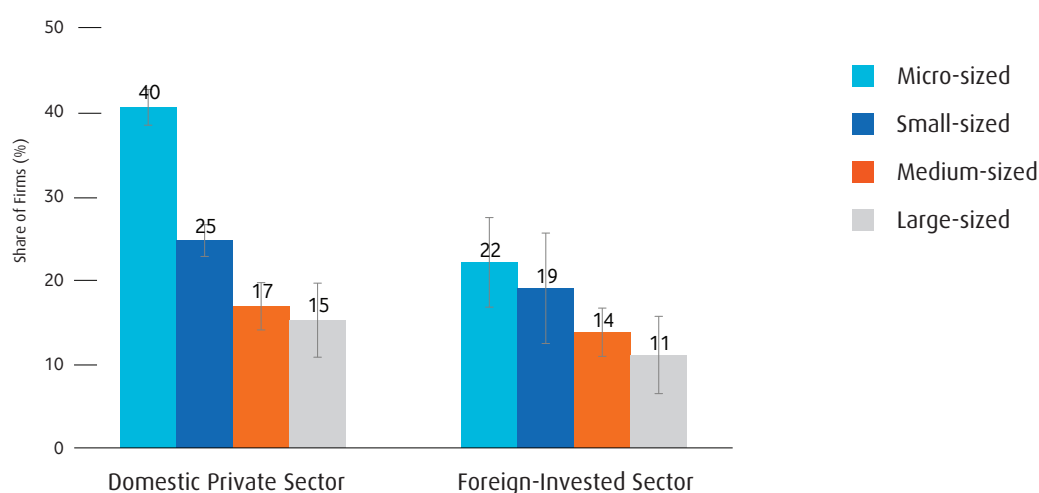
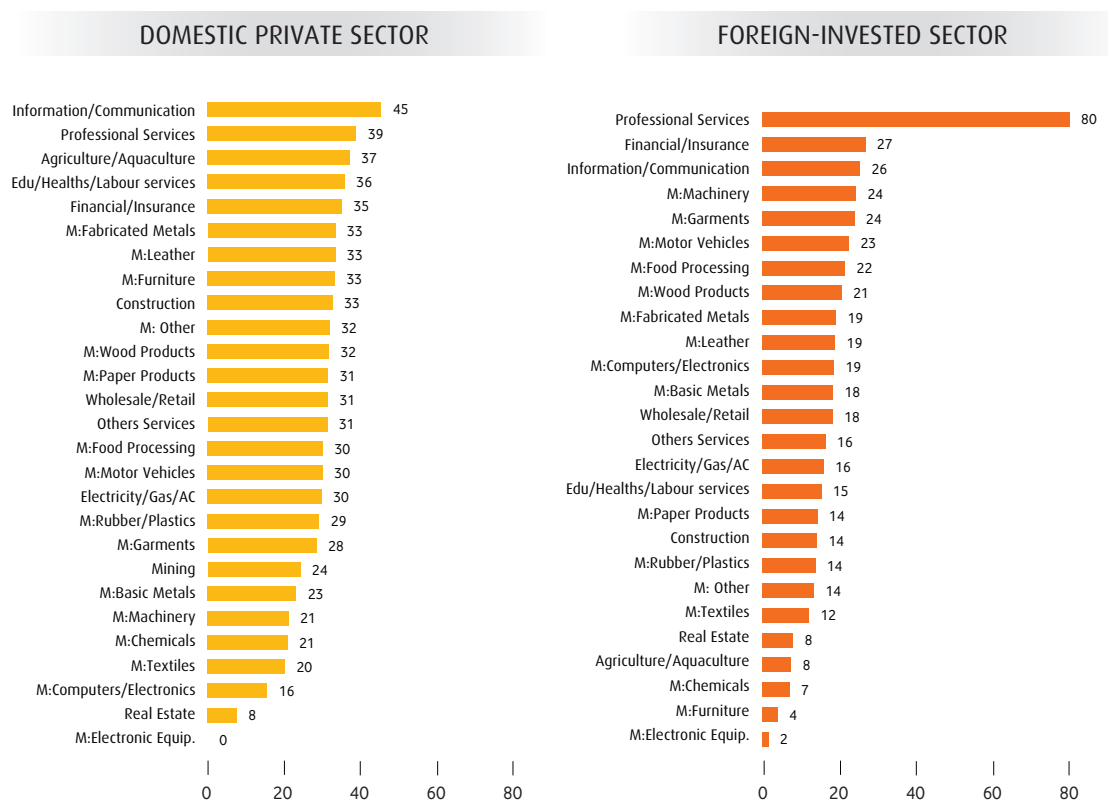


Figure 2.19 shows the average percentage of employees laid off in an enterprise under the impacts of the COVID-19 pandemic out of the total number of employees by two-digit industrial sector. Private firms in information and communication services, administration, support services, agriculture, and fisheries are among those laying off staff most with the highest numbers of laid-off workers. For FDI enterprises, administration, support services, finance, insurance, and information and communication are industries where enterprises have the highest lay-off rate.

FIGURE 2.19

Proportion of Workers Laid-Off in Enterprise's Total Workforce by Two-Digit Industrial Sector



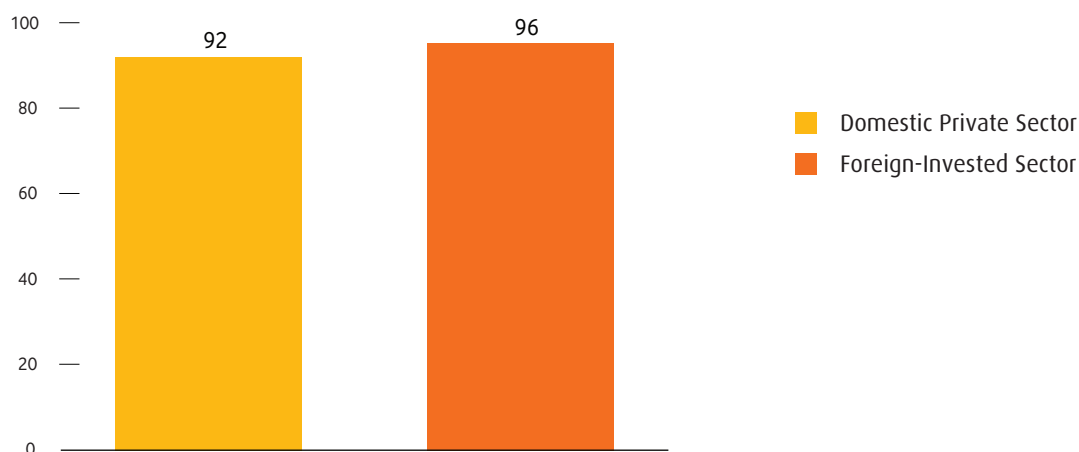
BUSINESSES' RESPONSE TO THE PANDEMIC

In the context where the COVID-19 pandemic has increasingly exerted robust impacts on our everyday life, the question is how Vietnamese business leaders have been coping with this situation. In this section, the research team explores relief measures taken by businesses to curtail the negative impacts of the COVID-19 pandemic. We have deliberately listed out some critical business responses, including stockpiling supplies and raw materials, implementing new/flexible working methods, providing digital skills training for employees to deploy online working methods; arranging sick pay for self-isolating staff; finding solutions to look for new/alternative supply chains; providing hygiene advice and supplies for employees; increasing automation in various production and business stages by promoting the use of robots and electronic equipment...

Most businesses have claimed to implement one or more measures to minimize the harmful effects of the pandemic. A dominant share of 92% of private enterprises and a similar super-majority of 96% of FDI enterprises noted that they have taken at least one of the relief measures.

FIGURE 2.20

Share of Enterprises Undertaking Measures to Ameliorate COVID-19



57% of private enterprises and 71% of FDI enterprises confirmed to adopt the most popular measure of providing staff with hygiene advice and supplies for preventing disease infection. Following that, new and more flexible working methods have been deployed in at least 37% of private enterprises and 40% of FDI enterprises. Stockpiling supplies and raw materials are another strategic move taken by many businesses to weather the storm (implemented by one-fifth of private enterprises and nearly a quarter of FDI enterprises). In addition, others have tried to find new/alternative supply chains for operations (as reported by 16% of private enterprises and 24% of FDI enterprises). Notably, 13% of private enterprises and 15% of FDI enterprises have conducted training on digital skills for workers to allow for remote labor and online orders.

FIGURE 2.21

Main Business Approaches to Resolving COVID-19 Crisis by Economic Sector

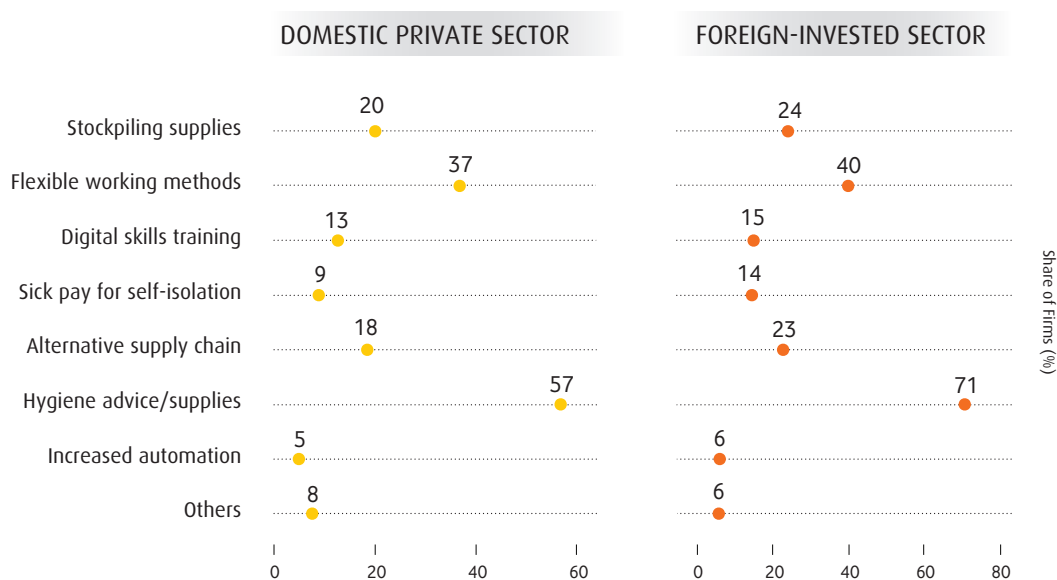


Figure 2.22 depicts the implementation of measures to cope with the COVID-19 pandemic in businesses by firm size. Apparently, as firm size increases, the proportion of businesses applying relief measures to cope with the pandemic also increases.

FIGURE 2.22

Main Business Approaches to Resolving COVID-19 Crisis by Firm Size

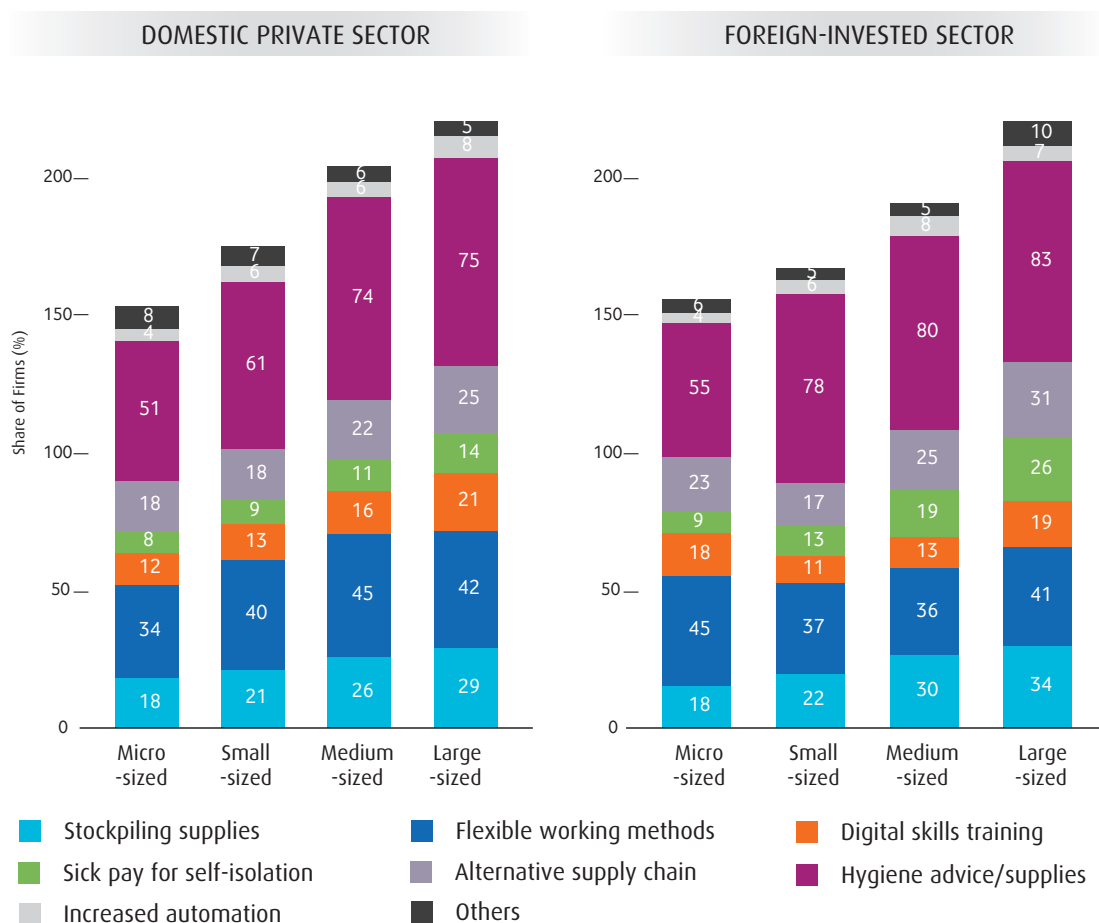
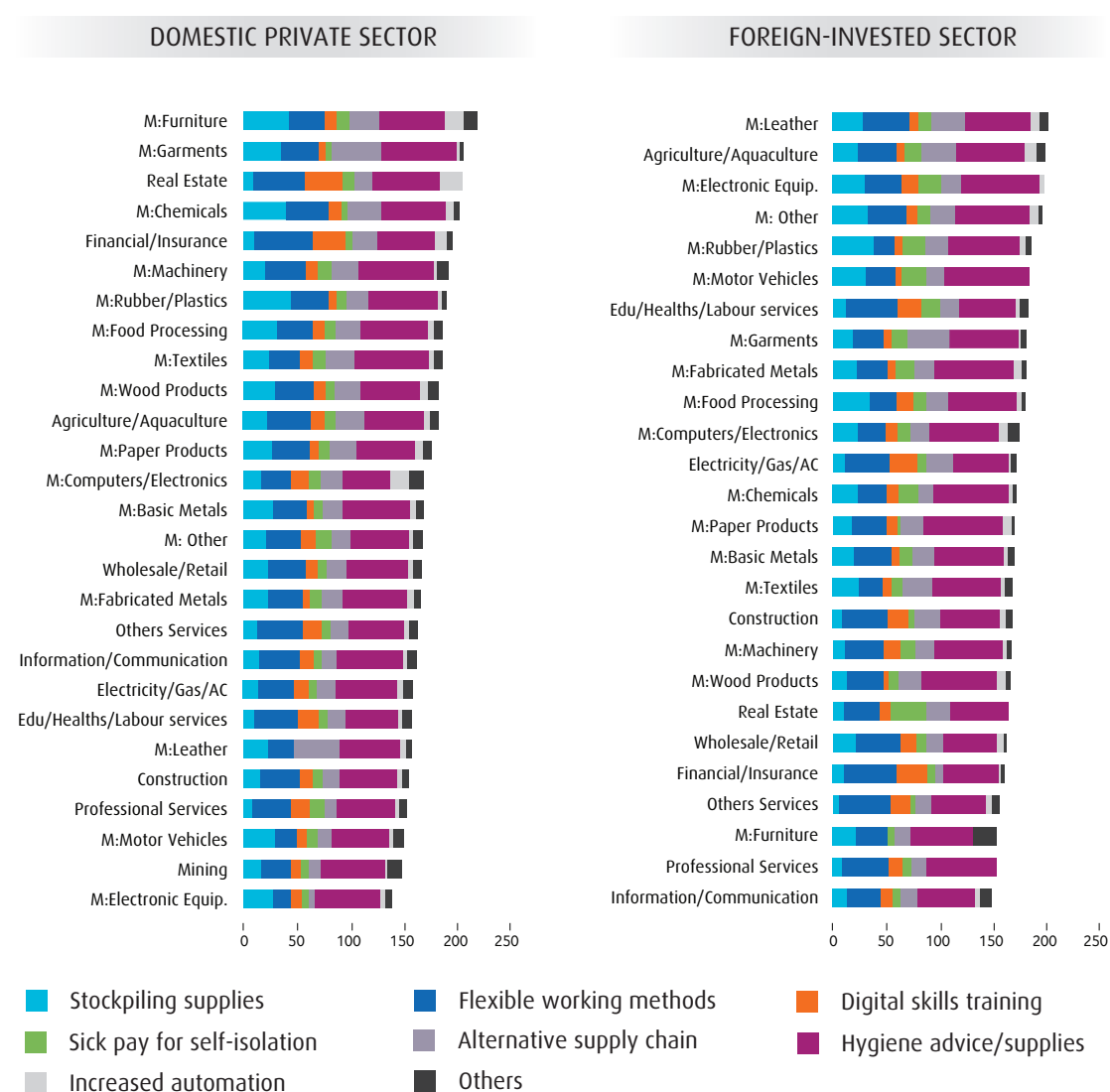


Figure 2.23 portrays the implementation of relief measures to minimize the detrimental effects of the COVID-19 pandemic in enterprises by two-digit industrial sector. In the private sector, manufacturers of wood products, furniture, garment and real estate firms occupy the biggest shares of businesses which actively adopted coping measures. For FDI enterprises, manufacturers of leather goods, electronic equipment and businesses in agriculture and fisheries are top enterprises in terms of stepping up to minimize the damages of the pandemic.

FIGURE 2.23

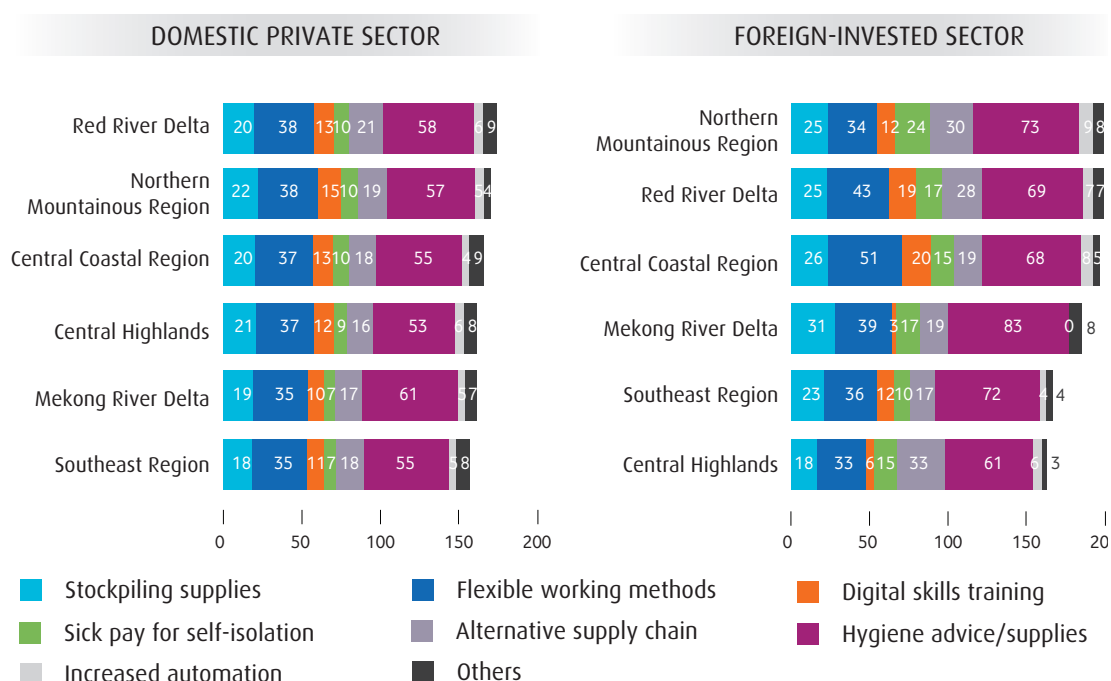
Main Business Approaches to Resolving COVID-19 Crisis by Two-Digit Industrial Sector



The figure below highlights the main relief measures adopted by enterprises in response to the pandemic by region. The Northern Mountainous region, the Red River Delta, and the Central Coast region are the three regions with the largest proportions of firms, including both private and FDI firms, applying coping strategies against the pandemic.

