

Vietnam's small businesses lead the region in growth, survey finds

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For immediate release

Vietnam

Many of Vietnam's small businesses have reported both strong growth and strong usage of digital technology – factors that make them better placed than many other small businesses across the Asia-Pacific region to manage through the COVID-19 crisis and recover quickly, according to a recent survey by CPA Australia.

While the survey was conducted prior to the global COVID-19 pandemic, CPA Australia's Asia-Pacific Small Business Survey 2019-20 found that many of Vietnam's small businesses entered the current crisis with healthy finances, with 95 per cent reporting that they grew in 2019, the highest result of the 11 markets surveyed.

Online sales are already an important part of many of Vietnam's small businesses, with over 60 per cent generating more than 10 per cent of their revenue through online sales in 2019. These businesses are arguably better placed to respond to changes in consumer behaviour caused by COVID-19.

CPA Australia's Manager of Business and Investment Policy, Mr Gavan Ord warned that while the results from the survey were very positive for many small businesses in Vietnam, past performance is no guarantee of future success, particularly in the current uncertain environment.

"As with any crisis of this magnitude, small businesses have little margin for error. Prudent management, focusing on the changing needs of customers and even greater adoption of technology – rather than good fortune – will be essential to business recovery and ongoing future success.

"The business you had before this pandemic hit will not be the same as the business you have after the pandemic abates and economic activity picks up again. Small business owners face the challenge of adapting their businesses to 'a new normal' at a time when accessing finance may prove difficult, although stimulus measures by the government are easing that particular challenge.

"The very strong focus of Vietnam's small business sector on technology is not only helping them to quickly improve their profitability, it is placing them in a very good position to capitalise on any business opportunities emerging from COVID-19.

"Vietnam's small businesses are not only focusing on tried and tested technologies, they are by far the most likely to have invested in artificial intelligence in 2019, potentially creating further opportunities for long-term growth," Ord said.

The top four factors that had a positive influence on Vietnam's small businesses in 2019 were:

- Technology
- Improved customer satisfaction
- Good staff; and

- Customer loyalty.

“Our survey results continue to show that year after year, through both good times and bad times such as these, businesses with a focus on their customers, technology and strategy are much more likely to grow strongly than other businesses.

“While it is wise to focus on cash flow and financial health at this time, businesses should also be looking to how they can meet the fast-changing needs of customers, especially through increasing online sales,” Ord said.

CPA Australia has the following suggestions for small business in this difficult period:

- Focus on improving cash flow and your financial health
- Utilise technology and online sales to meet changing consumer behaviour
- Capitalise on your existing pool of loyal customers
- Dedicate any spare time you may have to developing and implementing a recovery plan, and learning about industry trends and emerging technologies and how they can be applied to your business
- If you are in a relatively strong financial position, look for opportunities in the recovery
- Seek professional advice.

-ENDS-

Key links:

- [Key statistics for Vietnam from the small business survey](#) (English)
- [Asia-Pacific Small Business Survey 2019-20](#) (full report) (English)

PowerPoint presentation of survey results is available on request

Other CPA Australia resources to assist small businesses during COVID-19

- [Roadmap to Recovery](#)
- [Business Recovery from COVID-19: Tips for Small Business](#)
- [Checklist of possible actions to help your business manage through COVID-19](#)
- [COVID-19 – key implications for boards](#)
- [Tips for building customer trust when selling online](#)

About the CPA Australia Asia-Pacific Small Business Survey

The CPA Australia Asia-Pacific Small Business Survey provides annual insights into the views of small businesses across the region and forms part of a longitudinal study that began in 2009. The 11th CPA Australia annual survey comprised extensive surveying of 4,193 small business operators in eleven markets, including Indonesia, Australia, Hong Kong, India, Malaysia, Mainland China, New Zealand, Philippines, Singapore, Taiwan and Vietnam. The survey was conducted between 18 November and 12 December 2019 prior to the COVID-19 pandemic.



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