

REPORT



THE POST PANDEMIC LABOUR & EMPLOYMENT AT ENTERPRISES



2022

Bureau for Employers' Activities
Vietnam Chamber of Commerce and Industry
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ABBREVIATION

OSH	Occupational Safety and Health
SOE	State owned enterprises
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
GSO	General Statistic Office
VCCI	Vietnam Chamber of Commerce and Industry

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1. Overview

1.1. Background

Since the beginning of 2022, the production and business situation has prospered, the economy is recovering with impressive macroeconomic indicators. According to the General Statistics Office, in the first 6 months of 2022 GDP increased to 6.42%, nearly reaching 6.98% in the same period of 2019 (before the pandemic); inflation was contained (CPI increased to 2.44% over the same period last year; core inflation increased to 1.25%); unemployment rate of people in working age is 2.39%. Estimated export turnover in the first 6 months of 2022 is USD 185.94 billions, increasing by 17.3% over the same period in 2021. GDP growth of the year 2022 estimatedly can reach to 8%.

However, the recovery of Vietnam's labor market in the first months of 2022 is still slow, while problems in ensuring labor supply and difficulties for workers due to the Covid-19 pandemic have arisen. Enterprises face many problems in labor relations, increase in wage costs, etc. Workers' demands for better working conditions, including wage increases, lead to the risk of labor disputes at the workplace. In April 2022, the National Wage Council proposed to the Government a plan to increase the regional minimum wage by 6% for employees at enterprises from July 1, 2022 to the end of December 31, 2023, which is controversial.

The overall objective of this research is to gain a deeper understanding of the current labor and employment situation/challenges faced by enterprise, which will be consolidated into VCCI's policy recommendations to the government in order to support businesses to minimize negative impacts from COVID-19 and better adapt to the new labor legislation. The survey has collected the most up-to-date evidence on labor and employment situation in enterprises; difficulties and problems in labor and employment for business recovery and development; solutions applied by businesses; upcoming orientations and recommendations to the Government for business resilience and sustainability.

1.2. Survey briefing: content, sample size, method and time

The survey was conducted online. The survey has been sent to about 2,000 enterprises including foreign-invested enterprises (FDI), state-owned enterprises (SOEs) and private enterprises of different industries in the North, South and Central regions. The survey got responses from 145 enterprises in 17 provinces/cities, mostly

in the North, Central and Coastal central provinces (8 provinces/cities with 119 enterprises). Namely:

1. North Central and Coastal Central: 119 responses, including: Thanh Hoa (2), Nghe An (59), Ha Tinh (11) and Quang Tri (3), Da Nang (11), Quang Nam (2), Quang Ngai (1) and Binh Dinh (30);

2. The Mekong Delta: 19 responses, including: Tra Vinh (1), An Giang (2), Can Tho (12), Vinh Long (1), Tien Giang (2), Hau Giang (1).

3. The remaining region has 7 responses, including: Gia Lai (1), Hanoi (3) and Hai Phong (3)

2. Summary

Briefly summarize the main findings on the business recovery, the labor and employment situation and trends, the difficulties and problems that are posed, and the business responses to overcome the pandemic and build back better; assessment of government supporting policies and orientation to the end of 2022 and 2023; as well as recommendations to the Government.

3. Survey results

3.1. Main characteristics of the surveyed businesses

Among 145 responses, there are 17 SOEs (11.72%), 109 private enterprises (75.17%) and 19 FDI enterprises (13.1%). There are 46 agricultural enterprises (31.72%), 53 industrial enterprises (36.55%) and 46 service enterprises (31.72%) (Figure 1)

Figure 1 Survey enterprises categorized by ownership and sectors (%)

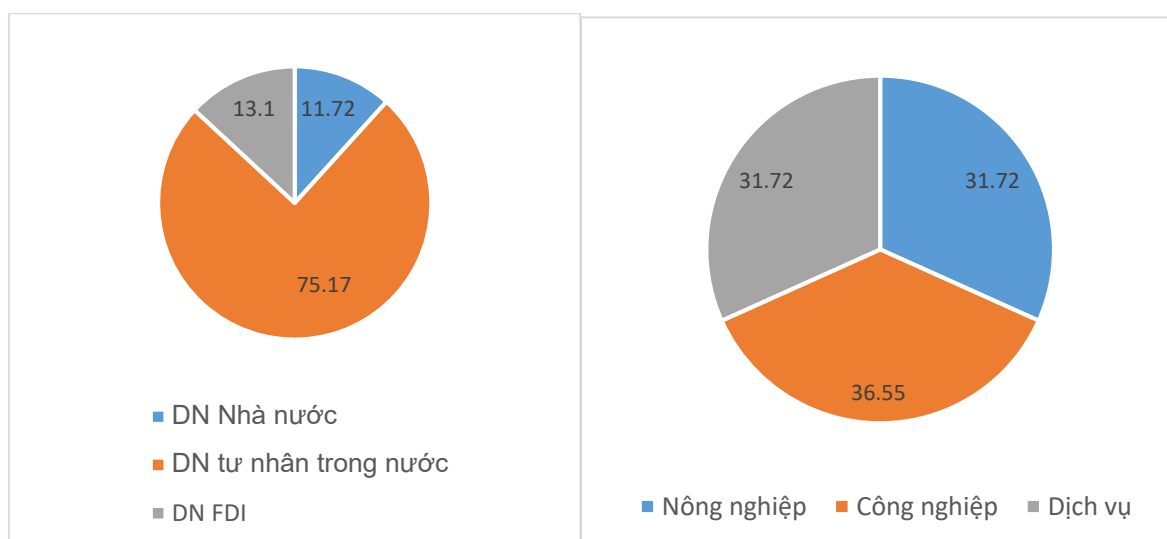
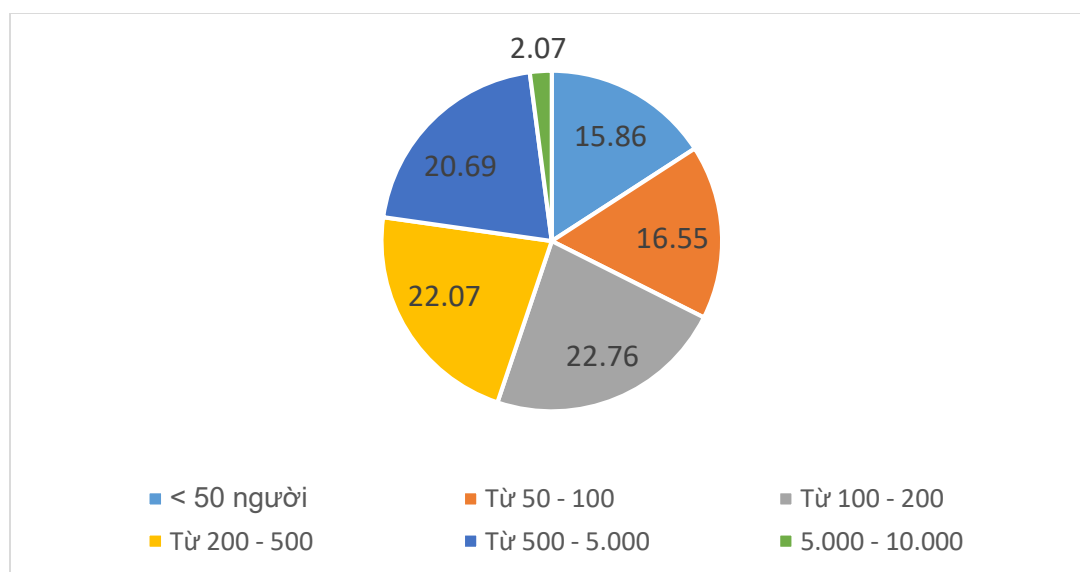


Figure 2 shows the proportion of surveyed enterprises categorized by labor size (small, medium and large). Except for 3 enterprises with large number of over 5,000 employees (2.07%), the surveyed businesses are distributed fairly evenly among different labor sizes.

Figure 2 Surveyed businesses categorized by labor size (%)



3.2. Business recovery situation in the first 6 months of 2022

The proportion of enterprises with unchanged export turnover compared to the last 6 months of 2021 is quite high (38.62%), while other indicators of unchanged revenue and profit are higher compared to the last 6 months of 2021. More than 61% of enterprises have a growth in revenue while less than 22% have a decrease in revenue. More than 35% of enterprises have an increase in export turnover and nearly 52% of profit increase while 15% have a decrease in exports and 22% have a decrease in profit. It is recorded that the service sector reaches the highest growth rate in both turnover and profit; The agriculture sector has a higher proportion of business growth in exports and profits than the industry and service sectors (table 1).

Table 1 Percentage of enterprises by sectors and the change in business results in the first 6 months of 2022 compared to the first 6 months of 2021 (%)

	Turnover				Export Turnover				Profit before tax			
	Agriculture	Industry	Service	Total	Agriculture	Industry	Service	Total	Agriculture	Industry	Service	Total
Increase >50%	0.00	7.55	10.87	6.21	2.17	1.89	6.52	3.45	4.35	3.77	4.35	4.14
Increase 20%-50%	19.57	15.09	19.57	17.93	10.87	9.43	15.22	11.72	10.87	13.21	17.39	13.79
Increase <20%	36.96	35.85	39.13	37.24	28.26	20.75	13.04	20.69	39.13	33.96	28.26	33.79
Unchange	10.87	7.55	10.87	9.66	28.26	39.62	47.83	38.62	13.04	15.09	21.74	16.55
Decrease <20%	15.22	22.64	8.70	15.86	10.87	13.21	4.35	9.66	15.22	20.75	15.22	17.24
Decrease 20-50%	6.52	0.00	2.17	2.76	6.52	1.89	4.35	4.14	6.52	1.89	4.35	4.14
Decrease >50%	2.17	0.00	0.00	0.69	4.35	1.89	0.00	2.07	2.17	0.00	0.00	0.69
No answer	8.70	11.32	8.70	9.66	8.70	11.32	8.70	9.66	8.70	11.32	8.70	9.66
Total	100	100	100	100	100	100	100	100	100	100	100	100

Business and production results also differ among categorized business groups. The rate of SOEs recovering from the pandemic is higher than that of FDI and private enterprises. Large enterprises with more than 5,000 employees recovered and grew better than enterprises with smaller labor sizes (Table 2 and Table 3).