FIGURE 2.24

Main Business Approaches to Resolving COVID-19 Crisis by Region



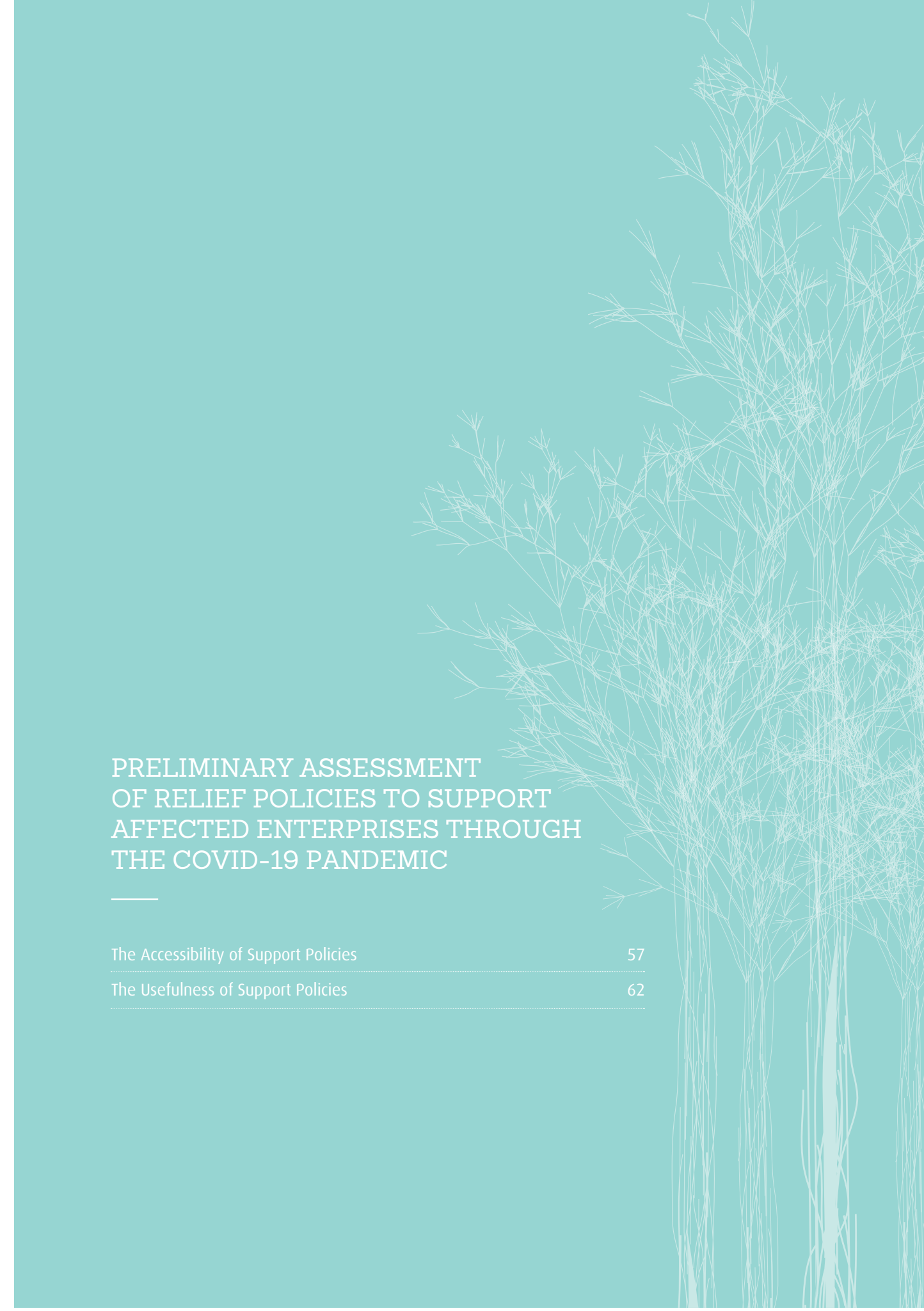
BOX 2.3

FDI ENTERPRISES IN VINH PHUC ADJUSTED EMPLOYMENT POLICIES IN RESPONSE TO THE PANDEMIC

Vinh Phuc was one of the provinces that had found cases of SARS-COV2 infection in early days of the pandemic. Following that, the pandemic has adversely affected the production and business activities of local enterprises. For FDI enterprises operating in Vinh Phuc, they had to take various measures to cope with the implementation of social distancing while a large number of foreign experts were unable to relocate to Vietnam. One of the possible solutions is to adjust the number of employees and working hours to overcome operational difficulties in this tough time.

As revenues kept decreasing, some businesses had to slow down or downsize their operations. According to Duong Trong Khang - Vice Chairman of the Vinh Phuc Business Association, many FDI enterprises in the province had to split staff into teams with alternate days staying at home or divide them into adjusted shift rotations. Employees work in shifts and when a shift ends, one group of employees takes over from another on rotation. Enterprises had to maintain operations as usual, even without the full workforce. In some enterprises, the workers used to work three shifts per day before. However, when the pandemic struck Vinh Phuc, the number of shifts decreased to only 2. For those who used to work 10-12 hours/day, they only work 7-8 hours/day now. In order to retain employees, the businesses still pay salaries for staff but cut down to the minimum wage or only pay 70-80% of the former salary to maintain operations.

Source: Collected from speeches at the forum "Supporting SMEs impacted by COVID-19: Narrowing the gap from policy to implementation", organized by the UNDP and VCCI in Ha Noi on 08 December 2020.



PRELIMINARY ASSESSMENT OF RELIEF POLICIES TO SUPPORT AFFECTED ENTERPRISES THROUGH THE COVID-19 PANDEMIC

The Accessibility of Support Policies

57

The Usefulness of Support Policies

62

In the very difficult context where the pandemic and natural disasters pose double hit to the country, despite being subject to a string of tight budget constraints, the Government of Vietnam has acted decisively and timely issued many relief policies to support businesses affected by COVID-19. Right from the beginning of the outbreak, the Prime Minister released Directive No.11/CT-TTg dated March 4th, 2020 on urgent tasks and crucial solutions to address difficulties in production and business and ensure social security in response to the COVID-19 pandemic. The government then promulgated Decree No.41/2020/ND-CP dated April 8th, 2020 on the extension of the time limit for payment of tax and land rental; Resolution No.42/2020/NQ-CP dated April 9th, 2020 on relief measures to support people vulnerable to the COVID-19 pandemic, Resolution No.154/NQ-CP, and Decision No.32/2020/QĐ-TTg... According to VCCI's review reports, in order to speed up the implementation of this Directive, relevant ministries, branches, and local authorities had quickly stepped in and issued around 95 guiding documents on the measures to eradicate hurdles in the production and business activities of enterprises and ensure social security in response to the COVID-19 pandemic. As part of efforts to remedy the consequences of the pandemic, drastic policies have been implemented with large support packages, focusing on three major pillars: (i) monetary policies which hinge on debt restructuring, interest rate exemption and reduction, and credit support worth a total of VND 250 trillion; (ii) social assistance programs to ensure social security which are worth VND 62 trillion; (iii) fiscal policies which largely focus on the extension of tax and land rental payment with a total budget of VND 180 trillion; and (iv) a support scheme to help enterprises pay salaries for staff which is worth VND 16 trillion...

This section will explore firms' assessment of the accessibility of some business support policies. The policies of interest include interest rate reduction, loan payment extension, provision of zero-percent interest rate loans to pay salaries for staff, extension of payment due dates for value-added tax (VAT), corporate income tax (CIT), and land rental, delayed payment of social insurance (SI), health insurance (HI) and unemployment insurance (UI) as well as trade union fees. The enterprises' assessment of the usefulness of these support policies will also be examined. However, it is noteworthy that the assessment results only reflect the expectations of businesses for policies that have already been issued. In fact, the number of enterprises that actually accessed and made use of some particular support policies is much lower than the goals set by ministries and agencies when implementing these policies – a disturbing situation that has been reflected quite a lot in the news recently.

THE ACCESSIBILITY OF SUPPORT POLICIES

The figure below reports firms' assessment of the ease of access to government support policies using a five-point scale. The scale ranges from "extremely easy", "very easy", "somewhat easy", "not so easy" to "not easy at all". The ease of access to support policies is measured from low to high levels according to the proportions of enterprises that rate the policies as "extremely easy", "very easy", and "somewhat easy" to access. The results indicate that tax relief, including the extension of CIT and VAT payment, is the most readily accessible basket of policies for the majority of enterprises. On a contrary, the zero percent interest policy to help businesses pay salaries for employees is the hardest to access of all.

FIGURE 3.1

Ease of Access to Support Policies for Enterprises

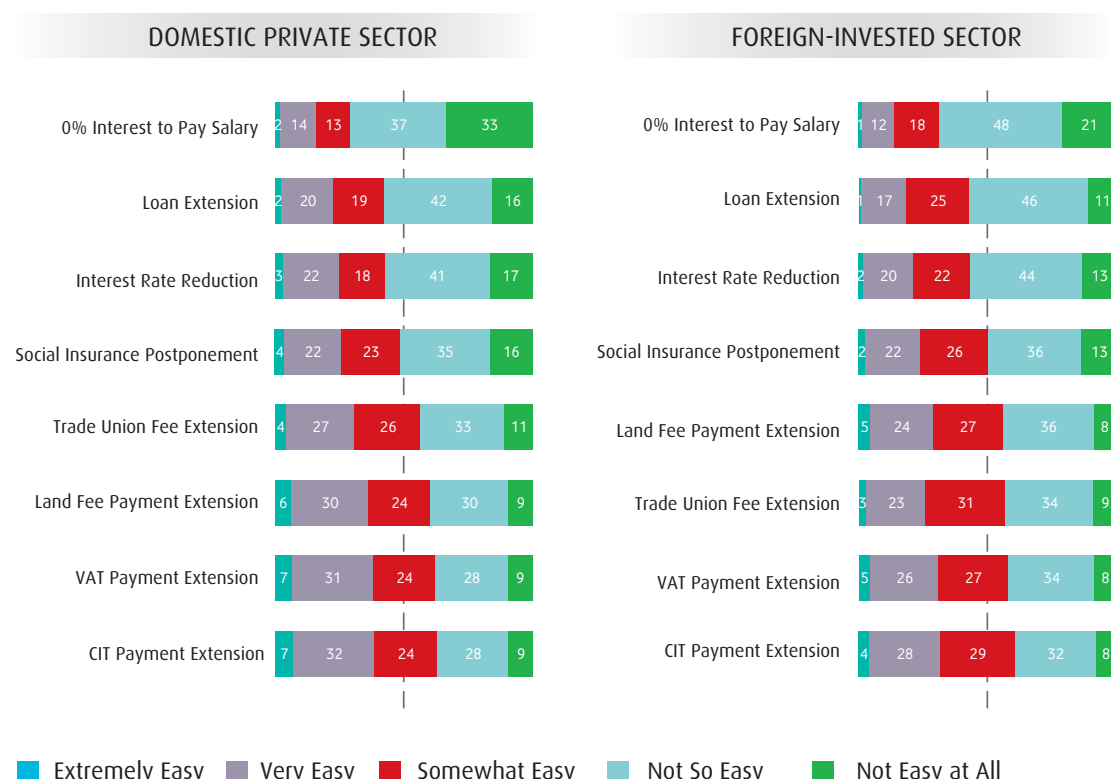
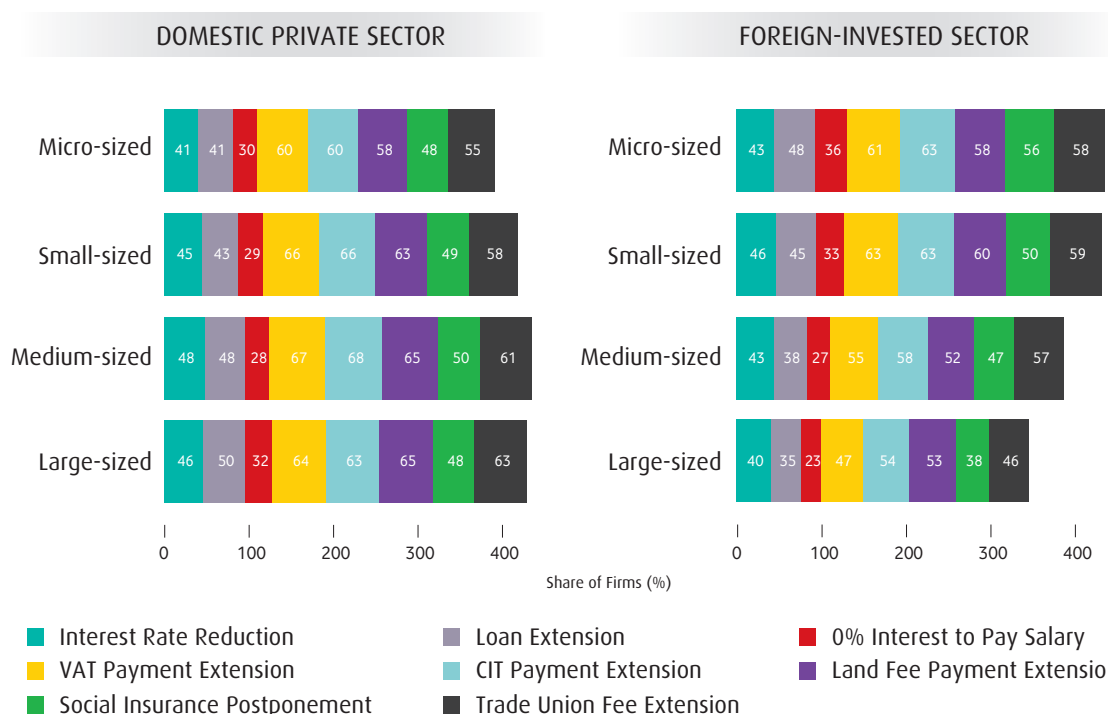


Figure 3.2 illustrates the ease of access to information about support policies is demonstrated by firm size. While large and medium-sized private firms claim to have easier access to information about support policies, FDI firms appear to experience opposite trends.

FIGURE 3.2

Ease of Access to Support Policies for Enterprises by Years in Operation



BOX 3.1

THE GAP BETWEEN POLICY DESIGN AND IMPLEMENTATION IN PRACTICE

Government agencies have promulgated a wide variety of policies since the outbreak of the COVID-19 pandemic to help businesses overcome and recover from the crisis. However, there is a large gap between policy design and enforcement in practice. A typical example is the loan program which allows eligible businesses to borrow preferential loans to pay salaries for the staff affected by the COVID-19 pandemic. According to official reports, as of October 2020, no business has been able to borrow from the State Bank's 16,000 billion support package, which was set to refinance the Vietnam Bank for Social Policies. This support package incorporates a set of borrowing conditions and loan terms issued by the Ministry of Labor, Invalids and Social Affairs. However, many businesses found the criteria very difficult to satisfy. As of November 30th, 2020, only 95 firms could access this loan program and used its resources to pay salaries for about 4,000 workers who had been made redundant due to the effects of the COVID-19 pandemic. Previously, the Prime Minister issued Decision No.32/2020/QĐ-TTg dated October 19th, 2020, regulating the amendment of Decision No.15/2020/QĐ-TTg on the implementation of relief policies to support citizens vulnerable to the COVID-19 pandemic. To a certain extent, these adjustments have generally contributed to promoting the implementation of the 16,000 billion support package and helping it come into effect in practice.

Source: The information is collected from online news sites Lao Dong Online and VTV News
<https://laodong.vn/xa-hoi/loi-long-dieu-kien-van-chua-doanh-nghiep-nao-vay-goi-uu-dai-16000-ti-850291.lao>
<https://vtv.vn/kinh-te/75-doanh-nghiep-da-duoc-vay-goi-16000-ty-dong-lai-suat-0-20201130081315138.htm>

The figure below details the ease of accessing support policies by two-digit industrial sector. For domestic firms, manufacturers of electronic equipment, textiles & garment, rubber, and plastic tend to offer higher score to businesses in other industries on ease of access. Evidently, the proportions of firms rating support policies as accessible in these industries are much higher than that of other sectors. Concerning the FDI sector, a similar conclusion can be drawn for businesses in agriculture, fisheries, real estate, wholesale and retail.

FIGURE 3.3

Ease of Access to Support Policies for Enterprises by Two-Digit Industrial Sector

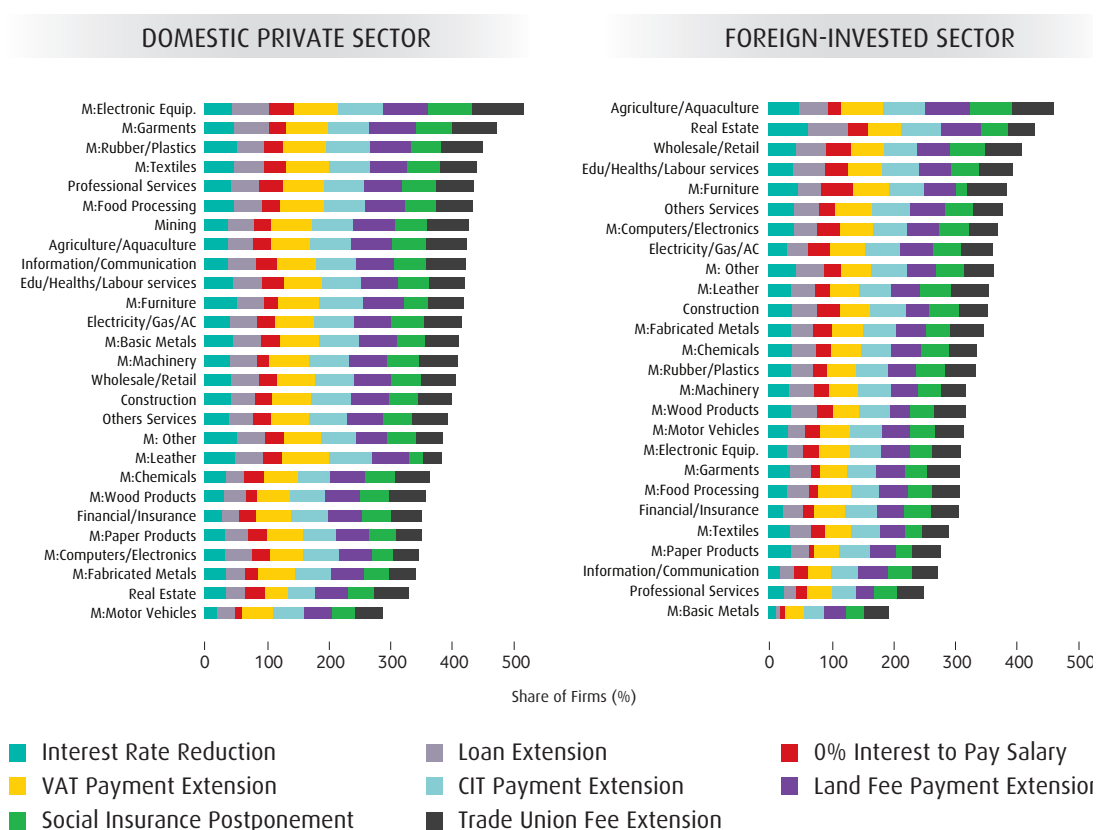
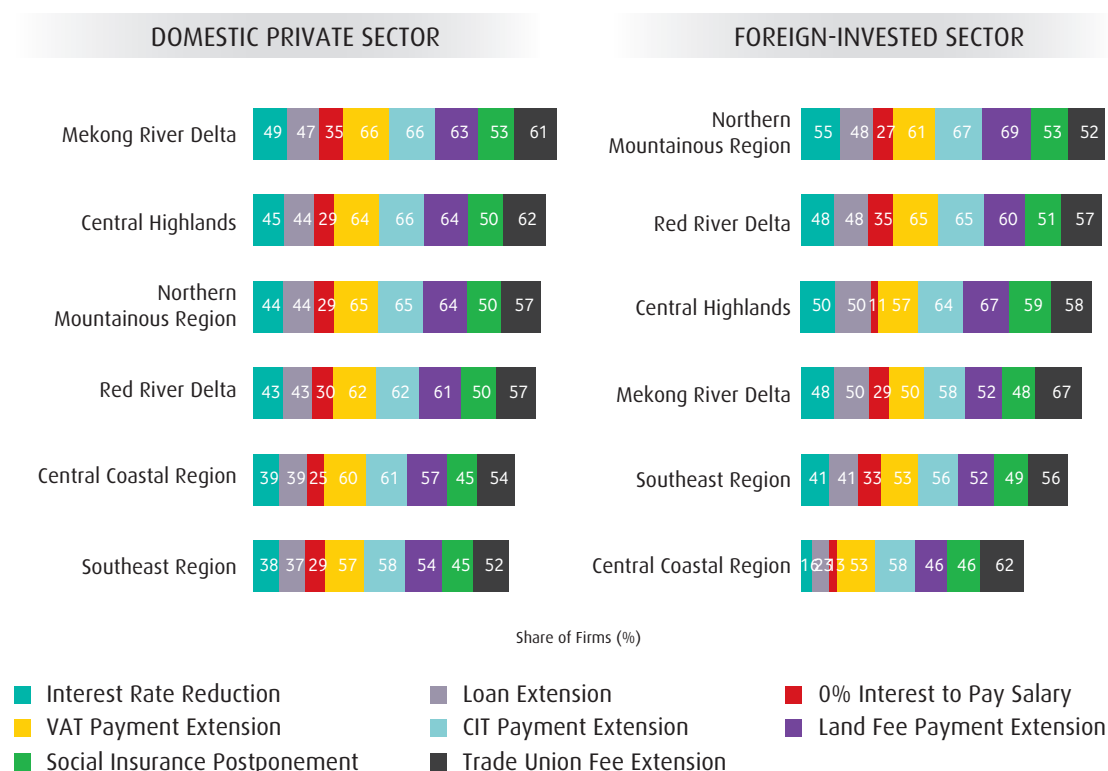


Figure 3.4 reflects the ease of access to business support policies, particularly classified by region. Private enterprises in the Mekong River Delta are most likely to rate the policies as accessible among all regions across the country. As for the FDI sector, enterprises in the Northern Mountainous region rank top in terms of the proportion of firms reporting to have easy access to policies.

