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## Press Release

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### High confidence in Viet Nam's market prospects, but CEOs need to prepare for volatility, PwC reports

**Viet Nam, 22 February 2023:** PwC Viet Nam has released the new report "[26<sup>th</sup> Annual Global CEO Survey - What matters to CEOs in Viet Nam?](#)". The report is based on PwC's "[26<sup>th</sup> Annual Global CEO Survey - Asia Pacific: Leading in The New Reality](#)", which reveals two striking data points that bring to life the challenge facing 1,634 CEOs in the region and its implication in Viet Nam.

- **69%** of Asia Pacific CEOs believe global economic growth will decline over the next 12 months, compared to last year when **76%** felt growth would improve. Despite gloomy economic prospects, Viet Nam still shows high confidence in the country's economic growth in 2023.
- **53%** of Asia Pacific CEOs believe their current business models will not survive within the next decade (**14%** more than global). As such, businesses in Viet Nam need to actively seek ways to transform their business to remain viable.

As macroeconomic conditions deteriorate, uncertainty rises and inflation hits levels not seen in decades, Asia Pacific CEOs are facing **the dual imperative**. Leaders must manage short-term external risks to drive profitability in order to survive whilst simultaneously, transform to thrive in the longer term.

**Mai Viet Hung Tran, Assurance Leader, PwC Viet Nam**, commented: "Despite the tumultuous economic and political climate globally, the Asia Pacific region remains a major player in trade and economic activity, with Viet Nam shining as a bright spot for growth. As with their counterparts in the region, Vietnamese CEOs are facing growing societal pressures.

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

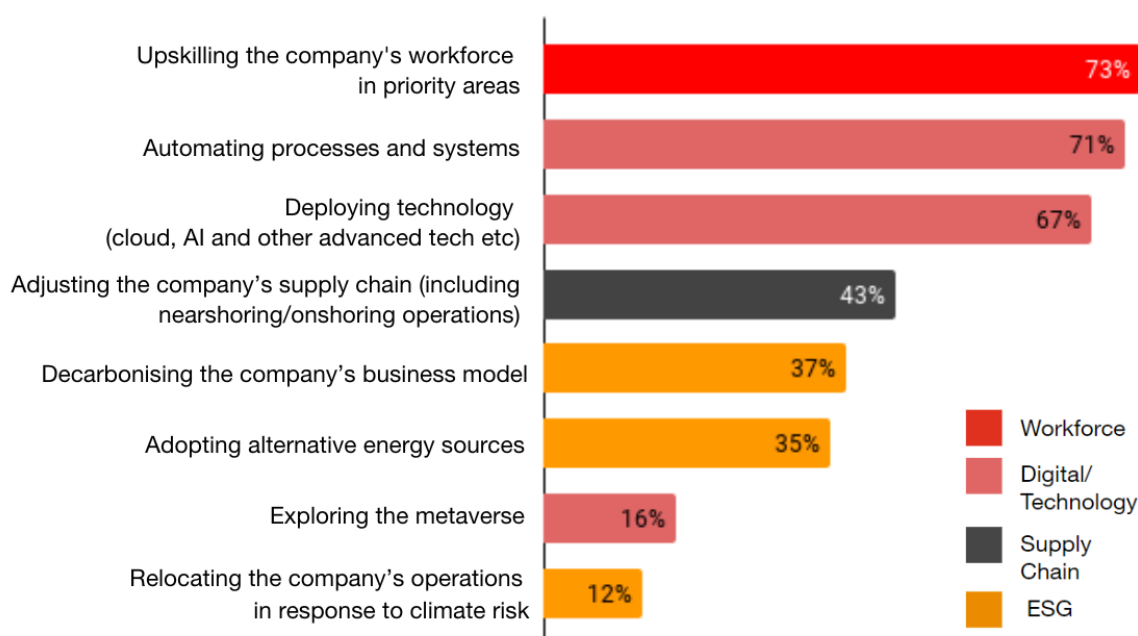
#### **Inflation, macroeconomic volatility and geopolitical conflict top Asia Pacific CEOs' concerns**

While health and cyber risks were the top concerns a year ago, the impact of the economic downturn is top-of-mind for Asia Pacific CEOs this year, with inflation (41%) and macroeconomic volatility (30%)

leading the risks weighing on CEOs in both the short term (i.e. the next 12 months) and medium term (i.e. over the next five years).

