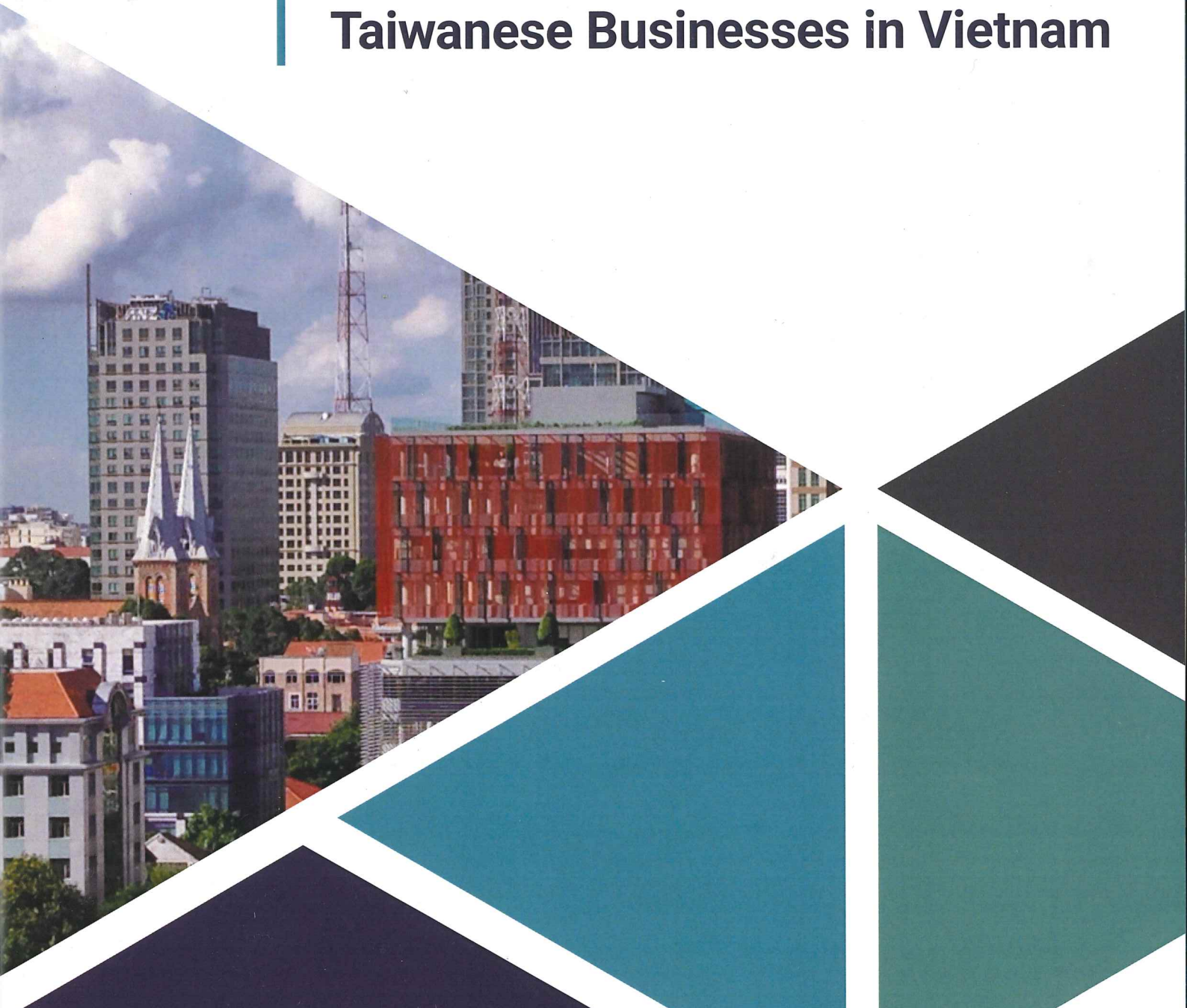


# The Image of Taiwan and Taiwanese Businesses in Vietnam



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## **The Image of Taiwan and Taiwanese Businesses in Vietnam**

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# Chairman's Message

Founded in May 2018, the Taiwan-Asia Exchange Foundation (TAEF) is a pilot think tank in Taiwan that focuses on exchange and cooperation with countries in Southeast Asia and South Asia. The foundation dedicates itself to the comprehensive implementation of the Taiwanese government's New Southbound Policy (NSP) using various approaches.

The "Survey Project on the Image of Taiwan and Taiwanese Businesses in Vietnam" (hereafter "the Image Survey in Vietnam") is the first survey aiming to investigate the overall perception that people in a foreign country have about Taiwan. The overall image of a country and its businesses has a decisive influence on partnership management and foreign market development. A positive national image can stimulate the popularity of a country's products abroad, and the creation of favorable national and brand images further help Taiwanese businesses and civil society organizations establish connections with local communities. Japan's Ministry of Foreign Affairs has long conducted routine preference surveys regarding Japan in Southeast Asia. Local governments and the central government in South Korea also regularly invest in research on such perceptions to better calibrate their overseas promotion strategies. As the NSP enters its third year, Taiwan has strengthened social, cultural, interpersonal, and economic and trade ties with the NSP partners, thus highlighting the importance of understanding the perceptions of local communities with regard to Taiwan and Taiwanese businesses.

Among the NSP partners, Vietnam is the largest Southeast Asian investment destination for Taiwan. Taiwanese corporations have been investing in Vietnam and operating in Vietnamese market since 1990. Enterprises from the traditional, food processing, electronics, and steel industries have successively set up production lines in Vietnam, gradually formulating dense Taiwanese-business clusters. Such increased economic activities indirectly lead to frequent bilateral interactions between actors in government, business, and civil society, thus strengthening the Taiwan-Vietnam partnership. Following increased international tension from the US-China trade war, multinational corporations and Taiwanese companies have begun to move their production lines to Taiwan and expand their manufacturing bases in Vietnam, rendering Vietnam crucial to the global supply chain. Therefore, the continued strengthening of the Taiwan-Vietnam partnership has become a critical goal of the NSP.

In April 2019, the TAEF launched the Image Survey in Vietnam. It selected Vietnam as the first research subject, aiming to explore the images of Taiwan and Taiwanese businesses in Vietnamese society through objective research. The results serve as a reference for the Taiwanese government in its promotion of Taiwan–Vietnam relations and formulation of subsequent NSP programs. The survey, in which 120 Vietnamese managers who have engaged in business with Taiwanese firms were interviewed, indicated that the respondents viewed Taiwan and Taiwanese businesses positively. Among those top ten countries having the greatest investment in Vietnam, Taiwan ranks second to Japan, surpassing the United States (third) and China (ninth). However, despite the image of being a contributor to the Vietnamese economy, Taiwanese firms were found wanting in several aspects, namely “improving employee benefits,” “implementing environmental protection policies,” “promising fair employee promotion,” and “treating employees well.” Therefore, Taiwanese companies should improve their performance in these aspects to improve how they are perceived.

For businesses and government bodies to leverage survey findings, the TAEF held a press conference at the 2019 Yushan Forum: Asian Dialogue for Innovation and Progress, in which we revealed our survey results to businesses and the media. This survey has thus attracted much attention from various industries and has been a top news story. In this detailed report on the Image Survey in Vietnam, we hope to continually augment the contribution of its findings.

Finally, I would like to express special thanks to Ms. Kristy Tsun-Tzu Hsu, who serves as a non-resident senior research fellow of the TAEF and the principal investigator of the Image Survey Project in Vietnam, for her efforts in leading the TAEF team as well as developing and implementing the Image Survey Project in Vietnam. I would also like to thank senior Taiwanese business leaders for their helpful advice. With positive feedback and support from all sectors, the TAEF will strive to establish more pilot programs and new-generation regional partnerships for Taiwan through the NSP.



Dr. Hsin-Huang Michael Hsiao  
Chairman of Taiwan-Asia Exchange Foundation

# Taiwan-Asia Exchange Foundation

Founded in 2018, the Taiwan-Asia Exchange Foundation (TAEF) is the first policy-oriented think tank in Taiwan with a focus on Southeast Asian and South Asian affairs. In the spirit of the New Southbound Policy (NSP), the goal of the TAEF is to promote comprehensive ties between Taiwan and the 10 ASEAN countries, 6 South Asian states, as well as Australia and New Zealand through cooperation and exchanges. The TAEF is devoted to building new mechanisms for regional cooperation among Asian societies.

It is our goal to cultivate common policy blueprints for Taiwan, ASEAN, and South Asian countries through frequent regional dialogues, while also highlighting Taiwan's commitment and contributions towards Asia's development through concrete initiatives for cooperation.

In addition, the TAEF hosts various international conferences and exchanges such as the Yushan Forum: Asian Dialogue for Innovation and Progress, with the aim of strengthening ties with New Southbound Policy partner states and societies and inviting other like-minded countries to participate in regional dialogues.

# Preface

Think tanks, scholars, and private organizations in Taiwan studying Southeast Asia (and Taiwan–Southeast Asia interactions) have long attempted to answer the following question: although Taiwanese companies have set up factories in Southeast Asia since the 1980s and have now, more than three decades later, expanded their business to every corner in this region, do people and societies in Southeast Asia know much about Taiwan? Specifically, how do they view Taiwanese companies and judge Taiwanese products? Empirical research on these questions has been lacking.

Following the promulgation of the Taiwanese government's New Southbound Policy in 2016, investment, business, tourist, and interpersonal interactions have increased between actors in Taiwan and those in Southeast Asian countries. In this context, the accurate knowledge of the image of Taiwan (and of Taiwanese companies) in Southeast Asian societies has become a critical point of reference in planning and implementing the New Southbound Policy and increasing its effectiveness. Numerous enterprises also strived to determine such perceptions in their development of marketing and operational strategies. Given this increased demand for an objective and quantitative investigation into these perceptions, Dr. Hsin-Huang Michael Hsiao, the Chairman of the Taiwan-Asia Exchange Foundation, spearheaded the implementation of the Survey Program on Images of Taiwan and Taiwanese Businesses. In particular, Vietnam, the most essential Southeast Asian investment destination for Taiwan, was selected as the first subject for the questionnaire survey.

As for the implementation of the Survey in Vietnam, the major difficulties faced pertained to questionnaire design and participant selection, particularly with regard to problems relating to the distribution of the geographical locations of participants and participants having no impression about Taiwan (or Taiwanese companies). To avoid recruiting participants who had no impression about Taiwan, the research team recruited Vietnamese business executives who had business contact with Taiwanese firms. Additionally, the research team compared how participants perceived Taiwan (and Taiwanese companies) with how they perceived the top 10 countries that Vietnam had most investment ties with. Moreover, to accurately interpret the survey results, the

research team and survey company visited two major cities in northern and southern Vietnam—Hanoi and Ho Chi Minh City—in October 2019 for qualitative interviews with selected survey participants.

