



DOING BUSINESS IN VIETNAM

2023 - 2024



Ho Chi Minh City, The Biggest City in Vietnam

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SOCIALIST REPUBLIC OF VIETNAM

Capital	Hanoi
Area	331,212 km ²
Population	98,186,856
National Flag	
National Emblem	



National Language:	Vietnamese
Largest City:	Ho Chi Minh City
Currency :	đồng (đ) (VND)
GDP - 2022*:	408.80 bil US\$
nomial per capita	4,163.5 US\$
PPP per capita	13,456.10 US\$
Legislature:	National Assembly
Time Zone:	U TC+07:00
Independence Day:	02nd September 1945
Measuring Unit:	metric system
Driving on the:	right
Date format:	dd/mm/yyyy
Calling code:	+84

** GDP data for 2022 published on World Bank:
<https://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD?locations=VN>. All leading financial institutions and respective government bodies estimate a growth rate of around 5% in 2022.*

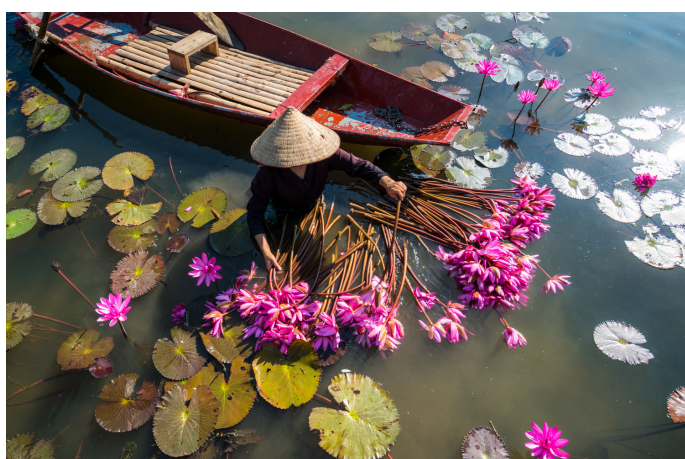


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Marko Moric

Chairman of CEEC

The Central and Eastern European Chamber of Commerce in Vietnam (CEEC) has a unique history among European Chambers in Vietnam, and I would say, worldwide. The Central and Eastern European countries have the longest and friendliest common history with Vietnam and its people. We represent that whole region by creating a platform for businesses, individuals, and Governments. Since its establishment seven year ago, CEEC has had great achievements and earned recognition from the Vietnamese authorities and from the international communities, in particular the European community: CEEC provides services, supports companies' entrance into the market and generates necessary income for its own operations without using any subsidies.

CEEC is a worldwide pioneer initiative to bring the Central and Eastern European countries together, and it is progressing well, thanks to our colleagues, friends, companies, and Embassies in Vietnam. Our approach is an example of good practice that has been already implemented in Singapore and a "sister" chamber of CEEC was established there. I believe that other countries, where Central and Eastern European business communities need advocacy, extra tools for economic diplomacy and efficient business representation, can implement this approach too.

Vietnam is a challenging yet highly rewarding market. It demands patience, determination, the provision of excellent products and services, as well as access to abundant resources. Despite the intense competition, the country has increasingly established itself as a sought-after destination for trading goods, services, and investment.

On the other hand, the outlook of the country and the possibilities it offers, despite of the various disruption, are very promising. The EVFTA implementation opened the door to CEE companies a bit wider. Our countries and enterprises are identifying new opportunities and new fields of cooperation in Vietnam every day. I firmly believe that the chance is here, and I am confident that CEEC can provide proper advice and tools to take that chance. The aim of this guide is to give a short overview on sectors, to assist businesses in successful market entrance. Please read it as a start of our further conversation.

I hope to greet you personally in this exciting place and that we will have the opportunity to cooperate in the nearest future.

MARKO MORIC

ABOUT CEEC

The Central and Eastern European Chamber of Commerce in Vietnam (CEEC) was formed in March 2015 as an independent non-profit organization. It aims to enhance the cooperation, develop the relations in term of economic, finance, commerce, investment and trade promotion between Vietnam and businesses from the 15 Central and Eastern European countries. CEEC is the youngest European rooted business community in Vietnam and most likely a global pioneer by representing Central and Eastern European companies, professionals in one entity. We promote the cooperation between businesses as well as individuals from 15 Central and Eastern European countries (Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Republic of North Macedonia, Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia) and Vietnam.