Table 2 Percentage of enterprises by ownership and ratio of business result change in the first 6 months of 2022 in comparison with the same period of 2021 (%)

	SOEs	Private enterprises	FDI enterprises	Total
Turnover				

Increase	52.94	32.11	42.11	35.86
Unchange	41.18	42.20	15.79	38.62
Decrease	0.00	17.43	21.05	15.86
Export turnover				
Increase	52.94	32.11	42.11	35.86
Unchange	41.18	42.20	15.79	38.62
Decrease	0.00	17.43	21.05	15.86
Profit before tax				
Increase	76.47	49.54	42.11	51.72
Unchange	5.88	19.27	10.53	16.55
Decrease	11.76	22.94	26.32	22.07

Table 3 Percentage of enterprises by labor size with decreasing turnover, export turnover and profit (%)

	Decrease in turnover	Decrease in export turnover	Decrease in profit before tax
< 50 employees	13.05	8.7	13.05
From 50 - 100 employees	20.84	20.83	25.0
From 100 - 200 employees	15.15	3.03	27.27
From 200 - 500 employees	28.14	25.01	28.14
From 500 – 5,000 employees	20.0	23.3	16.67
From 5,000 – 10,000 employees	0	0	0

The survey results also show that the import of input materials is no longer an important factor affecting the business results of enterprises, proving that the supply chains have been restored.

Thus, the business results in the first 6 months of 2022 has improved quite a lot compared to the same period in 2021. However, besides businesses that have recovered strongly, many others face difficulties in all 3 indicators (decreased turnover, export turnover and profit). This proves the recovering in production and business but not the same among enterprises.

Estimated business results in year 2022 in comparison with 2019

The business results for the whole year 2022 are estimated to be improved in comparison to the period before pandemic (in 2019) (table 3). Specifically: nearly 47% of enterprises will increase turnover, 31.72% will increase export turnover and 42.76% will increase profits in 2022, while the proportion of enterprises that will decrease turnover, export turnover and profit are respectively 26.36%, 22.76% and 29.66%. In particular, more than 20% of businesses will increase turnover and profit by more than 20% compared to 2019.

Table 4 Percentage of business by sector and estimated changing rate of business results in the year 2022 compared to 2019 (%)

	Turnover				Export turnover				Profit before tax			
	Agriculture	Industry	Service	Total	Agriculture	Industry	Service	Total	Agriculture	Industry	Service	Total
Increase >50%	6.52	5.66	4.35	5.52	2.17	1.89	2.17	2.07	4.35	3.77	0.00	2.76
Increase 20% - 50%	19.57	13.21	19.57	17.24	13.04	13.21	13.04	13.10	19.57	13.21	21.74	17.93
Increase <20%	28.26	26.42	17.39	24.14	28.26	13.21	8.70	16.55	23.91	28.30	13.04	22.07
Unchange	13.04	20.75	15.22	16.55	21.74	39.62	45.65	35.86	15.22	16.98	21.74	17.93
Decrease <20%	10.87	16.98	26.09	17.93	8.70	13.21	10.87	11.03	13.04	18.87	26.09	19.31
Decrease 20 - 50%	10.87	5.66	8.70	8.28	13.04	7.55	8.70	9.66	10.87	7.55	8.70	8.97
Decrease >50%	2.17	0.00	0.00	0.69	4.35	0.00	2.17	2.07	4.35	0.00	0.00	1.38
No answer	8.70	11.32	8.70	9.66	8.70	11.32	8.70	9.66	8.70	11.32	8.70	9.66
Total	100	100	100	100	100	100	100	100	100	100	100	100

In general, enterprises are optimistic about business results in 2022. However, the situation of business recovery in 2022 is likely a black and white picture with more bright color. This forecast is also evidence-based and quite similar in agricultural, industrial and service enterprises, in both SOEs, private enterprises and FDI enterprises, as well as in large and medium-sized enterprises.

How the current production and business factors changed compared to 2019?

Most businesses believe that business and production factors have been stable as before the pandemic (in 2019), which about 42.1% consider "domestic market competition" unchanged and 64.83% consider "high-quality personnel" unchanged (table 4).

However, a significant percentage of enterprises said that competition has been harder, requiring higher technological innovation, while some business requirements are also becoming more difficult, specifically as follows:

- Some production requirement factors are higher: 39.31% select “product quality”, cạnh tranh thị trường trong nước với 37.93% select “domestic market competition”, 28.28% select “foreign market competition”;

- Some other production requirement factors relating to market, foreign partners, and capital access are becoming harder for most of businesses, namely: 22.07% select “decrease in import partner”, 24.83% consider decrease in foreign partner and market” and 23.45% consider “decrease in accessing new capital source”.

Table 5 Percentage of business by changing rate of current production factors compared to 2019 (%)

	Stable	Increase	Decrease
Total of investment capital	55.17	22.76	12.41
Import partner	53.10	15.17	22.07
High qualified personnel	64.83	15.17	10.34
New technology applied	52.41	32.41	5.52
Product quality	49.66	39.31	1.38
Foreign market and partner	46.90	18.62	24.83
Domestic market competition	42.07	37.93	10.34
Foreign market competition	44.83	28.28	17.24
Chances for accessing new capital sources	53.10	13.79	23.45

However, assessing the change of production and business factors, there is a big difference between groups of enterprises by ownership, for example (Table 6):

- New technology applied: most of SOEs say the same as 2019; 22% of private enterprises increase in new technology application while 15.6% decrease; 36.84% FDI enterprises increase in new technology application while none decrease.

- Product quality: all enterprises categories agree that there is no decrease in the requirement on product quality, but SOEs think it is the same as 2019, while a many private and FDI enterprises agree that increase.

- Chance to access new capital sources: While a significant proportion of domestic enterprises, both SOEs and private enterprises, consider a reduced

opportunity to access new capital sources, a high proportion of FDI enterprises consider an increased opportunity to access new capital.

Table 6 Percentage of enterprises by ownership and the change of some production and business factors of the enterprise today compared to 2019 (%)

	Unchange	Increase	Decrease
1. New technology application	52.41	32.41	5.52
SOEs	76.47	11.76	5.88
Private enterprises	54.13	22.02	15.60
FDI enterprise	42.11	36.84	0
2. Product quality	49.66	39.31	1.38
SOEs	76.47	17.65	0
Private enterprises	46.79	43.12	1.83
FDI enterprise	42.11	36.84	0
3. Chance to access new capital sources	53.10	13.79	23.45
SOEs	64.71	5.88	23.53
Private enterprises	53.21	11.93	26.61
FDI enterprise	42.11	31.58	5.26

3.3. Employment situation in enterprises

By the end of June 2022, about a quarter of enterprises have the number of employees working unchanged compared to the end of June 2021. Meanwhile, the rate of enterprises increasing employees is more than 33% compared to more than 23% of enterprises reducing labor. The survey data also showed that 19.31% of enterprises increased their employees by less than 20% and 12.41% of enterprises increased their employees by 20-50%. Meanwhile, the level of labor reduction is mainly below 20%. The rate of enterprises with the highest employment growth was in the agricultural sector and the lowest in the industrial sector (Table 7). It can be seen that the level of employment changes is quite similar to the recovery level of production and business.

Table 7 Percentage of enterprises by sectors and change of labor by the end of Jun 2022 in comparison to end of June 2021 (%)

	Agriculture	Industry	Service	Total
Increase >50%	2.17	3.77	0.00	2.07
Increase 20% - 50%	6.52	13.21	17.39	12.41
Increase <20%	28.26	13.21	17.39	19.31

Unchange	28.26	24.53	23.91	25.52
Decrease <20%	13.04	26.42	17.39	19.31
Decrease 20% - 50%	2.17	5.66	0.00	2.76
Decrease >50%	4.35	0.00	0.00	1.38
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00

It can be seen that the labor change in SOEs is the least with 35.29% of enterprises unchanged number of employees compared to 10.53% of FDI enterprises. Meanwhile, FDI enterprises have the largest labor fluctuations with 42.11% of enterprises increasing their employees and 21.05% of enterprises reducing their employees (table 8).

In terms of labor size, large enterprises with more than 5000 employees and small enterprises with less than 50 employees mainly increased the number of employees, respectively 66.67% and 34.78% of enterprises (table 9).

Table 8 Percentage of enterprises by ownership and labor change in the end of Jun 2021 (%)

	SOEs	Private enterprises	FDI enterprises	Total
Increase	29.41	33.03	42.11	33.79
Unchange	35.29	26.61	10.53	25.52
Decrease	11.76	25.69	21.05	23.45

Table 9 Percentage of enterprises by labor size and labor change in the end of Jun 2021 (%)

	< 50 employees	From 50 - 100	From 100 - 200	From 200 - 500	From 500 - 5.000	From 5.000 - 10.000	Total
Increase	34.78	37.50	30.30	28.13	36.67	66.67	33.79
Unchange	43.48	20.83	30.30	12.50	23.33	33.33	25.52
Decrease	13.04	29.17	21.21	25.00	30.00	0.00	23.45

The large labor fluctuations in enterprises have reflected the important characteristics of the business situation and the labor market:

- The recovery of production and business took place unevenly among enterprises and sectors;

- Large fluctuations in the employment situation pose many challenges to the labor market, in terms of adjusting labor and social security policies, training and retraining of workers, and matching labor supply and demand.

Estimated total number of employees of enterprises at the end of 2022 compared to the end of 2019

Regarding the estimated total number of employees of enterprises by the end of 2022 compared to the end of 2019, 40% of enterprises estimate an increase, of which 6.21% increase by 50% and 11.03% increase from 20 to 50%. Meanwhile, 23.45% of enterprises reduce their employees (mainly less than 20%), 19.31% of enterprises do not change the number of employees and more than 17% of enterprises not respond (table 10). Thus, by the end of 2022, it is estimated that the number of jobs will expand more than the end of 2019.

The survey data also shows that the labor increase will be more common and higher in the group of industrial and service enterprises.

Table 10 Percentage of enterprises by sector and change rate of total labor in the end of 2022 compared to the end of 2019 (%)

	Agriculture	Industry	Service	Total
Increase >50%	6.52	5.66	6.52	6.21
Increase 20%- 50%	4.35	13.21	15.22	11.03
Increase <20%	26.09	20.75	21.74	22.76
Unchange	13.04	24.53	19.57	19.31
Decrease <20%	26.09	20.75	13.04	20.00
Decrease 20% - 50%	2.17	1.89	0.00	1.38
Decrease >50%	6.52	0.00	0.00	2.07
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00

It can be seen clearly the labor growth trend in the group of enterprises with less than 50 employees and large enterprises with more than 5,000 employees. Meanwhile, the labor change (both increase and decrease) is common in medium-sized enterprises (from 50 to 500 employees) (table 12).

Table 11 Percentage of enterprises by labor size and change rate of total number of labor in the end of 2022 compared to the end of 2019 (%)

	< 50 employees	From 50 - 100	From 100 - 200	From 200 - 500	From 500 - 5.000	From 5.000 - 10.000	Total
Increase	65.2	33.3	36.4	25.0	43.3	66.7	40.0
Unchange	13.0	25.0	21.2	15.6	20.0	33.3	19.3
Decrease	13.0	29.2	24.2	25.0	26.7	0.0	23.4

Working time compared to the end of 2021

Nearly half of enterprises maintain the average working hours per week as at the end of 2021. However, the percentage of enterprises increasing the number of working hours is more than double (24.8%) compared to the percentage of enterprises reducing the number of working hours (12.4%). In which, the highest increase was in agricultural enterprises (nearly 31%) (table 12). The variation (both increases and decreases) in average working hours is around 10% (13.8% of enterprises increasing and 6.21% of enterprises reducing working time).