Results were consistent with the expectations of most experts and Vietnam-based Taiwanese businesspeople who were familiar with local conditions in Vietnam. The survey demonstrated that Southeast Asian perceptions of Taiwan and Taiwanese enterprises are more favorable than those of countries in the region, including South Korea, ASEAN countries, and China. However, the survey also revealed problems that Taiwanese businesses and the Taiwanese government should notice and rectify. Specifically, image of Taiwanese businesses was unfavorable with respect to environmental protection, corporate social responsibility, and employee welfare. All sectors of Taiwanese society and Vietnamese citizens still cannot forget the recent severe pollution and environmental incidents caused by Taiwanese companies in Vietnam. These survey results thus function as a wake-up call for the Taiwanese government and Taiwanese businesses.

This survey is an important attempt to inspire further surveys (of possibly different scales and purposes) in other countries, whether conducted by academics or those in industry. Fundamentally, only when image surveys are routinely conducted can Taiwanese industry and government track changes in the image of Taiwan held by people in Southeast Asia. In doing so, government policies and business strategies can be better calibrated.



Ms. Kristy Tsun-Tzu Hsu  
Non-Resident Senior Research Fellow  
Principal Investigator of the Image of Taiwan  
and Taiwanese Businesses in Vietnam



# Report Summary

With a focus on investigating the overall image of Taiwan and Taiwanese businesses among people in Vietnam, the research members of this survey distributed the questionnaire to 120 Vietnamese managers who were in business contact with Taiwanese firms. The survey comprises four sections, namely "impression on Taiwan and Taiwanese companies," "image of Taiwan," "image of Taiwanese companies," and "willingness of collaboration and additional opinions." The survey results indicated that the overall image of Taiwan and Taiwanese companies had been improving. Among the top ten investors in Vietnam, Taiwan and Taiwanese firms ranked the second in terms of overall image, second only to Japan and surpassing the United States (in third place) and China (in ninth place). Most respondents perceived friendliness, technological advancement, and free and being democratic as characteristics that are most representative of Taiwan, and most Vietnamese managers perceived Taiwanese firms to be honest, adherent to local regulations, and internationalized. As for their impression of Taiwanese products, which they came into contact with during economic and trade exchanges, many respondents were impressed with Taiwanese-made electronics, machinery, and information and communications technology (ICT) products. This survey result demonstrated that Vietnamese businesses recognize the strength of the electronics, ICT, and machine industries in Taiwan as well as the effort that Taiwanese firms have put into their Vietnamese operations.

However, despite positive evaluations of the economic contribution of Taiwanese companies, we noted that respondents evaluated Taiwanese companies negatively in several aspects. These aspects were "improving employee benefits," "implementing environmental protection policies," "developing fair promotion policies," and "treating workers well." Therefore, Taiwanese companies should strive to fulfil their corporate social responsibilities, provide better employee benefits, engage in greater prosocial activity, and improve their corporate image. Taiwanese managers should expand their communication channels with Vietnamese employees and appropriately adjust employee benefits in relation to employee opinions. Because previous media reported pollution incidents have negatively affected how Taiwanese firms are perceived with respect to environmental

protection, Taiwanese companies should, in addition to following environmental laws, develop standard operating procedures for responding to the public should negative news reports be released. Specifically, companies should immediately launch an investigation, provide clarification to the public, and conduct the necessary reviews. Moreover, Taiwanese businesses should actively inform the public of the corporate social responsibilities that they have fulfilled.

Being an essential economic and trade partner of Vietnam, people in Vietnam recognize the strengths that Taiwan and Taiwanese companies have in electronics, ICT products, agricultural technologies, and the machine industry; approximately 86% of survey respondents from Vietnam expressed their willingness to strengthen cooperation with Taiwan. In the future, Taiwanese enterprises should, based on such trust and willingness for partnership among their Vietnamese counterparts, strengthen cooperation in the supply chain and value chain. In doing so, these Taiwanese providers can create novel technologies, bring about industrial transformation, create greater economic development opportunities for local communities, and enhance the image that Taiwan is technologically advanced. In addition, Taiwanese firms should incorporate Taiwanese soft power into their strategies and strengthen local promotional policies, thereby overcoming the aforementioned weakness with regard to how they are perceived in Vietnam.



**Project  
Background &  
Research Design**

# 1. Project Background

As the NSP enters its third year, Taiwan has reinforced economic and trade, social and cultural, as well as interpersonal ties with NSP partners. Taiwan has had economic and trade exchanges with Southeast Asian countries for more than three decades, where, Taiwanese companies have increasingly invested in recent years. Taiwanese society also frequently interacts with NSP partners. Given such increased interaction, objective approaches must be adopted to investigate how local communities in NSP countries perceive Taiwan and Taiwanese companies. Such objective research results can aid Taiwanese actors in their strengthening of future ties. Therefore, the TAEF launched the Survey Project on the Image of Taiwan and Taiwanese Businesses in April, 2019. Vietnam was selected as the first research subject of Taiwan's first survey on how local communities abroad view Taiwan and Taiwanese companies. By objectively understanding how Vietnamese society views Taiwan and Taiwanese businesses, the TAEF aims to provide a reference for the Taiwanese government in its fostering of Taiwan–Vietnam relations and development of subsequent NSP projects.

Since its 1986 economic reforms, Vietnam has sought investment from Taiwanese companies; the country then became a top investment destination for Taiwan in Asia following China. According to investment statistics from the Vietnamese government, Taiwanese companies have invested approximately US\$31.2 billion in Vietnam, most of which came from the manufacturing sector for the manufacture of metals, textiles, electronics, food products, and clothing<sup>1</sup>. The first wave of Taiwanese investors in Vietnam was primarily composed of labor-intensive industries, such as the footwear manufacturing, textile, and food processing industries. Following Vietnam's economic development and changes to its investment environment, Taiwanese firms in the electronics and iron and steel industries have participated in Vietnam's investment boom since 2000. According to statistics from Vietnam's Ministry of Planning and Investment, the top three foreign direct investors in the country were, in descending order, from Japan, South Korea, and China (including Hong Kong), with Taiwan ranking seventh. However, in terms of accumulated investment value, Taiwan ranked fourth<sup>2</sup>. In recent years, Vietnam has actively participated in regional economic integration amidst increasing conflict between the

United States and China. Thus, more Taiwanese enterprises have invested in Vietnam, and multinational companies have transferred their production lines to the country, thus increasing the importance of Vietnam in the global supply chain.

After the launch of the NSP in 2016, Taiwan–Vietnam relations have expanded beyond trade and economics. In 2018, the total trade value between the two countries was US\$14.5 billion, the third highest trade value amount among the NSP countries surpassed only by Singapore–Taiwan trade (ranked first) and Malaysia–Taiwan trade (ranked second).<sup>3</sup> The number of Vietnamese visitors to Taiwan was also almost 500,000 in 2018, an approximately 30% increase from 2017,<sup>4</sup> indicating that social interaction and exchange between Vietnam and Taiwan have become more diverse and comprehensive.

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- 1 Brief on foreign direct investment of 2018, Ministry of Planning and Investment of the Republic of Vietnam, accessed November 5, 2019, <http://www.mpi.gov.vn/en/Pages/tinbai.aspx?idTin=41941&idcm=122>.
  - 2 Brief on foreign direct investment of 2018, Ministry of Planning and Investment of the Republic of Vietnam, accessed November 5, 2019, <http://www.mpi.gov.vn/en/Pages/tinbai.aspx?idTin=41941&idcm=122>.
  - 3 The Statistics of trade between Taiwan and New Southbound Countries, New Southbound Policy, accessed November 5, 2019, <https://boftcms.trade.gov.tw/ckfinder/connector?command=Proxy&-type=Files&currentFolder=%2f&fileName=%e6%96%b0%e5%8d%97%e5%90%9118%e5%9c%8b-%202018%e5%b9%b4%e6%95%b8%e6%93%9a%e4%bfae%e6%ad%a3%e5%be%8c.pdf&cache=31536000>.
  - 4 Tourism Statistics Database of the Taiwan Tourism Bureau, Taiwan Tourism Bureau, accessed November 5, 2019, accessed November 5, 2019, <https://stat.taiwan.net.tw/inboundSearch>.

## 2. Project Objectives

Japan's Ministry of Foreign Affairs has long conducted routine preference surveys of Southeast Asian perceptions of Japan. The central and local governments of South Korea also regularly invest in research on how other countries perceive them, using the results to calibrate their overseas promotion strategies. Learning from the approaches of these two countries, the present Image Survey Project in Vietnam investigated how local Vietnamese perceived and evaluated Taiwan and Taiwanese companies through objective and quantitative methods.

Through a questionnaire survey, the researchers explored the experiences of Vietnamese managers in their business dealings with Taiwanese companies, aiming to understand how local managers in Vietnam view Taiwan and Taiwanese firms. In doing so, we could determine their perceptions of Taiwan and Taiwanese companies, particularly the connotations, characteristics, and indications of such perceptions. Moreover, from the Vietnamese perspective, this survey objectively determined the effects and contribution of Taiwan and Taiwanese companies to Vietnam, with respect to trade and the economy, over the past 30 years and determined those aspects requiring improvement. Therefore, the survey results serve as a reference for Taiwanese companies in their management of operations in Vietnam as well as for the government in its calibration of NSP policy.

## 3. Methodology

Purposive sampling was adopted in this survey, where a Vietnamese survey agency established a sampling list in accordance with the conditions requested by the research team in Taiwan. During the questionnaire interview, respondents who did not meet the inclusion criteria were replaced by another candidate. This quantitative survey was conducted primarily through face-to-face interviews, and respondents were reminded to return their responses through telephone, e-mail, or fax. Face-to-face interviews were conducted according to the respondent's schedule. Alternatively, respondents were allowed to complete the questionnaire through telephone interviews or by returning the completed questionnaire through e-mail or fax. After reviewing the received responses, the researchers would then call respondents to clarify unclear answers (if any).

# 4. Participants

Participants of this survey were Vietnamese managers who were in business contact with Taiwanese companies. The survey was conducted between July 5, 2019, and August 16, 2019, during which the questionnaire was distributed throughout Vietnam to business owners and executives who were in business contact with Taiwanese firms. A total of 120 valid responses were collected.