CEEC and all other European Business Associations (GBA, CCIFV, ICham, DBAV, BeLuxCham, NordCham, CCIPV, and SCCV) delegate their representative to the Executive Committee of the European Chamber of Commerce in Vietnam (EuroCham) which is representing over 1,000 European companies. With Dr. Gellert Horvath, Vice and Co-Chairman of EuroCham for the period of 2017-2018 and Mr. Minh Nguyen, current Co-Chairman of EuroCham, in charge of government relations, CEEC has a strong visibility not only within the European community in Vietnam but also the Vietnamese business community. CEEC's founding Vice Chairman, Mr. Csaba Bundik, was the Executive Director of EuroCham (2013-2015). We also have representatives in the IQM-G&B, Tourism & Hospitality, Transportation & Logistics and Green Growth Sector Committees and representative bodies.

Our main goals are to provide the best services we can give for our existing members, to support their business activities with consulting, networking, referrals and to build an intense CEE related business community in Vietnam.



CEEC Services are offered at 3 different levels:

- 1. Standard services** - basic member services that are related with CEEC-EuroCham dual membership benefits.
- 2. Advanced services** - consulting at the staff level against service fees includes business matchmaking, company contact list, company background check, market study, and mission arrangement support.
- 3. Premium services** - Business Development with the price upon agreement includes consultation on CEEC Board Members Level.

We also focus on business networking events and CEEC Share & (L)Earn events that provides information and actual experiences on specific issues. With our great devotion, CEEC promises to bring its most benefit for businesses from Central and Eastern Europe.



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CEEC is regularly publishing an overview of our activities. Our Quarterly Reports can be easily downloaded for free from our website: <https://ceecvn.org/news/ceec-publications/>

VIETNAM'S MACRO ECONOMIC OUTLINE 2023

Amidst global uncertainty, the Vietnamese economy is facing challenges, yet the government and businesses remain resolute in their determination to overcome them. Although the first half of 2023 presented difficulties, there are grounds for optimism as we look towards the second half. Tourism and service industries provide optimism for economic reform. Vietnam is prepared for a resilient and flourishing economy with persistent drive.

Here are some basic figures and indicators:

Vietnam's GDP will reach \$409 billion in 2022, placing it fifth in Southeast Asia and 37th globally. Vietnam's GDP is expected to rise by 5.8 percent in 2023, cementing its position as Southeast Asia's second fastest-growing economy. GDP is estimated to be around \$450 billion by the end of 2023.

In 2022, FDI inflows reached over 27.72 billion USD, with a record-high distribution of more than 22.4 billion USD. FDI attraction is expected to increase by 37% in 2023 compared to 2022, reaching US\$36-38 billion.

In 2022, core inflation remained under control at 2.59 percent, with an average CPI increase of 3.15 percent. Vietnam's annual inflation rate fell significantly in April 2023, reaching a 12-month low of 2.81 percent. The administration intends to keep inflation in the 3-4.5 percent range for the full year.

A volatile global economy shaped the socio-economic landscape in the first quarter of 2023. While worldwide inflation has slowed, it still affects Vietnam's trading partners' consumption, which hurts the local economy. While central banks maintain strict monetary policies, the early insolvency of some US and European banks in 2023 has undermined public trust in the banking sector. Additionally, continuous conflicts like the Ukraine crisis, supply chain interruptions, and rising raw material prices are putting pressure on Vietnam's economic growth.

The government has taken steps to boost economic growth in response to domestic and international market issues. These include tax cuts, monetary policy, and real estate market improvements.

Starting July 1, 2023, the National Assembly Standing Committee will reduce taxes. This policy lowers the value-added tax (VAT) from 10% to 8% for 2022-regulated products and services. This tax reduction will cost the state budget VND 24 trillion in 2023.

The government has also given banks rules to help real estate developers and enterprises reschedule loan repayments. These forbearance measures demonstrate the government's commitment to supporting critical sectors through these difficult times.

Despite hurdles, Vietnam's tourist industry is expected to revive and boost growth. Vietnam's economy should remain stable also in the second half of 2023, boosting exports. Tourism reopening will boost the service industry.

The World Bank (WB) also suggested service sector reforms for Vietnam. The WB's March 2023 "Taking Stock" report, "Harnessing the Potential of the Services Sector for Growth," emphasizes domestic demand as the major engine of growth, despite increased inflation predictions.

