



CENTRAL AND EASTERN EUROPEAN CHAMBER OF COMMERCE IN VIETNAM

QUARTERLY REPORT



conomic
oi, 11-13 Sep

Q3/2018



FIND US ON



TABLE OF CONTENT

02 External Relations & News

04 Practical Information -
Advice for Foreigners

07 CEEC Events

08 CEEC Members' News

09 CEEC Corporate Partner

11 CEEC Publication

12 Events

Corporate Partner

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CEEC AT THE WORLD ECONOMIC FORUM ON ASEAN – BUSINESS VIETNAM SUMMIT



On Thursday, September 13th, CEEC participated in the Vietnam Business Summit 2018 (VBS 2018). At the forum we could listen to the speeches of HE Nguyen Xuan Phuc, Prime Minister of the SR Vietnam and Mr. Borge Brende, President of World Economic Forum (WEF), on the role of Vietnam in the ASEAN and Global value chains.

“PM Phuc said that Vietnam’s reform achievements over the last 30 years of its open-door and integration policies have been made alongside the trend of global trade liberalisation. However, the economy still falls short by its expectations, with Vietnamese firms still not deeply footed in global value chains”.

Mr. Brende congratulated Vietnam for its rapid growth since 2010, the year the WEF was first held in Vietnam. He also hailed the country’s many economic reforms in the past few years, particularly the measures to control public debt and ensure the stability of public finance. More details can be read [here](#).



CEEC RECEIVED BULGARIAN BUSINESS DELEGATION



On Monday, 17 September 2018, CEEC received the Business delegation from Bulgaria. The Delegation was represented by the Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA) and different businesses, among others IT, logistics solution, industrial zone, production, agriculture sectors.

CEEC Chairman, Marko Moric and Executive Committee Member, Florian Beranek, introduced the Chamber with its benefits and activities, as well as shared first-hand experiences on doing business in Vietnam.

Following the meeting in Hanoi, the companies come to HCMC, where CEEC HCMC team had a chance to meet them and hear their needs. After Soft-landing, an active tool for newcomers, presentation, CEEC Executive Committee Member, Christoph Schill, gave a short overview of every sector in Vietnam, which was represented by delegates.

CEEC does hope that we can contribute our effort to promote the bilateral relations between 2 countries in term of economics and trade.

COURTESY MEETING WITH H.E. AMBASSADOR OF POLAND



On Tuesday morning, 2nd October 2018, CEEC was received by H.E. Mr. Wojciech Gerwel, new Ambassador of Poland to Social Republic of Vietnam. H.E. Mr. Wojciech had lived in Vietnam few years ago, had good knowledge and familiar with life as well as tradition here. He also admitted that Vietnam had an incredible change in terms of economic, public life, infrastructure since he was left.

During the appointment, CEEC gave a brief introduction about the Chamber, our main mission and the achievements we have had. We also had chance to speak out our plan in upcoming time and listened to the advice from HE Ambassador.

We do believe that, in upcoming time, together with the great support from H.E. Wojciech, CEEC can bring more benefits to Polish companies who are doing business here as well as the ones who plan to expand their market in Vietnam.



CEEC MET WITH TRADE COUNSELOR OF SLOVAK REPUBLIC

On 2 Oct 2018, CEEC was also received by HE Ms. Ivana Belcakova, Head of Mission and Mr. Bruno Hromý, a new Trade Counselor of Slovak Embassy to Vietnam.

After the warm welcoming, CEEC introduced to Mr. Bruno the Chamber, and also gave him our latest publication “Doing Business in Vietnam”.

On this occasion, we reported to Slovakia Embassy our recent activities and achievements, as well as our plan in upcoming time. Mr. Bruno was very supportive and enthusiastic, he shared and gave us many valuable advises on our current pending concerns; all his comments were appreciatively noted by us.

We do believe that with the great support from Slovak Embassy, CEEC can bring more benefit to Slovakia companies who are doing business here as well as the ones who plan to expand their market in Vietnam.



BUYING PROPERTY IN VIETNAM AS A FOREIGNER

By EMERHUB

There is a common misconception that foreign citizens or companies cannot own property in Vietnam. In reality, it is possible. However, there are certain conditions that you need to bear in mind when **buying property in Vietnam**.

Foreign ownership of land in Vietnam

There is a different form of land ownership in Vietnam than in most other countries. In Vietnam, the land belongs to all the people and the state is the one managing it.

In other words, even the Vietnamese themselves cannot own land in Vietnam as all people collectively own it. Most jurisdictions in Vietnam use this different concept of public and private ownership of land. Consequently, this arises a mistaken belief that foreign citizens or companies cannot own any property in Vietnam. What you can do, however, is that you can **obtain the right to use land in Vietnam**, which is very similar to having ownership rights.