FIGURE 3.4

Ease of Access to Support Policies for Enterprises by Region



BOX 3.2

DIFFICULTIES IN ACCESSING SUPPORT PACKAGES FOR ENTERPRISES AFFECTED BY THE COVID-19 PANDEMIC

Businesses still encounter a plethora of obstacles when accessing or implementing government support policies. Vu The Binh - Vice Chairman of the Vietnam Tourism Association, said: "The subsidy package for informal sector workers or freelancers who lost their jobs appears to be almost inaccessible to the supposed beneficiaries. For example, out of more than 10,000 freelance tour guides working in Ho Chi Minh City, preliminary statistics show that only about 20 people have received the support package worth VND 1 million/month for the whole period of three months. Meanwhile, many others could only receive the money for one month. The reason is that beneficiary profiles submitted to the authorities had been kept for long periods until they were processed. Eventually, employees could only receive support for the last month".

Source: The information is collected from The VOV News
<https://vov.vn/kinh-te/cac-goi-ho-tro-covid-19-chua-nhu-ky-vong-cua-doanh-nghiep-826767.vov>

THE USEFULNESS OF SUPPORT POLICIES

Figure 3.5 graphs the usefulness of government support policies from a firm's perspective. However, it should be noted that the evaluation of the utility of support policies largely bases on firm's expectations for the policies that have already been issued. In fact, the average scores given to all policies, which imply firms' assessment of their usefulness, are rather low. However, this result is justifiable if referred to the actual situation reflected in the press recently.

According to the survey results, the vast majority of interviewed enterprises highly appreciate the ambitions and efforts of government agencies when introducing business support policies. Although the single scores given by private and FDI enterprises are very different, the ordering of the three most highly rated policies are the same for both groups, namely the extension of VAT payment, CIT payment, and land rental payments. Although enterprises consistently ranked the zero-percent interest policy for loan borrowing to pay salaries for staff the most challenging to access program, they still express high expectations for this policy, with 83% of private enterprises and 72% of FDI firms stating that this is a useful policy for their businesses and operations.

FIGURE 3.5

Usefulness of Government Support Policies by Economic Sector

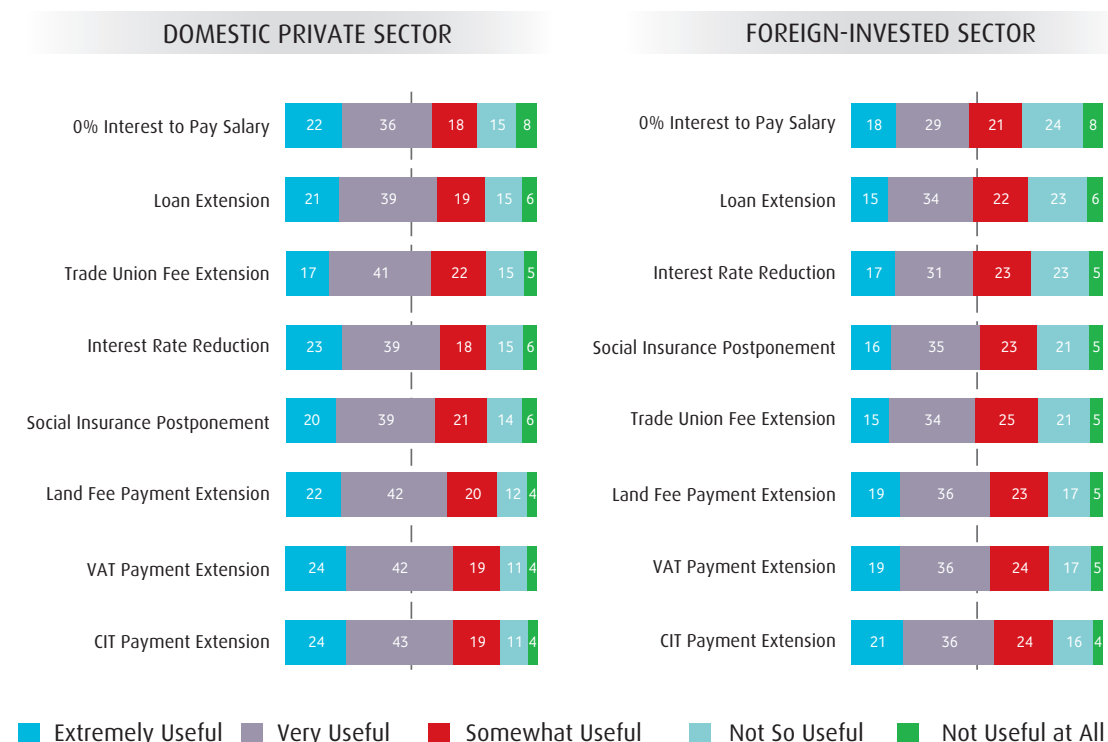


Figure 3.6 gives information about the evaluation of the usefulness of government business support policies by firm size and economic sector. In particular, the numbers of large-sized private enterprises rating support policies as extremely useful, very useful or somewhat useful are higher than that of all other groups. By contrast, in the FDI sector, small and medium-sized enterprises which highly valued the utility of support policies completely outnumber large-sized firms. Combined with the information demonstrated in Figure 3.3, it can be concluded that firms with easier access to information on government support policies tend to highly appreciate the usefulness of these policies.

FIGURE 3.6

Usefulness of Government Support Policies by Firm Size

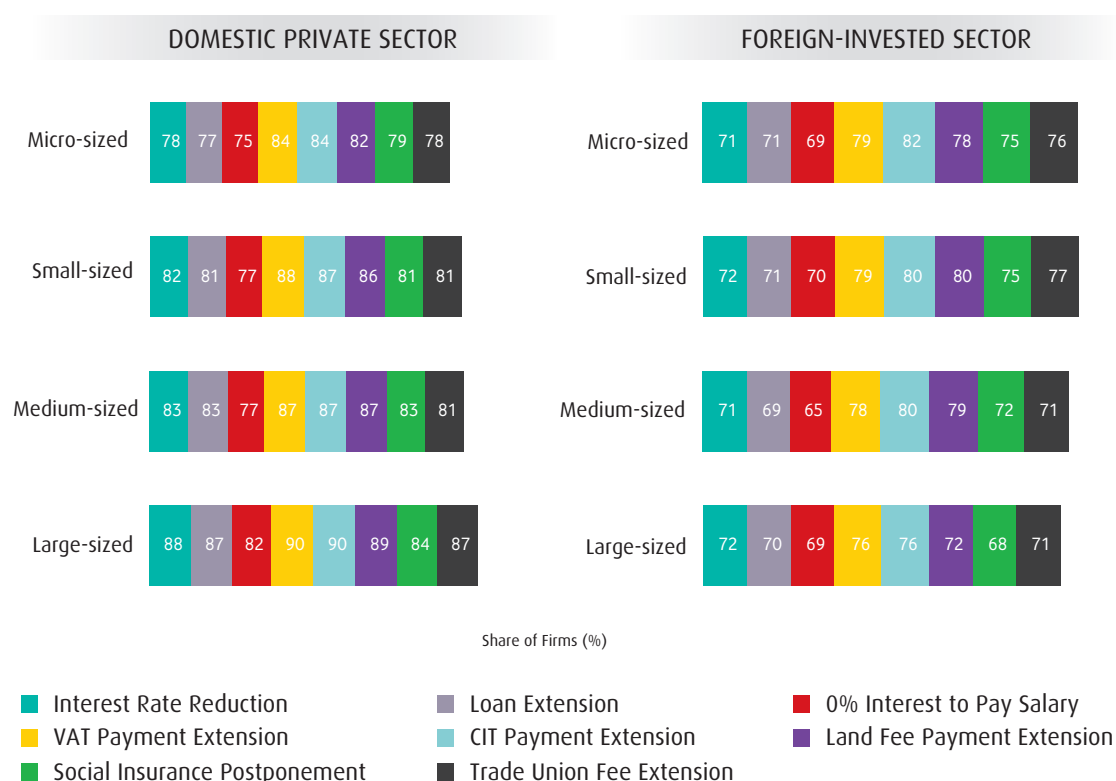
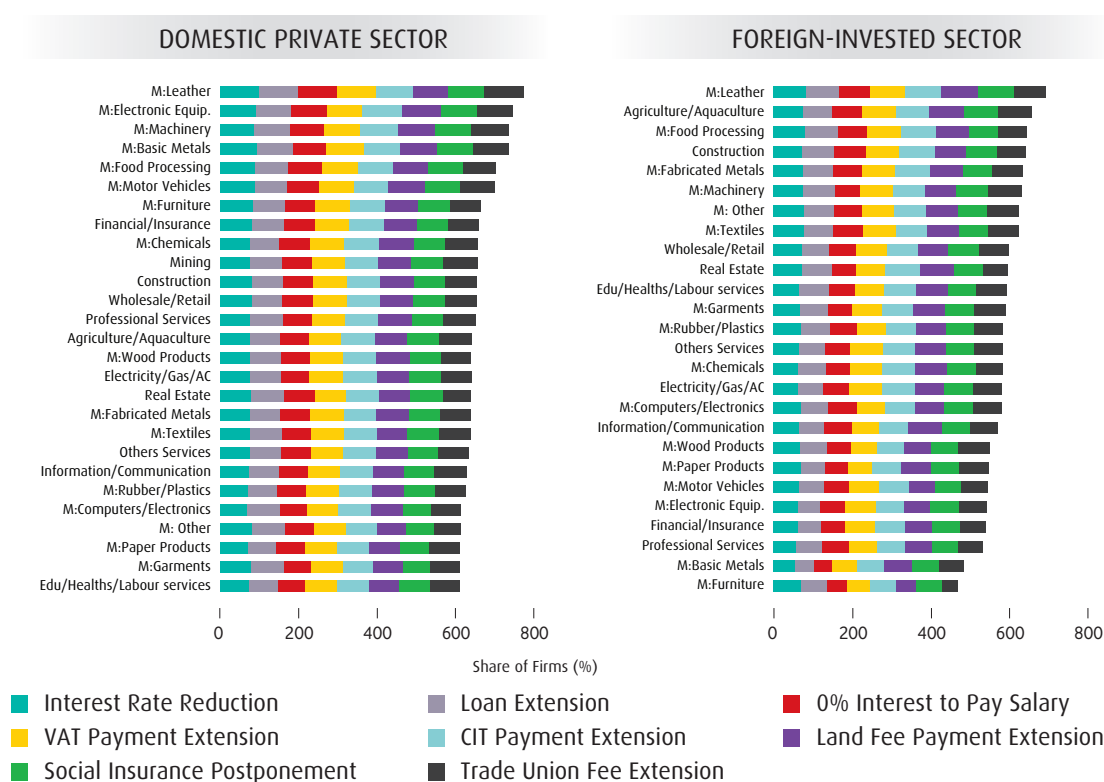


Figure 3.7 describes in more detail firm's assessment of the usefulness of support policies by two-digit industrial sector. In the domestic private sector, manufacturers of leather products, electronic equipment, and machinery tend to highly favor the utility of government support policies most. Concerning the FDI sector, industries with the highest percentages of firms rating government relief measures as useful include leather manufacturing, agriculture, fisheries, and food processing.

FIGURE 3.7

Usefulness of Government Support Policies by Two-Digit Industrial Sector



HỘP 3.3

EVALUATION OF THE USEFULNESS OF BUSINESS SUPPORT POLICIES

While many enterprises have expressed high expectations for government support packages aimed at distressed businesses affected by the COVID-19 pandemic, major shortcomings in the design of these relief measures are hindering the implementation process in practice.

Truong Van Cam - Vice Chairman of the Vietnam Textile and Apparel Association emphasized that, despite a wide range of limitations found in some support policies, basically, the conditions for accessing support packages remain strictly rigid and lack practicality. Businesses have to provide many different kinds of evidence, with regard to both eligibility criteria and financial position, for clarity and approval. Meanwhile, businesses are often very hesitant to use accounting books as proof to show that they are "unable to meet their liabilities" before State agencies in charge of evaluating and selecting firms eligible for support. Many businesses decided to pass on their benefits because there are too many "obstacles" in the process if they want to apply for them. This is the main barrier that makes government support packages difficult to access and less helpful for businesses. The Vietnam Textile and Apparel Association itself has made petitions to relevant agencies about the eligibility criteria and conditions to access government support packages, but the amendment process takes too long to proceed, letting the most favorable times to "rescue" businesses slip away. Cam also took the Prime Minister's Decision No. 15/2020/QĐ-TTg dated April 24th, 2020, with provisions on the implementation of policies to support people suffering from difficulties caused by the COVID-19 pandemic, as an example. The implementation of the Decision encountered numerous challenges in practice, but the government did not release any guidelines for amendment until late October when Decision No.32/2020/QĐ-TTg was finally issued to guide amendment. The utility of the policies has been greatly degraded because, according to Cam, "a stitch in time saves nine". Although the policies have relatively comprehensive coverage and receive high hopes from employees and businesses, they have yet to achieve an adequate level of usefulness and timeliness as expected. From the perspective of the textiles and garment industry, Cam suggested extending the time schedule for the implementation of some support policies because the impact of the COVID-19 pandemic may prolong in the next one or two years. Thus, there is a need for solutions to help businesses gradually recover.

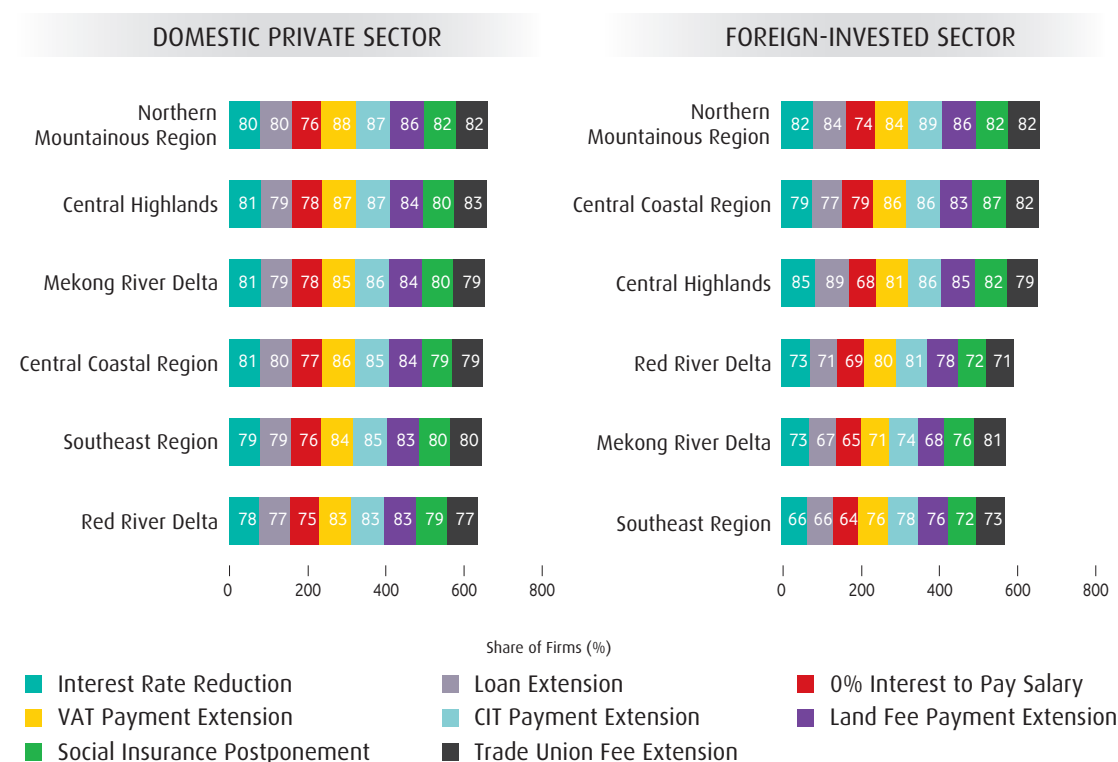
Sources: The information is collected from the VnEconomy.

<https://vneconomy.vn/goi-ho-tro-do-covid-ngat-ngheo-qua-nen-tha-khong-duoc-huong-con-hon-20201209235637564.htm>

Finally, Figure 3.8 indicates firm's assessment of the usefulness of government support policies by region. Firms in the Northern Mountainous region, including both private and FDI enterprises, are most likely to highly appreciate the usefulness of the policies.

FIGURE 3.8

Usefulness of Government Support Policies from a Firm's Perspective by Region



CONCLUSION

Estimates of Business Performance in 2020	69
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Businesses' Recommendations	79
Policy Recommendations	81

2020 is a stormy year for the Vietnamese economy as well as for the business community. According to the General Statistics Office's latest report on the socio-economic situation in the fourth quarter and the whole year 2020, the gross domestic product (GDP) grew by merely 2.91% this year, marking the lowest GDP growth level in the past decade. Moreover, in 2020, 101.7 thousand enterprises suspended business operations for a definite period, ceased operating and awaited dissolution procedures, and completed dissolution procedures, which is equivalent to an increase of 13.9% year-on-year. On average, there were nearly 8.5 thousand enterprises withdrawing from the market each month. Some sectors stand out as particularly hard hit by the crisis, such as accommodation, food and beverage services with an estimated revenue of VND 510.4 trillion, accounting for just 10.1% of total output and down 13% from a year earlier (given the reported growth of 9.8% in 2019). Next is the travel and tourism industry with total revenue in 2020 estimated at VND 17.9 thousand billion, making up a trivial share of 0.3% in total output and indicating a noticeable decline of 59.5% relative to last year. Another example is passenger and freight transportation of which revenues are expected to drop by 29.6% and 5.2%, respectively compared to the previous year...