The survey data also shows that the increase/decrease in working time of female workers has no difference compared to the general labor.

Table 12 Percentage of enterprises by sectors and change of average working hour per week of employees and female employees currently compared to the end of 2021 (%)

	Employees				Female employees			
	Agriculture	Industry	Service	Total	Agriculture	Industry	Service	Total
Increase >20%	4.35	5.66	6.52	5.52	0.00	5.66	4.35	3.45
Increase 10% - 20%	4.35	7.55	4.35	5.52	6.52	7.55	4.35	6.21
Increase <10%	21.74	11.32	8.70	13.79	19.57	9.43	8.70	12.41
Unchange	41.30	49.06	45.65	45.52	45.65	37.74	47.83	43.45
Decrease (<10%	4.35	5.66	8.70	6.21	4.35	13.21	8.70	8.97
Decrease 10 – 20%	2.17	1.89	0.00	1.38	2.17	7.55	0.00	3.45
Decrease>20%	6.52	5.66	2.17	4.83	6.52	5.66	2.17	4.83
No answer	15.22	13.21	23.91	17.24	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

The number of working hours increased the most in the group of FDI enterprises, 36.84% of enterprises increasing working hours while 5.26% of enterprises reducing working hours. 23.85% of private enterprises increase working hours, but also 14.68% of those reduce working hours. Meanwhile, the SOE sector has the lowest percentage of enterprises increasing/decreasing working hours, respectively 17.65% and 5.88% (table 13).

Table 13 Percentage of enterprises by ownership and change of average working hours per week currently compared to the end of 2021 (%)

	SOEs	Private enterprises	FDI enterprises	Total
Increase	17.65	23.85	36.84	24.83
Unchange	52.94	46.79	31.58	45.52
Decrease	5.88	14.68	5.26	12.41

Large enterprises with more than 5,000 employees have the highest rate of increase in working hours (33.33%), while other groups have a rate of increase in working hours ranging from 21.21% to 28.13%. However, enterprises with less than 50 employees had the lowest percentage of enterprises with reduced working time (8.7%) (table 14).

Table 14 Percentage of enterprises by labor size and change of average working hours per week currently compared to the end of 2021 (%)

	< 50 employees	From 50 - 100	From 100 - 200	From 200 - 500	From 500 – 5,000	From 5,000 – 10,000	Total
Increase	26.09	25.00	21.21	28.13	23.33	33.33	24.83
Unchange	56.52	45.83	51.52	25.00	50.00	66.67	45.52
Decrease	8.70	16.67	9.09	12.50	16.67	0.00	12.41

Wage

The average monthly salary of employees in enterprises in June 2022 is nearly 7.2 million VND. In which, the salary in industrial and service enterprises is over 7.5 million VND and in agricultural enterprises is more than 6.4 million VND. SOEs pay the highest salary (nearly 8.5 million VND), followed by FDI enterprises (nearly 7.6 million VND) and the lowest are private enterprises (nearly 7 million VND) (table 15).

Table 15 Percentage of enterprises by sector and ownership and average wage per employee in June 2022 (thousand VND)

	Agriculture	Industry	Service	Total
SOEs	7,000	8,333	9,750	8,458
Private enterprises	6,367	7,214	7,435	6,955
FDI enterprises	7,150	7,709	7,389	7,578
Total	6,404	7,530	7,562	7,180

Figure 3 Average wage per employee in June 2022 by sector, ownership (thousand VND)



The average salary in June 2022 compared to the same period in 2021 has significantly improved. More than 50% of enterprises increase wages, compared with 22.07% keep the same as in 2021, but still nearly 10% of enterprises reduce wages. There is also no significant difference in salary fluctuations among labor groups by professional technical level (table 16).

Table 16 Percentage of enterprises by sector, labor types, and change of average wage in June 2022 compared to June 2021 (%)

	Agriculture	Industry	Service	Total
1. Entire employees				
Increase >20%	0.00	3.77	2.17	2.07
Increase 10% - 20%	21.74	13.21	28.26	20.69
Increase <10%	36.96	30.19	17.39	28.28

Unchange	17.39	24.53	23.91	22.07
Decrease <10%	0.00	5.66	2.17	2.76
Decrease 10 – 20%	4.35	5.66	2.17	4.14
Decrease >20%	4.35	3.77	0.00	2.76
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00
2. For workers with bachelor and beyond				
Increase >20%	2.17	5.66	2.17	3.45
Increase 10% - 20%	21.74	13.21	26.09	20.00
Increase <10%	30.43	26.42	13.04	23.45
Unchange	23.91	28.30	30.43	27.59
Decrease <10%	0.00	9.43	2.17	4.14
Decrease 10 – 20%	2.17	1.89	2.17	2.07
Decrease >20%	4.35	1.89	0.00	2.07
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00
3. For workers with qualifications from elementary to college				
Increase >20%	0.00	3.77	2.17	2.07
Increase 10% - 20%	17.39	15.09	15.22	15.86
Increase <10%	36.96	26.42	26.09	29.66
Unchange	21.74	28.30	28.26	26.21
Decrease <10%	2.17	5.66	0.00	2.76
Decrease 10 – 20%	0.00	3.77	4.35	2.76
Decrease >20%	6.52	3.77	0.00	3.45
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00
4. For unskilled workers, training less than 3 months				
Increase >20%	0.00	3.77	4.35	2.76
Increase 10% - 20%	17.39	18.87	10.87	15.86
Increase <10%	34.78	22.64	21.74	26.21
Unchange	23.91	20.75	34.78	26.21
Decrease <10%	0.00	11.32	0.00	4.14
Decrease 10 – 20%	0.00	5.66	4.35	3.45
Decrease >20%	8.70	3.77	0.00	4.14
No answer	15.22	13.21	23.91	17.24
Total	100.00	100.00	100.00	100.00

Recruitment

The recruitment of workers in enterprises is through various recruitment channels, but the most popular (40%) is "enterprises themselves recruit", followed by 17.93% "referred by employees in enterprises". Other recruitment channels are rarely used, e.g. 2.76% choose "Through a public employment service center" and 2.07% choose "Through private employment service companies".

More than a third of enterprises said they had difficulty in recruiting workers. In which, agricultural enterprises faced the most difficulties (43.5%) and followed by industrial enterprises (35.9%). Enterprises also said that recruiting high-qualified workers is the most difficult, especially in the agricultural sector. Recruiting unskilled workers is also considered by enterprises as the next difficulty (table 17).

Table 17 Percentage of enterprises got challenge in recruitment by sectors and labor types (%)

	Agriculture	Industry	Service	Total
General	43.48	35.85	23.91	34.48
High qualified employees	34.78	13.21	15.22	20.69
IT expert	13.04	3.77	6.52	7.59
Medium-skilled employees	13.04	7.55	4.35	8.28
Unskilled workers	19.57	24.53	4.35	16.55

The rate of FDI enterprises having difficulty in recruiting workers is the highest (36.84%) and that of SOEs is the lowest (29.41%). In general, the percentage of enterprises having difficulty in recruiting is not much different between groups of enterprises by ownership. However, the level of difficulty in recruiting different types of workers has a large difference between these groups of enterprises (table 18):

- For FDI enterprises, the biggest difficulty is recruiting unskilled workers, followed by high-qualified workers. They have no difficulty in recruiting IT professionals and medium-skilled workers;

- For domestic enterprises, both SOEs and private enterprises, have difficulties in recruiting workers with different levels of qualifications, especially high-skilled workers;

- For private enterprises, the biggest difficulty is recruiting high-qualified employees. For SOEs, although the percentage of SOEs having difficulty in

recruitment is the lowest, the percentage of enterprises having difficulties in recruiting workers of all levels are the highest.

Table 18 Percentage of enterprises face challenges in recruitment by ownership and labor types (%)

	SOEs	Private enterprises	FDI enterprises	Total
General	29.41	34.86	36.84	34.48
High qualified employees	23.53	21.10	15.79	20.69
IT expert	17.65	7.34	0.00	7.59
Medium-skilled employees	17.65	8.26	0.00	8.28
Unskilled workers	23.53	13.76	26.32	16.55

Many large enterprises, especially those with 5,000 or more employees, have more difficulty in recruiting workers than small and medium sized enterprises. Large enterprises mainly have difficulty in recruiting unskilled and high-qualified workers. Meanwhile, small and medium-sized enterprises face less difficulties, but evenly in different worker groups, in which highly skilled workers and unskilled workers are also the most common (table 19).

Table 19 Percentage of enterprises face challenges in recruitment by labor-size and labor types (%)

	< 50 employees	50 - 100	100 - 200	200 - 500	500 – 5,000	5,000 – 10,000	Total
General	39.13	33.33	30.30	28.13	40.00	66.67	34.48
High qualified employees	26.09	12.50	21.21	21.88	20.00	33.33	20.69
IT expert	8.70	12.50	6.06	9.38	3.33	0.00	7.59
Medium-skilled employees	8.70	16.67	9.09	6.25	3.33	0.00	8.28
Unskilled workers	13.04	16.67	12.12	12.50	26.67	33.33	16.55

It can be seen that the labor market has not been able to adapt and is under great pressure of labor for production and business recovery. Fast-recovering sectors and businesses are facing greater difficulties in recruiting workers, especially skilled and unskilled workers.

Role of Trade Union

The percentage of enterprises with a trade union organization is 67.6%, of which the service sector is the lowest with 58.7% (Figure 4).

The number of enterprises without a trade union is mainly out of domestic private enterprises and enterprises with a size of less than 500 employees, of which the highest percentage of enterprises without a trade union is in the group of enterprises with less than 50 employees. (43.5%) (Figure 5).