Who can lease land in Vietnam?

Citizens of Vietnam, local organizations or foreign-owned companies can purchase the right to use land and to build on it.

The length of a lease agreement that allows you to use land in Vietnam depends on the government. In general, the maximum length is 50 years, and it is also possible to renew the agreement for another 50 years.

How to buy property in Vietnam

#1 Set up a 100% foreign-owned company in Vietnam

The first option to buy property in Vietnam is to set up a fully foreign-owned company. With a foreign company, you can purchase apartments or houses in Vietnam for a limited term.

The process of [company registration in Vietnam](#) is generally the same for all foreign investment companies and takes approximately 4-6 weeks if you don't need any additional licenses.

During this time you will first **acquire an Investment Registration License** from the Department of Planning and Investment (DPI). This certificate allows you to start doing business in Vietnam.

The second step of incorporation in Vietnam is to **obtain a Business Registration Certificate**. Note that once you have received a business registration certificate from the DPI, you have 90 days to make the initial capital contribution.

Depending on your business line, you may also need **additional licenses**. For example, if you plan to sublease your property, you need a separate permit for engaging in real estate business in Vietnam. However, note that it will add some additional time to the company registration.

COMPANY REGISTRATION IN VIETNAM



- Total time of company registration:
- up to 6 weeks without sublicenses
 - up to 12 weeks if sublicenses are required

EMERHUB

To find more detailed information, have a look at our complete [guide to company registration in Vietnam](#).

Note that foreign individuals or companies cannot own more than 30% of apartments in one apartment building. They also cannot hold more than 250 separate houses including villas and row houses in areas where the population is equivalent to a ward-administrative division.

Length of foreign company's lease agreement

Foreign-owned companies can hold lease agreements in Vietnam until the end of the duration of their Investment License which the Department of Planning and Investment grants for ten years. The Investment License is renewable. However, make sure you keep your company in compliance and [report taxes in Vietnam](#) in a timely manner to ensure that there will be no issues with the extension. You can also sell your property to another buyer. However, it is important that you also include the clause of ownership extension in the sales contract.

#2 Form a joint venture in Vietnam

Another option to buy property in Vietnam is to form a [joint venture with a Vietnamese shareholder](#). Locally-owned companies and Vietnamese citizens can purchase:

- Households
- Buildings for sale, lease, or lease purchase
- Entire or part of real estate project to build buildings for sale, lease, or lease purchase

The term of the agreement for Vietnamese citizens is indefinite. Local companies, on the other hand, can hold ownership of the property until the termination of the company. However, be sure not to use an unreliable nominee as it is one of the [common mistakes foreign investors do](#) when starting doing business in Vietnam. Instead, enter into a joint venture agreement with a trusted local partner such as Emerhub.

#3 Buy a house or an apartment as an individual

Foreign nationals who are residents in Vietnam can also buy dwelling houses without forming a legal entity. However, as an individual, you can only purchase a house or an apartment for your use. That means that you cannot rent it to third parties.

The term of ownership will be set in a housing sale agreement, but not for longer than 50 years per term. Lease agreements are renewable, and upon sale, we suggest you also agree with the seller that:

- Renewal of the contract is for free, and they will not collect any additional rent for the next lease period
- Processing of extension is for free
- If the law on foreign ownership changes, the transfer of ownership to you will not include extra charges

This type of an agreement is a common practice in Vietnam as it is the closest available arrangement to private ownership. Only keep in mind that when acquiring property this way, you can use it for residential, not for subleasing purposes.

Setting up a real estate business in Vietnam

It is important to note that if you haven't registered your company with the real estate business line, you can only buy property for the company's use. For example, for accommodating your employees. If you also plan on subleasing the real estate you're going to acquire, you need to have a company that is registered under the real estate business line as well.

With a real estate company in Vietnam you can:

- Lease units or buildings for sublease
- Build, lease or sell the residential and non-residential property on land leased by the government
- Construct, rent or sell residential and non-residential property of a commercial real estate project

Allowed foreign ownership of real estate companies in Vietnam

There is no limitation on foreign ownership of real estate companies. Therefore, foreign investors can set up 100% foreign-owned real estate businesses in Vietnam.

The minimum capital requirement for real estate businesses in Vietnam

Unlike in most business lines in Vietnam where you can register a company without an official prerequisite on minimum input, the real estate trading classification also has a [minimum capital requirement](#). To set up a real estate business, you need to have 20 billion VND (~US\$ 880,000) of minimum capital. However, note that this investment can be non-monetary, meaning that you can also register property and other assets as part of the capital.