Among the participants, 47.5% were business owners, and the remaining 52.5% were business executives. Most respondents were male (83.3%), aged 30–49 years (82.7%), and had a bachelor’s degree (72.5%). As for business type, most respondents were from private companies (85.0%). As for industry type, most participants worked in the processing and manufacturing sector (40.0%), followed by those in the wholesale and retail sector (30.8%); those working in other industries accounted for less than 10% of respondents (Figure 1).

Figure 1. Detailed classification of industries

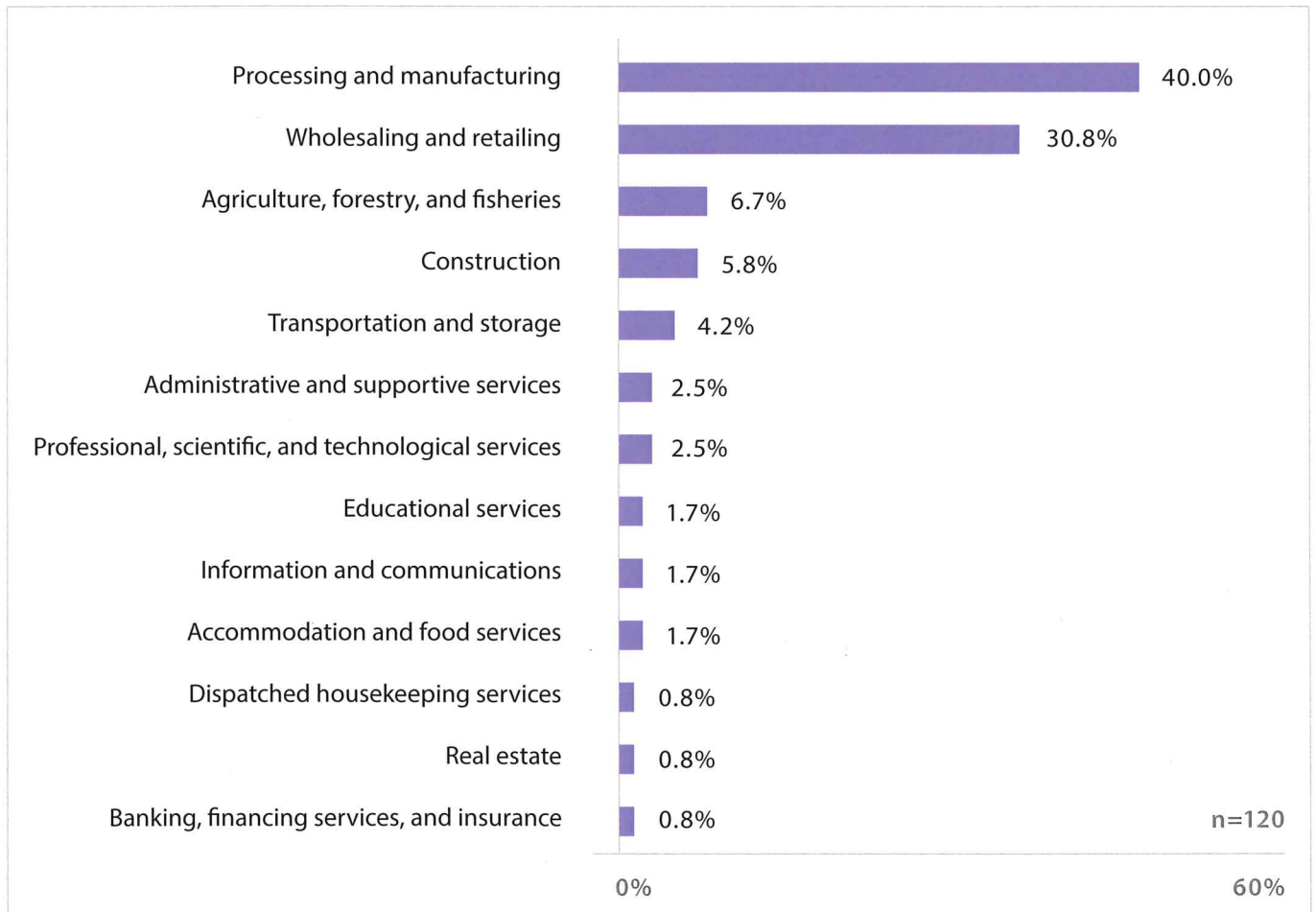
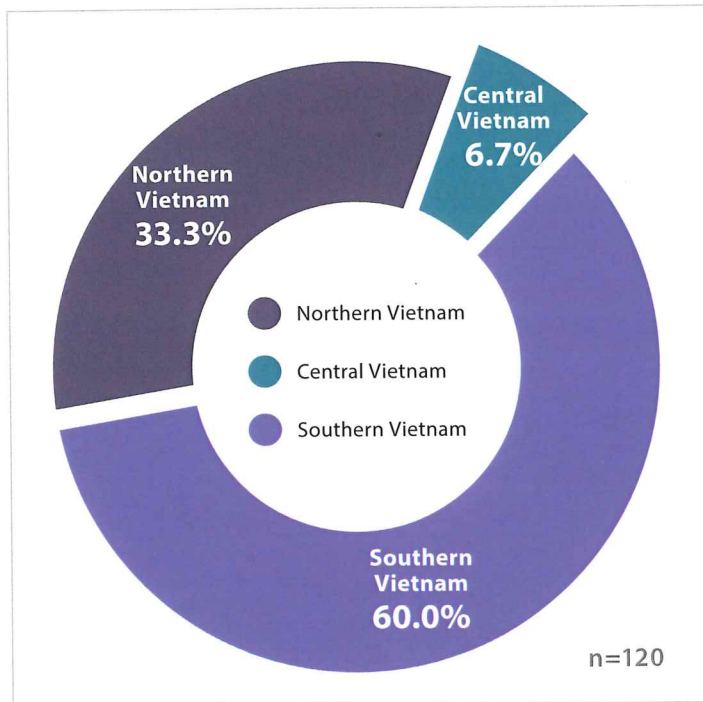
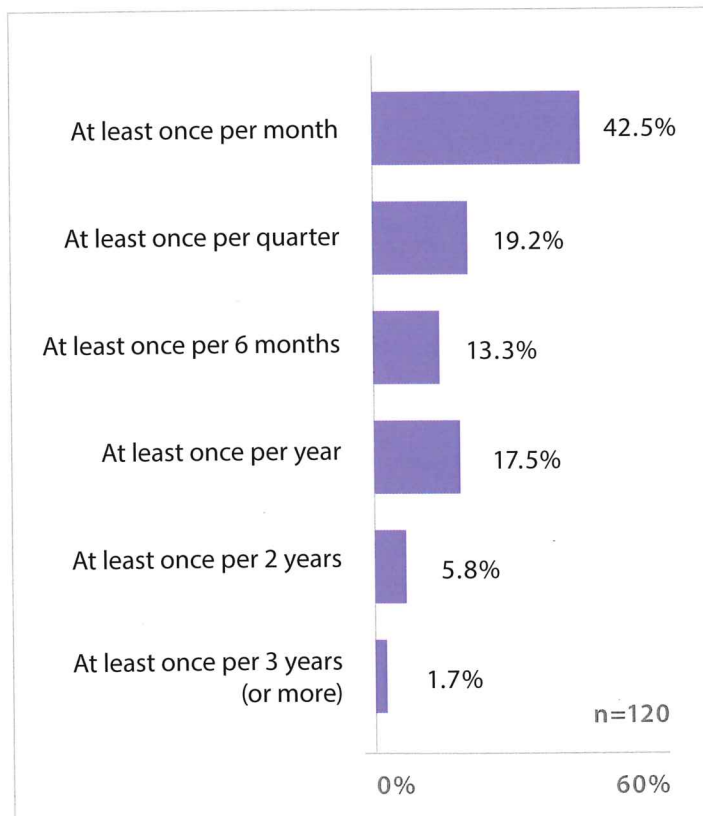


Figure 2. Geographical locations of the surveyed companies



Most respondents (60.0%) worked in Southern Vietnam, followed by those working in Northern Vietnam (33.3%); only 6.7% of respondents were based in central Vietnam (Figure 2). Classified by administrative region, most of the surveyed companies were located in Ho Chi Minh City (48.4%), followed by those in Hanoi (20.1%) and Haiphong (6.7%); each of the remaining regions accounted for less than 5.0% of surveyed companies. As for the scale of the companies that the respondents were working for, most firms (44.2%) had 11–50 employees, followed by firms having more than 100 employees (23.3%).

Figure 3. Frequency of business contact with Taiwanese companies among surveyed companies



Among the companies that participants were working for, 61.7% of them had at least one instance of business contact per quarter with Taiwanese firms (Figure 3). Most Taiwanese companies were suppliers (39.2%) of the surveyed enterprises in Vietnam, followed by partners (32.5%) and downstream manufacturers and distributors (28.3%).



## 5. Questionnaire Outline

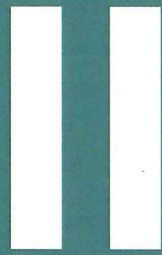
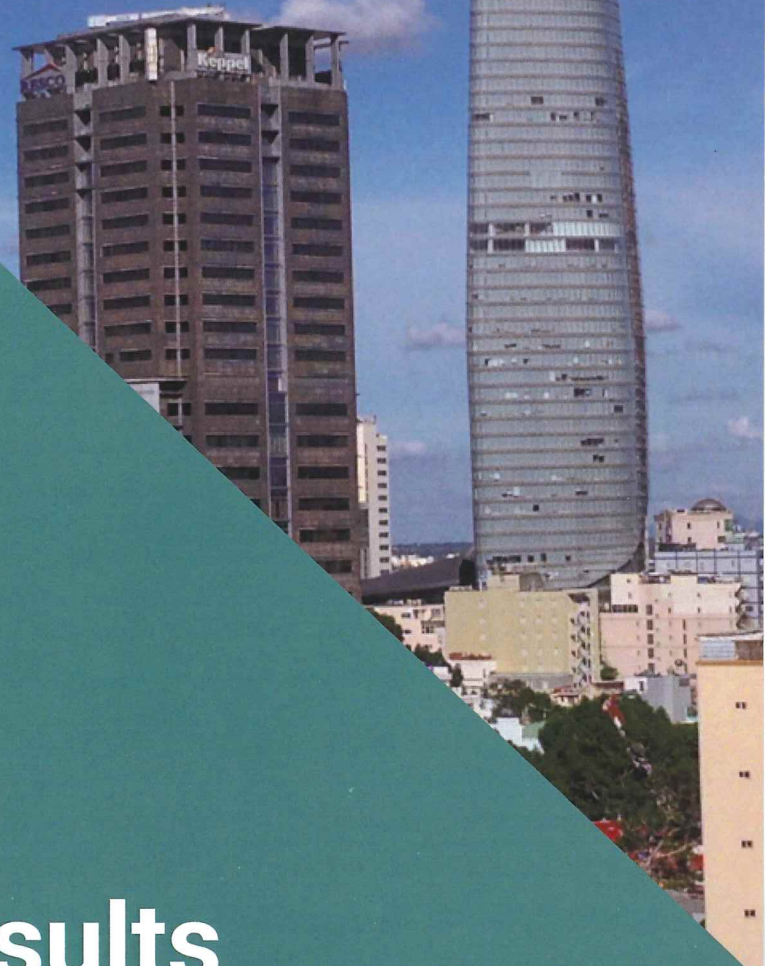
The adopted questionnaire comprises several dimensions: (1) screening questions, (2) impression on Taiwan and Taiwanese businesses, (3) image of Taiwan, (4) image of Taiwanese businesses, (5) willingness of collaboration and additional opinions, and (6) demographic information. The questionnaire dimensions are outlined in Table 1. For a clearer presentation of the research results, the key findings are presented using graphs and tables, and results for each dimension are discussed separately in the following section.