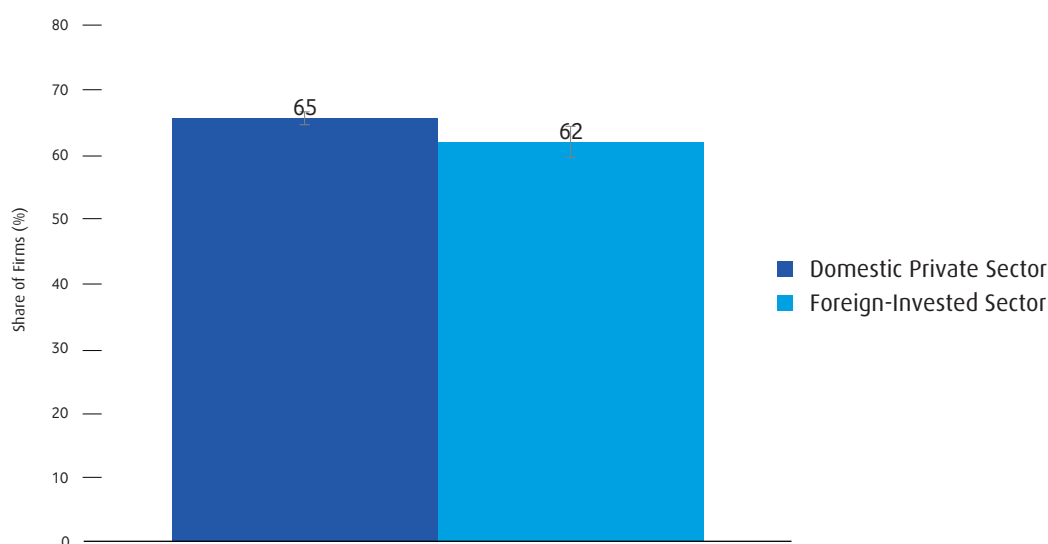
The last section of the report will synthesize the opinions of the businesses and present some policy recommendations based on the survey results. Before that, the research team will examine a couple of business performance projections for 2020 and evaluate business support for pandemic relief measures to shed some light on the policy-making process of competent government agencies in Vietnam.

ESTIMATES OF BUSINESS PERFORMANCE IN 2020

The 2020 Business Survey asked all businesses to estimate their prospective revenues in 2020 compared to 2019. The figure below presents the assessment results of firms by economic sector. Nearly two-thirds (65%) of domestic private enterprises expect a year-on-year decrease in revenue. The corresponding figure for the FDI sector is 62%.

FIGURE 4.1

Share of Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19



As illustrated in the survey results, the percentage of enterprises reporting revenue declines in 2020 compared to the previous year increases as the number of years in operation increases. While newly established firms appear to suffer most from the harmful effects of the COVID-19 pandemic (Figure 2.2), they are also less likely to experience revenue loss than any other groups with the smallest proportion of firms anticipating business income reduction. Perhaps the total revenue of newly established businesses in 2019 was too trivial, so the proportion of them with reduced revenue is smaller than that of firms with longer operating times.

FIGURE 4.2

Share of Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19 by Years in Operation

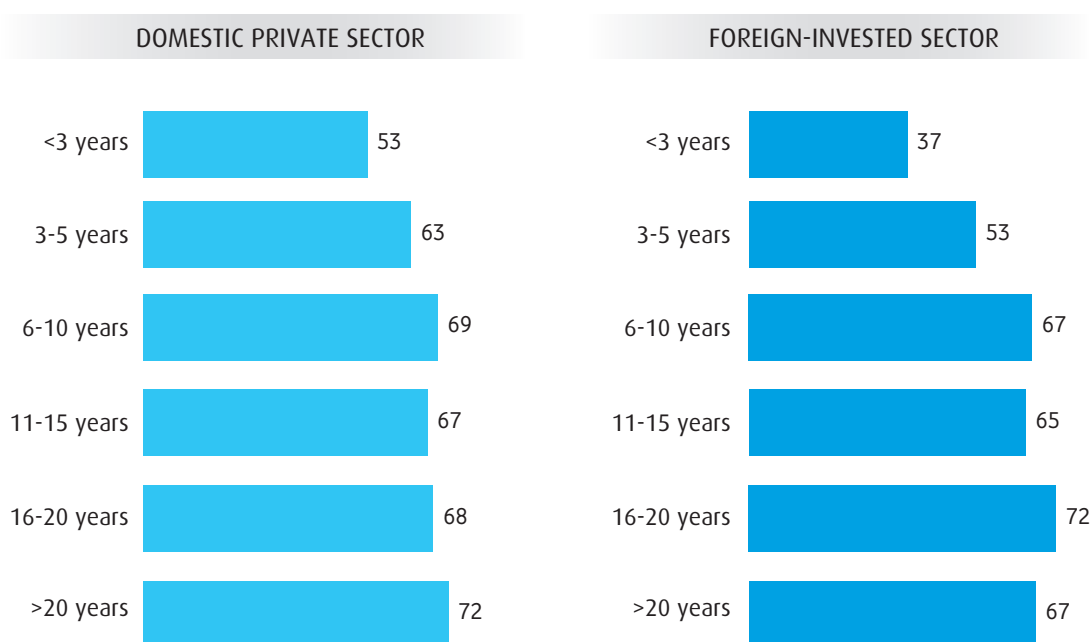


Figure 4.3 depicts the rate of revenue decline in 2020 compared to 2019 by firm size. Private and FDI enterprises appear to experience opposite trends when comparing the impact of the pandemic on firm's revenue in 2020 relative to 2019. Indeed, the proportions of micro, small and medium-sized private enterprises expecting revenue reduction extensively surpass that of large-sized enterprises. By contrast, for FDI firms, large-sized firms have the highest ratio of firms reporting a decrease in revenue compared to all the remaining groups.

FIGURE 4.3

Share of Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19 by Firm Size

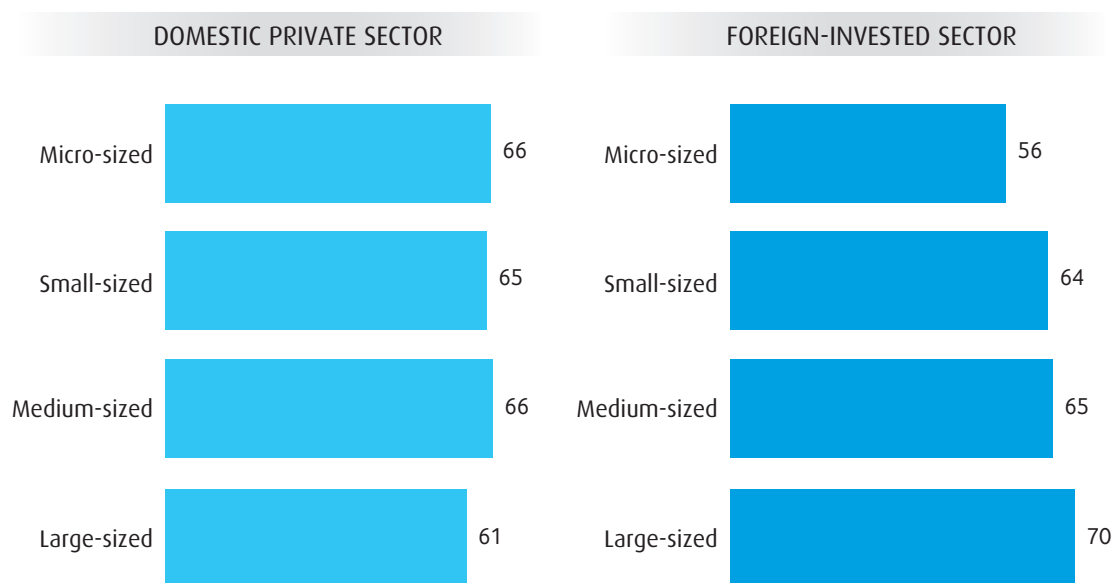
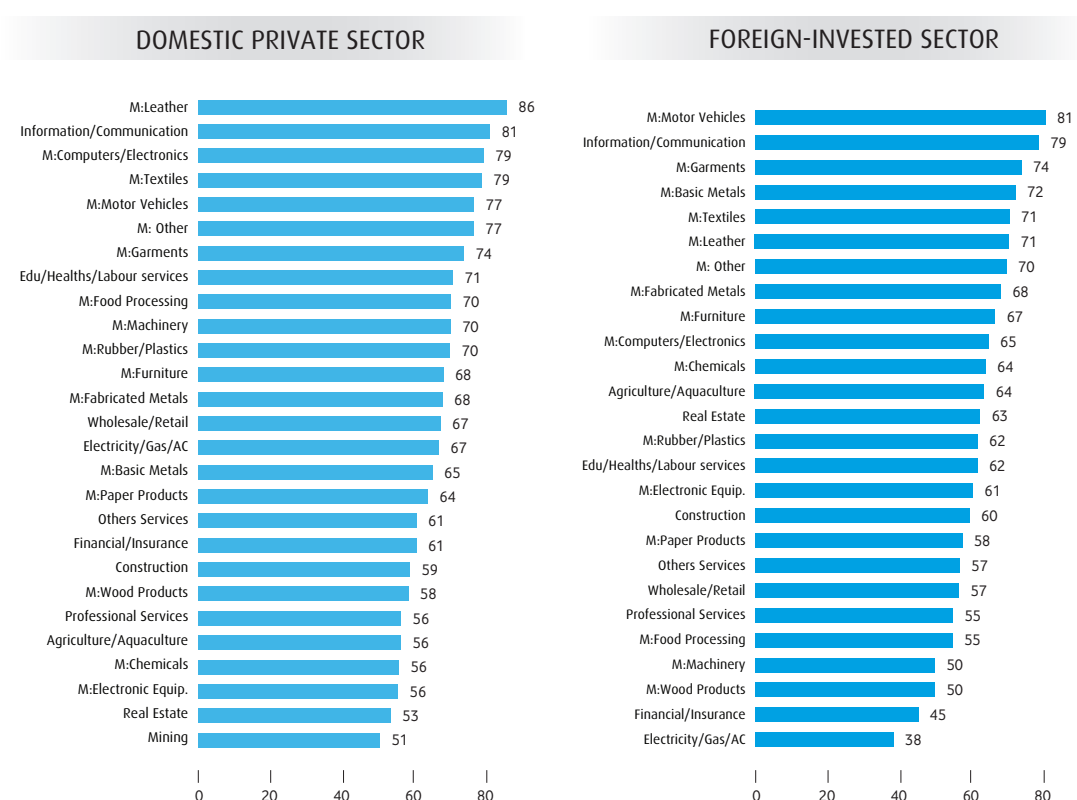


Figure 4.4 shows the proportion of enterprises with reduced revenue in 2020 compared to 2019 by two-digit industrial sector. Industries that have the highest percentages of private enterprises reporting year-on-year revenue decrease in 2020 include leather manufacturing, information and communication services, and computers and electronics manufacturing. With regard to the FDI sector, most businesses subject to heavy revenue losses are manufacturers of motor vehicle, textiles and garment, and businesses in information and communication services.

FIGURE 4.4

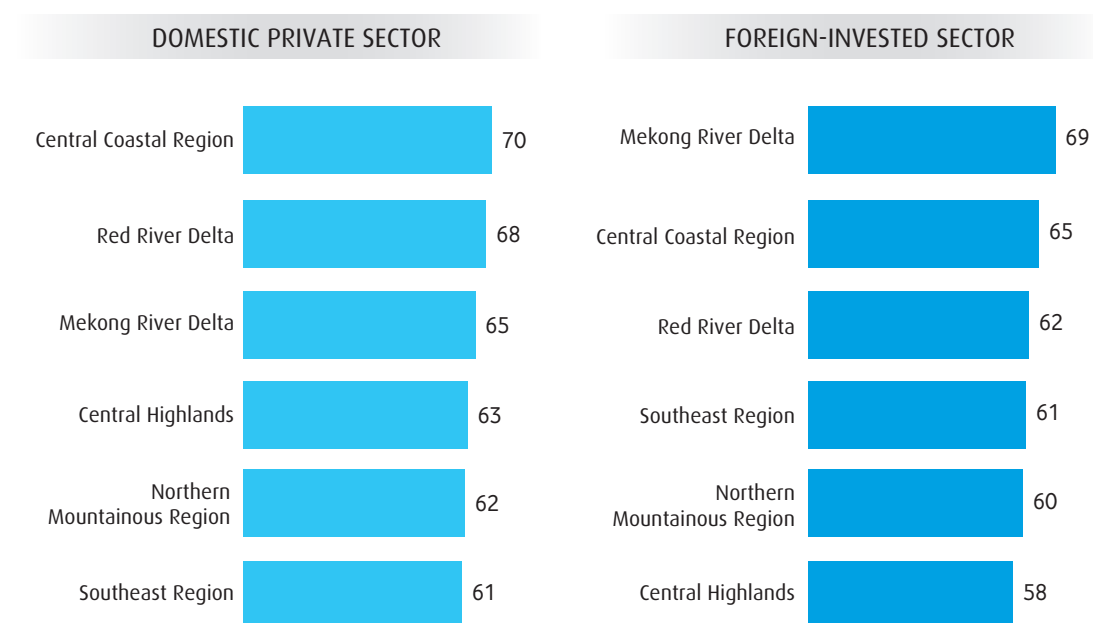
Share of Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19
by Two-Digit Industrial Sector



The Central Coastal region reports the largest proportion of private enterprises enduring a decrease in revenue in 2020 compared to 2019 (70%). On the other hand, the region where FDI enterprises are most likely to experience a revenue fall is the Mekong River Delta with a slightly lower percentage (69%).

FIGURE 4.5

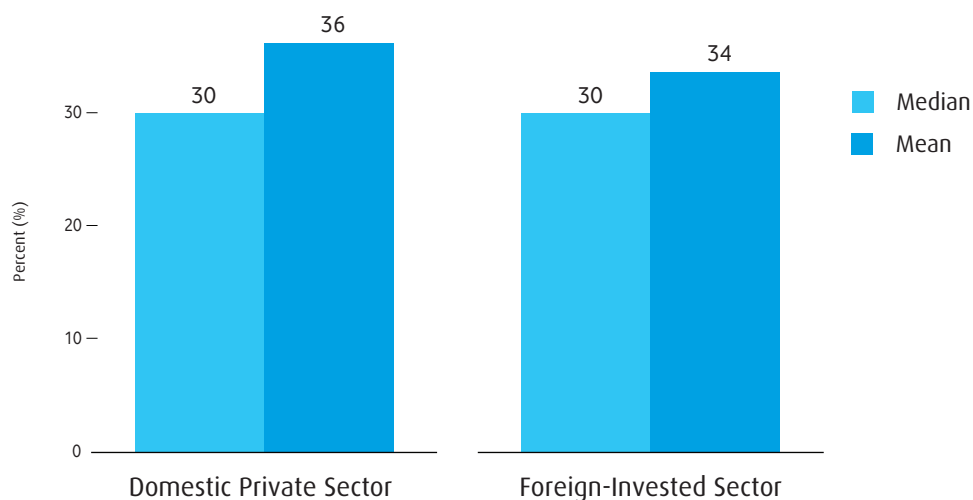
Share of Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19 by Region



More specifically, great concerns lie in the question of to what extent business revenue would reduce in 2020 compared to 2019 under the impact of the COVID-19 pandemic. The survey reveals that a firm's revenue, whether it is a private or FDI enterprise, would normally decrease by 30% (the median value). The average decline for domestic private enterprises is over one third lower (36%) and for FDI enterprises is equal to 34% of last year's revenue.

FIGURE 4.6

Average Revenue Declines Compared to 2019 by Economic Sector



The following figure demonstrates firm revenue loss in 2020 compared to 2019 by years in operation and firm size. Basically, it is easily observable that start-ups and micro or small-sized firms have a higher rate of revenue decline than all the other groups.

FIGURE 4.7

Average Revenue Declines Compared to 2019 by Years in Operation and Firm Size

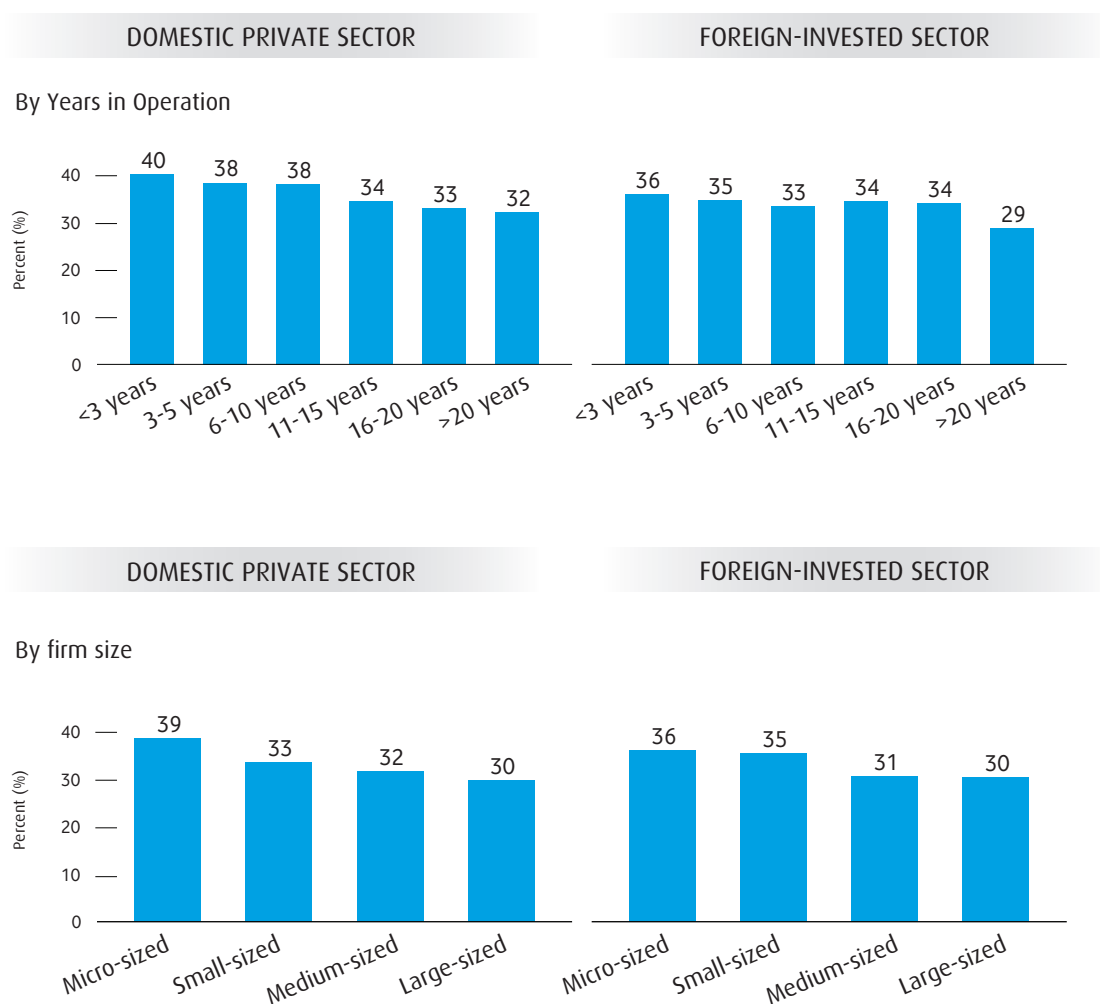
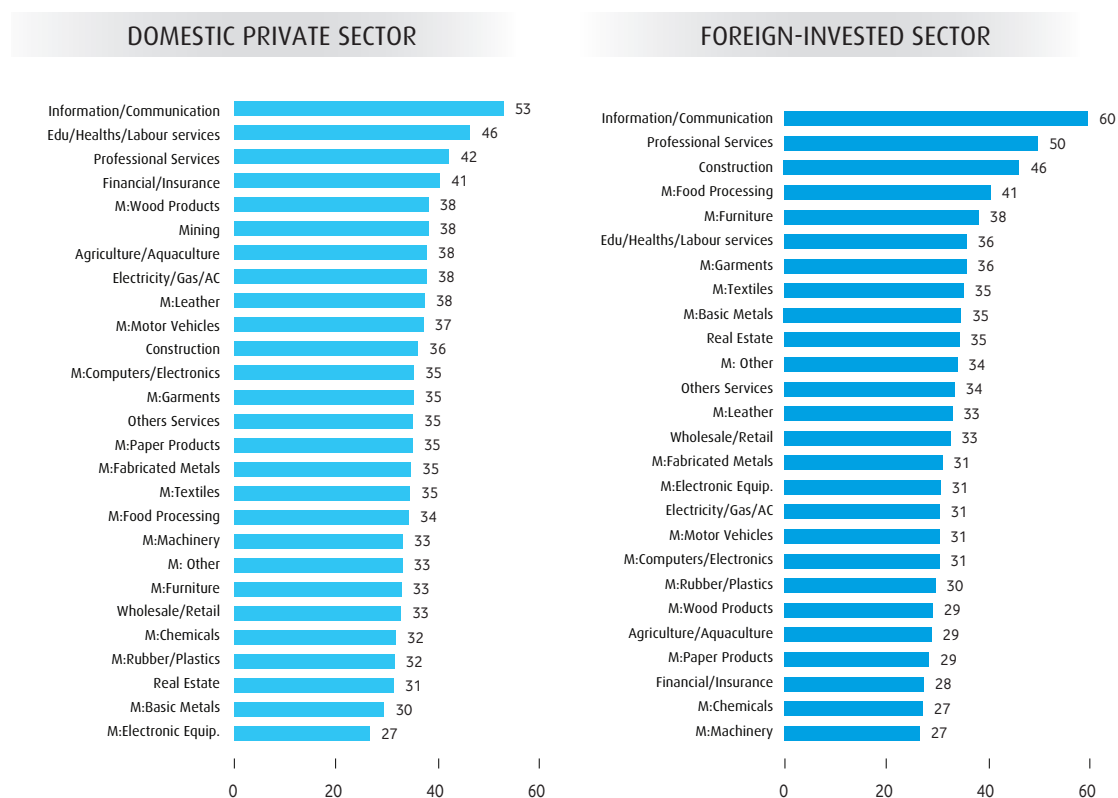


Figure 4.8 classifies business revenue decline rates in 2020 compared to 2019 by two-digit industrial sector. For the domestic private sector, enterprises reporting a drop in revenue tend to provide information and communication services (53%), education, health care and labor services (46%), administration and support services (42%). Regarding the FDI sector, there are also noticeable ratios of revenue decline among firms in several industries, especially in information and communication services (60%), administration and support services (50%), and construction (46%).