Getting started with buying property in Vietnam - When planning on buying property or setting up a company in Vietnam, it is wise to seek legal advisory beforehand to eliminate the possibility of bad surprises in the future.

SHARE & (L)EARN 10th TRENDS & TIPS FOR BUSINESS OWNERS ON DIGITAL MEDIA



The 10th Share & (L)Earn took place on October 11th, 2018, with the topics related to digital media.

The workshop started with the comprehensive presentation given by Mr. Vu Nguyen, representing April Advertising. Firstly Vu gave us an overview of social media usage in Vietnam. Internet penetration reached 96% of population and Vietnam is ranked 12th internet usage globally. Facebook is the most popular social media platform with 55MM users. Majority of FB users are 18-24 years old.

Later, we could learn what social media trends in Vietnam were. “We culture” of Vietnam is also reflected in social media, as opposed to “Me Culture” of Western Countries. While most of Western consumers seek to be different and standing out, Vietnamese crave for sense of belonging to larger group or collective. This manifests by Vietnamese willing to like what is already popular and widely accepted, follow Key Opinion Leaders and celebrities. People want to be like others in Vietnam, follow their style and behaviours. Vietnamese consumers respond well to all kind of activities on social media platforms, which could help to attract them to a forum or platform. Especially livestream flash sales or presentations could generate more sales than classic retail activities over a much longer time. However, livestreams must be authentic in its delivery – being natural is key.

Afterwards, Mr. Michael B. Loung from DISTRICT2 studio, gave a presentation on branding. Brands reflect core values of products or services and as concept go beyond logo or name. Brands have personalities, emotions and values.

Social media give an opportunity to be very selective on target audience. This allows for creating brand communication which is very personal and touching emotional levels or very pragmatic and practical, depending on what target audience is.

Following a presentation of Michael, Emily from DISTRICT2 studio gave us some more tips on social media. Focus on your target audience, who they are, how they feel and what they want. E.g. instead of boosting posts on FB, it’s better to invest in targeted ads and focus on shares and comments. She also shared the best hours for posting on FB are ‘break time’ of the day: morning, lunch time and evenings.

As a final part, Mr. Shawn gave us some insights on website which are reflection of our brand identity on-line.



WELCOME TO NEW MEMBERS

We are pleased to welcome our new corporate members!

WELCOME NEW CEEC MEMBERS

2018

Founded in 2004, the Institute for Mergers, Acquisitions and Alliances (IMAA) pursues research and provides educational certificate programs, workshops, resources, and expert knowledge in the field of M&A.

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“With the focus on Process-Optimization, LEAN Manufacturing, Operations Excellence, Project Management, Chronic-Problem-Solving, Quality- and Supply Chain Management we support our clients to lift their processes to the next level and establish the base for a lasting BUSINESS SUCCESS.”

**ANNOUNCEMENT ON A PARTNERSHIP
WITH
MB AGEAS LIFE**



Dear CEEC Members,

On behalf of CEEC Executive Committee Members, I am very pleased to announce that MB Ageas Life is CEEC Corporate Partner.

MB Ageas Life was established in 2015. IT is an insurance company with a high quality distribution network across 217 MB branches.

Through our corporate partnership we hope to further collaborate with each other in different aspects. While receiving financial support from MB Ageas Life, CEEC will bring the company's brand name closer not only to the CEE community but also to all our Vietnamese friends, hence all our Europeans living in Vietnam through our events and CEEC versus EuroCham Vietnam's Communication Channels.

On this occasion, I also would like to present my sincere thanks to MB Ageas Life for their confidence into the operation and development of the Chamber. We will deliver as always our best services as your Chamber and performing a great supporting role as your Partner.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Marko Moric', written in a cursive style.

Marko Moric

CEEC Chairman

MB AGEAS LIFE HELPS YOU BUILD YOUR HAPPINESS



MB ageas life

MB Ageas Life is a joint venture whose capital was contributed by 3 partners namely Military Bank (61%), Ageas Group (29%) and Muang Thai Life (10%) with chartered capital of VND 1,100 billion. Founded on July 21, 2016, MB Ageas Life is the youngest member in the Vietnamese insurance market which has over 20 years of development.

MB Ageas Life leverages great strengths of 3 strong brands including Military Bank - a leading financial institution in Vietnam with a network of 260 branches and transaction offices, Ageas – a leading insurance brand in Europe with nearly 200 years of development and Muang Thai Life – the first ranking insurance brand in Thailand in terms of Bancassurance in its business development strategy in the Vietnam market.

MB Ageas Life obtained a position in Top 9 leading insurance companies which have the largest revenues from new customers in Vietnam as of June, 2018, just after over 1 years of operation. Given relentless efforts of our talents for the realization of a common goal, MB Ageas Life expects to offer customers outstanding service quality with professional salesforce who always put customers' needs and satisfaction first.