Geopolitical conflict (30%) also stands out as one of the top risks. The war in Ukraine and growing concern about geopolitical flashpoints in other parts of the world have caused Asia Pacific CEOs to rethink aspects of their business models.

Despite fading CEO confidence in the global economy, Asia Pacific CEOs are far less pessimistic about prospects of their own countries compared to their global counterparts. In particular, CEOs in larger Asia Pacific countries show the highest level of optimism in their domestic growth: China (64%), India (57%) and Indonesia (50%) (compared to global - 29%). The growing emphasis on national interests over global ones represents an acceleration of trends underway - however the fundamentals of the region continue to be bolstered by trade liberalisation and markets welcoming foreign direct investment.



*Key areas that CEOs in Asia Pacific prioritise investments in the next 12 months*

## High confidence in Viet Nam's market prospects, but CEOs need to prepare for volatility

CEOs in Viet Nam are facing a unique set of challenges, just like their counterparts in the Asia Pacific region. They must navigate the current economic landscape while also preparing their businesses for the future. Balancing these two priorities, referred to as the dual imperative, is crucial for success in today's business world. As such, there are five key insights that CEOs in Viet Nam can draw from their regional peers and take action to ensure their companies' longevity:

- **High confidence in Viet Nam's market prospects:** While Asia Pacific CEOs have reversed their prior optimistic sentiment on the global economy, Viet Nam is expected to outperform



regional and global peers. Despite the gloomy global outlook, the country continues to show great strength and resilience in 2022 resulting in GDP growth at 8.02% in 2022, higher than the global (3.2%) and Asia Pacific averages (4%). Looking into 2023, Viet Nam is projected to grow up to 7.2%.

- **Prepare to be resilient amidst volatility:** Nearly 50% of APAC CEOs are cutting operational costs, diversifying products and raising prices, and adjusting supply chains. CEOs in Viet Nam should have a focus on efficiencies to ensure continuity and competitiveness as Viet Nam is also exposed to changes and threats under the current economic environment.
- **Overcome resistance to change:** 53% of APAC CEOs believe their current business models will not survive within the next decade (14% more than global). It indicates the urge to transform their business to remain viable. Transformation agenda is indeed top of mind for Vietnamese CEOs. To make the transformation journey a success, CEOs in Viet Nam need to overcome the resistance within the company to embrace change, such as to leverage digital and technology advantages and fill the ESG action gap.
- **Rethink talent attraction and retention:** Findings in CEOs Asia Pacific survey show only 41% believe current employee behaviours are mostly aligned to company values and direction, and half of CEOs think that their leadership team do not often encourage debate or dissent, nor do they tolerate small-scale failures. To engage and inspire people, CEOs should pay attention more to the purpose of work and empowerment in the workforce.
- **Embrace partnerships to drive sustainable growth:** Viet Nam is a prime example of welcoming global integration and international partnerships to enable the nation to overcome environmental challenges, climate change, and the rise of automation, etc. It presents a golden opportunity for green growth that business leaders can seek to adopt more sustainable and ESG practices, through greater communication and collaboration with the government and other partners.

**Ends.**

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## Notes to editors

Download the full report at: <https://www.pwc.com/vn/en/publications/vietnam-publications/26th-ceo-survey.html>

## About the data

PwC surveyed 4,410 global CEOs, including 1,634 in Asia Pacific from October to November 2022. The global and regional figures in the report are weighted proportionally to country or regional nominal GDP to ensure that CEOs' views are representative across all major regions. The industry and country-level figures are based on unweighted data from the full sample. Interviews were conducted with CEOs from three global regions (North America, Western Europe and Asia Pacific).



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