Table 1. Outline of the questionnaire dimensions on the Image of Taiwan and Taiwanese Businesses in Vietnam

Dimension	Questionnaire outline
Screening Questions	<ul style="list-style-type: none"> <li>• Type of company</li> <li>• Job position</li> <li>• Experience of having business contact with Taiwanese companies</li> </ul>
Impression on Taiwan and Taiwanese Businesses	<ul style="list-style-type: none"> <li>• Type of Taiwan-related information that you frequently receive</li> <li>• Products manufactured in Taiwan that you have an impression</li> <li>• Type of Taiwan's products that you have favorable impression</li> <li>• The most impressive thing related to Taiwan or Taiwanese companies</li> </ul>
Image of Taiwan	<ul style="list-style-type: none"> <li>• Overall image about Taiwan: six pairs of adjectives for evaluation (rich, open, friendly, technologically advanced, free and democratic, and generous)</li> <li>• Image comparison between Taiwan and top 10 foreign investor countries</li> <li>• Areas where Taiwan shows excellent performance</li> </ul>

Table 1. Outline of the questionnaire dimensions on the Image of Taiwan and Taiwanese Businesses in Vietnam

Dimension	Questionnaire outline
<p><b>Image of Taiwanese Businesses</b></p>	<ul style="list-style-type: none"> <li>• Image of Taiwanese businesses: six pairs of adjectives for evaluation (honest, innovative, internationalized, complying with regulations, treating workers well, emphasizing environmental protection)</li> <li>• Taiwanese businesses' overall image</li> <li>• Taiwanese businesses' contribution to Vietnam's economic development</li> <li>• Image comparison between Taiwanese businesses and businesses from top 10 foreign investor countries</li> <li>• Aspect of Taiwanese businesses' performance that is worthy of recognition in Vietnam</li> </ul>
<p><b>Willingness of Collaboration and Additional Opinions</b></p>	<ul style="list-style-type: none"> <li>• Opinions on the current relationship between Taiwan and Vietnam</li> <li>• Willingness of enhancing the collaborative relationship with Taiwanese companies</li> <li>• Aspects of collaboration between Taiwan and Vietnam that should be strengthened</li> <li>• Opinions on the New Southbound Policy</li> </ul>
<p><b>Demographic Information</b></p>	<ul style="list-style-type: none"> <li>• Major channels used to acquaint with Taiwanese companies</li> <li>• Frequency of having business interaction with Taiwanese companies</li> <li>• Type of Taiwanese companies that you have business interaction with</li> <li>• Location of the company</li> <li>• Number of employees</li> <li>• Industry categor</li> <li>• Gender</li> <li>• Age</li> <li>• Educational leve</li> </ul>



# Survey Results

# 1. Impression on Taiwan & Taiwanese Businesses:

The impression on Taiwan and Taiwanese businesses are mainly associated with economic activity.

The first questionnaire section aimed to determine how (e.g., through news media or business experience) Vietnamese businesses acquired knowledge about Taiwan and Taiwanese companies. This section also determined things and products from Taiwan that are perceived by Vietnamese businesses to be most impressive. The results indicated that the surveyed Vietnamese firms acquired information about Taiwan through "news reports of business activities associated with Taiwanese companies in Vietnam" (75.0%) and "news reports of domestic business activities in Taiwan" (57.5%) (Figure 4).

Figure 4. Common types of information about Taiwan received

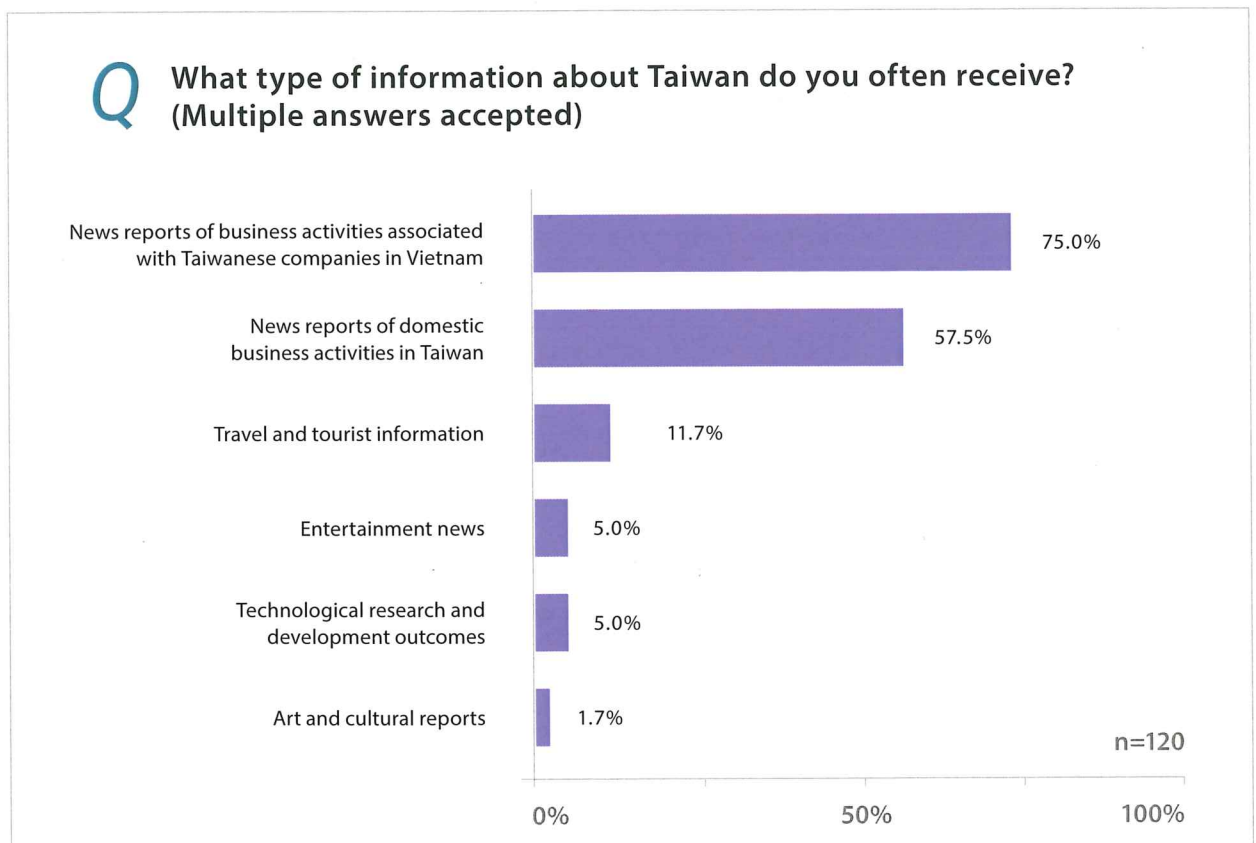
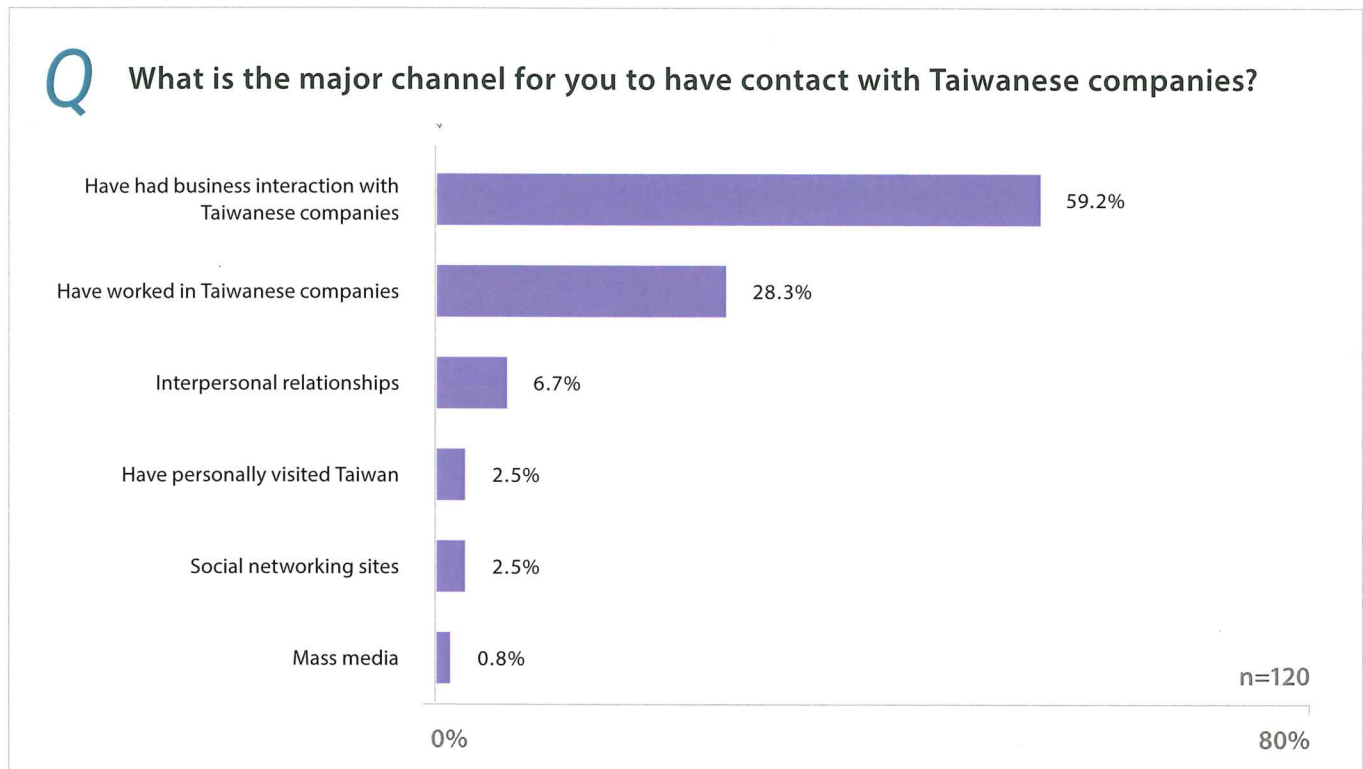


Figure 5: The major channel to have contact with Taiwanese companies



Machinery and equipment (25.68%), computers, communication and consumer electronics (19.12%), and food (16.39%) were the Taiwanese products that respondents found most memorable. Similarly, respondents found the following three product types from Taiwan to be the most impressive: machinery and equipment (33.99%) followed by computer, communication, and consumer electronics (24.18%).