Figure 4 Percentage of enterprises with a trade union by sector and ownership (%)

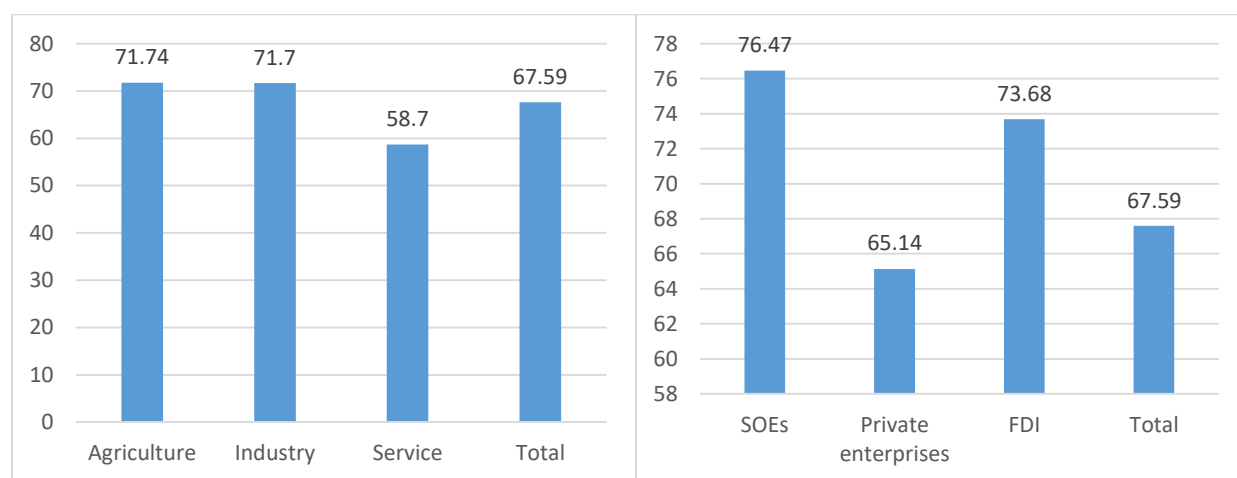
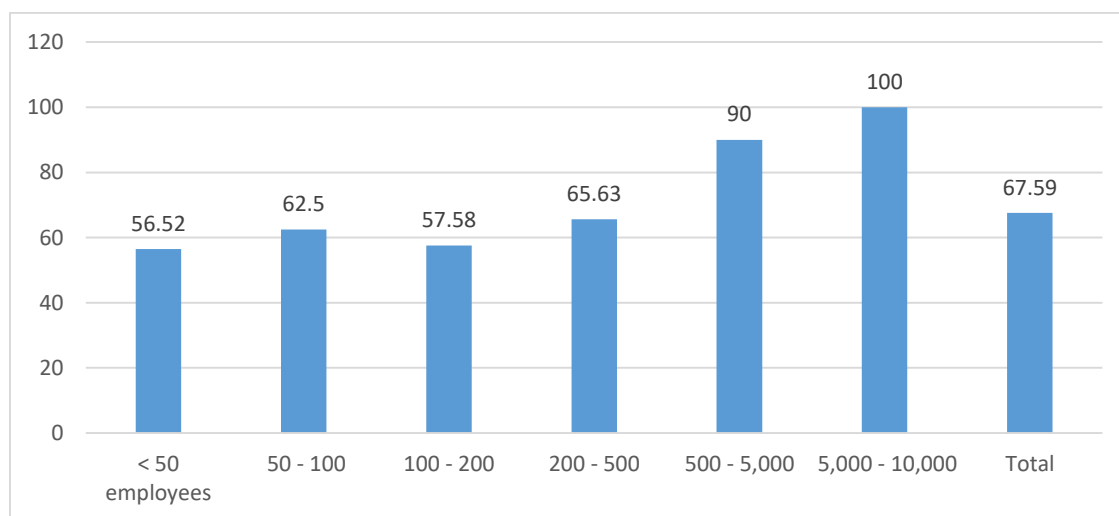
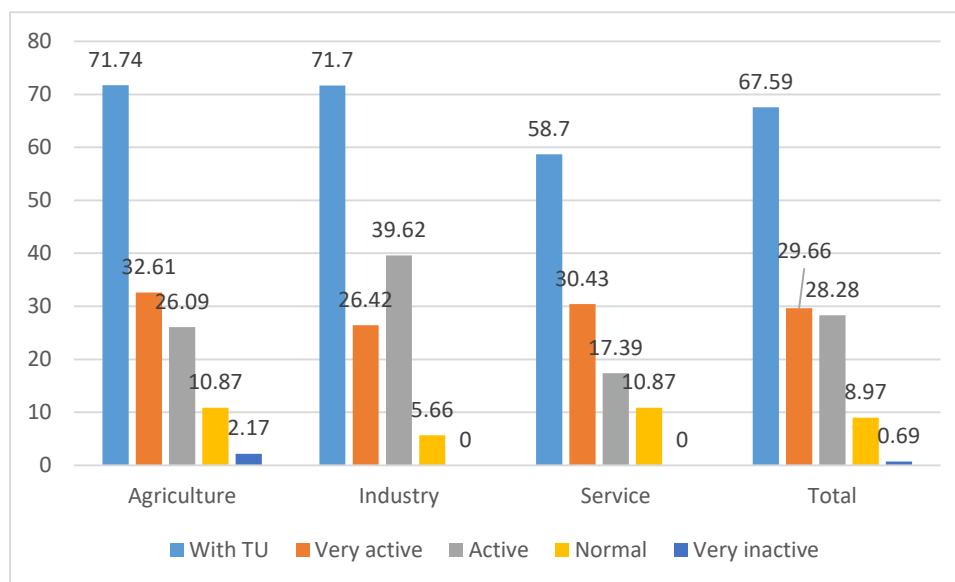


Figure 5 Percentage of enterprises with a trade union by sector and labor size (%)



In enterprises with trade unions, in general, enterprises highly appreciate the role of trade unions and employees in participating in solving business problems (86.5% agree the positive and very positive role of trade union) (Figure 6).

Figure 6 Enterprises' assessment of the role of trade unions and employees in solving business problems by sector (%)



Dialogue at the workplace

61.38% of enterprises have dialogues at the workplace with trade unions/employees, more than 90% of enterprises with trade unions have organized dialogues at the workplace with 1 or 2 meetings per year. Similarly, nearly 90% of enterprises with trade unions have organized collective bargaining and signed collective bargaining agreements (Table 20).

Table 20 Percentage of enterprises having dialogues at the workplace with trade unions/employees, collective bargaining and signing collective labor agreements by sector (%)

	Agriculture	Industry	Service	Total
1. Organising dialogue at the workplace	65.22	62.26	56.52	61.38
Of which:				
Once per year	28.26	28.30	15.22	24.14
Twice per year	21.74	20.75	21.74	21.38
Over twice per year	2.17	5.66	4.34	4.14
2. Organising collective bargaining	67.39	64.15	56.52	62.76
3. Signing collective bargaining	65.22	58.49	54.35	59.31

3.4. Enterprise's assessment of the Government's support packages on businesses resilience and build back better

Tax support packages

71.03% of businesses have access to the Government's tax support packages, of which the highest is in the agricultural sector with 76.09% and the lowest is in the industrial sector (67.92%). Private enterprises have the highest access rate (73.4%) and FDI enterprises have the lowest access rate (63.16%) (figure 7). Small and medium enterprises have lower access to tax support packages than large enterprises (Figure 8).

Figure 7 Percentage of businesses can access tax support packages by sectors and ownership (%)

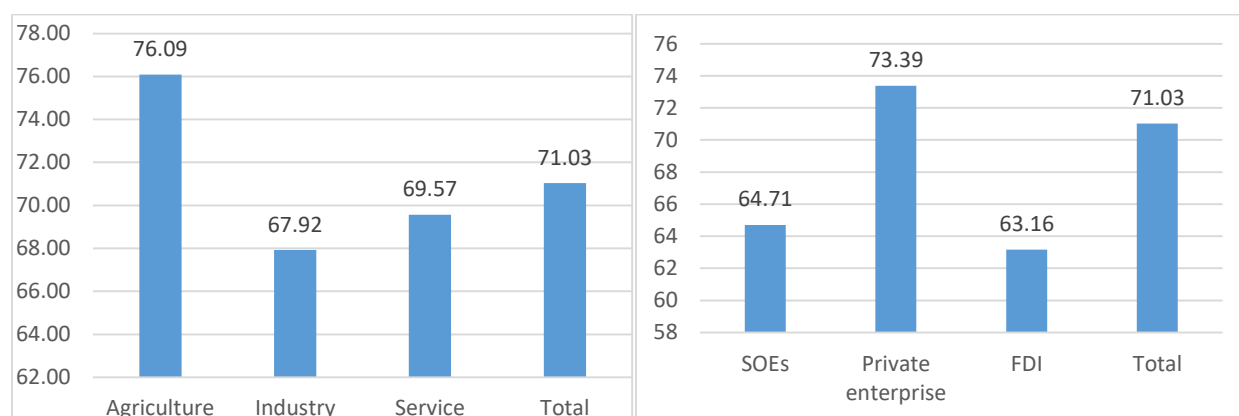
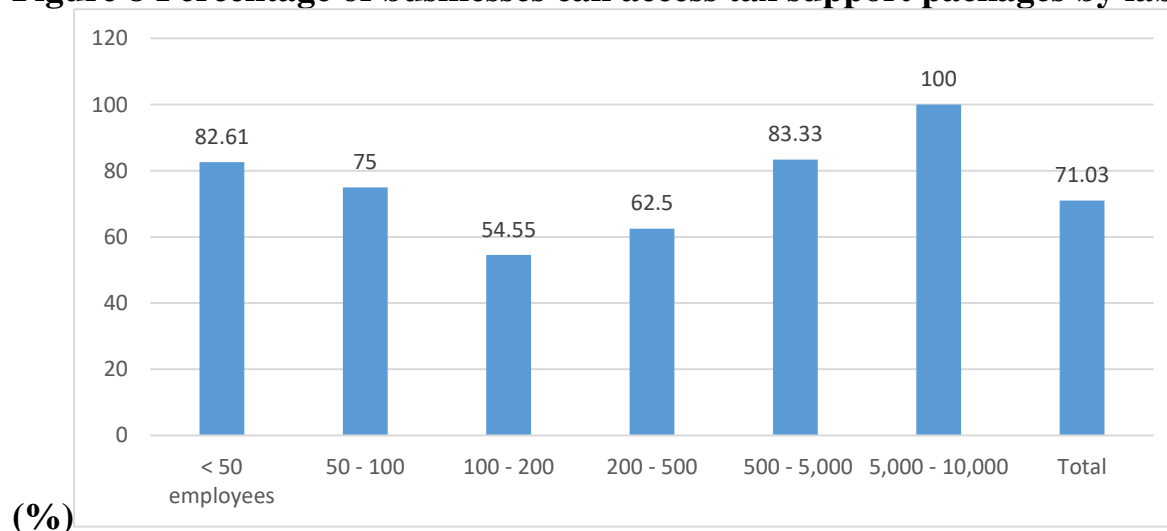


Figure 8 Percentage of businesses can access tax support packages by labor size



Regarding the difficulties and advantages when accessing tax support packages, in general, enterprises did not face many difficulties, especially more than 17% of enterprises found it easy or very easy to access and only a small percentage of enterprises found difficult or very difficult (table 21).

In general, tax support packages only partially meet the requirements of enterprises (51.72%), while nearly 10% of enterprises said that they only meet very few requirements of enterprises. It is clear that the needs of enterprises for supporting are very large, so in addition to the support of the government, many other supports as well as the efforts of business themselves are needed.