FIGURE 4.8

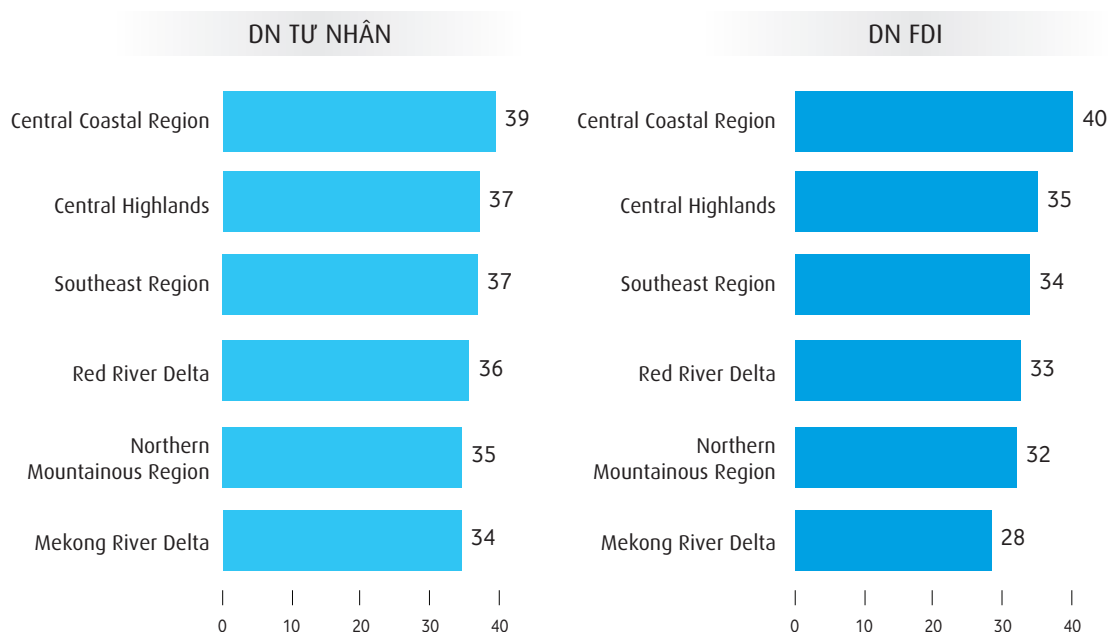
Average Revenue Declines Compared to 2019 by Two-Digit Industrial Sector



Private and FDI enterprises are found to follow some certain similar patterns with regard to the decrease in business revenue in 2020 compared to 2019 if classified by region. Enterprises operating in the Central Coast region claimed to bear the biggest revenue declines on average, followed by the Central Highlands, the Southeast region, the Red River Delta, the Northern Mountainous region, and finally the Mekong River Delta, respectively.

FIGURE 4.9

Average Revenue Declines Compared to 2019 by Region



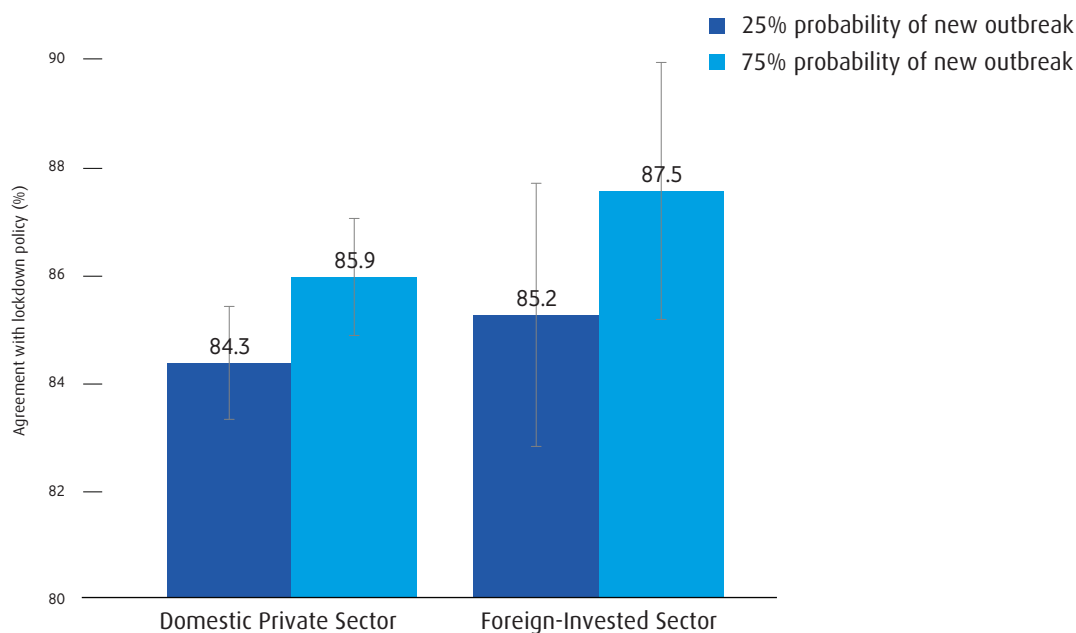
BUSINESSES' SUPPORT FOR ANTI-PANDEMIC MEASURES

In the context where the COVID-19 pandemic has yet to show sign of slowing down and continues to devastate Vietnam's socio-economy with its far-reaching impact, the government has stepped up to implement strong and effective anti-pandemic measures. The survey results show that the business community has exhibited great support for Vietnam's prevention and control policies against the pandemic.

The 2020 Business Survey questionnaire was elaborated when the first wave of the COVID-19 began sweeping across the country. While closely following the development of the pandemic in reality, the team designed a survey experiment with two hypotheses in which a renewed outbreak might occur in Vietnam with a low probability (25%) or a high probability (75%). We then tried to investigate the response of the businesses in each case. As shown in Figure 4.10, in the first case which assumes there is a 75% probability of a second wave of new COVID-19 infections, as it actually happened later in late July 2020, 85.9% of private enterprises and 87.5% of FDI firms are in favor of further lockdown measures. In the second case where there is only a 25% probability of a second wave of new COVID-19 infections, 84.3% of domestic private enterprises and 85.2% of FDI enterprises show support for strict social distancing policies as what had been done in March/April 2020.

FIGURE 4.10

Business Support for Government Social Distancing Measures to Fight Against the Pandemic



BUSINESSES' RECOMMENDATIONS

One of the key objectives of this report is to collect recommendations from the business community with regard to potential policy moves that the government can take to help businesses recover operations in the coming time. Accordingly, the research team has synthesized the opinions of businesses, analyzed the ideas embedded in each recommendation, and classified them into topics according to the degree of similarity. In general, the recommendations of businesses focus on the following main pillars:

The number one choice for businesses appears to be tax policies, namely tax exemption and tax reduction, since up to 1,560 enterprises recommended it in their answers. Stressed out by the various damaging impacts of the COVID-19 pandemic, some businesses called on the government to calculate an appropriate amount that they can claim as tax reduction or even consider adopting temporary corporate tax exemption and keep this policy for at least one more year. At the same time, a certain number of businesses also proposed to exempt and cut down both business licence tax and presumptive tax for business households in order to revive this economic subsector and encourage business households to upgrade to more professional models of entrepreneurship.

Among many tax relief initiatives are tax deferral measures with tax payment extension being the most cited policy. Indeed, it was recommended by 316 enterprises. The proposed tax deferral policy which would allow for the extension of filing and tax payment deadlines is expected to cover corporate income tax, value-added tax, and income taxes of business households.

1,270 businesses suggested the government cut interest rates and create more favorable conditions to access preferential loans. Many businesses expressed high hopes for a reduction in interest rates, regardless of lending terms, while at the same time expecting commercial banks to restructure terms on interest and principal payment. Meanwhile, some stressed that procedures for accessing credit resources should be executed under easier lending conditions and less burdensome eligibility requirements in the context of the COVID-19 pandemic, such as offering unsecured and collateral-free loans or providing loans through guarantee contracts with reliable partners.

Besides proposals for tax reduction, tax extension, and credit access facilitation, numerous enterprises requested practical government efforts to reduce the costs of doing business. Among firms that shared their views on possible policy options, 149 cases asked government agencies to postpone or extend payment dates for social insurance contributions and trade union fees. Regarding health insurance, some enterprises believe that government agencies need to relax their regulations and allow for a degree of flexibility in execution, for example letting employers to buy individual health insurance plans for employees whose labor contracts are suspended temporarily. On the other hand, 113 firms stressed that they could save input costs if electricity/water/gasoline prices are cut down. With regard to the land and business premises that the government has leased to enterprises, some business owners also hoped that government agencies would take necessary steps to relieve part of the difficulties they were bearing by reducing land rents/fees. Some other enterprises pleaded with local authorities to help fund part of the expenses for labor recruitment and labor training while providing appropriate training courses for workers in enterprises.

As a matter of fact, the slow re-opening of the national economy, which is likely to put more negative impacts on commodity import and export, adds further to businesses' worries. 67 enterprises strongly stated that the government needs to put in place suitable solutions to facilitate goods importing-exporting enterprises, especially in the import of input materials for domestic production and business. Similarly, hospitality businesses, hotels, and establishments employing foreign workers and international experts have expressed great concerns about the prolonged implementation of entry restrictions and the complicated quarantine procedures for foreigners upon entry into Vietnam, which might in turn affect their businesses and operations seriously. Accordingly, about 97 firms noted that the government should map out an appropriate pandemic battle plan where entry requirements for foreigners are more facilitating and less complicated but still ensure safety control during the pandemic.

While it is true that the spread of the COVID-19 pandemic has disturbed most economic activities, the outbreak also created an opportunity to further promote the introduction of suitable solutions to finetune legislation, overhaul the judicial system and remove bottlenecks in administrative procedures so as to improve the business environment. A large number of enterprises have raised this point (796 responses). As stated by them, government agencies need to continuously evaluate existing administrative procedures and processes within their jurisdiction. By doing this, they might find ways to simplify the steps and apply information technology to administration on a larger scale. It helps the government avoid as many troubles as possible, minimize the occurrence of onerous bureaucratic red tape and eradicate situations in which civil servants charge informal fees for speeding up bureaucratic procedures. It is noteworthy that the policy framework designed to support businesses affected by the COVID-19 pandemic is still deemed complicated and difficult to access in practice. As such, 64 enterprises suggested government agencies give clear and easy-to-understand instructions on how to receive support while gradually simplifying eligibility criteria, making them simpler than the current regulations. For example, it is really difficult for many enterprises to access loans with a zero percent interest rate due to administrative procedural obstacles. As a result, very few enterprises can actually access this credit source. The implementation of support policies for businesses affected by the COVID-19 pandemic has also been discussed. In particular, enterprises urged ministries and relevant departments at the central level to push the promotion and monitoring of the implementation of support packages in localities to ensure transparency and fairness. Another solution to help businesses reduce the burden of compliance with administrative procedures is to halt or minimize examination and inspection activities in enterprises, especially the inspection of tax, social insurance, customs, and other specialized inspection activities. 76 enterprises have mentioned this point. Although the Prime Minister had issued Directive No. 20/CT-TTg dated May 17th, 2017 on the reorganization of inspection and examination activities in enterprises, which required more effective coordination between ministries and agencies in conducting examination and inspection tasks to make sure that businesses would only go through inspection at least once per year, ministries and departments have not made use of each other's inspection results. Consequently, there are still overlaps in the conduct of examination and inspection activities, causing major obstacles for businesses in complying with state regulations.

Notably, a leading proportion of proposals given by businesses tend to focus on fundamental and macro issues of the economy. Suggestions for increasing public investment, resuming and completing infrastructure works, or implementing necessary stimulus packages are supported by 248 businesses out of all respondents. In the context where the COVID-19 pandemic is showing further complicated and unpredictable developments, possibly resulting in a decline in GDP growth

drivers such as exports, personal consumption, and enterprise investment, an increase in public investment, especially through the completion of unfinished core infrastructure works, could be a suitable economic remedy to create jobs and revive the economy.

Furthermore, 56 businesses insisted that long-term macroeconomic policies need to put a premium on the development of domestic markets and the strengthening of linkages between domestic businesses and consumers. The impacts of the COVID-19 pandemic have seriously shaken many businesses that rely primarily on exporting goods. Meanwhile, domestic markets have a lot of potentials to help businesses “survive and grow well” through this tough time.

On a contrary, 292 enterprises asserted that the most important measure is to control and strictly contain the pandemic so that it does not have a chance to spread again. Businesses cannot function properly if a new infection case repeatedly appears in the community once in a while. Therefore, many businesses have shown great support for the current relief measures adopted by government agencies to prevent the pandemic from entering Vietnam. Indeed, they consider them as the top priority tasks before thinking about solutions to help businesses recover after the pandemic.

Evidently, most of the proposed solutions have been incorporated in government support packages for businesses and people affected by the COVID-19 pandemic. Based on the number of times each policy recommendation was mentioned, the biggest concerns for enterprises still centered around tax, fees, and credit access. In addition, quite a few businesses highly regard the improvement of the business environment through reviewing legal regulations, reforming administrative procedures, and reducing the burden of compliance with legal regulations. Recently, several adjustments have been made to tax and fee policies with a couple of legal documents newly issued to reform administrative procedures. Unluckily, it also means that too many documents will be amended if one is modified. Indeed, every time a particular document needs to be modified and supplemented in terms and contents, a new document will be made to provide guidelines on the matter. Hence, the legal system has created too many complex hurdles for the businesses to follow up. Some businesses are not even aware of legal amendments that might be beneficial for their operations. Therefore, the achieved results fell short of what had been expected. To address this shortcoming, it is necessary to quickly provide enterprises with consistent and cohesive guidelines on all current applicable legal amendments to facilitate the compliance of businesses with the laws. Besides, while the implementation of government solutions is expected to yield immediate benefits for businesses, the execution of instructions on the implementation of directives, resolutions, and decrees in some agencies is sluggishly processed. While solutions for tax, fees, and credit access issues are quite remarkable challenges for government agencies due to the pressure to balance the national budget, measures to reform administrative procedures are generally easier to implement, not to mention that they have been significantly promoted in recent years. Once again, the opinions of the business community gathered through the survey underscore the critical importance of administrative procedure reform and the improvement of law enforcement efficiency in creating an enabling and supportive business environment for the sustainable recovery of businesses under the pressures of the global COVID-19 pandemic.

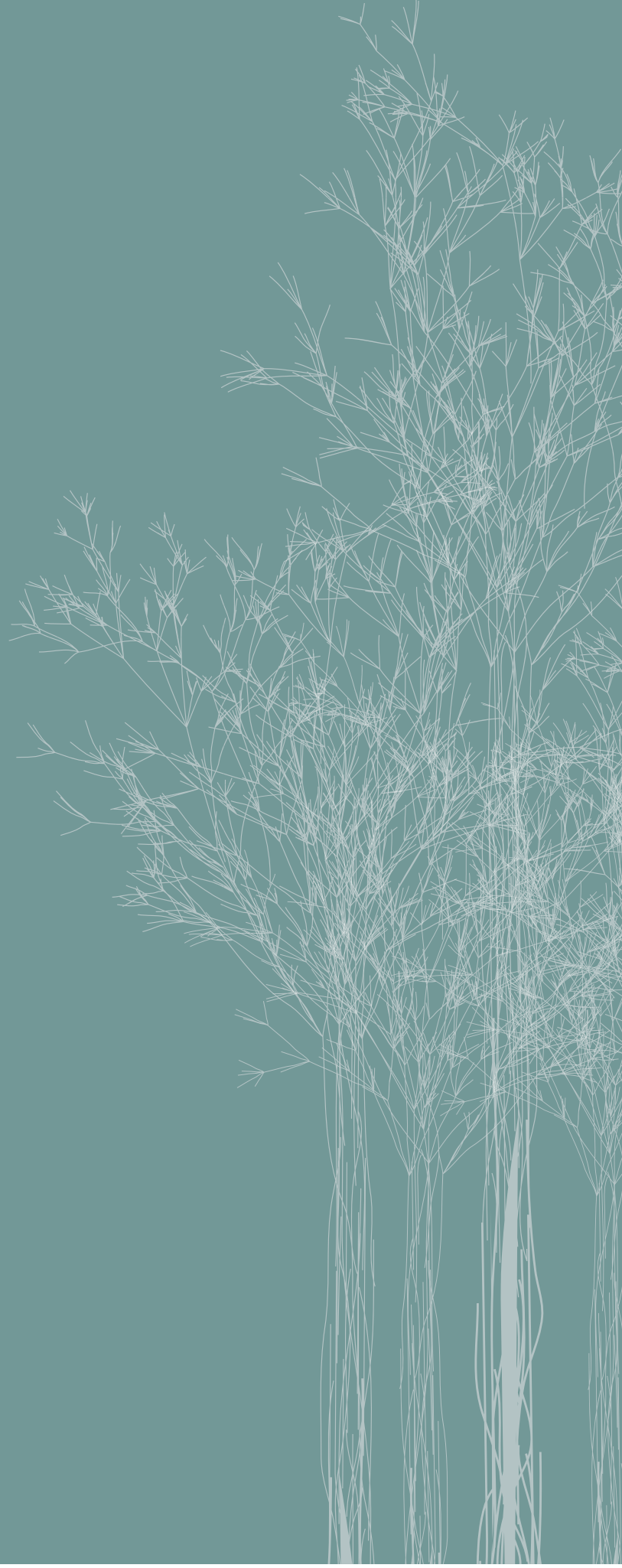
POLICY RECOMMENDATIONS

Given the above proposals of businesses, which have been voiced through the 2020 Business Survey, the Vietnam Chamber of Commerce and Industry (VCCI) suggests a number of recommendations in order to support businesses to recover their production and business as well as counter the undesirable effects of the pandemic as follows:

- Ministries, branches, and local authorities need to continuously raise public awareness of current business relief measures while conducting efficient policy marketing efforts through effective government communication and dissemination of information to facilitate businesses' access to the in-effect support and resilience packages. In particular, it is necessary to construct purposeful, direct, explicit, and systematic instructions on administrative procedures and processes that can be introduced to businesses in a simple and easy-to-implement manner.
- Furthermore, ministries, branches, and local authorities need to actively supervise and keep track of the implementation progress of promulgated policies in practice. Special care needs to be taken when detecting issues and shortcomings in the implementation process so that policymakers can propose timely adjustments or come up with more appropriate solutions to support all businesses regardless of time and industry. Nevertheless, we recommend that businesses in industries severely damaged by the COVID-19 pandemic be placed at the heart of all policy moves. It is vital to pay more attention to micro and small-sized enterprises given the poor resilience of this group of businesses. The study refers to some additional measures that other countries are currently applying, such as providing financial support for businesses that retain a large scale of employment; or funding training costs to improve the skills and qualifications of workers.
- Another crucial step is to introduce policies that can promote Vietnam's support industries and services toward the direction of reducing national dependence on external supply and the manual job of doing outsourced works. Moreover, the government might consider shifting to some higher value-added industries as the rise of these sectors often promises a better position for Vietnam in global supply chains. Coming with them are bigger opportunities for the country to benefit from FTAs that specifically require a high ratio of domestic/intra-regional contents in products. The COVID-19 pandemic is unleashing a huge opportunity for Vietnam to realize this goal as the country's major partners such as Japan, the US, the EU, or Australia... are looking for suitable locations to place part of their supply chains after moving them out of China. With a number of new-generation FTAs such as CPTPP and EVFTA that the country has recently concluded, Vietnam might have a better chance to be chosen if the government can set out clear objectives and adopt effective policies to serve the goal. In the end, they should result in an enabling business environment that can facilitate the development of Vietnamese enterprises and promote attraction of investment from the above-mentioned partners into key target industries/ areas for Vietnam's economic growth.