By including an open-ended question, the research team discovered that Vietnamese managers were most impressed by what they perceived to be friendliness in Taiwanese people and quality in Taiwanese goods. Respondents were also most impressed by what they perceived to be trustworthiness, professionalism, and a fidelity to one's promises in Taiwanese companies.

The major channel of contact with Taiwanese companies among respondents was "prior business interaction with Taiwanese companies," (59.2%), followed by "prior employment in a Taiwanese company" (28.3%); other channels each accounted for less than 10% of the total (Figure 5).

## 2. Image of Taiwan:

Overall image of Taiwan was better than those of the United States and South Korea; Image was characterized by friendliness and technological advancement. Image related to economy and trade were most positive.

The second section determined the overall image that Vietnamese businesses had of Taiwan. Six dichotomies were used to measure such perceptions in this dimension, and a 5-point scale was used for each. Taiwan and Vietnam’s 2018 top ten investing countries (Hong Kong excluded) were compared with respect to how they were perceived. Finally, to identify Taiwan’s strengths, the questionnaire asked respondents to state the field in which Taiwan has had excellent performance.

The six dichotomies used were “poor–rich,” “conservative–open,” “indifferent–friendly,” technologically backward–technologically advanced,” “not free and democratic–free and democratic,” and “selfish–generous.” Each item was rated from 1 to 5, with 1 and 5 representing the most negative and positive quality in the dichotomy, respectively. Respondents perceived Taiwan to be, in descending order, “friendly” (mean: 4.52), “technologically advanced” (mean: 4.48), “free and democratic” (mean: 4.29), “rich” (mean: 4.18), “open” (mean: 4.03), and “generous” (mean: 3.87) (Figure 6).

Figure 6: Overall image of Taiwan

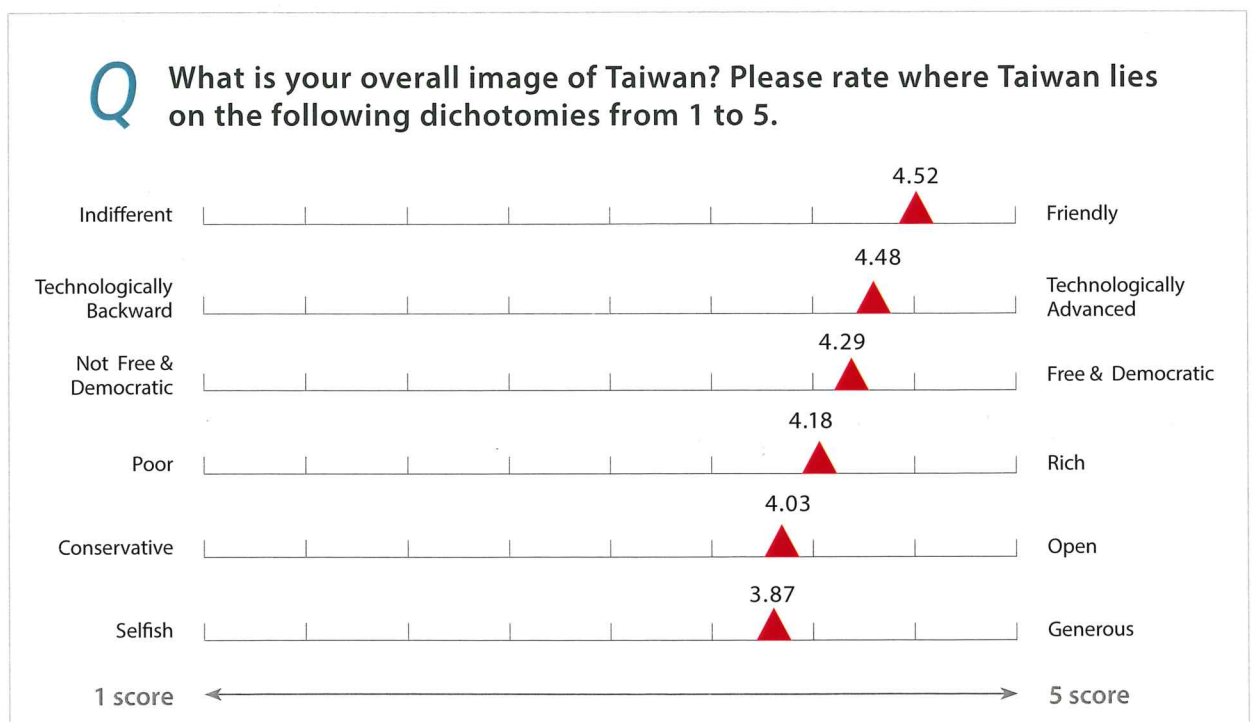
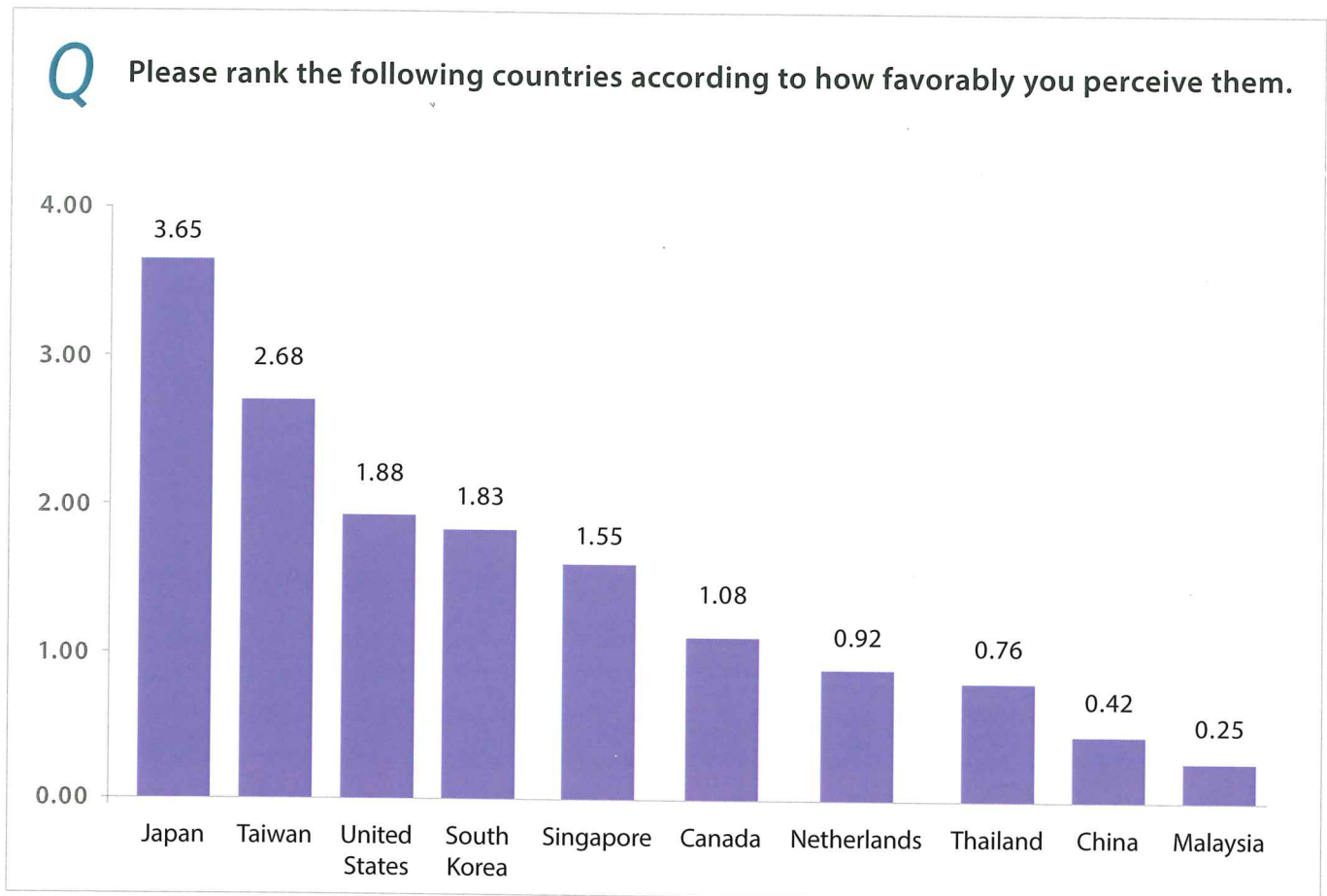
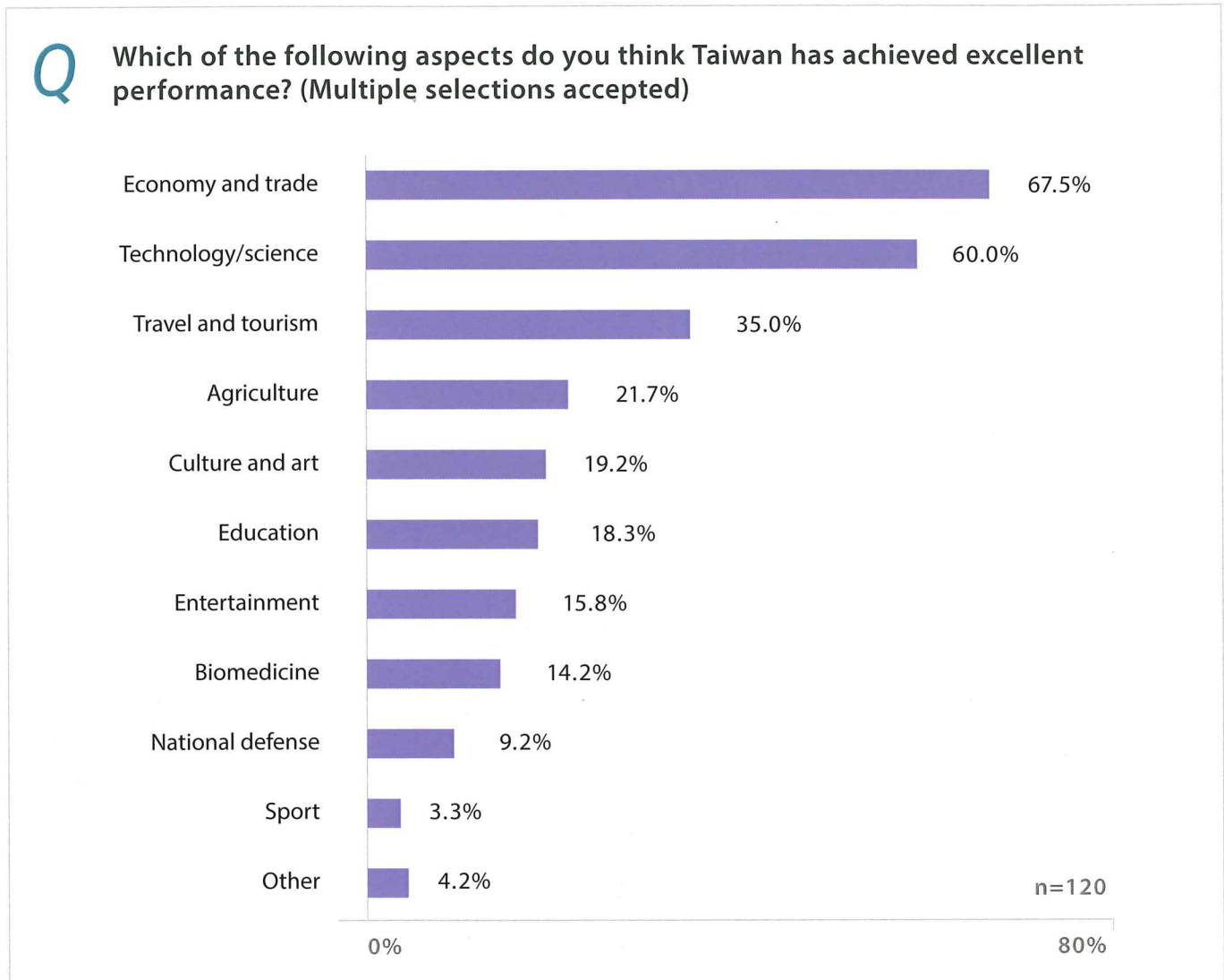