Vietnam's economy relies more and more on the service sector, which today contributes already around 45 percent to GDP. Vietnam's goal of becoming a high-income economy by 2045 depends on the service sector, according to WB experts. To maximize the service sector's potential, trade and foreign investment restrictions must be removed, competition reforms implemented, and local enterprises' access to capital improved. Services that boost manufacturing and processing should also be considered.

In conclusion, with an optimistic outlook for the second half of 2023, supported by the recovery of the tourism industry and a focus on maximizing the potential of the service sector, Vietnam is well-positioned to navigate its economic landscape with resilience and determination. By seizing opportunities, implementing strategic reforms, and aligning fiscal and monetary policies, Vietnam is proactively paving the way for sustainable growth and economic prosperity.

Florian Johannes Beranek
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AN INTRODUCTION TO VIETNAM'S TRADE AND BUSINESS ENVIRONMENT

The global and Vietnamese economies are currently experiencing fluctuations due to several factors. The global economic situation has been greatly impacted by Russia's invasion of Ukraine and the economic consequences of the COVID-19 pandemic. This has resulted in persistent inflation, high energy prices, stock market difficulties, and measures to tighten monetary policies. However, Vietnam is still recognized as an emerging market that has benefited from its integration into the global supply chain. Additionally, Vietnam has entered into numerous free trade agreements, which have contributed to the growth of its exports.

Vietnam has gained increasing focus as a viable manufacturing alternative amidst the growing trend of businesses moving their manufacturing operations out of China. One of the key factors contributing to its appeal is the country's internal political stability over the past few decades. Additionally, Vietnam boasts a plentiful labor force available at a competitive cost, ranging from one-third to one-half of China's labor costs and lower than many other Southeast Asian countries. As Vietnam's manufacturing capabilities expand, its supply market is garnering more attention from companies looking to diversify their manufacturing operations. Recent ratings from S&P Global Ratings affirm Vietnam's long-term foreign and local currency sovereign credit ratings at 'BB+' with a stable outlook, while the short-term ratings remain at 'B'. S&P Global Ratings has emphasized that Vietnam's export manufacturing sector holds substantial appeal as a magnet for foreign direct investment (FDI) in the foreseeable future.

Vietnam's business environment benefits greatly from its membership in numerous free trade agreements, serving as a significant advantage in Vietnam's trade relations, leading to reduced export costs. As a part of the ASEAN Economic Community (AEC), Vietnam receives tariff-free shipment of almost all goods to most other Southeast Asian countries. Over the past 15 years, agreements between ASEAN and various other countries have opened up more regional markets, and the recent Regional Comprehensive Partnership Framework (RCEP) has reinforced the effectiveness of these deals. Two of the most important are the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EUVFTA). The CPTPP, which links together 11 economies across the Pacific, came into force for Vietnam in early 2019, making Vietnam the only low- or middle-income Asian country to have ratified the agreement.



Bitexco Financial Tower | Source: Wikipedia

Report has shown a consistent rise in EU import volume since the EVFTA went into effect in 2020. The entire number of imports for the second year of the EVFTA (from August 2021 to July 2022) was USD 16.4 billion, up slightly (0.2%), according to the General Department of Customs. Notably, the volume of EU imports of pharmaceuticals, chemicals, timber goods, and dairy products increased significantly in 2022. In contrast, after two years of EVFTA implementation, Vietnam's overall exports to the EU reached USD 56 billion, totaling USD 83.4 billion in export volume. Clothing, footwear, and seafood products—all major exports from Vietnam—all showed strong increases. Vietnam has become a desirable location for EU FDI as a result of its success in two-way trade. Vietnam now has access to top-notch investments and cutting-edge technology from nations in the European Union thanks to the EVFTA. Considering the effects of Brexit, as of August 2022, European companies had invested in 2,378 projects in Vietnam for a total of USD 27.59 billion. Although the epidemic presented difficult conditions, bilateral trade between Vietnam and the UK achieved new milestones. In the four quarters leading up to the conclusion of Q3 2022, the UK and Vietnam's combined commerce in goods and services (exports plus imports) was GBP 6.4 billion in current prices. This sum included GBP 5.4 billion in total imports from Vietnam (Department for Business and Trade UK, 2022).