As a result, the impact of this support package on enterprises is medium (46.2% of enterprises). Meanwhile, more than 13% of enterprises consider the impact to be high and more than 11% of enterprises consider the impact to be low.

Table 21 Percentage of businesses accessing tax support packages by sectors, ease of access and responsiveness (%)

	Agriculture	Industry	Service	Total
1. Enterprise successfully access	76.09	67.92	69.57	71.03
2. How was the access				
Very easy	0.00	1.89	2.17	1.38
Easy	19.57	18.87	8.70	15.86
Normal	45.65	45.28	52.17	47.59
Difficult	8.70	1.89	4.35	4.83
Very difficult	2.17	0.00	0.00	0.69
3. Does it meet business need?				
Totally	6.52	9.43	8.70	8.28
Partially	58.70	45.28	52.17	51.72
A few	8.70	13.21	6.52	9.66
None	2.17	0.00	0.00	0.69
4. Impact of the support to business				
High	17.39	7.55	15.22	13.10
Medium	45.65	49.06	43.48	46.21
Low	13.04	11.32	8.70	11.03

Capital/Credit support packages

Only 51.72% of enterprises said they received capital/credit support from the government, significantly lower than accessing tax support. The percentage of

agricultural enterprises that can access the capital/credit support package was the highest (63.04%) and the lowest was for service enterprises (34.78%) (Figure 9).

State-owned enterprises have the highest level of access (58.82%) and FDI enterprises have the lowest level of access (26.32%). In general, small businesses have a higher level of access than large enterprises, especially those with less than 50 employees (56.52%) (Figure 10).

Figure 9 Percentage of enterprises accessing the capital/credit support package by sector, ownership (%)

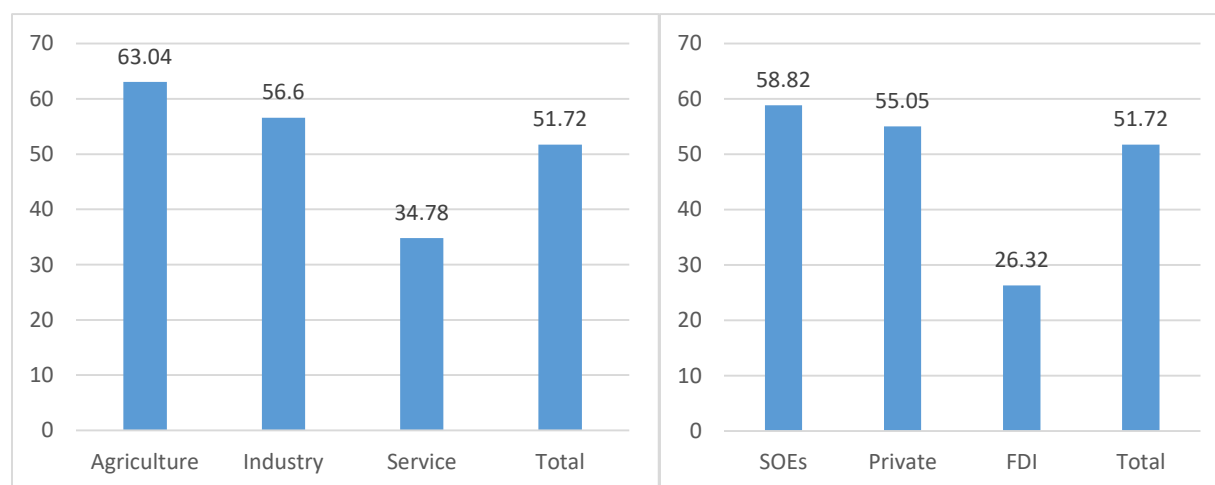
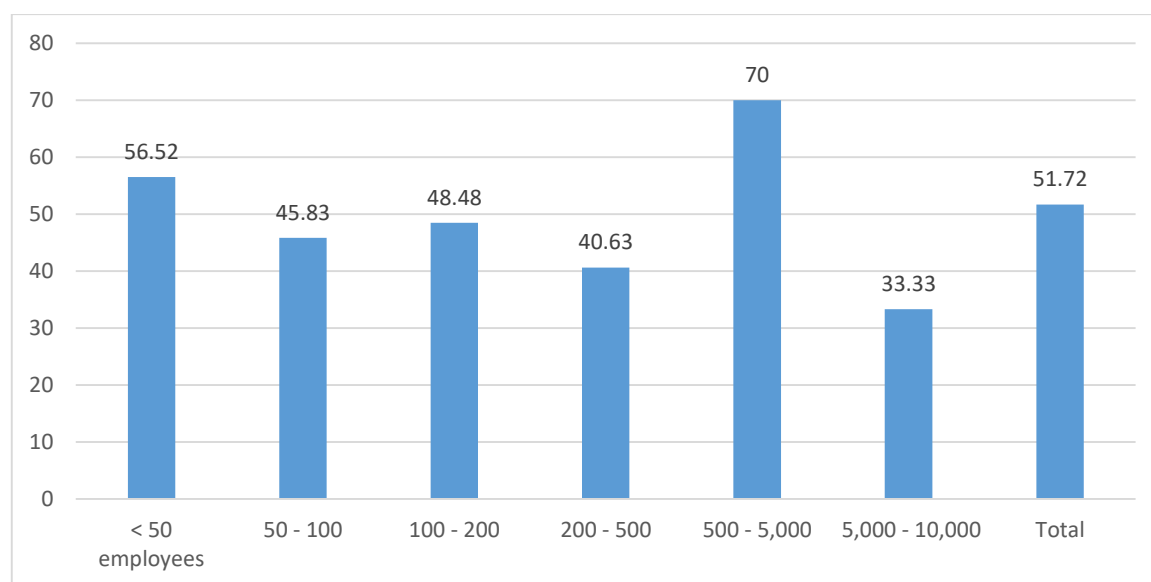


Figure 10 Percentage of enterprises accessing the capital/credit support package by labor size (%)



For businesses that have successful access to the capital/credit support package, the access possibility is considered not difficult for businesses, with nearly 38% saying it's normal and nearly 9% saying it's easy or very easy, compared to less than

5% consider it difficult or very difficult (table 22). However, these support packages just partially meet the business need, which result in low impact of the supporting policy.

Table 22 Percentage of enterprises accessing the capital/credit support package by sectors, access possibility to the package, satisfaction (%)

	Agriculture	Industry	Service	Total
1. Enterprise successfully access	63.04	56.6	34.78	51.72
2. How was the access				
Very easy	2.17	0.00	0.00	0.69
Easy	10.87	11.32	2.17	8.28
Normal	41.30	39.62	32.61	37.93
Difficult	6.52	5.66	0.00	4.14
Very difficult	2.17	0.00	0.00	0.69
3. Does it meet business need?				
Totally	8.70	9.43	4.35	7.59
Partially	36.96	35.85	28.26	33.79
A few	15.22	11.32	2.17	9.66
None	2.17	0.00	0.00	0.69
4. Impact of the support to business				
High	13.04	9.43	4.35	8.97
Medium	32.61	41.51	28.26	34.48
Low	17.39	5.66	2.17	8.28

Support package for workers

More than 71% of enterprises had access to support package for employees (Figure 11), of which the highest were industrial enterprises (77.36%) and the lowest were agricultural enterprises (63.04%).

FDI enterprises and private enterprises have better access to support policies for employee than SOEs (Figure 11). Large enterprises have better access to support policies for employee than small and medium enterprises (Figure 12).

Figure 11 Percentage of businesses that can access the support package for employee by sector, ownership (%)

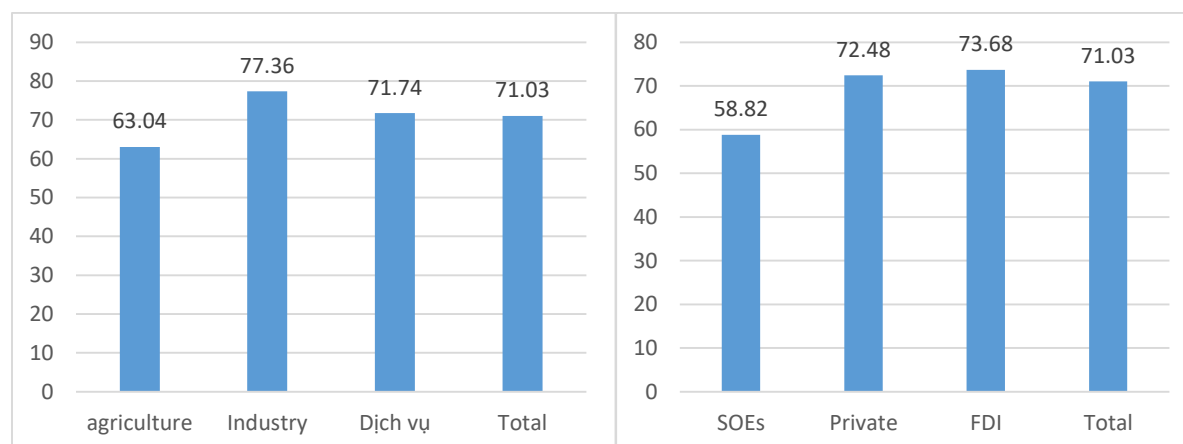
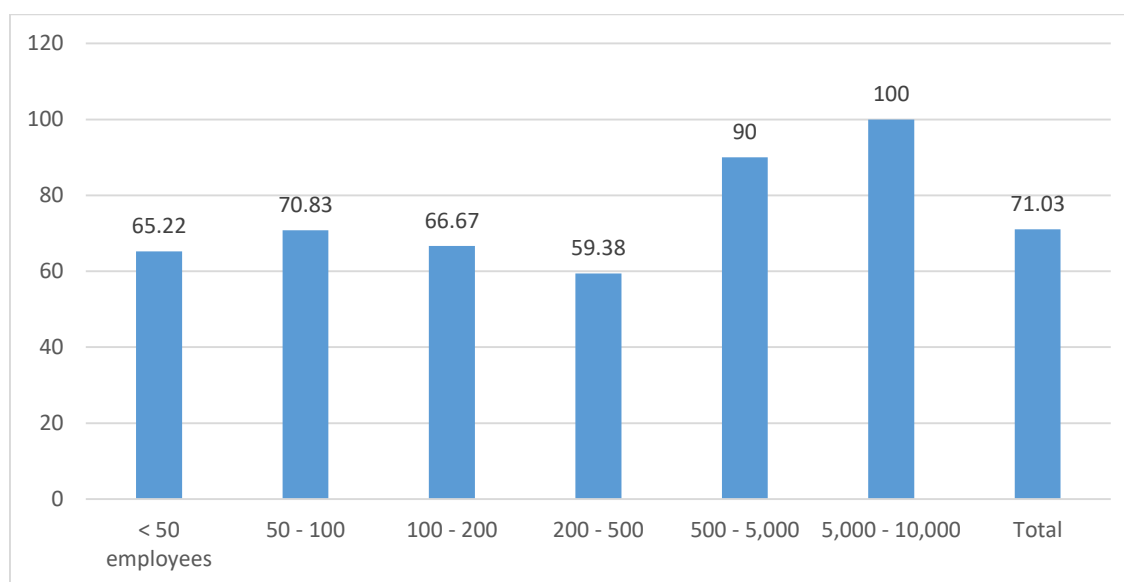


Figure 12 Percentage of businesses that can access the support package for employee by labor size (%)



In general, access to this support package for employee is considered to be quite convenient with nearly 47% saying it's normal and 20% saying it's easy or very easy compared to only 3.45% think it's difficult. or very difficult (Table 23).