Figure 7: Comparison between Taiwan and top 10 foreign investor countries with respect to how favorably they were perceived



To compare Taiwan with Vietnam's top ten foreign investor countries, with respect to how favorably they were perceived, respondents were asked to rank these countries (choosing only five countries from the top ten) with respect to how favorably they perceived these countries. These rankings were quantified by assigning 5 points to the first-ranked country, 4 points to the second-ranked country, and so on. Countries that were not in a respondent's top five list received no point. The mean score for each country was then computed. In descending order, the top three countries that were perceived most favorably were Japan (mean: 3.65 points), Taiwan (mean: 2.68 points), the United States (mean: 1.88 points); China ranked ninth place (mean: 0.42 points) (Figure 7).

Figure 8: Areas where Taiwan shows excellent performance



To identify the fields that Taiwan was perceived to have achieved excellent performance in, and to identify the representative industries that can positively influence perceptions of Taiwan, this survey asked respondents to name those fields in which they think Taiwan has achieved excellent performance in. In descending order, these fields were economy and trade (67.5%), science and technology (60.0%), tourism (35.0%), and agriculture (21.7%) (Figure 8).



### 3. Image of Taiwanese Businesses:

Image of Taiwanese businesses was better than those of the United States and South Korea; and was characterized by perceptions of honesty, compliance with laws, and being of contribution to the local economy.

The third section aimed to explore the overall image of Taiwanese companies held by people in Vietnam, particularly the connotations, characteristics, and indications of such image. Among participants, 81.7%, 18.3%, and 0% had great, moderate, and poor image of Taiwanese companies, respectively.

To measure the connotations of image of Taiwanese companies, this survey used the six dichotomies of “undervaluing honesty–emphasizing honesty,” “not innovative–innovative,” “not internationalized–internationalized,” “not complying with regulations–complying with regulations,” “treating workers inadequately–treating workers well,” and “not paying attention to environment protection–paying attention to environmental protection.” Each item was rated from 1 to 5, with 1 and 5 representing the most negative and positive qualities in the dichotomy, respectively. Respondents perceived Taiwanese companies to be, in descending order, honest (mean: 4.55), adherent to regulations (mean: 4.39), internationalized (mean: 4.34), and innovative (mean: 4.09). Scoring lower than 4, such as scores for the items “paying attention to environmental protection” (3.72 points) and “treating workers well” (3.61), can be considered low (Figure 9).

Figure 9: Overall image of Taiwanese businesses

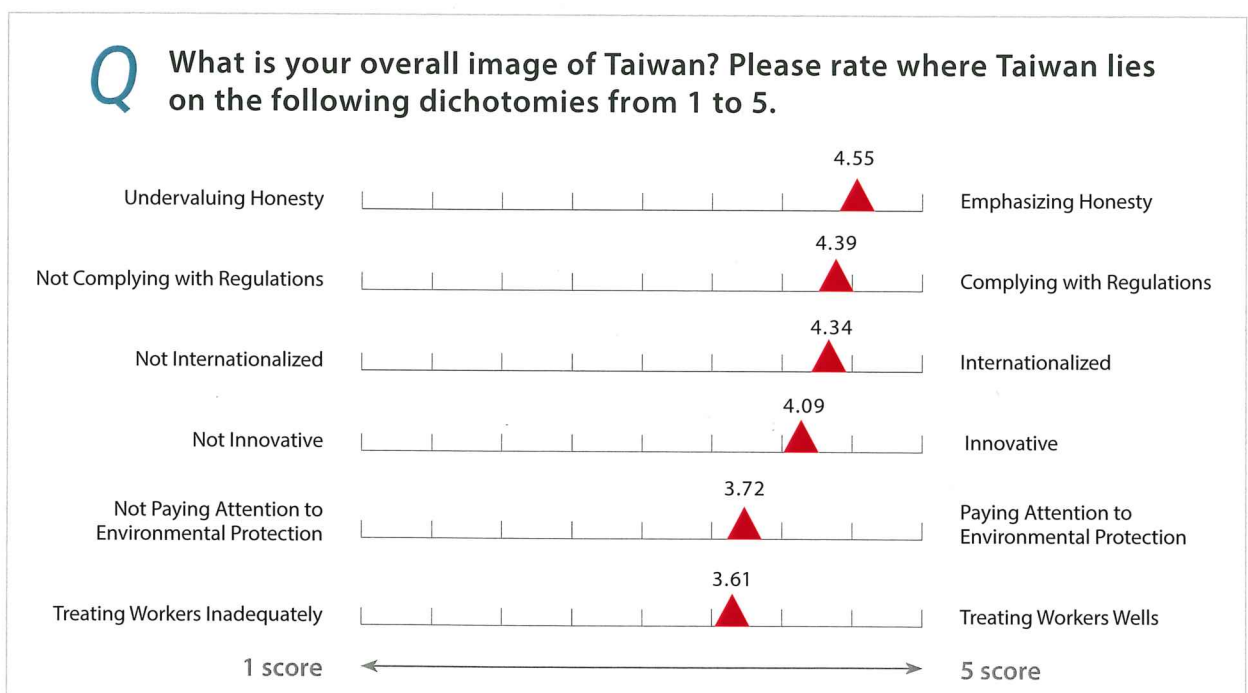
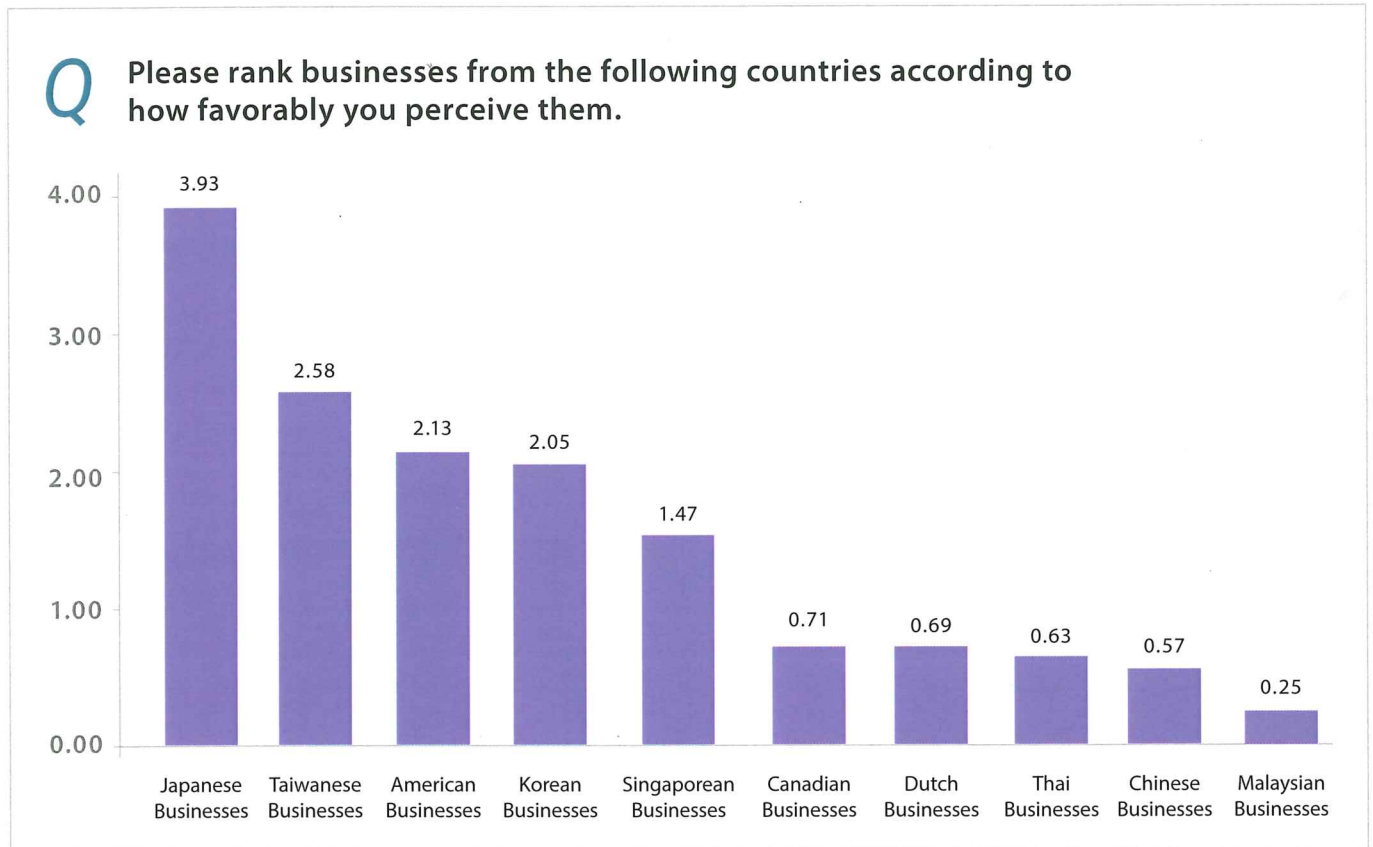
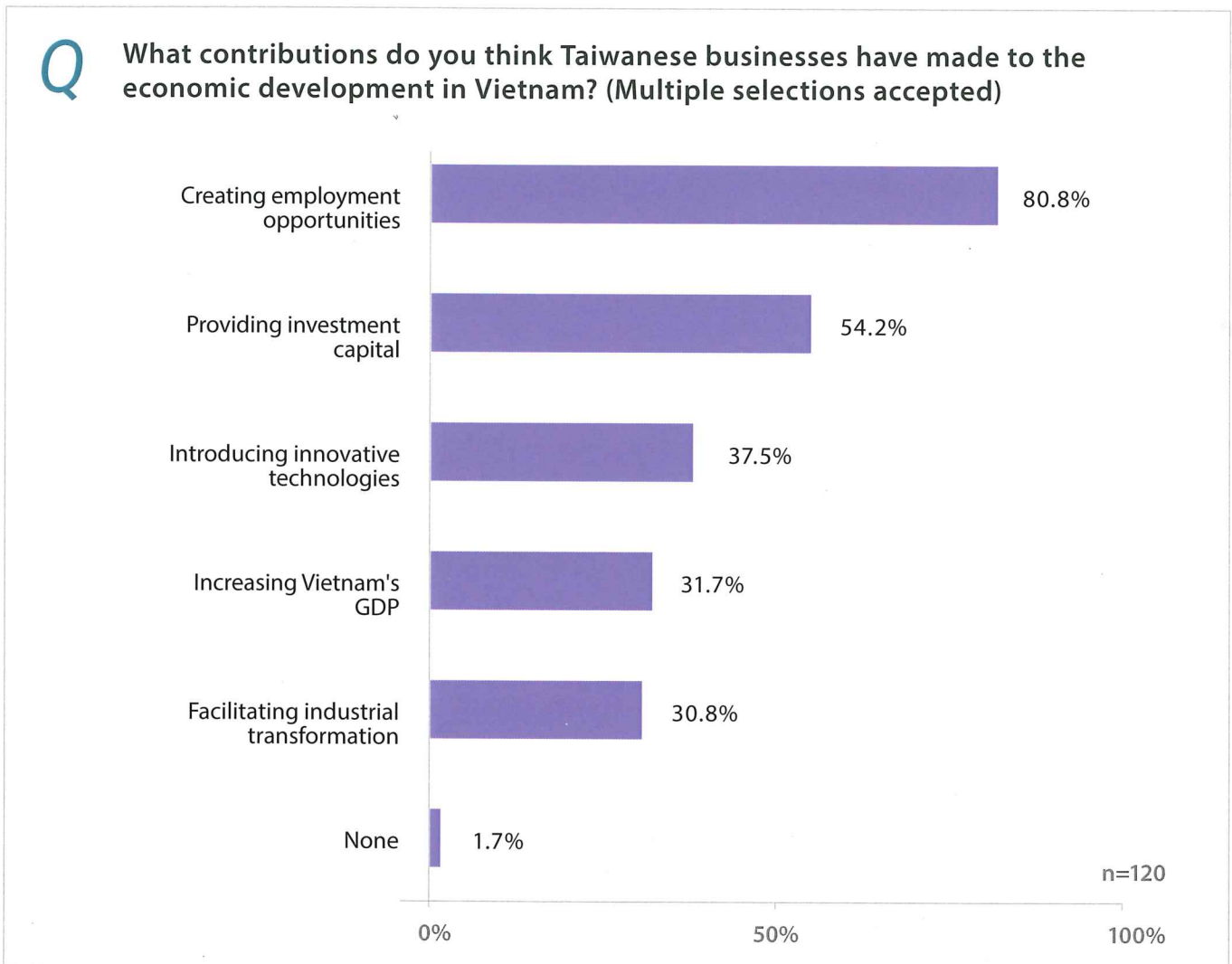