Source: EuroCham

To summarize, Vietnam has surpassed its regional counterparts in 2022, experiencing a resurgence in consumer spending, robust export growth over multiple quarters, and a gradual recovery of international tourism. The country's flexible policies and successful COVID-19 vaccination campaign have contributed to significant progress in Vietnam's economic outlook. However, in 2023, as a nation with a high level of economic openness and deep integration into the global economy, Vietnam cannot avoid the repercussions of the ongoing war between Russia and Ukraine. The economic outlook for Vietnam is expected to be influenced by various complex factors, including energy and food-related issues leading to inflationary pressures in multiple countries, the evolving pandemic situation, and the ongoing conflict.



Source: EuroCham

According to Vietnam Customs, in 2022, the country's trade in goods reached a value of USD 730.2 billion, marking a 9.1% year-on-year increase. The export value amounted to USD 371.3 billion, reflecting a 10.5% growth, while the import value reached USD 358.9 billion, showing a 7.8% increase. China stands as Vietnam's largest trading partner in terms of total two-way trade turnover, with total import value reaching USD 117.87 billion and export value reaching USD 57.70 billion. The United States ranks as the second-largest trading partner, with a total import value of USD 14.47 billion and export value of USD 109.39 billion. The Republic of Korea occupies the third position, with a total import value of USD 62.09 billion and export value of USD 24.29 billion.



Source: East Asia Forum

Moreover, the embargo measures imposed by several economies that have heavily impacted the supply chain's recovery may also affect Vietnam. On the other hand, embracing the Green Economy provides an alternative vision for sustainable growth and development, enabling responsible and environmentally conscious business practices.

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About Mazars

1994 year of establishment	Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 95 countries and territories around the world, we draw on the expertise of more than 47,000 professionals – 30,000+ in Mazars’ integrated partnership and 17,000+ via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.
04 partners	
240+ professionals	
05 service lines	
02 offices	

Mazars in Vietnam was established in 1994, and has since grown to be one of the premier mid-tier firms with two offices in Hanoi and Ho Chi Minh City. We are well known for providing high-quality, professional services and proficient in English, French and Vietnamese communication. Mazars in Vietnam is ranked #1 for the Accounting Outsourcing Service sector and among the top Auditing firms in Vietnam.

www.mazars.vn

An attractive Vietnam



One of the fastest growing economies in ASEAN



Youthful labour force



Growing middle class



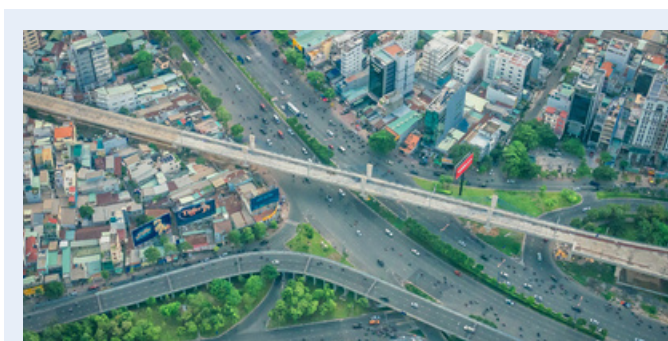
Growing urban population



One of the most favorable destinations for FDI in ASEAN

Vietnam key figures

Land 	Apprx. 331,690 sq. km Capital city: Hanoi Covered city: Ho Chi Minh City						
Population 	Apprx. 98 million Labour force: 51.9 million Major ethnic group: Kinh (Viet), accounted for 85.7% of the ethnic composition						
GDP by sectors* 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: right;">11.88%</td> <td>Agriculture, Forestry and Fishing</td> </tr> <tr> <td style="text-align: right;">38.26%</td> <td>Industry (including Construction)</td> </tr> <tr> <td style="text-align: right;">41.33%</td> <td>Services</td> </tr> </table> <p style="font-size: small; color: #ccc;">*Figures as of 2022 from GSO</p>	11.88%	Agriculture, Forestry and Fishing	38.26%	Industry (including Construction)	41.33%	Services
11.88%	Agriculture, Forestry and Fishing						
38.26%	Industry (including Construction)						
41.33%	Services						
Foreign Trade Agreements (FTAs) 	<p>15 signed and effective FTAs</p> <p>03 FTAs are under negotiations</p> <p>Double taxation avoidance agreements with 80 countries.</p>						
Imports/Exports* 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">USD 358.9 bil.</td> <td>Total import value</td> </tr> <tr> <td>USD 371.3 bil.</td> <td>Total export value</td> </tr> </table> <p>Top products include: phones, electronic goods and machinery</p> <p style="font-size: small; color: #ccc;">*Figures as of 2022 from GSO</p>	USD 358.9 bil.	Total import value	USD 371.3 bil.	Total export value		
USD 358.9 bil.	Total import value						
USD 371.3 bil.	Total export value						