- There should be support schemes to forge more favorable conditions for the operation of Vietnamese private enterprises so that they can survive and flourish after the COVID-19 pandemic. Of special interest are innovation and training of high-quality human resources which allow enterprises to be more readily prepared for new competitions. This is as equally important as saving struggling businesses since it will help the business community and the economy as a whole get back on track quickly and recover their growth prospects to enter a higher stage of development. This also helps businesses open the door to new opportunities in the new context.
- Relevant ministries and departments need to proactively study and propose to the government and the Prime Minister suitable, country-specific relief measures, including support packages to help enterprises recover and expand investment scale for the planning period from 2021 to 2025. According to forecasts, the COVID-19 pandemic will continue to exert serious impacts on a global scale in the coming time. Thus, the country is clearly in need of more long-term oriented policies.
- Finally, it is necessary to share and take in effective models as well as the best practices in coping with the COVID-19 pandemic, then replicate them on a wide scale. For ministries, branches, and local authorities, experiences in implementing business support policies might be the most important input. Meanwhile, business associations often seek to learn about effective pandemic response experiences based on the knowledge that businesses have gained through survival in the difficult context of the COVID-19 pandemic. Particular emphasis should be placed on lessons about choosing markets and partners, setting up business relations, or directing investment into building core “internal strengths” of enterprises to increase resilience to shocks. With various information-sharing forums and channels, stakeholders in different industries can look back on what has happened together and predict what might happen in each field, thereby discussing new directions to strengthen cooperation and joint efforts to go further together in the coming time...

ANNEX



ANNEX 1

The Share of Domestic Private Enterprises in Each Province/City Reporting that the COVID-19 Exerted Negative Impacts on their Business (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
An Giang	107	88.79	31.70	82.78	94.79
Bac Giang	119	86.55	34.26	80.40	92.71
Bac Kan	96	89.58	30.71	83.44	95.73
Bac Lieu	104	89.42	30.90	83.48	95.36
Bac Ninh	157	89.81	30.35	85.06	94.56
Ben Tre	122	74.59	43.71	66.83	82.35
Binh Dinh	151	84.11	36.68	78.25	89.96
Binh Duong	183	90.16	29.86	85.84	94.49
Binh Phuoc	101	86.14	34.73	79.37	92.91
Binh Thuan	104	85.58	35.30	78.79	92.36
BRVT	152	82.24	38.35	76.14	88.33
Ca Mau	111	84.68	36.18	77.95	91.41
Can Tho	148	90.54	29.36	85.81	95.27
Cao Bang	107	78.50	41.27	70.68	86.32
Da Nang	188	98.40	12.56	96.61	100.20
Dak Lak	155	74.84	43.53	67.99	81.69
Dak Nong	101	89.11	31.31	83.00	95.21
Dien Bien	92	85.87	35.02	78.71	93.03
Dong Nai	198	89.90	30.21	85.69	94.11
Dong Thap	120	82.50	38.16	75.67	89.33
Gia Lai	118	91.53	27.97	86.48	96.57
Ha Giang	98	87.76	32.95	81.23	94.28
Ha Nam	121	90.08	30.01	84.73	95.43
Ha Noi	361	88.64	31.77	85.37	91.92
Ha Tinh	121	94.21	23.44	90.04	98.39
Hai Duong	157	82.17	38.40	76.16	88.17
Hai Phong	183	87.43	33.24	82.62	92.25
Hau Giang	102	85.29	35.59	78.39	92.20
Hoa Binh	102	92.16	27.02	86.91	97.40
Hung Yen	153	88.89	31.53	83.89	93.88
Khanh Hoa	151	94.70	22.47	91.12	98.29
Kien Giang	131	84.73	36.11	78.55	90.92
Kon Tum	96	94.79	22.34	90.32	99.26
Lai Chau	105	86.67	34.16	80.13	93.20
Lam Dong	150	88.67	31.81	83.58	93.76
Lang Son	107	82.24	38.39	74.97	89.52
Lao Cai	104	89.42	30.90	83.48	95.36
Long An	133	81.95	38.60	75.39	88.52
Nam Dinh	134	85.07	35.77	79.02	91.13
Nghe An	179	87.71	32.92	82.89	92.53
Ninh Binh	118	86.44	34.38	80.24	92.64
Ninh Thuan	105	76.19	42.80	68.00	84.38
Phu Tho	119	82.35	38.28	75.47	89.23
Phu Yen	106	90.57	29.37	84.98	96.16
Quang Binh	120	85.83	35.02	79.57	92.10
Quang Nam	155	90.97	28.76	86.44	95.49
Quang Ngai	125	88.00	32.63	82.28	93.72
Quang Ninh	154	87.66	32.99	82.45	92.87
Quang Tri	99	92.93	25.76	87.85	98.00
Soc Trang	100	79.00	40.94	70.98	87.02
Son La	102	90.20	29.88	84.40	96.00
Tay Ninh	102	82.35	38.31	74.92	89.79
Thai Binh	121	90.08	30.01	84.73	95.43

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Thai Nguyen	124	86.29	34.53	80.21	92.37
Thanh Hoa	181	92.82	25.89	89.05	96.59
Tien Giang	128	81.25	39.18	74.46	88.04
TP.HCM	354	88.42	32.05	85.08	91.76
Tra Vinh	104	84.62	36.25	77.65	91.58
TT-Hue	121	94.21	23.44	90.04	98.39
Tuyen Quang	116	77.59	41.88	69.96	85.21
Vinh Long	112	79.46	40.58	71.95	86.98
Vinh Phuc	154	91.56	27.89	87.15	95.96
Yen Bai	103	80.58	39.75	72.91	88.26

ANNEX 2

The Share of Foreign-Invested Enterprises in Each Province/City Reporting that the COVID-19 Exerted Negative Impacts on their Business (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Bac Giang	41	92.68	26.37	84.61	100.75
Bac Ninh	119	89.92	30.24	84.48	95.35
Binh Duong	199	83.92	36.83	78.80	89.04
Binh Phuoc	15	86.67	35.19	68.86	104.47
Binh Thuan	6	83.33	40.82	50.67	116.00
BRVT	43	83.72	37.35	72.56	94.89
Da Nang	68	94.12	23.70	88.48	99.75
Dong Nai	127	86.61	34.18	80.67	92.56
Ha Nam	29	96.55	18.57	89.79	103.31
Ha Noi	234	89.32	30.96	85.35	93.28
Hai Duong	40	77.50	42.29	64.39	90.61
Hai Phong	64	89.06	31.46	81.36	96.77
Hung Yen	38	94.74	22.63	87.54	101.93
Khanh Hoa	25	88.00	33.17	75.00	101.00
Lam Dong	33	93.94	24.23	85.67	102.21
Long An	36	91.67	28.03	82.51	100.82
Phu Tho	32	87.50	33.60	75.86	99.14
Quang Nam	31	93.55	24.97	84.76	102.34
Tay Ninh	39	69.23	46.76	54.56	83.91
Thai Nguyen	29	93.10	25.79	83.72	102.49
TP.HCM	250	86.40	34.35	82.14	90.66
Vinh Phuc	45	91.11	28.78	82.70	99.52

ANNEX 3

Specific Impacts of COVID-19 on Domestic Private Enterprises (%)

Province/City	Supply Chain Disrupted	Access to Customers	Availability of Employees	Cash Flow	Others
An Giang	27.93	54.05	33.33	41.44	9.01
Bac Giang	30.58	41.32	28.10	57.02	5.79
Bac Kan	25.51	43.88	60.20	39.80	1.02
Bac Lieu	27.36	51.89	33.02	47.17	7.55
Bac Ninh	38.99	47.17	35.85	42.77	10.69
Ben Tre	34.43	44.26	25.41	31.97	2.46
Binh Dinh	28.57	42.86	35.06	38.96	8.44
Binh Duong	40.00	60.54	35.68	51.89	2.70
Binh Phuoc	30.39	63.73	26.47	45.10	2.94
Binh Thuan	29.63	54.63	39.81	50.93	5.56
BRVT	30.52	55.19	35.06	45.45	3.90
Ca Mau	32.74	47.79	32.74	36.28	10.62
Can Tho	29.14	71.52	33.77	38.41	3.31
Cao Bang	22.52	36.94	40.54	32.43	3.60
Da Nang	36.51	69.84	48.68	59.26	6.88
Dak Lak	33.13	40.00	30.00	43.75	7.50
Dak Nong	27.88	57.69	47.12	48.08	3.85
Dien Bien	29.47	37.89	55.79	55.79	4.21
Dong Nai	49.01	42.57	21.29	41.09	3.96
Dong Thap	21.49	48.76	21.49	47.11	0.83
Gia Lai	49.17	34.17	29.17	39.17	0.83
Ha Giang	42.16	35.29	42.16	51.96	1.96
Ha Nam	35.25	59.84	41.80	54.92	3.28
Ha Noi	34.88	57.49	37.06	50.68	7.63
Ha Tinh	44.35	39.52	41.94	39.52	5.65
Hai Duong	40.25	52.20	32.08	48.43	3.77
Hai Phong	41.94	53.23	35.48	50.54	3.76
Hau Giang	27.88	32.69	43.27	58.65	2.88
Hoa Binh	32.38	54.29	50.48	44.76	2.86
Hung Yen	33.97	51.92	32.69	48.72	1.28
Khanh Hoa	35.76	48.34	30.46	56.29	3.31
Kien Giang	25.00	57.35	26.47	38.97	5.88
Kon Tum	27.00	51.00	48.00	49.00	4.00
Lai Chau	36.45	39.25	65.42	56.07	1.87
Lam Dong	36.00	63.33	48.67	48.67	8.67
Lang Son	27.03	49.55	36.94	37.84	0.90
Lao Cai	22.12	40.38	36.54	61.54	2.88
Long An	26.32	38.35	37.59	47.37	3.76
Nam Dinh	32.85	50.36	33.58	42.34	5.84
Nghe An	36.96	50.54	41.85	45.65	4.35
Ninh Binh	28.33	50.00	45.83	50.00	3.33
Ninh Thuan	24.55	46.36	39.09	34.55	7.27
Phu Tho	37.19	60.33	41.32	52.07	0.83

Province/City	Supply Chain Disrupted	Access to Customers	Availability of Employees	Cash Flow	Others
Phu Yen	28.04	58.88	42.06	48.60	2.80
Quang Binh	38.71	53.23	52.42	55.65	2.42
Quang Nam	32.48	61.78	49.04	56.69	8.92
Quang Ngai	34.13	46.03	31.75	48.41	3.17
Quang Ninh	35.67	55.41	46.50	35.03	1.27
Quang Tri	36.27	50.98	48.04	54.90	0.98
Soc Trang	27.45	38.24	35.29	36.27	1.96
Son La	45.63	45.63	42.72	42.72	2.91
Tay Ninh	24.24	37.12	26.52	35.61	3.03
Thai Binh	28.00	43.20	40.00	47.20	8.00
Thai Nguyen	38.58	50.39	50.39	50.39	3.94
Thanh Hoa	46.49	50.81	49.19	56.76	5.41
Tien Giang	25.76	44.70	34.09	40.15	6.82
TP.HCM	33.61	57.50	28.89	51.11	9.44
Tra Vinh	30.19	39.62	29.25	33.02	12.26
TT-Hue	40.65	59.35	40.65	51.22	2.44
Tuyen Quang	26.72	51.72	37.93	37.93	3.45
Vinh Long	26.55	44.25	35.40	42.48	6.19
Vinh Phuc	31.85	32.48	30.57	38.85	24.20
Yen Bai	32.69	47.12	40.38	37.50	6.73

ANNEX 4

Specific Impacts of COVID-19 on Foreign-Invested Enterprises (%)

Province/City	Supply Chain Disrupted	Access to Customers	Availability of Employees	Cash Flow	Others
Bac Giang	33.33	52.38	35.71	40.48	7.14
Bac Ninh	38.52	59.84	35.25	38.52	7.38
Binh Duong	41.29	60.20	30.85	39.30	4.98
Binh Phuoc	60.00	46.67	40.00	40.00	6.67
Binh Thuan	28.57	42.86	57.14	28.57	0.00
BRVT	31.11	62.22	26.67	35.56	11.11
Da Nang	40.58	65.22	56.52	50.72	11.59
Dong Nai	39.06	70.31	28.13	36.72	5.47
Ha Nam	68.97	72.41	41.38	55.17	3.45
Ha Noi	39.66	69.62	35.02	47.68	2.53
Hai Duong	43.90	58.54	29.27	36.59	2.44
Hai Phong	48.48	63.64	50.00	34.85	4.55
Hung Yen	48.72	51.28	30.77	53.85	10.26
Khanh Hoa	48.00	60.00	52.00	56.00	4.00
Lam Dong	45.45	72.73	36.36	57.58	9.09
Long An	38.89	63.89	22.22	36.11	2.78
Phu Tho	66.67	69.70	36.36	48.48	0.00
Quang Nam	45.16	80.65	51.61	51.61	3.23
Tay Ninh	17.95	48.72	17.95	28.21	2.56
Thai Nguyen	45.16	54.84	58.06	38.71	6.45
TP.HCM	39.60	56.80	22.00	40.00	3.60
Vinh Phuc	48.89	66.67	40.00	46.67	4.44

ANNEX 5

Share of Enterprises Laying Off Workers Due to COVID-19 by Province/City (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
An Giang	111	28.83	45.50	20.36	37.29
Bac Giang	121	37.19	48.53	28.54	45.84
Bac Kan	98	46.94	50.16	37.01	56.87
Bac Lieu	106	37.74	48.70	28.46	47.01
Bac Ninh	159	38.99	48.93	31.39	46.60
Ben Tre	122	22.95	42.23	15.46	30.44
Binh Dinh	154	29.87	45.92	22.62	37.12
Binh Duong	185	29.73	45.83	23.13	36.33
Binh Phuoc	102	30.39	46.22	21.42	39.36
Binh Thuan	108	34.26	47.68	25.27	43.25
BRVT	154	37.01	48.44	29.36	44.66
Ca Mau	113	35.40	48.03	26.54	44.25
Can Tho	151	25.83	43.91	18.82	32.83
Cao Bang	111	38.74	48.94	29.64	47.84
Da Nang	189	39.68	49.05	32.69	46.68
Dak Lak	160	29.38	45.69	22.30	36.45
Dak Nong	104	40.38	49.30	30.91	49.86
Dien Bien	95	42.11	49.63	32.12	52.09
Dong Nai	202	23.27	42.36	17.43	29.11
Dong Thap	121	25.62	43.83	17.81	33.43
Gia Lai	120	21.67	41.37	14.26	29.07
Ha Giang	102	48.04	50.21	38.30	57.78
Ha Nam	122	44.26	49.87	35.41	53.11
Ha Noi	367	35.97	48.06	31.05	40.88
Ha Tinh	124	41.94	49.55	33.21	50.66
Hai Duong	159	28.30	45.19	21.28	35.33
Hai Phong	186	34.41	47.64	27.56	41.25
Hau Giang	104	20.19	40.34	12.44	27.94
Hoa Binh	105	46.67	50.13	37.08	56.25
Hung Yen	156	32.05	46.82	24.70	39.40
Khanh Hoa	151	33.11	47.22	25.58	40.64
Kien Giang	136	35.29	47.97	27.23	43.36
Kon Tum	100	43.00	49.76	33.25	52.75
Lai Chau	107	48.60	50.22	39.08	58.11
Lam Dong	150	31.33	46.54	23.89	38.78
Lang Son	111	44.14	49.88	34.86	53.42
Lao Cai	104	41.35	49.48	31.84	50.86
Long An	133	24.06	42.91	16.77	31.35
Nam Dinh	137	46.72	50.08	38.33	55.10
Nghe An	184	36.96	48.40	29.96	43.95
Ninh Binh	120	38.33	48.82	29.60	47.07
Ninh Thuan	110	33.64	47.46	24.77	42.51
Phu Tho	121	43.80	49.82	34.92	52.68
Phu Yen	107	39.25	49.06	29.96	48.55
Quang Binh	124	41.13	49.41	32.43	49.83
Quang Nam	157	37.58	48.59	29.98	45.18
Quang Ngai	126	26.98	44.56	19.20	34.77
Quang Ninh	157	38.85	48.90	31.20	46.50
Quang Tri	102	40.20	49.27	30.63	49.76
Soc Trang	101	26.73	44.48	18.06	35.41
Son La	103	40.78	49.38	31.24	50.31
Tay Ninh	132	46.21	50.05	37.67	54.75

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Thai Binh	125	29.60	45.83	21.57	37.63
Thai Nguyen	127	46.46	50.07	37.75	55.17
Thanh Hoa	185	40.00	49.12	32.92	47.08
Tien Giang	132	33.33	47.32	25.26	41.41
TP.HCM	360	27.50	44.71	22.88	32.12
Tra Vinh	106	25.47	43.78	17.14	33.81
TT-Hue	123	30.89	46.39	22.70	39.09
Tuyen Quang	116	41.38	49.46	32.38	50.38
Vinh Long	113	29.20	45.67	20.78	37.62
Vinh Phuc	157	34.39	47.65	26.94	41.85
Yen Bai	104	38.46	48.89	29.07	47.86

ANNEX 6

Share of Foreign-Invested Enterprises Laying Off Workers Due to COVID-19 by Province/City (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Bac Giang	42	28.57	45.72	14.74	42.40
Bac Ninh	122	13.93	34.77	7.76	20.10
Binh Duong	201	24.88	43.34	18.88	30.87
Binh Phuoc	15	20.00	41.40	-0.95	40.95
Binh Thuan	7	57.14	53.45	17.55	96.74
BRVT	45	33.33	47.67	19.40	47.26
Da Nang	69	28.99	45.70	18.20	39.77
Dong Nai	128	14.84	35.69	8.66	21.03
Ha Nam	29	27.59	45.49	11.03	44.14
Ha Noi	237	20.68	40.58	15.51	25.84
Hai Duong	41	21.95	41.91	9.12	34.78
Hai Phong	66	28.79	45.62	17.78	39.79
Hung Yen	39	12.82	33.87	2.19	23.45
Khanh Hoa	25	12.00	33.17	-1.00	25.00
Lam Dong	33	27.27	45.23	11.84	42.70
Long An	36	13.89	35.07	2.43	25.35
Phu Tho	33	27.27	45.23	11.84	42.70
Quang Nam	31	38.71	49.51	21.28	56.14
Tay Ninh	39	28.21	45.59	13.90	42.51
Thai Nguyen	31	22.58	42.50	7.62	37.54
TP.HCM	250	21.20	40.95	16.12	26.28
Vinh Phuc	45	17.78	38.66	6.48	29.07

ANNEX 7

Number of Laid-Off Workers in Domestic Private Enterprises due to COVID-19 by Province/City (%)

Province/City	Number of enterprises	Minimum	Mean	Median	Maximum	Standard Deviation	Confidence Interval 95%	
							[Lower bound]	[Upper bound]
An Giang	23	0	23	5	300	62	-2	48
Bac Giang	39	0	21	4	250	51	5	37
Bac Kan	31	0	13	3	170	34	1	25
Bac Lieu	27	0	10	3	50	15	4	15
Bac Ninh	46	0	7	4	100	16	3	12
Ben Tre	28	0	7	3	50	12	2	11
Binh Dinh	43	0	15	3	250	45	2	29
Binh Duong	58	0	11	5	200	27	4	18
Binh Phuoc	31	0	17	3	300	54	-2	36
Binh Thuan	32	0	18	5	200	37	5	31
BRVT	53	0	6	3	100	15	2	10
Ca Mau	32	0	4	2	40	7	2	7
Can Tho	43	0	6	2	50	11	3	9
Cao Bang	33	0	7	3	50	12	3	11
Da Nang	72	0	11	3	180	27	5	17
Dak Lak	45	0	4	3	20	5	3	6
Dak Nong	35	0	5	3	50	9	2	8
Dien Bien	36	0	10	5	50	12	6	14
Dong Nai	52	0	12	2	200	34	2	21
Dong Thap	32	0	7	4	50	12	3	11
Gia Lai	36	0	4	2	50	8	1	7
Ha Giang	38	0	16	6	150	30	6	25
Ha Nam	46	0	14	3	300	49	0	29
Ha Noi	111	0	8	3	250	26	3	13
Ha Tinh	49	0	7	2	50	11	4	10
Hai Duong	44	0	4	2	30	6	2	6
Hai Phong	48	0	14	3	200	39	3	25
Hau Giang	22	0	30	2	600	127	-23	84
Hoa Binh	35	0	13	5	100	20	6	19
Hung Yen	44	0	8	2	100	20	3	14
Khanh Hoa	50	0	15	4	160	33	6	24
Kien Giang	34	0	4	3	18	5	3	6
Kon Tum	40	0	9	3	50	13	5	13
Lai Chau	46	0	12	8	65	13	8	16
Lam Dong	53	0	10	2	150	24	4	16
Lang Son	44	0	5	3	40	7	3	7
Lao Cai	35	0	11	5	95	18	5	17
Long An	40	0	7	2	70	14	3	12
Nam Dinh	49	0	21	5	180	37	11	32
Nghe An	64	0	5	3	40	7	3	7
Ninh Binh	45	0	11	5	70	15	6	15