More than 11% of businesses think that this support package for employee has met all of their needs and 13.8% of businesses think that they have met their requirements at a high level. However, regarding the impact of these supports on enterprises, 34.5% consider the impact to be moderate and only nearly 9% consider the impact to be high (in which the highest group is among agricultural enterprises).

Table 23 Percentage of enterprises accessing the support package for employees by sectors, access possibility to the package, satisfaction (%)

	Agriculture	Industry	Service	Total
1. Enterprise successfully access	63.04	56.6	34.78	51.72
2. How was the access				
Very easy	2.17	0.00	0.00	0.69
Easy	10.87	11.32	2.17	8.28
Normal	41.30	39.62	32.61	37.93
Difficult	6.52	5.66	0.00	4.14
Very difficult	2.17	0.00	0.00	0.69
3. Does it meet business need?				
Totally	8.70	9.43	4.35	7.59
Partially	36.96	35.85	28.26	33.79
A few	15.22	11.32	2.17	9.66
None	2.17	0.00	0.00	0.69
4. Impact of the support to business				
High	13.04	9.43	4.35	8.97
Medium	32.61	41.51	28.26	34.48
Low	17.39	5.66	2.17	8.28

Measures being applied to cope with the Covid-19 pandemic for business continuity

A number of measures to cope with the Covid-19 pandemic for business continuity in 2020 and 2021 have been continuously applied by many businesses in the new normal, including: Strengthening OSH measures (49.66%); Flexible working time arrangement (nearly 49%); Developing, implementing and regularly updating business continuity plans (44.83%); Taking pandemic prevention measures (with 39.31% of enterprises) (table 24).

Table 24 Measures being applied to cope with the Covid-19 pandemic for business continuity (%)

	Agriculture	Industry	Service	Total
Developing, implementing and regularly updating business continuity plans	47.83	43.40	43.48	44.83
Flexible working time arrangement	50.00	45.28	52.17	48.97

Hiring seasonal workers	19.57	20.75	13.04	17.93
Work package	6.52	11.32	8.70	8.97
Work from home/ telework	34.78	35.85	23.91	31.72
Taking pandemic prevention measures	43.48	37.74	36.96	39.31
Strengthening OSH measures	63.04	52.83	32.61	49.66
Regular dialogue with workers/workers' representative/ trade union	8.70	20.75	21.74	17.24
Others	2.17	3.77	0.00	2.07

The biggest challenges currently faced by business

Although production has been recovered, some enterprises gained their growth momentum, but many enterprises said that they are facing many difficulties, in which the biggest difficulties include (table 25):

- Increase labor cost/salary: 36,55%;
- Ensuring export market: 32,41%;
- Ensuring competitiveness: 27,59%;
- Retain employees: 25,52%;
- Technological innovation/digital transformation: 24,83%;

The influence of these factors on the production and business activities also varies among industries:

- Regarding technological innovation/digital transformation, many industrial enterprises face more difficulties than other industries;

- Regarding the export market, service enterprises are less affected, but this industry and agricultural sector are more affected by the factor increasing labor costs/salary.

Table 25 The percentage of enterprises by industry and the biggest difficulties that enterprises are facing today (%)

	Agriculture	Industry	Service	Total
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technological innovation/digital transformation	19.57	30.19	23.91	24.83
Importing input materials	21.74	18.87	13.04	17.93
Ensuring export market	43.48	35.85	17.39	32.41
Signing new supply contracts	8.70	16.98	6.52	11.03
Fulfilment of signed contracts	6.52	13.21	8.70	9.66
Ensuring competitiveness	28.26	28.30	26.09	27.59
Increasing labor costs/salary	45.65	24.53	41.30	36.55
Recruitment	19.57	15.09	10.87	15.17
Retaining employees	28.26	26.42	21.74	25.52
Others	2.17	1.89	0.00	1.38

Except for a few factors such as "Importing input materials" and "increasing labor costs/salary", there is no difference between the types of enterprises by ownership. Other factors have significant difference (table 26):

- “technological innovation/digital transformation”, “Signing new supply contracts”, “Ensuring competitiveness” are the biggest challenges for many domestic enterprises, but not for FDI;
- “Recruitment” are challenge for FDI but not for domestic ones;
- “Retaining employees” are challenge for private and FDI enterprises, but not for SOEs.

Table 26 The percentage of enterprises by ownership and the biggest difficulties that enterprises are facing today (%)

	SOEs	Private	FDI	Total
	23.53	27.52	10.53	24.83
technological innovation/digital transformation	17.65	18.35	15.79	17.93
Importing input materials	17.65	34.86	31.58	32.41
Ensuring export market	17.65	11.01	5.26	11.03
Signing new supply contracts	11.76	8.26	15.79	9.66
Fulfilment of signed contracts	41.18	28.44	10.53	27.59
Ensuring competitiveness	35.29	36.70	36.84	36.55
Increasing labor costs/salary	11.76	11.93	36.84	15.17
Recruitment	5.88	28.44	26.32	25.52
Retaining employees	5.88	0.92	0.00	1.38

Increasing wage costs is a major difficulty for all groups of enterprises by labor size, followed by securing export markets. Recruiting and retaining workers is the biggest difficulty for large enterprises (over 5000 employees) and enterprises with smaller labor sizes. Ensuring competitiveness is the biggest difficulty for small businesses with less than 50 employees.

Challenges in implementing new labor legislation

In general, the application of the provisions of the Labor Code 2019 is quite favorable, only 15% of enterprises said that they have difficulties, the highest are enterprises in the agricultural industry (17.4%) (table 27). However, implementing the policy of increasing the minimum wage from July 1, 2022, 31.72% of businesses facing difficulties, of which the highest are also agricultural enterprises (43.5%).

Table 27 Percentage of enterprises by sector facing challenges in implementing new labor legislation (%)

	Agriculture	Industry	Service	Total
Having difficulty in complying with the provisions of the Labor Code 2019	17.39	15.09	13.04	15.17
Having difficulty for increasing the minimum wage from 1/7/2022	43.48	28.30	23.91	31.72

In implementing these policies, many FDI enterprises and private enterprises face more difficulties than SOEs (table 28). However, large enterprises face more difficulties in complying with the provisions of the Labor Code 2019 than small and medium enterprises (table 29).

Table 28 Percentage of enterprises by ownership facing challenges in implementing new labor legislation (%)

	SOEs	Private	FDI	Total
Having difficulty in complying with the provisions of the Labor Code 2019	5.88	15.60	21.05	15.17
Having difficulty for increasing the minimum wage from 1/7/2022	17.65	33.03	36.84	31.72

Table 29 Percentage of enterprises by labor size facing challenges in implementing new labor legislation (%)

	< 50 employees	50 - 100	100 - 200	200 - 500	500 – 5,000	5,000 – 10,000	Total
Having difficulty in complying with the provisions of the Labor Code 2019	8.70	20.83	9.09	21.88	10.00	66.67	15.17
Having difficulty for increasing the minimum wage from 1/7/2022	34.78	25.00	24.24	43.75	30.00	33.33	31.72

3.5. Orientation to the end of 2022 and 2023 and businesses' recommendations

Business orientation to the end of 2022 and 2023

"Production and business expansion" is the biggest business priority (32.41%), especially in agricultural sector (39.13%) and service sector (34.78%), which are forecasted to have the greatest growth potential in the last 6 months of 2022 and 2023. "Product and service quality improvement" is the second business priority (20%) and "Exploring new markets" is the third priority of enterprises (14.5%). Some other priorities receive less attention, but differ across sectors. For example, 9.43% of industrial enterprises prioritize "restructuring", while 8.7% of agricultural enterprises prioritize "technology innovation, labor productivity increase" (table 30).

Table 30 Percentage of enterprises by sector and business priorities in the last 6 months of 2022 and 2023 (%)

	Agriculture	Industry	Service	Total
Production and business expansion	39.13	24.53	34.78	32.41
Restructuring	6.52	9.43	0.00	5.52
Exploring new markets	13.04	20.75	8.70	14.48
Product and service quality improvement	17.39	20.75	21.74	20.00
Technology innovation, labor productivity increase	8.70	3.77	6.52	6.21
Digitalization	0.00	1.89	0.00	0.69
Others	15.22	18.87	28.26	20.69

In determining the priorities, there are also some differences between groups of enterprises by ownership (table 31):

- The private enterprises prioritize on production and business expansion more than SOEs and FDI enterprises, while FDI enterprises prioritize on products and services quality improvement more than domestic enterprises.

- The private enterprises are more interested in "Restructuring", "technology innovation, labor productivity increase" and "digitalisation" than SOEs and FDI enterprises.

Table 31 Percentage of enterprises by ownership and business priorities in the last 6 months of 2022 and 2023 (%)

	SOEs	Private	FDI	Total
Production and business expansion	29.41	33.94	26.32	32.41
Restructuring	5.88	6.42	0.00	5.52
Exploring new markets	17.65	13.76	15.79	14.48
Product and service quality improvement	17.65	19.27	26.32	20.00
Technology innovation, labor productivity increase	0.00	8.26	0.00	6.21
Digitalization	0.00	0.92	0.00	0.69
Others	29.41	17.43	31.58	20.69

Table 32 shows:

- The highest percentage of enterprises giving priority to "Restructuring" is in the group of enterprises with 50-200 employees;

- "exploring new markets" is more interested by large enterprises, while "Product and service quality improvement", "technology innovation, labor productivity increase" and "Digitalisation" are more concerned by small businesses.