Figure 10: Comparison between Taiwanese businesses and businesses from top 10 foreign investor countries with respect to how favorably they were perceived



To compare Taiwanese businesses with their counterparts from other countries, with respect to how favorably Vietnamese managers perceived them, respondents were asked to rank the businesses by their countries of origin (choosing only five companies from the top ten investor countries in Vietnam). These rankings were quantified by assigning 5 points to the first-ranked country of origin, 4 points to the second-ranked country of origin, and so on. Countries of origin that were not in a respondent's top five list were assigned no point. The mean score for each country of origin was computed to reflect how favorably businesses from a country were perceived. In descending order, companies from the following four countries were perceived the most favorably: Japan (mean: 3.93), Taiwan (mean: 2.58), the United States (mean: 2.13), and South Korea (mean: 2.05); China ranked eighth with a mean of 0.63 (Figure 10).

Figure 11: Taiwanese businesses' contribution to Vietnam's economic



To determine the factors that most influence positive perceptions of Taiwanese businesses, this survey investigated how Taiwanese companies were perceived to contribute to local communities as well as the perceived operational and management performance of Taiwanese companies. According to respondents, "creation of employment opportunities" (80.8%) was the biggest contribution made by Taiwanese businesses to the economic development in Vietnam, followed by "provision of investment capital" (54.2%), "introduction of innovative technologies" (37.5%), "increasing of Vietnam's GDP" (31.7%), and "facilitation of industrial transformation" (30.8%) (Figure 11).

Figure 12: Aspect of Taiwanese businesses' performance that is worthy of recognition in Vietnam



As for the operational and management performance of Taiwanese businesses, Taiwanese businesses were perceived, in descending order, to have the favorable qualities of "adherence to Vietnam's business regulations" (65.0%), followed by "provision of a safe working environment" (55.0%) and "provision of assistance to the development and construction of infrastructure in local communities" (52.5%) (Figure 12).

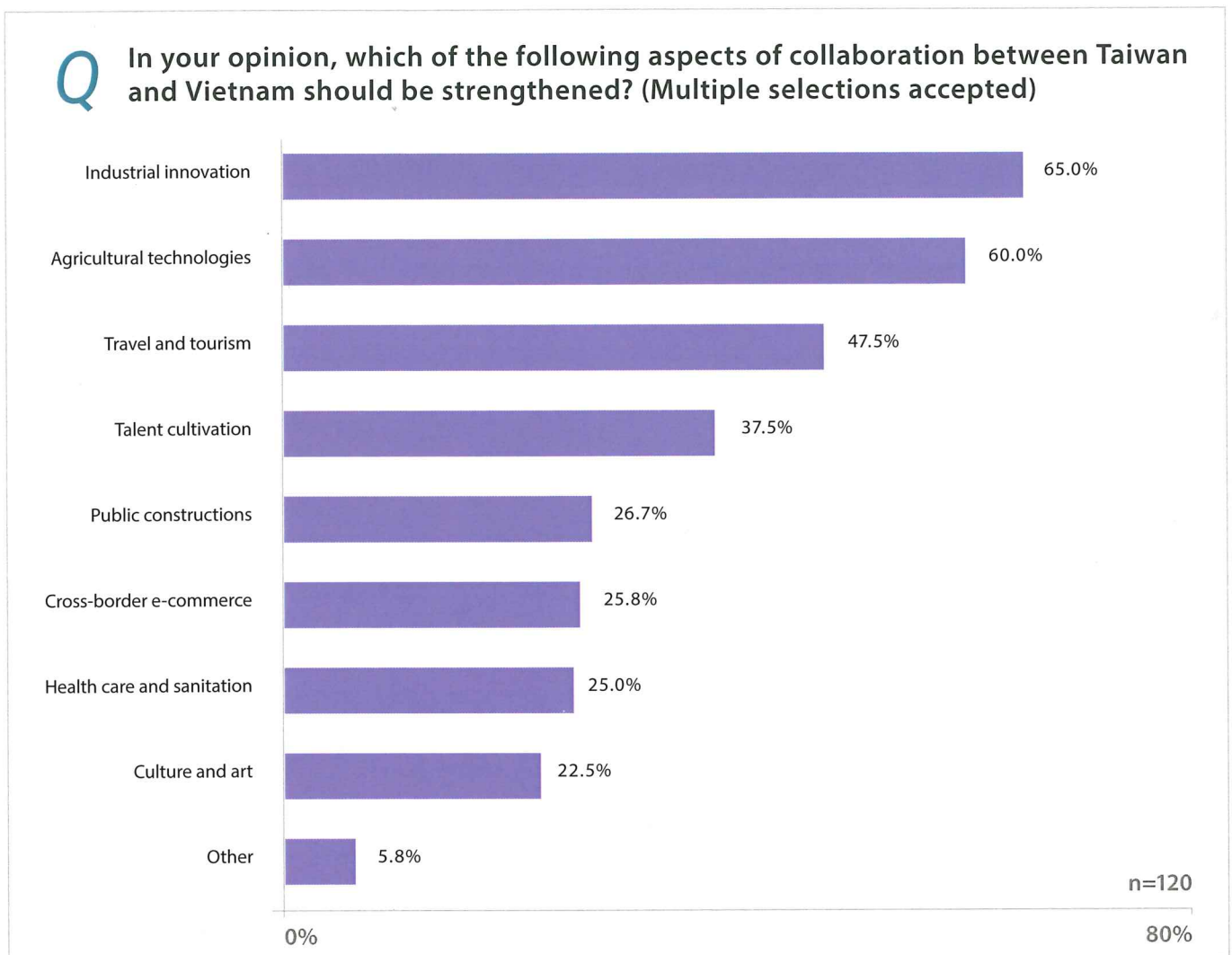
## 4. Willingness of Collaboration & Additional Opinions:

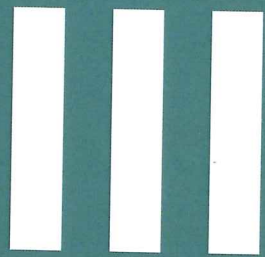
Taiwan–Vietnam relations are robust, with industrial, agricultural, and economic and trade collaborations receiving the most support.