Province/City	Number of enterprises	Minimum	Mean	Median	Maximum	Standard Deviation	Confidence Interval 95%	
							[Lower bound]	[Upper bound]
Ninh Thuan	32	0	10	3	100	20	3	17
Phu Tho	55	0	8	5	120	18	4	13
Phu Yen	38	0	7	3	50	11	3	11
Quang Binh	42	0	12	3	100	25	4	20
Quang Nam	62	0	11	3	130	24	5	17
Quang Ngai	32	0	7	2	50	13	3	12
Quang Ninh	54	0	12	3	300	41	1	23
Quang Tri	32	0	8	3	50	14	3	13
Soc Trang	26	0	3	1	20	5	1	5
Son La	44	0	8	4	50	12	5	12
Tay Ninh	23	0	8	3	40	10	4	13
Thai Binh	32	0	20	3	222	46	4	36
Thai Nguyen	53	0	10	5	100	18	5	14
Thanh Hoa	59	0	8	3	55	13	5	12
Tien Giang	32	0	14	5	160	30	3	24
TP.HCM	93	0	13	3	400	58	1	24
Tra Vinh	15	0	10	5	80	20	0	20
TT-Hue	44	0	18	5	180	40	7	30
Tuyen Quang	42	0	9	3	100	18	4	14
Vinh Long	36	0	6	2	100	18	0	12
Vinh Phuc	42	0	11	3	220	35	1	22
Yen Bai	26	0	17	5	120	28	6	28

ANNEX 8

Number of Laid-Off Workers in Foreign-Invested Enterprises due to COVID-19 by Province/City (%)

Province/City	Number of enterprises	Minimum	Mean	Median	Maximum	Standard Deviation	Confidence Interval 95%	
							[Lower bound]	[Upper bound]
Bac Giang	13	0	29	0	150	48	3	55
Bac Ninh	15	0	11	2	60	19	1	20
Binh Duong	57	0	42	20	350	66	25	60
Binh Phuoc	4	0	13	0	50	25	-12	37
Binh Thuan	2	30	45	45	60	21	16	74
BRVT	14	0	61	18	360	116	1	122
Da Nang	16	0	17	6	90	27	4	30
Dong Nai	27	0	15	0	100	28	4	26
Ha Nam	8	0	41	20	100	39	14	68
Ha Noi	51	0	21	3	300	50	7	34
Hai Duong	11	0	212	40	1381	405	-27	452
Hai Phong	14	0	59	9	350	109	2	116
Hung Yen	5	0	28	10	100	42	-9	65
Khanh Hoa	3	2	32	5	88	49	-24	87
Lam Dong	9	0	28	0	250	83	-26	83
Long An	13	0	4	0	30	8	-1	8
Phu Tho	9	0	169	150	500	184	49	289
Quang Nam	11	0	23	10	63	27	7	39
Tay Ninh	11	0	100	40	461	143	16	185
Thai Nguyen	5	0	103	2	500	222	-91	298
TP.HCM	60	0	9	2	84	15	5	13
Vinh Phuc	6	0	7	9	12	5	3	11

ANNEX 9

Main Business Approaches to Resolving COVID-19 Crisis in Domestic Private Enterprises (%)

Province/City	Stockpiling Supplies	Flexible Working Methods	Digital Skills Training	Sick Pay for Self-Isolation	Alternative Supply Chain	Hygiene Advice/Supplies	Increased Automation	Others
An Giang	21.62	43.24	10.81	7.21	16.22	63.06	4.50	7.21
Bac Giang	21.49	27.27	12.40	9.92	17.36	43.80	1.65	6.61
Bac Kan	22.45	37.76	16.33	13.27	19.39	67.35	5.10	0.00
Bac Lieu	17.92	41.51	11.32	6.60	17.92	56.60	2.83	11.32
Bac Ninh	19.50	23.27	11.32	3.77	13.84	55.97	3.77	10.69
Ben Tre	29.51	44.26	8.20	7.38	13.93	59.84	5.74	4.10
Binh Dinh	24.03	33.77	10.39	7.79	14.94	46.75	3.25	14.29
Binh Duong	25.41	38.92	11.89	5.95	27.03	60.00	5.95	2.16
Binh Phuoc	20.59	32.35	7.84	10.78	17.65	60.78	2.94	7.84
Binh Thuan	16.67	45.37	12.96	7.41	17.59	57.41	2.78	5.56
BRVT	16.23	33.77	14.29	5.84	21.43	62.99	5.19	7.14
Ca Mau	12.39	37.17	13.27	3.54	17.70	44.25	5.31	13.27
Can Tho	15.23	31.13	9.93	4.64	17.88	74.17	5.96	4.64
Cao Bang	23.42	36.94	10.81	6.31	10.81	54.05	3.60	2.70
Da Nang	18.52	46.56	16.93	10.05	20.11	57.67	4.23	6.88
Dak Lak	14.38	42.50	15.00	9.38	15.63	51.25	6.25	11.88
Dak Nong	19.23	43.27	12.50	12.50	21.15	55.77	9.62	11.54
Dien Bien	21.05	42.11	10.53	8.42	17.89	54.74	5.26	1.05
Dong Nai	26.24	29.70	10.40	7.43	13.86	55.94	2.97	3.47
Dong Thap	14.05	40.50	11.57	2.48	16.53	68.60	4.96	5.79
Gia Lai	36.67	25.83	10.00	7.50	15.00	37.50	1.67	1.67
Ha Giang	27.45	42.16	24.51	10.78	16.67	50.00	5.88	2.94
Ha Nam	29.51	42.62	18.85	20.49	27.05	54.92	8.20	0.82
Ha Noi	14.99	48.50	20.16	13.08	22.62	50.41	5.72	8.17
Ha Tinh	16.94	25.00	11.29	5.65	16.13	56.45	2.42	7.26
Hai Duong	28.30	28.93	10.69	7.55	24.53	54.72	3.77	12.58
Hai Phong	17.74	48.39	15.05	9.14	31.72	62.37	6.45	2.69
Hau Giang	18.27	29.81	8.65	7.69	16.35	68.27	7.69	2.88
Hoa Binh	17.14	40.95	14.29	7.62	21.90	69.52	6.67	4.76
Hung Yen	22.44	32.69	10.90	8.33	16.03	66.03	4.49	7.69
Khanh Hoa	15.23	27.81	10.60	5.30	17.88	65.56	2.65	7.95
Kien Giang	14.71	31.62	13.24	12.50	18.38	45.59	4.41	8.82
Kon Tum	20.00	43.00	9.00	9.00	13.00	49.00	5.00	4.00
Lai Chau	24.30	42.99	16.82	19.63	15.89	57.94	8.41	3.74
Lam Dong	18.67	32.00	13.33	6.67	16.00	66.00	6.67	8.67
Lang Son	18.02	32.43	9.91	9.01	20.72	46.85	5.41	3.60
Lao Cai	18.27	37.50	12.50	10.58	23.08	70.19	3.85	3.85
Long An	27.07	27.07	6.77	6.02	18.80	74.44	0.75	2.26
Nam Dinh	21.17	34.31	6.57	7.30	17.52	61.31	6.57	5.84
Nghe An	25.00	43.48	15.76	11.96	16.85	56.52	8.70	5.98
Ninh Binh	20.00	37.50	10.83	7.50	20.83	60.00	8.33	13.33
Ninh Thuan	16.36	30.91	11.82	9.09	17.27	57.27	5.45	12.73
Phu Tho	19.83	38.02	9.92	7.44	19.01	61.98	3.31	7.44
Phu Yen	21.50	36.45	14.02	5.61	16.82	60.75	8.41	2.80
Quang Binh	19.35	48.39	19.35	15.32	23.39	60.48	4.84	4.84

Province/City	Stockpiling Supplies	Flexible Working Methods	Digital Skills Training	Sick Pay for Self- Isolation	Alternative Supply Chain	Hygiene Advice/ Supplies	Increased Automation	Others
Quang Nam	18.47	32.48	13.38	18.47	14.01	61.15	2.55	3.82
Quang Ngai	25.40	30.95	15.08	11.90	15.08	44.44	0.79	3.97
Quang Ninh	15.92	45.22	8.28	5.73	19.75	64.33	4.46	2.55
Quang Tri	26.47	41.18	11.76	13.73	31.37	56.86	4.90	1.96
Soc Trang	18.63	35.29	13.73	9.80	20.59	68.63	5.88	1.96
Son La	31.07	31.07	18.45	11.65	18.45	53.40	6.80	5.83
Tay Ninh	15.91	29.55	11.36	9.85	15.91	42.42	6.06	8.33
Thai Binh	18.40	29.60	11.20	8.80	20.80	73.60	4.80	4.00
Thai Nguyen	22.83	44.09	17.32	5.51	13.39	54.33	6.30	7.09
Thanh Hoa	15.14	35.14	8.65	6.49	12.97	35.68	3.78	31.89
Tien Giang	22.73	31.06	12.88	6.82	17.42	65.91	5.30	4.55
TP.HCM	11.94	38.89	10.28	5.28	15.00	49.44	4.44	14.44
Tra Vinh	18.87	27.36	4.72	8.49	16.04	44.34	0.94	14.15
TT-Hue	19.51	38.21	12.20	6.50	16.26	64.23	5.69	7.32
Tuyen Quang	24.14	41.38	16.38	10.34	24.14	50.86	5.17	2.59
Vinh Long	18.58	37.17	10.62	6.19	17.70	58.41	4.42	14.16
Vinh Phuc	19.11	29.94	12.10	10.83	16.56	47.77	5.73	28.03
Yen Bai	20.19	43.27	19.23	18.27	25.96	59.62	6.73	1.92

ANNEX 10

Main Business Approaches to Resolving COVID-19 Crisis in Foreign-Invested Enterprises (%)

Province/City	Stockpiling Supplies	Flexible Working Methods	Digital Skills Training	Sick Pay for Self-Isolation	Alternative Supply Chain	Hygiene Advice/Supplies	Increased Automation	Others
Bac Giang	23.81	23.81	7.14	23.81	30.95	76.19	4.76	9.52
Bac Ninh	26.23	25.41	11.48	11.48	23.77	62.30	9.84	15.57
Binh Duong	23.88	29.35	9.45	13.93	16.92	82.59	4.48	5.47
Binh Phuoc	26.67	40.00	0.00	0.00	26.67	73.33	0.00	13.33
Binh Thuan	0.00	14.29	0.00	0.00	28.57	57.14	0.00	14.29
BRVT	17.78	35.56	11.11	13.33	28.89	64.44	8.89	2.22
Da Nang	21.74	60.87	21.74	18.84	15.94	68.12	8.70	7.25
Dong Nai	21.09	25.00	4.69	10.94	14.06	89.06	3.13	7.03
Ha Nam	27.59	27.59	10.34	27.59	34.48	86.21	3.45	6.90
Ha Noi	15.61	57.38	26.16	16.46	27.43	60.76	6.33	5.49
Hai Duong	31.71	41.46	19.51	21.95	36.59	75.61	2.44	2.44
Hai Phong	28.79	42.42	12.12	24.24	25.76	83.33	7.58	1.52
Hung Yen	43.59	33.33	17.95	2.56	33.33	76.92	5.13	5.13
Khanh Hoa	40.00	36.00	16.00	4.00	12.00	68.00	4.00	4.00
Lam Dong	18.18	33.33	6.06	15.15	33.33	60.61	6.06	3.03
Long An	30.56	38.89	2.78	16.67	19.44	83.33	0.00	8.33
Phu Tho	30.30	33.33	18.18	21.21	33.33	60.61	12.12	6.06
Quang Nam	22.58	41.94	19.35	16.13	32.26	67.74	9.68	0.00
Tay Ninh	35.90	23.08	10.26	17.95	20.51	64.10	0.00	2.56
Thai Nguyen	22.58	48.39	12.90	25.81	25.81	80.65	12.90	6.45
TP.HCM	22.00	50.80	19.60	6.40	16.00	58.80	4.80	2.00
Vinh Phuc	37.78	35.56	15.56	28.89	28.89	82.22	13.33	6.67

ANNEX 11

Share of Domestic Private Enterprises Assessed that Support Policies were Easy to Access (%)

Province/ City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
An Giang	52.38	54.29	37.50	81.82	81.13	71.74	66.67	78.38
Bac Giang	26.09	24.44	13.79	45.45	46.07	40.00	31.33	33.33
Bac Kan	26.67	25.42	17.54	40.00	40.91	42.62	26.56	42.37
Bac Lieu	37.29	39.22	21.28	71.70	71.43	68.89	48.84	60.00
Bac Ninh	25.00	26.21	15.31	39.05	37.86	37.37	31.96	34.83
Ben Tre	57.50	55.84	48.53	71.83	72.37	68.66	64.38	68.25
Binh Dinh	38.96	41.67	23.19	63.95	63.53	57.50	37.50	46.27
Binh Duong	39.81	31.37	27.96	61.00	57.80	46.59	44.09	56.98
Binh Phuoc	41.51	44.00	33.33	53.06	56.25	58.33	45.65	48.84
Binh Thuan	25.81	26.79	24.14	55.38	54.84	56.67	48.28	55.77
BRVT	39.39	38.54	28.74	54.74	56.38	51.25	40.00	48.65
Ca Mau	41.67	38.60	29.09	66.67	62.50	62.07	51.79	53.85
Can Tho	48.65	47.62	40.59	63.25	64.96	62.50	53.64	60.82
Cao Bang	37.68	36.07	26.32	64.86	63.01	64.00	35.82	43.64
Da Nang	32.76	34.29	19.59	57.38	60.98	51.96	46.36	52.75
Dak Lak	35.44	39.19	22.22	51.32	54.05	52.11	47.22	50.77
Dak Nong	38.46	34.67	20.59	55.56	62.50	55.88	48.57	64.29
Dien Bien	45.45	48.39	25.93	73.33	71.19	67.27	42.11	60.00
Dong Nai	51.18	50.00	46.85	65.57	65.83	62.61	52.63	61.17
Dong Thap	73.08	66.67	57.97	75.64	75.95	72.22	67.61	70.59
Gia Lai	69.32	67.86	58.23	77.78	79.78	76.83	72.15	79.22
Ha Giang	55.56	45.95	42.42	72.09	69.77	70.00	47.22	64.29
Ha Nam	44.83	46.05	31.88	63.16	61.11	63.89	51.35	58.21
Ha Noi	35.20	37.97	29.28	65.67	65.52	63.64	51.55	59.30
Ha Tinh	28.33	32.73	17.31	50.85	49.15	40.00	33.33	40.82
Hai Duong	42.71	34.18	22.22	54.02	47.50	47.37	34.62	35.82
Hai Phong	46.02	40.78	26.32	62.96	60.55	57.14	52.48	63.74
Hau Giang	48.65	48.65	26.32	61.36	60.47	55.26	40.48	56.76
Hoa Binh	49.15	44.23	25.00	71.01	69.12	65.52	50.91	63.04
Hung Yen	59.60	63.16	43.01	70.41	69.79	68.42	54.35	61.36
Khanh Hoa	28.89	25.88	17.57	51.69	52.87	45.45	32.50	38.24
Kien Giang	32.91	33.33	29.41	48.19	51.72	49.30	42.03	43.33
Kon Tum	38.03	34.33	15.87	67.61	67.12	69.57	39.13	56.90
Lai Chau	35.06	40.00	25.71	50.75	55.71	60.87	47.30	54.69
Lam Dong	40.79	41.79	22.22	63.64	63.01	61.54	39.06	51.79
Lang Son	45.45	44.83	25.93	69.23	70.49	66.67	52.54	52.94
Lao Cai	55.26	50.67	39.44	71.43	72.73	75.00	68.92	73.61
Long An	47.76	50.79	34.48	69.70	68.18	66.67	54.84	66.10
Nam Dinh	37.50	40.63	26.98	62.86	67.12	66.15	52.94	55.00
Nghe An	46.09	50.89	32.69	61.79	60.33	55.45	46.55	60.82
Ninh Binh	34.83	31.25	18.67	41.46	43.75	50.00	38.03	47.46

Province/ City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
Ninh Thuan	42.65	42.19	31.03	53.97	57.14	58.33	51.56	53.57
Phu Tho	48.00	46.48	34.33	64.63	67.47	61.84	55.41	58.33
Phu Yen	62.67	63.01	50.72	77.33	75.34	77.78	71.83	78.69
Quang Binh	34.21	35.21	29.58	51.35	56.16	50.00	48.00	52.94
Quang Nam	34.02	31.82	25.88	64.76	67.35	60.87	44.44	58.57
Quang Ngai	38.24	33.33	17.46	65.33	67.12	66.67	43.55	58.33
Quang Ninh	53.66	48.68	29.73	73.33	75.82	68.29	58.54	66.18
Quang Tri	36.99	37.68	13.33	57.14	57.14	59.32	41.27	48.21
Soc Trang	36.84	35.85	21.28	52.83	54.00	53.33	46.51	55.81
Son La	42.47	40.30	26.15	59.15	62.86	62.12	55.88	66.67
Tay Ninh	39.66	46.00	18.75	53.06	60.78	57.45	46.94	52.27
Thai Binh	60.22	62.79	50.65	86.52	87.95	85.54	72.84	81.58
Thai Nguyen	47.83	54.32	30.14	80.65	81.71	80.72	65.06	68.06
Thanh Hoa	36.11	38.71	18.97	59.26	57.50	53.62	40.00	44.44
Tien Giang	48.28	50.00	32.86	63.16	67.90	57.97	52.78	65.57
TP.HCM	27.78	28.14	18.90	55.79	56.54	50.31	38.89	42.00
Tra Vinh	60.34	54.00	31.25	64.15	63.46	56.52	44.68	55.00
TT-Hue	45.05	40.96	29.49	56.82	58.14	57.32	45.98	57.14
Tuyen Quang	51.35	49.23	28.81	68.12	67.16	69.84	44.62	57.69
Vinh Long	42.62	38.98	24.07	71.01	69.70	65.57	45.90	54.72
Vinh Phuc	46.99	42.86	35.94	65.00	60.53	66.22	50.72	59.68
Yen Bai	63.49	67.21	50.94	75.00	75.86	74.14	69.23	66.00

ANNEX 12

Share of Foreign-Invested Enterprises Assessed that Support Policies were Easy to Access (%)

Province/ City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
Bac Giang	60.00	55.56	33.33	77.78	80.00	80.95	52.00	61.11
Bac Ninh	49.21	47.54	36.84	65.22	67.61	61.54	52.24	51.72
Binh Duong	37.01	35.20	23.33	48.60	51.82	49.53	42.73	57.58
Binh Phuoc	62.50	33.33	37.50	88.89	88.89	66.67	70.00	66.67
Binh Thuan	25.00	0.00	0.00	40.00	40.00	50.00	60.00	25.00
BRVT	34.78	34.78	33.33	57.14	61.54	66.67	50.00	75.00
Da Nang	6.45	17.24	6.67	47.22	56.41	38.71	44.12	65.63
Dong Nai	31.82	29.41	22.89	44.68	45.16	34.57	33.33	43.21
Ha Nam	53.33	53.85	46.15	72.22	68.42	64.71	60.00	64.29
Ha Noi	52.17	51.88	38.81	71.52	68.99	63.31	55.10	61.94
Hai Duong	47.62	52.38	36.84	62.50	62.50	61.54	50.00	59.09
Hai Phong	30.95	27.50	15.00	37.50	41.86	34.15	31.82	47.50
Hung Yen	50.00	57.14	28.57	77.27	77.27	77.27	60.00	57.89
Khanh Hoa	27.27	36.36	27.27	58.33	58.33	54.55	46.15	75.00
Lam Dong	50.00	50.00	10.53	57.14	63.64	66.67	59.09	57.89
Long An	47.83	50.00	28.57	50.00	58.33	52.17	47.62	66.67
Phu Tho	68.00	58.33	22.73	43.48	56.52	60.87	52.00	52.00
Quang Nam	26.32	25.00	14.29	61.11	61.11	52.63	50.00	47.06
Tay Ninh	55.00	65.00	47.37	66.67	72.73	68.18	63.64	60.00
Thai Nguyen	35.00	30.00	26.32	66.67	66.67	66.67	55.00	44.44
TP.HCM	48.65	51.06	46.04	56.88	61.59	56.74	58.00	58.39
Vinh Phuc	46.15	45.83	43.48	57.69	62.96	57.69	52.00	54.17