Table 32 Percentage of enterprises by labor size and business priorities in the last 6 months of 2022 and 2023 (%)

	< 50 employees	50 - 100	100 - 200	200 - 500	500 – 5,000	5,000 – 10,000	Total
Production and business expansion	39.13	37.50	24.24	28.13	36.67	33.33	32.41
Restructuring	0.00	8.33	12.12	3.13	3.33	0.00	5.52
Exploring new markets	8.70	12.50	21.21	6.25	20.00	33.33	14.48
Product and service quality improvement	26.09	16.67	21.21	21.88	16.67	0.00	20.00
Technology innovation, labor productivity increase	13.04	8.33	0.00	3.13	10.00	0.00	6.21
Digitalization	0.00	4.17	0.00	0.00	0.00	0.00	0.69
Others	13.04	12.50	21.21	37.50	13.33	33.33	20.69

Labor and employment priority

The labor and employment priorities which are most interested by enterprises include "Strengthening training and retraining for employees" (26.21%) and "Ensure competitive salary to attract workers" (25.52%). Followed by "Increasing welfare and working conditions for employees to retain employees" (11.72%) and "Strengthening recruitment of high-skilled personnel" (10.34%). "Strengthening social dialogue and improving labor relations" is not a priority for enterprises in the coming time (Table 33). It can be seen that businesses will focus on prioritizing to handle the difficulties they are currently facing in recruiting and employing workers (as analyzed in the previous sections).

In the labor and employment priority, enterprises in different sectors also have different priorities:

- The percentage of service enterprises giving priority to "Strengthening training and retraining for employees" is higher than that of agriculture and industry;
- "Strengthening recruitment of high-skilled personnel" is more interested by agricultural and service enterprises than industrial enterprises. Meanwhile, "Ensuring competitive wages to attract workers" is more interested by industrial enterprises;
- "Increasing welfare and working conditions for employees to retain workers" is more interested by industrial enterprises and agricultural enterprises than service enterprises.

Table 33 Percentage of enterprises by sector and labor & employment priorities in the last 6 months of 2022 and 2023 (%)

	Agriculture	Industry	Service	Total
Strengthening training and retraining for employees	21.74	24.53	32.61	26.21
Strengthening recruitment of high-skilled personnel	15.22	3.77	13.04	10.34
Ensure competitive salary to attract workers	26.09	30.19	19.57	25.52
Increasing welfare and working conditions for employees to retain workers	13.04	16.98	4.35	11.72
Pandemic prevention and health ensuring for employees	8.70	3.77	2.17	4.83
Strengthening social dialogue and improving labor relations	0.00	1.89	0.00	0.69
Others	15.22	18.87	28.26	20.69

Table 34 shows:

- “Strengthening training and retraining for employees” is the most concern by private enterprises, followed by SOEs. While, "Strengthening recruitment of high-quality personnel" is most concerned by FDI enterprises, followed by private enterprises;

- Many private enterprises prioritize "Ensuring competitive wages to attract workers", while many SOEs care about "Increasing welfare and working conditions for employees to retain employees";

- "Strengthening social dialogue and improving labor relations" is also interested by some FDI enterprises.

Table 34 Percentage of enterprises by ownership and labor & employment priorities in the last 6 months of 2022 and 2023 (%)

	SOEs	Private	FDI	Total
Strengthening training and retraining for employees	23.53	27.52	21.05	26.21
Strengthening recruitment of high-skilled personnel	0.00	11.01	15.79	10.34
Ensure competitive salary to attract workers	17.65	29.36	10.53	25.52
Increasing welfare and working conditions for employees to retain workers	29.41	9.17	10.53	11.72
Pandemic prevention and health ensuring for employees	0.00	5.50	5.26	4.83
Strengthening social dialogue and improving labor relations	0.00	0.00	5.26	0.69
Others	29.41	17.43	31.58	20.69

Table 35 shows:

- The two factors that large enterprises (over 5000 employees) are interested in are "Strengthening training and retraining for employees" and "Increasing welfare and working conditions for employees to retain employees".

- "Strengthening training and retraining for employees" is more interested by large enterprises than small and medium enterprises, but "Increasing recruitment of high-quality personnel" is more interested by small enterprises.

Table 35 Percentage of enterprises by labor size and labor & employment priorities in the last 6 months of 2022 and 2023 (%)

	< 50 employees	50 - 100	100 - 200	200 - 500	500 – 5,000	5,000 – 10,000	Total
Strengthening training and retraining for employees	26.09	33.33	18.18	25.00	30.00	33.33	26.21
Strengthening recruitment of high- skilled personnel	17.39	0.00	9.09	6.25	20.00	0.00	10.34
Ensure competitive salary to attract workers	21.74	29.17	36.36	18.75	23.33	0.00	25.52
Increasing welfare and working conditions for employees to retain workers	13.04	20.83	12.12	3.13	10.00	33.33	11.72
Pandemic prevention and health ensuring for employees	8.70	4.17	3.03	9.38	0.00	0.00	4.83
Strengthening social dialogue and improving labor relations	0.00	0.00	0.00	0.00	3.33	0.00	0.69
Others	13.04	12.50	21.21	37.50	13.33	33.33	20.69

Business recommendations

Table 36, Table 37 and Table 38 show the recommendations of surveyed enterprises to the Government in supporting business continuity and resilience.

The supports most mentioned by enterprises include “Tax support (tax reducing, tax deferral)” (56.55%), “Financial/ credit support/debt freeze/debt relief” (51.03%) and “Support on social security for employees” (40.7%).

Some other policies also mentioned by many businesses include “workers’ housing support” (26.21%), “training/retraining for employees” (20%). and “Improve employment services” (14.5%).

By sectors:

- Agricultural enterprises are interested in “Financial/ credit support/debt freeze/debt relief” and “social security support for employees” than industrial and service enterprises;

- “Tax support (tax reduce, tax deferral)” is more interested by agricultural and industrial enterprises than service enterprises;

- “Improving employment services”, “training/retraining for employees” and “Support for workers’ housing” are more interested by industrial enterprises than other sectors.

By ownership:

- “Financial/credit support/ debt freeze/debt relief” and “Tax support (tax reduction, tax deferral)” are of the most interest to private enterprises and much more concerned than the group of SOEs and FDI enterprises. “Financial support/credit/debt freeze/debt relief” is the most concerned by private enterprises (59.63%), compared with 35.29% of SOEs and only 15.79% of FDI enterprises;

- Except for financial and tax support, other supports FDI enterprises have significantly higher support needs than domestic enterprises, especially “Housing support for employees”, “Efforts to settle labor disputes” and “Improve employment services”;

- In general, SOEs have lower support needs than private enterprises and FDI enterprises

By labor-size:

- In general, small enterprises’ needs for support is more than large ones.

Table 36 Percentage of enterprises by sector and needs for government's support for business resilience (%)

	Agriculture	Industry	Service	Total
Financial support/credit/debt freeze/debt relief	63.04	49.06	41.30	51.03
Tax support (tax reduction, tax deferral)	65.22	60.38	43.48	56.55
Efforts to settle labor disputes	2.17	3.77	6.52	4.14
Employment service improvement	10.87	18.87	13.04	14.48
Training/retraining employees	17.39	24.53	17.39	20.00
Workers' housing support	19.57	32.08	26.09	26.21
Social security support for workers	47.83	41.51	32.61	40.69
Others	2.17	1.89	0.00	1.38

Table 37 Percentage of enterprises by ownership and needs for government's support for business resilience (%)

	SOEs	Private	FDI	Total
Financial support/credit/debt freeze/debt relief	35.29	59.63	15.79	51.03
Tax support (tax reduction, tax deferral)	41.18	61.47	42.11	56.55
Efforts to settle labor disputes	0.00	3.67	10.53	4.14
Employment service improvement	17.65	11.93	26.32	14.48
Training/retraining employees	23.53	17.43	31.58	20.00
Workers' housing support	5.88	24.77	52.63	26.21
Social security support for workers	23.53	42.20	47.37	40.69
Others	5.88	0.92	0.00	1.38

Table 38 Percentage of enterprises by labor-size and needs for government's support for business resilience (%)

	< 50 employees	50 - 100	100 - 200	200 - 500	500 - 5,000	5,5 - 10,000	Total
Financial support/credit/debt freeze/debt relief	60.87	58.33	54.55	40.63	46.67	33.33	51.03

Tax support (tax reduction, tax deferral)	73.91	62.50	54.55	50.00	46.67	66.67	56.55
Efforts to settle labor disputes	0.00	8.33	6.06	0.00	6.67	0.00	4.14
Employment service improvement	21.74	12.50	21.21	6.25	10.00	33.33	14.48
Training/retraining employees	21.74	29.17	9.09	21.88	23.33	0.00	20.00
Workers' housing support	26.09	8.33	27.27	28.13	40.00	0.00	26.21
Social security support for workers	43.48	33.33	48.48	25.00	53.33	33.33	40.69
Others	0.00	0.00	3.03	3.13	0.00	0.00	1.38

4. Conclusion and recommendations

4.1. Conclusion

1. Business recovery and development

- Overall, businesses have gradually recovered and continue to develop positively for the last months of 2022, but the recovery picture is still mixture. Besides a number of enterprises recovering and growing rapidly, there is still a significant number of enterprises that can only maintain a stable level as in the same period in 2021 and 2019 (before the pandemic), even some enterprises shrinks their business. Production and business recovery is uneven across sectors and among enterprises in the same sector in comparison with 2021 and 2019.

- Service and agricultural enterprises recovered and grew stronger than industrial enterprises. SOEs build back better than FDI and private enterprises. Large enterprises with more than 5,000 employees recovered better than enterprises with smaller labor sizes due to the advantages of human and financial potential, production capacity, customer relations and export markets, access to supply chains, etc.

- Import of input materials is no longer an important factor affecting business results, proving that supply chains have been basically restored.

- Most businesses believe that business and production factors have been stable as before the pandemic (in 2019). However, the competition and technological innovation requirements become harder along with business difficulties such as market access, access to resources and labor recruitment. It is worth noting that there is difference in these factors between domestic enterprises and FDI enterprises. This means different businesses are facing different challenges, that lead to different priorities requiring government's appropriate policies.

2. Employment situation

- In general, the total number of employees of enterprises at the end of June 2022 has increased by over 10% over the same period in 2021, corresponding to the situation of production recovery and expansion. It is expected that the total number of employees of enterprises by the end of 2022 compared to the end of 2019 will also increase sharply with 40% of enterprises expected to increase employees. The highest rate of increase in employees is in the agricultural sector, FDI enterprises, SOEs and large enterprises with over 5,000 employees. The average number of working hours per week of employees increased more than at the end of 2021, but the increase was not large. Working hours increased the most among FDI enterprises. The average salary in June 2022 compared to the same period in 2021 has generally improved and

reached nearly 7.2 million VND. However, it is required to increase the minimum wage from July 1, 2022, while businesses must prioritize "Ensuring competitive wages to attract workers" or "Increasing benefits and working conditions to retain workers" is making many businesses difficult.- The labor recruitment is through many different channels, but the most popular is "self-employment", followed by "Introduced by internal employees", and other recruitment channels are not popular. The role of public employment service centers and private employment service companies in supplying labor for enterprises is very low. More than a third of enterprises have difficulties in recruiting workers, of which the most difficult recruitment is of high-skilled and unskilled workers, in large enterprises and FDI enterprises.