In order to provide a reference for the promotion of Taiwan–Vietnam relations, this survey also investigated 120 Vietnamese managers' opinions on Taiwan–Vietnam relations and the NSP, in addition to their willingness to work with Taiwanese companies and perception of those fields that require stronger Taiwan–Vietnam partnership. In doing so, this survey gives insight into how the Taiwan–Vietnam partnership can be better promoted. According to the survey results, as many as 63.30% of respondents perceived Taiwan–Vietnam relations to be great. Among these 63.30% of respondents, 69.10% of them were from the industrial sector. Additionally, 74.5% of respondents who had at least one monthly instance of business contact with Taiwanese partners rated Taiwan–Vietnam relations to be great, higher than respondents with different contact frequencies.

The research team also asked respondents if they preferred greater collaboration with Taiwanese counterparts by their companies, and 85.9% said yes. Cross analysis indicated that 92.2% of respondents having at least one monthly instance of business interaction with Taiwanese partners were more willing to strengthen such collaboration. This percentage of 92.2% was higher than those for respondents with different contact frequencies.

The fields that were most perceived to require strengthened cooperation between Taiwan and Vietnam were, in decreasing order, industrial innovation (65.0%), agricultural technologies (60.0%), travel and tourism (47.5%), and talent cultivation (37.5%) (Figure 13). When asked about their opinions on NSP through an open-ended question, the respondents expressed positive attitudes toward the policy. Specifically, 43.9% of interviewees believed the NSP to generate economic benefits to both Vietnam and Taiwan in several aspects, expressed in statements such as “this policy [NSP] can benefit businesses and the society of both countries,” “this policy promotes mutual assistance, support, and development between Taiwan and Vietnam both economically and emotionally,” and “this policy is likely to boost the economic development of Vietnam.”

**Figure 13: Aspects of collaboration between Taiwan and Vietnam that should be strengthened**



# Conclusion & Suggestions

In this survey, 120 Vietnamese owners and executives who were in business contact with Taiwanese companies were interviewed through a questionnaire survey. Most respondents worked for private firms (85.0%) and were in the processing and manufacturing sector (40.0%). Geographically, most respondents' companies (60.0%) were based in Southern Vietnam, followed by Northern Vietnam (33.3%) and Central Vietnam (6.7%). By administrative region, most respondents worked in Ho Chi Minh City (48.4%), followed by Hanoi (20.1%), and Haiphong (6.7%); the other regions accounted for less than 5.0%. According to the survey results, favorability of the overall image of Taiwan and Taiwanese companies was second only to that of Japan (among the top ten foreign investors in Vietnam), better than those of the United States and China. The three characteristics that best represented Taiwan were friendliness, technological advancement, and being free and democratic. Interviewees perceived Taiwanese businesses to "emphasize honesty," "comply with local regulations," and "be internationalized."

Results of this survey indicate favorable perceptions of Taiwan and Taiwanese businesses among Vietnamese executives; Taiwan's perceived strengths in the electronics, ICT, and machine industries were also noted. The interviewed executives had a very favorable view of Taiwanese businesses with respect to their long-term efforts in Vietnam, perceiving their greatest contribution to be "creating employment opportunities," followed by "providing investment capital" and "introducing innovative technologies." However, participants had relatively unsatisfactory perceptions of Taiwanese businesses with respect to their provision of employee benefits, implementation of environmental protection policies, guaranteeing of fair employee promotion, and provision of employee welfare; these aspects require further improvement.

With regard to the Taiwan–Vietnam partnership, 85.9% of respondents reported a preference for reinforced cooperation with Taiwanese partners by their companies, indicating robust collaborative relationships between Taiwanese and Vietnamese enterprises; these relationships constitute a foundation for strengthened bilateral ties in economy and trade. The fields that were most perceived to require strengthened cooperation were, in decreasing order, industrial innovation (65.0%), agricultural technologies (60.0%), travel and tourism (47.5%), and talent cultivation (37.5%). Through an open-ended question, 43.9% of respondents reported the NSP to be beneficial for the economic development of both countries. The research team also discovered that respondents valued and looked forward to economic partnership between Vietnam and Taiwan.

In furnishing these survey results, the TAEF provided detailed analysis and policy advice on two aspects, namely "Taiwan's image and NSP" and "image of Taiwanese businesses and future goals."



# 1. Image of Taiwan and the NSP:

## Strengthening bilateral relations through collaboration

The findings indicated that among Vietnamese perceptions of the top ten foreign investors in Vietnam, the perception of Taiwan was more favorable than those of the United States, South Korea, and Singapore; the only country perceived more favorably was Japan.

Through the open-ended questions, participants reported Taiwanese people to be friendly and the electronics, technology, and machinery and equipment of Taiwan to be the most impressive. This result suggested that Vietnamese enterprises perceive Taiwan to be friendly and technologically advanced.

The interviewed Vietnamese managers noted Taiwan's excellent performance in economy and trade, science and technology, tourism and travel, and agriculture; they also recognized Taiwan's contributions in creating jobs for locals in Vietnam and offering investment funds. The respondents also noted that Vietnam and Taiwan should foster cooperation in areas such as industrial innovation, agricultural technologies, tourism and travel, and talent cultivation. Through promoting the NSP, cooperation in these areas can effectively meet the needs of local communities and further improve existing perceptions that Taiwan is friendly and technologically advanced.

Vietnamese respondents were most aware of the economic aspects of the NSP and believed that the reinforcement of Taiwan–Vietnam relations in trade and the economy will be of mutual social and economic benefit to both countries. Several respondents also looked forward to greater educational collaborations, particularly those that will enable Vietnamese students to study in Taiwan. These respondents perceived benefits to learning Mandarin and studying cutting-edge technologies in Taiwan, particularly in helping Vietnam train the next generation of talent. Such collaboration also indicated Taiwan's attention to the capabilities of talented people.

The NSP should continue to promote industrial cooperation and innovation as well as collaboration in agricultural technologies, tourism and travel, and talent cultivation. Additionally, Taiwan's soft power and image must be further publicized, thereby enabling the NSP to effectively fulfil local needs and strengthen existing perceptions of Taiwan being friendly and technologically advanced.

## 2. Image of Taiwanese Companies and Future Goals:

### Promoting corporate social responsibility

Among the companies originated from Vietnam's top ten foreign investor countries, the image of Taiwanese companies was second only to that of Japanese firms, surpassing that of the US and Chinese firms. To Vietnamese partners, Taiwanese companies keep their promises, comply with laws, and are globally competitive. However, Taiwanese firms should improve their performance in employee treatment, environmental policies, and corporate innovation.

In reviewing the perception rankings of the top investors in Vietnam, we discovered that the image of Taiwan is closely related to the image of Taiwanese businesses, thus demonstrating that the improvement of perceptions of Taiwan and those of Taiwanese firms must be equally valued and simultaneously improved. Furthermore, according to the survey results, more than 85% of respondents wanted to reinforce their partnership with Taiwanese counterparts, indicating robust collaborative relationships that constitute a foundation for strengthened bilateral ties in economy and trade.

However, the respondents had less favorable perceptions of Taiwanese companies with respect to fair employee promotion, employee benefits, charitable activities, and environmental protection. Thus, Taiwanese businesses should strengthen their fulfilment of corporate social responsibilities, provision of employee welfare, engagement in social activities, and promotion of their corporate image. Based on the strong trust and willingness to collaborate with their Vietnamese counterparts, Taiwanese companies should foster industry-chain and value-chain cooperation, facilitate technological innovation, pioneer industrial transformation, provide economic development opportunities for local communities, and showcase Taiwan's cutting-edge technology. Taiwanese business executives should create effective communication channels for Vietnamese employees and reduce their dependence on mid-level managers. These executives should directly receive feedback from low-level employees and adjust the existing welfare system accordingly.

Previous media-reported pollution incidents have negatively affected how Taiwanese firms are perceived with respect to environmental protection. In addition to following environmental regulations, Taiwanese corporations can introduce pollution control technologies and environmental-protection-related businesses to Vietnam. These corporations should also actively create the perception of being balancing profit with environmental-friendliness. Taiwanese companies should, in addition to following environmental laws, develop standard operating procedures for responding to the public should negative news reports be released. Specifically, companies should immediately launch an investigation, provide clarification to the public, and conduct the necessary reviews. Moreover, Taiwanese businesses should actively inform the public of the corporate social responsibilities that they have fulfilled.

# Appendix

## Investment Statistics on Taiwanese companies in Vietnam

Unit: US\$1 million

Investment value in 2018	Accumulated value	Total number of investment projects	Number of investing companies
901.411	10,064.683	627	<p><b>Northern Vietnam:</b> approximately 300 companies had invested in this region, accounting for 10% of the total investment capital. Most of these companies were from the information technology, cement, footwear, metal processing, and financial services industries.</p> <p><b>Central Vietnam:</b> 47 companies had invested in this region, accounting for 40% of the total investment capital. Most capital was from Formosa Ha Tinh Steel Corporation; the other companies belonged to the food and financial services industries.</p> <p><b>Southern Vietnam:</b> 1,763 companies had invested in this region, accounting for 50% of the total investment capital. The industries were various, including the textile, apparel, footwear, automobile parts, iron and steel, food processing, petrochemical, tire, and financial services industries.</p>


Sources: The Investment Commission, the Ministry of Economic Affairs, R.O.C and Economic Division, Taipei Economic and Cultural Office in Vietnam

## Top Ten Foreign Investors in Vietnam in 2018

Unit: US\$1 million

Rank	Country	Total registered capital in 2018	Accumulated value	Number of granted investment projects
1	Japan	8,598.95	57,018.359	3,996
2	South Korea	7,212.09	62,566.980	7,459
3	Singapore	5,071.02	46,623.075	2,159
4	China	2,464.88	13,348.762	2,149
5	Taiwan	1,074.15	31,444.371	2,589
6	Thailand	762.44	10,439.454	528
7	The United States	550.48	9,334.903	900
8	Malaysia	435.54	12,478.229	586
9	Netherlands	387.04	9,358.395	318
10	Canada	85.79	5,097.465	174
	Total	35,465.56	340,159.445	27,353

Source: Data extracted from statistics compiled by the Foreign Investment Agency, Ministry of Planning and Investment of the Social Republic of Vietnam



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