Beside prominent product and services, MB Ageas Life values the introduction of new experience through customer-centric campaigns. MB Ageas Life has successfully organized activities for modern families such as "Give priority to happiness", "Give priority to grow-up experience of children" in 2017 and 2018 consecutively.

Given its meaningful activities, MB Ageas Life will not only be a source of inspiration but a reliable companion to advise and provide you with financial solutions for lasting happiness of modern Vietnamese family.

Thanks to its achievements, MB Ageas Life was recognized and awarded Insurance Start-up of the year 2018 by Asian Banking and Finance Magazines.



“CEEC DOING BUSINESS IN VIETNAM 2018”

The third edition of “Doing Business in Vietnam 2018” was launched in May 2018. The booklet contains updates on economic figures, more details on CEEC Soft-landing service and the new Sector *Tourism & Hospitality* introduction.

The guide gives newcomers a better understanding of the Vietnamese market. It is a tool to diverse and to facilitate the outreach to the companies by highlighting the potential in the Vietnamese market in general and with some special focuses on several sectors. The main theme of the guiding book is the overview of the Vietnamese market and its most potential sectors, along with general information about CEEC.

For further information, the highlighted content includes:

- CEEC intro and contact information
- Vietnam political and economic outlook
- EU – Vietnam Free Trade Agreement (EVFTA)
- Vietnam at a glance for business
- Sectors introduction:
 - ICT Vietnam
 - Education
 - Agriculture
 - Healthcare
 - Transport & Logistics
 - Tourism & Hospitality
 - Clean Technologies
- CEEC members & Sponsors

If you are interested in having your advertisement or a sector information at the booklet, please contact CEEC office at office@ceecvn.org for the details.

CEEC UPCOMING EVENTS

EUROPEAN NIGHT by CEEC, DBAV, SBA in HCMC



CEEC Networking event of November would be combined with European Night led by CEEC, DBAV, SBA. With the topic “East meets West”, our East event Partners are: Hawee, Singapore Business Group

Date: Thursday, 8 November 2018

Time: from 6.30pm

Venue: Twenty21one Restaurant, HCMC

BUSINESS THURSDAY by CEEC, BeluxCham and NordCham in HANOI



Business Thursdays is a networking event taking place every second Thursday of each month. The event is hosted by leading foreign BAs in Hanoi and has become the biggest networking event in town.

The one in November will be hosted by CEEC, BeluxCham and Nordcham.

Date: Thursday, 8 November 2018

Time: from 6pm

Venue: Turtle Lake Brewing Company, 105 Pho Quang Khanh, Quang An, Tay Ho, Hanoi

Further information will be updated on CEEC website: www.ceecvn.org/events/
Please check our website regularly for upcoming interesting events!

UPCOMING SUPPORTED EVENTS

Charity Golf Tournament, HCMC



**European Night by GBA
October 26th, Sky XX Bar, HCMC**



**EuroCham Gala Dinner 2018 - Business Awards
November 16th, GEM Canter, HCMC**



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We look forward to welcoming you for an enjoyable evening among friends

Business Thursday in Hanoi Led by SBAV



BUSINESS THURSDAYS

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European Night in HCMC Led by ICham



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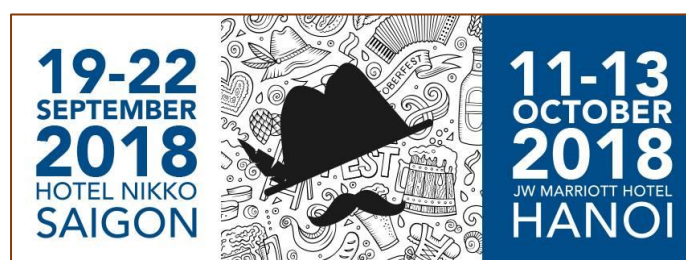
Members: Free entrance
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Seminar on International Standards

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Seminar on
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from 14:00 to 16:00
the 29th & 31th, August 2018

Video Conference room, 15th floor
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For further details, kindly contact:
Mr. Tuyen, Truong
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SIR ICHAM 10 Italian Chamber of Commerce in Vietnam

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Thriving Business in the Digital Transition**

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Thriving Business in the Digital Transition

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Practical tips and “can do” spirit as take-away for participants.

Event Partners: AUSCHAM VIETNAM, CANCHAM VIETNAM, CEEC, SINGAPORE BUSINESS GROUP HO CHI MINH CITY VIETNAM

8:00 - 11:30 AM, Oct 3, 2018
White Palace Convention Center