- Large employment fluctuations, difficulties in recruiting workers and great competition in attracting unskilled and high-skilled workers pose many challenges to the labor market, both in terms of employment and social security policies, and training and retraining of workers as well as labor supply and demand matching.

- The role of trade unions and employees is positively assessed in enterprises with trade unions, but many small and medium enterprises do not have a trade union. Not many businesses face difficulties in implementing the provisions of the Labor Code 2019 and in general, the labor relations is considered to be quite good at enterprises. However, some FDI enterprises realize that it is necessary to pay more attention to the issue of "Strengthening social dialogue and improving labor relations" in the context of their difficulties in recruiting and retaining employees.

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3. Government's support packages

- Compared with similar survey conducted in 2021¹, the access possibility of enterprises to the Government's tax, credit and social security support packages has increased more than 2 times. This is resulted from a wide range of positive measures by the Government, ministries/sectors and localities. However, for businesses that can access those packages, the support only partially meets their requirements and the impact, hence, is still below their expectation.

4. Experience and existing problems

¹ VCCI, 2021, SURVEY REPORT ON COVID-19 PANDAMIC IMPACT ON LABOR AND EMPLOYMENT AT THE WORKPLACE

- A number of business continuity measures against Covid-19 pandemic in 2020 and 2021 are still being applied by many businesses in the new normal conditions, such as: Strengthening OSH measures; Flexible working time arrangement; Developing, implementing and regularly updating the business continuity plan; Applying pandemic preventive measures.

- Although production has been restored, some enterprises have regained their growth momentum, but many others are facing difficulties of increasing labor costs/wages (including increasing minimum wage from July 1, 2022); ensuring export markets; technological innovation/digitalisation; ensuring competitiveness and retaining employees.

5. Business priority by the end of 2022 and year 2023

- In terms of production and business, "production and business expansion" is the biggest priority of enterprises, especially agricultural enterprises and service enterprises, to take advantage of the post-pandemic market opportunities and the global supply chain fluctuations.

- The priorities on labor and employment most concerned by business include "Strengthening training and retraining for employees" and "Ensuring competitive wages to attract workers". Other priorities such as "Increasing welfare and working conditions for employees to retain employees" and "Strengthening recruitment of high-quality personnel" were also mentioned by many enterprises.

- For the government support packages, the most mentioned by enterprises are "Tax support (tax reduction, tax deferral)", "Financial /credit support /debt freeze/debt relief" and "social security support for employees". In addition, a number of other policies mentioned by many enterprises are "Support for workers' housing ", "Support for training/retraining for employees" and "Improve employment services".

4.2. Recommendations

1. For Government and local authorities

After 2 years of enduring the unpredictable impacts of the Covid-19 pandemic, businesses are gradually recovering and building back better. However, their exhausted internal resources along with the changing business environment require them to quickly adapt. In that context, the Government and local authorities needs to have appropriate and timely interventions. The support policies/interventions need to be concretized in accordance with the needs for each specific business group:

1.1 For government:

- Continuous improvement of the tax support policies (tax reduction, tax deferral), financial/credit support/debt freeze/debt relief policies for enterprises, especially small and medium-sized enterprises in order to create more favorable conditions for businesses to access policies, as well as increase the effectiveness of policy implementation; and accelerating disbursement of the 2% interest rate support package..

- There are programs to support domestic enterprises to accelerate technological innovation and digital transformation to increase labor productivity, competitiveness and participate more deeply in the global supply chains.

- For the business's workforce stabilization, it is necessary to strengthen the social security support for employees, workers' housing support programs, building residents for workers in industrial parks, quickly deploying social housing projects.

- Completing labor market policies, especially effectively training/retraining programs for employees, employment services improvement with stronger role of public service providers in supporting workers to quickly find jobs, helping businesses recruit the necessary number of workers in a timely manner.

- Effectively implementing the 2019 Labor Code and strengthening the practical review, listening to the opinions from the grassroots, employers and employees, effectively support the building of harmonious and progressive labor relations at enterprises, including social dialogue at the workplace, negotiation and signing of collective bargaining agreements across sectors, groups of enterprises and enterprises

1.2. For local authorities

- Paying more attention to the management of labor market in the province/city, especially investing in the development of employment services system, labor market information system, improving the quality of labor supply-demand linkage, job consulting, vocational training.

- Pay attention to ensuring the welfare of workers, especially for migrant workers in terms of housing, educational and medical services for workers and their families. Prioritizing land provision and quickly implement projects to build social housing, housing for workers, especially in industrial zones.

- Pay attention and support programs to build sustainable and harmonious labor relations at enterprises, improve the role and performance of industrial park management boards in building labor relations; have a program to promote the development of social dialogue, negotiate and conclude sectoral or business group

collective bargaining agreements; increase efficiency in resolving collective labor disputes, especially strikes.

2. For business

The period of "abundant labor supply" is over, especially the aging population is having an increasingly strong impact on the labor supply for enterprises. As the competition in recruiting labor also increases, enterprises need to develop a labor strategy in their production and business plan. Production expansion needs to be based on increasing labor productivity, requiring more investment in technological innovation, digital transformation and the skilled laborforce.

- Businesses should be flexible, production and business development strategy should consider sustainable and green factors in line with national priorities, market requirements and target customers, as well as ensuring the supply of raw materials;

- Business's recruitment policies need to give priority to high-qualified and skilled workers, along with policies to retain employees;

- The business's training and retraining program for the existing workforce is needed to keep up with technological innovation requirements and maintain competitiveness;

- A system of competitive labor, wages and benefits policies need to be developed to take care of employees; take care of the life and welfare of employees and their families;- Strengthening harmonious, stable and advanced industrial relations at the workplace, including the trade union activities and workers' opinions and needs.

3. For Business Associations

- Business associations strengthen their study activities on production issues in the value chain that affecting their members; good practices in business recovery and disseminating the lessons learned to their members; Coordinate with related stakeholders to organize virtual or face to face training courses on digital transformation, corporate governance, and brand development for businesses.

- Strengthen policy consultation for state management agencies in formulating and promulgating mechanisms and policies to encourage the development of sectors and activities of the association to ensure that those policies are equal and friendly with member enterprises.

- As a business representative organization, the business associations need to strengthen the protection of the interests of their members. Performing the active intermediary role contributes to satisfying the needs of protecting the rights and

interests of member enterprises. Attend regular meetings of the People's Committee of the province/city to exchange, listen and synthesize the feedbacks of investors and businesses with the leaders of the province/city, authorities to find resolutions for business-related problems.

- It is necessary to be more proactive in coordinating with specialized organizations, central and local state management agencies in order to improve business associations' operation quality, and proactively and promptly propose solutions for their members' problems.

4. For workers and trade union

- For grassroot trade union:

As building harmonious and progressive industrial relations at the workplace brings benefits to both enterprises and employees, the trade union needs to work closely with employers in handling issues at enterprises. To improve grassroots trade unions' efficiency, they need to strengthen their capacity, especially representation, member protection, negotiate skills, and policy consultation with business management. Trade unions need to strengthen communication and encourage workers to actively contribute to the business resilience plan.

- For workers:

The new context requires employees to increase self-study to improve their skills and be ready for changes of technological innovation, digital transformation, competitive labor market, business environment and labor market under new normal.

The new context also requires employees to be knowledgeable about both government and business policies. They need to comply with regulations on pandemic prevention, OSH and labor organization at the workplace; well implementation of labor regulations at enterprises and compliance at workplace

5. VCCI's policies recommendations to the government

From the results of this study, the fluctuations of the world economy, the impact of the war in Ukraine (leading to high inflation, decreasing purchasing power), the policy responses of the countries (increasing interest rates, decreasing interest rates). imports), as well as the production and business situation in our country in recent months (decreased orders, reduced output), VCCI proposed a number of policy recommendations to the Government to improve the operational efficiency of labor market and labor relations as follows:

1. After 2 years of struggling with Covid-19, the resources and stamina of businesses and workers have been exhausted, both businesses and workers are more vulnerable than ever. Therefore, the Government needs to create a platform for enterprises to stabilize production and thereby stabilize jobs for workers. First of all, stabilizing the macro-economy, having programs to stimulate domestic demand, supporting trade promotion for seeking new markets and new orders.

2. The Government should continue to improve and implement support policies on tax, finance/credit, social security for employees, with priority given to small and medium enterprises. Immediately speed up the disbursement of the 2% interest rate support package. The Government strengthens programs to support domestic enterprises, especially small and medium enterprises, to accelerate technological innovation, digital transformation, and increase corporate governance capacity in order to increase labor productivity, enhance competitiveness and deeper participation in global supply chains.

3. The fact that FDI enterprises continue to promote the recruitment of unskilled workers while the competition to attract unskilled workers is increasingly fierce, requires a quick change in foreign investment attraction strategies, heading to selecting hi-tech projects, under the guidance and supervision of localities in investment promotion and approval of FDI projects.

4. In the context of unstable production, in order to support enterprises to retain workers, the Government should continue to deploy business supporting packages to stabilize salary funds, pay social insurance contributions, as well as strengthen supporting social security for employees, speeding up programs to build housing for workers, building housing areas for workers in industrial parks, quickly implementing communal housing projects.

5. Due to fluctuations in production and difficulties in finding orders, many enterprises tend to increase the recruitment of short-term workers. In that context,

labor market policies need to be adjusted more appropriately, especially effectively implementing training/retraining programs for employees, improving the effectiveness of employment services according to the requirements of the labor market. towards "one-stop service", strengthening the role of public service providers in assisting workers to quickly find jobs, as well as helping enterprises to promptly recruit the required number of workers. A flexible mechanism is needed to activate public employment programs to attract workers who have lost their jobs temporarily.

6. Changes in the labor market require managers to analyze the relationships between security and flexibility in the labor market, take into account the social risks that appear in the labor transition processes, and ensure the positive movements with good coordination of the actors in the labor market. Moreover, today, data has become the key of decision making, so the labor market data storing and processing need to be upgraded (to take advantage of the availability of information over real-time) to help businesses quickly find and recruit suitable candidates as well as help workers quickly find suitable jobs. The Government, hence, should prioritize investment in building a more diversified, flexible and effective infrastructure system of labor market.

7. The current situation requires the Government to strengthen policies and programs to protect income for disadvantaged groups of workers. It is necessary to implement income protection programs to better respond to changing situations of the pandemic, as well as unpredictable fluctuations of production and business; strengthen social security for the most vulnerable workers such as seasonal workers, migrant workers, workers with short-term labor contracts, and informal workers.

8. Effectively implement the 2019 Labor Code, strengthen practical review, listen to more opinions from the grassroots, employers and employees, effectively support the development of harmonious and progressive labor relations at enterprises including social dialogue at the workplace, settlement of labor disputes, negotiation and signing of sectoral, business group and business collective labor agreements.