ANNEX 13

Share of Domestic Private Enterprises Assessing that Support Policies were Useful (%)

Province/ City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
Ha Noi	72.68	74.14	71.60	80.73	82.72	82.58	76.97	77.78
Hai Phong	77.78	78.85	76.84	82.30	83.33	83.02	81.48	73.47
Da Nang	72.92	72.83	66.67	78.64	80.39	80.68	77.32	76.25
TP.HCM	79.39	77.12	76.82	87.57	88.07	84.00	85.21	81.69
Can Tho	75.93	75.00	73.00	81.98	84.55	78.79	75.24	73.40
Thanh Hoa	79.66	79.59	76.09	87.69	84.13	87.04	78.72	76.74
Nghe An	85.71	85.85	82.65	87.50	87.50	84.62	80.00	79.35
Ha Tinh	83.02	82.98	80.43	90.57	88.89	88.00	84.00	88.89
Quang Binh	77.33	77.14	76.81	80.82	83.10	79.41	75.00	76.12
Quang Tri	73.33	71.93	62.96	77.97	80.00	78.57	72.41	68.52
TT-Hue	70.24	71.25	64.47	75.95	76.62	75.32	74.36	72.86
Quang Nam	88.51	87.34	86.08	92.47	92.05	88.75	83.54	82.26
Quang Ngai	79.71	75.38	74.19	84.21	84.00	82.89	74.24	75.93
Binh Dinh	81.82	82.43	79.45	89.29	86.75	82.05	78.87	77.94
Phu Yen	84.72	84.51	83.58	88.31	87.84	91.78	84.06	85.00
Khanh Hoa	88.46	87.84	86.11	93.02	90.48	88.16	87.34	85.29
Dong Thap	86.42	79.73	77.03	87.80	87.80	83.78	82.43	80.82
An Giang	90.24	81.58	85.71	91.30	93.75	85.71	84.21	80.56
Tien Giang	87.50	88.24	85.71	92.96	91.78	90.63	86.15	87.50
Vinh Long	82.46	82.69	83.33	88.71	90.16	89.29	83.02	85.71
Ben Tre	84.62	83.56	82.61	88.73	90.54	89.23	90.00	85.94
Kien Giang	70.00	71.43	69.84	70.67	72.15	73.02	74.19	64.29
Tra Vinh	84.31	84.78	84.09	86.00	85.71	81.82	71.74	74.36
Soc Trang	71.43	66.67	64.44	73.21	75.47	75.00	79.07	81.40
Bac Lieu	78.85	80.43	81.40	95.65	93.33	95.12	84.62	83.33
Ca Mau	79.10	76.19	80.33	88.24	89.23	86.44	78.33	78.57
Binh Phuoc	72.92	70.21	68.89	72.92	75.51	73.91	76.74	70.00
Tay Ninh	81.48	83.33	77.78	89.36	89.80	88.89	85.11	85.71
Ninh Thuan	78.69	78.95	65.38	75.86	78.95	77.78	74.14	73.08
Long An	81.82	78.43	75.00	85.48	86.89	85.45	80.70	84.62
Quang Ninh	90.79	87.14	81.69	92.05	90.80	90.00	80.00	82.54
Hau Giang	81.08	83.33	75.68	87.50	87.80	86.11	72.50	75.68
BRVT	74.23	75.53	72.09	78.26	78.02	82.50	71.43	77.03
Bac Ninh	71.88	73.96	71.43	77.55	77.08	78.26	78.89	76.19
Binh Duong	78.13	79.12	78.57	83.70	84.47	80.72	76.40	80.95
Binh Thuan	68.97	67.92	67.92	83.87	83.33	81.67	73.21	73.08
Dong Nai	89.92	90.83	89.52	91.60	92.17	89.19	87.96	88.78
Ha Nam	79.41	77.05	78.18	83.87	83.61	85.71	75.41	77.19
Hai Duong	77.92	69.35	70.00	82.67	78.79	79.37	66.67	58.49
Hung Yen	84.38	80.41	77.42	82.65	81.63	82.29	80.22	82.42
Nam Dinh	76.47	78.69	81.03	88.06	87.14	87.50	89.39	83.05

Province/ City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
Ninh Binh	72.15	71.62	64.71	75.34	74.29	74.63	73.13	76.79
Thai Binh	80.72	79.75	71.83	83.95	84.62	85.14	78.08	78.57
Vinh Phuc	83.54	82.61	79.69	87.50	87.01	85.71	85.92	81.82
Bac Kan	78.33	78.33	79.63	87.50	86.36	88.33	84.38	87.50
Bac Giang	87.78	89.66	83.33	94.05	94.12	91.57	91.25	89.74
Cao Bang	73.53	73.33	65.45	80.56	82.19	78.95	67.21	71.70
Dak Lak	81.43	78.13	72.58	81.82	81.25	77.42	80.95	81.03
Dak Nong	82.43	76.39	73.02	88.24	88.24	85.94	78.46	78.18
Dien Bien	83.33	87.10	83.02	96.55	92.98	94.44	83.33	78.00
Gia Lai	92.31	90.67	91.30	91.14	92.50	91.89	92.86	95.65
Hoa Binh	66.18	63.49	59.02	81.08	80.00	76.47	76.92	75.00
Kon Tum	78.13	77.05	75.44	92.42	91.43	89.55	74.60	83.02
Lai Chau	80.28	84.62	82.54	84.13	84.62	84.62	83.33	77.97
Lam Dong	70.83	73.44	74.58	81.69	79.41	74.63	70.49	72.88
Lang Son	76.67	73.68	72.22	83.61	82.46	79.31	73.58	79.17
Lao Cai	82.28	79.73	80.56	88.16	89.74	90.28	86.84	86.30
Phu Tho	72.73	71.23	64.71	80.72	80.95	75.00	74.68	75.76
Son La	86.15	86.67	78.95	91.80	88.89	89.83	83.61	83.33
Thai Nguyen	79.78	86.42	80.26	91.01	92.59	89.16	87.50	84.72
Tuyen Quang	88.57	84.13	78.95	93.75	88.71	91.80	85.00	80.39
Yen Bai	86.89	87.72	78.00	93.33	91.07	94.44	88.24	91.67
Ha Giang	80.49	72.22	75.00	86.05	85.71	84.21	69.44	81.48

ANNEX 14

Share of Foreign-Invested Enterprises Assessing that Support Policies were Useful (%)

Province/City	Interest Rate Reduction	Loan Extension	0% Interest to Pay Salary	VAT Payment Extension	CIT Payment Extension	Land Fee Payment Extension	Social Insurance Postponement	Trade Union Fee Extension
Bac Giang	85.71	89.47	84.21	88.89	100.00	90.48	90.91	88.89
Bac Ninh	64.18	63.08	60.00	69.01	72.60	67.16	59.42	59.68
Binh Duong	68.07	67.52	61.06	80.20	80.58	79.61	74.53	77.08
Binh Phuoc	100.00	88.89	88.89	100.00	100.00	100.00	90.00	90.00
Binh Thuan	100.00	75.00	100.00	80.00	80.00	100.00	100.00	80.00
BRVT	69.57	69.57	77.27	81.48	88.00	88.46	68.18	77.27
Da Nang	71.88	70.00	70.97	79.49	83.72	76.47	85.71	81.82
Dong Nai	56.18	56.47	52.38	64.21	62.11	58.33	55.29	59.26
Ha Nam	75.00	71.43	76.92	94.44	89.47	87.50	86.67	92.86
Ha Noi	74.48	71.94	70.92	84.62	86.42	83.45	73.03	70.00
Hai Duong	83.33	87.50	81.82	88.46	88.89	88.89	87.50	86.96
Hai Phong	73.81	68.29	60.98	75.00	76.74	73.81	72.73	79.07
Hung Yen	79.17	77.27	73.91	75.00	65.22	68.18	66.67	66.67
Khanh Hoa	72.73	72.73	81.82	83.33	83.33	81.82	84.62	83.33
Lam Dong	85.00	89.47	68.42	80.95	86.36	85.19	81.82	78.95
Long An	72.73	66.67	65.00	71.43	73.91	68.18	76.19	80.95
Phu Tho	80.00	83.33	60.87	78.26	83.33	83.33	76.92	76.00
Quang Nam	94.44	93.75	92.86	100.00	94.12	94.44	89.47	82.35
Tay Ninh	82.35	88.24	76.47	94.74	95.00	95.24	95.24	72.22
Thai Nguyen	80.00	80.00	78.95	85.71	85.71	85.71	80.00	83.33
TP.HCM	65.77	65.75	68.06	76.07	80.12	77.70	74.03	76.43
Vinh Phuc	75.00	68.18	77.27	70.83	76.00	75.00	73.91	72.73

ANNEX 15

Share of Domestic Private Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19 (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
An Giang	111	67.57	47.02	58.82	76.32
Bac Giang	121	66.12	47.53	57.65	74.58
Bac Kan	98	44.90	49.99	35.00	54.80
Bac Lieu	106	73.58	44.30	65.15	82.02
Bac Ninh	159	69.81	46.05	62.65	76.97
Ben Tre	122	55.74	49.87	46.89	64.59
Binh Dinh	154	61.04	48.93	53.31	68.77
Binh Duong	185	70.27	45.83	63.67	76.87
Binh Phuoc	102	61.76	48.84	52.29	71.24
Binh Thuan	108	62.04	48.76	52.84	71.23
BRVT	154	61.04	48.93	53.31	68.77
Ca Mau	113	70.80	45.67	62.38	79.22
Can Tho	151	81.46	38.99	75.24	87.68
Cao Bang	111	54.05	50.06	44.74	63.37
Da Nang	189	80.42	39.78	74.75	86.10
Dak Lak	160	59.38	49.27	51.74	67.01
Dak Nong	104	66.35	47.48	57.22	75.47
Dien Bien	95	61.05	49.02	51.19	70.91
Dong Nai	202	50.50	50.12	43.58	57.41
Dong Thap	121	58.68	49.45	49.87	67.49
Gia Lai	120	58.33	49.51	49.48	67.19
Ha Giang	102	61.76	48.84	52.29	71.24
Ha Nam	122	70.49	45.80	62.37	78.62
Ha Noi	367	66.21	47.36	61.37	71.06
Ha Tinh	124	76.61	42.50	69.13	84.09
Hai Duong	159	59.12	49.32	51.45	66.79
Hai Phong	186	74.19	43.88	67.89	80.50
Hau Giang	104	66.35	47.48	57.22	75.47
Hoa Binh	105	65.71	47.69	56.59	74.84
Hung Yen	156	62.18	48.65	54.55	69.81
Khanh Hoa	151	76.82	42.34	70.07	83.57
Kien Giang	136	59.56	49.26	51.28	67.84
Kon Tum	100	64.00	48.24	54.54	73.46
Lai Chau	107	59.81	49.26	50.48	69.15
Lam Dong	150	67.33	47.06	59.80	74.86
Lang Son	111	59.46	49.32	50.28	68.63
Lao Cai	104	73.08	44.57	64.51	81.64
Long An	133	61.65	48.81	53.36	69.95
Nam Dinh	137	68.61	46.58	60.81	76.41
Nghe An	184	65.76	47.58	58.89	72.64
Ninh Binh	120	66.67	47.34	58.20	75.14
Ninh Thuan	110	57.27	49.69	47.99	66.56
Phu Tho	121	64.46	48.06	55.90	73.03

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Phu Yen	107	70.09	46.00	61.38	78.81
Quang Binh	124	59.68	49.25	51.01	68.35
Quang Nam	157	70.06	45.94	62.88	77.25
Quang Ngai	126	71.43	45.36	63.51	79.35
Quang Ninh	157	75.80	42.97	69.07	82.52
Quang Tri	102	71.57	45.33	62.77	80.37
Soc Trang	102	59.80	49.27	50.24	69.37
Son La	103	76.70	42.48	68.49	84.90
Tay Ninh	132	49.24	50.18	40.68	57.80
Thai Binh	125	75.20	43.36	67.60	82.80
Thai Nguyen	127	69.29	46.31	61.24	77.35
Thanh Hoa	185	67.03	47.14	60.23	73.82
Tien Giang	132	63.64	48.29	55.40	71.87
TP.HCM	360	68.61	46.47	63.81	73.41
Tra Vinh	106	63.21	48.45	53.98	72.43
TT-Hue	123	65.85	47.61	57.44	74.27
Tuyen Quang	116	56.03	49.85	46.96	65.11
Vinh Long	113	62.83	48.54	53.88	71.78
Vinh Phuc	157	65.61	47.65	58.15	73.06
Yen Bai	104	56.73	49.78	47.16	66.30

ANNEX 16

Share of Foreign-Invested Enterprises Reporting Y-O-Y Revenue Declines in 2020 Due to COVID-19 (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Bac Giang	42	69.05	46.79	54.90	83.20
Bac Ninh	122	50.00	50.21	41.09	58.91
Binh Duong	201	71.14	45.42	64.86	77.42
Binh Phuoc	15	73.33	45.77	50.17	96.50
Binh Thuan	7	57.14	53.45	17.55	96.74
BRVT	45	53.33	50.45	38.59	68.07
Da Nang	69	72.46	45.00	61.85	83.08
Dong Nai	128	70.31	45.87	62.37	78.26
Ha Nam	29	75.86	43.55	60.01	91.71
Ha Noi	237	61.18	48.84	54.96	67.40
Hai Duong	41	63.41	48.77	48.49	78.34
Hai Phong	66	66.67	47.50	55.21	78.13
Hung Yen	39	74.36	44.24	60.48	88.24
Khanh Hoa	25	56.00	50.66	36.14	75.86
Lam Dong	33	57.58	50.19	40.45	74.70
Long An	36	69.44	46.72	54.18	84.71
Phu Tho	33	54.55	50.56	37.29	71.80
Quang Nam	31	54.84	50.59	37.03	72.65
Tay Ninh	39	48.72	50.64	32.83	64.61
Thai Nguyen	31	54.84	50.59	37.03	72.65
TP.HCM	250	51.20	50.09	44.99	57.41
Vinh Phuc	45	71.11	45.84	57.72	84.50

ANNEX 17

Average Revenue Declines of Domestic Private Enterprises Compared to 2019 (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
An Giang	38	34.74	19.31	28.60	40.88
Bac Giang	70	31.13	18.26	26.85	35.41
Bac Kan	37	34.46	20.41	27.88	41.03
Bac Lieu	52	37.83	19.49	32.53	43.12
Bac Ninh	58	37.24	21.46	31.72	42.77
Ben Tre	62	34.52	17.64	30.12	38.91
Binh Dinh	73	35.19	21.15	30.34	40.04
Binh Duong	123	33.80	18.26	30.57	37.03
Binh Phuoc	40	34.25	19.82	28.11	40.39
Binh Thuan	46	43.78	21.56	37.55	50.01
BRVT	81	38.52	22.39	33.64	43.40
Ca Mau	66	32.29	19.35	27.62	36.96
Can Tho	102	31.35	22.82	26.92	35.78
Cao Bang	54	33.70	20.54	28.23	39.18
Da Nang	118	44.27	24.09	39.92	48.61
Dak Lak	60	35.71	20.39	30.55	40.87
Dak Nong	64	37.03	21.26	31.82	42.24
Dien Bien	52	30.67	17.12	26.02	35.33
Dong Nai	92	33.57	17.34	30.03	37.11
Dong Thap	67	35.48	21.90	30.23	40.72
Gia Lai	55	31.20	15.00	27.24	35.16
Ha Giang	54	32.87	19.42	27.69	38.05
Ha Nam	79	30.59	18.79	26.45	34.74
Ha Noi	195	41.63	22.51	38.47	44.79
Ha Tinh	50	37.80	17.99	32.81	42.79
Hai Duong	86	28.69	16.39	25.22	32.15
Hai Phong	118	37.36	20.74	33.62	41.11
Hau Giang	63	33.54	19.26	28.78	38.29
Hoa Binh	65	32.28	17.63	27.99	36.56
Hung Yen	84	31.98	19.92	27.71	36.24
Khanh Hoa	99	44.98	24.06	40.24	49.72
Kien Giang	68	42.94	21.91	37.73	48.15
Kon Tum	57	37.13	19.86	31.97	42.28
Lai Chau	61	37.52	21.63	32.10	42.95
Lam Dong	71	42.64	20.46	37.88	47.40
Lang Son	58	38.19	20.37	32.95	43.43
Lao Cai	70	43.79	21.89	38.66	48.91
Long An	71	32.51	19.26	28.03	36.99
Nam Dinh	85	34.75	19.21	30.67	38.84
Nghe An	112	31.50	20.92	27.62	35.38
Ninh Binh	75	38.17	22.13	33.17	43.18

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Ninh Thuan	53	33.83	20.48	28.32	39.34
Phu Tho	76	33.57	20.76	28.90	38.23
Phu Yen	65	37.03	16.65	32.98	41.08
Quang Binh	68	37.87	20.81	32.92	42.81
Quang Nam	97	47.63	24.07	42.84	52.42
Quang Ngai	78	37.50	20.37	32.98	42.02
Quang Ninh	105	36.88	22.35	32.61	41.16
Quang Tri	66	38.86	21.23	33.74	43.98
Soc Trang	47	32.79	24.13	25.89	39.68
Son La	63	34.64	20.28	29.64	39.65
Tay Ninh	50	33.86	19.37	28.49	39.23
Thai Binh	84	26.64	22.41	21.84	31.43
Thai Nguyen	79	33.41	21.96	28.56	38.25
Thanh Hoa	74	36.18	18.92	31.86	40.49
Tien Giang	77	38.55	23.23	33.36	43.73
TP.HCM	198	39.83	19.97	37.04	42.61
Tra Vinh	56	28.61	18.97	23.64	33.58
TT-Hue	74	39.22	26.47	33.19	45.25
Tuyen Quang	57	32.56	18.67	27.71	37.41
Vinh Long	65	32.82	17.60	28.54	37.09
Vinh Phuc	81	39.07	18.83	34.97	43.17
Yen Bai	53	33.28	23.09	27.07	39.50

ANNEX 18

Average Revenue Declines of Foreign-Invested Enterprises Compared to 2019 (%)

Province/City	Number of enterprises	Mean	Standard Deviation	Confidence Interval 95%	
				[Lower bound]	[Upper bound]
Bac Giang	24	34.79	21.19	26.32	43.27
Bac Ninh	47	27.38	16.50	22.67	32.10
Binh Duong	110	35.17	16.48	32.09	38.25
Binh Phuoc	10	32.25	20.76	19.38	45.12
Binh Thuan	3	68.57	37.12	26.56	110.58
BRVT	22	38.68	21.84	29.56	47.81
Da Nang	47	39.49	24.34	32.53	46.45
Dong Nai	52	28.17	13.64	24.46	31.88
Ha Nam	20	36.63	19.84	27.93	45.32
Ha Noi	126	35.23	20.79	31.60	38.86
Hai Duong	25	36.80	18.14	29.69	43.91
Hai Phong	38	31.61	20.43	25.11	38.10
Hung Yen	25	28.64	14.48	22.97	34.31
Khanh Hoa	14	37.50	30.37	21.59	53.41
Lam Dong	18	35.00	14.25	28.42	41.58
Long An	23	28.28	17.83	21.00	35.57
Phu Tho	16	26.31	24.65	14.23	38.39
Quang Nam	15	44.33	24.12	32.13	56.54
Tay Ninh	14	37.86	26.00	24.24	51.47
Thai Nguyen	15	33.47	20.36	23.16	43.77
TP.HCM	106	33.01	18.74	29.44	36.57
Vinh Phuc	27	27.11	17.40	20.55	33.67