Even if facing pressure from global multiple complex and interconnected crises, Vietnam’s GDP growth reached 8.02% in 2022, the fastest annual pace since 1997, boosted by robust domestic retail sales and exports.

According to Vietnam Customs, in 2022, the country’s trade in goods reached a value of USD 730.2 billion, marking a 9.1% year-on-year increase. The export value amounted to USD 371.3 billion, reflecting a 10.5% growth, while the import value reached USD 358.9 billion, showing a 7.8% increase. To summarize, Vietnam has surpassed its regional counterparts in 2022, experiencing a resurgence in consumer spending, robust export growth over multiple quarters, and a gradual recovery of international tourism. The country’s flexible policies and successful COVID-19 vaccination campaign have contributed to significant progress in Vietnam’s economic outlook.

VIETNAM AT A GLANCE FOR BUSINESS

Limitations of foreign ownership

The foreign investors are allowed to own 100% of the share capital of a company in Vietnam, except for circumstances where the foreign ownership ratio is limited under the bilateral or multilateral agreement(s) to which Vietnam is a signatory and the Vietnamese specialised local laws and regulations thereof.

Investment procedures

The establishment of a foreign invested enterprise (FIE) involves the procedures to obtain an Investment Registration Certificate and an Enterprise Registration Certificate. However, depending on the investment sectors and scale, there are some certain investment projects which must each undergo a procedure to obtain an “in-principal” approval from the competent State authority (i.e. the National Assembly, the Prime Minister or the provincial People’s Committees) prior to licensing to guarantee the national interest.

Other market entry options

Alternatively, foreign investors may consider other options such as Business Co-operation Contract (“BCC”), Merger and Acquisition, Branch, Foreign Contractor and Representative Office as an initial stage of their market entry strategy in Vietnam.

WORK PERMITS AND VISAS

Generally, in order to legally work in Vietnam, foreigners must obtain a Work Permit (“WP”) or a Certificate of Work Permit Exemption (“CoWPE”), as the case may be. Under the Labor Code 2019 (coming into force as from 01 January 2021) and its guiding legislations, the term of a WP or a CoWPE shall not exceed 2 years. Notably, the WP is only allowed to be extended once with the validity term of 2 years for the maximum.

Foreigners are allowed to enter Vietnam by obtaining a visa, which is categorized into several different types such as: LD1 and LD2 (“Labour”); DT1, DT2, DT3, DT4 (“Investment”); DN1 and DN2 (“Enterprise”); etc. Visa can be replaced by a temporary residence card (“TRC”) which grants the foreigners the right to temporarily reside in Vietnam for a certain length of time up to 3 years or 10 years (for Investment TRC only) provided some requirements are



GDP Growth	6.5%
Inflation	3.8%
Population	95.5M
GDP per head	USD 2,785.7
World Bank ease of doing business rank	70

satisfied. Nevertheless, investors with an investment of capital under VND 3 billion will not be eligible for the issuance of “Investment TRC”.

In June 2023, The National Assembly approved a government proposal to extend the validity of tourist e-visas from 30 to 90 days and allow visitors multiple entries, effective from August 15.

FOREIGN BUSINESS RESTRICTIONS

Foreign investors may invest in all sectors and in all industries that are not prohibited. Generally, prohibited sectors/ industries are those which are detrimental to the people, environment, defense or history and culture of Vietnam. The conditions imposed on projects in conditional sectors/industries will be stipulated in the relevant laws, ordinances, decrees and international treaties.

INVESTMENT INCENTIVES

Areas eligible for investment incentives

Disadvantaged areas and extremely disadvantaged areas
Industrial parks, export-processing zones, hi-tech zones and economic zones
Specific lists are promulgated by the Government.

Special investment incentives for projects that exert significant socio-economic effects

Projects on investment in establishment of innovation centers and R&D centers with a total investment capital of at least VND 3,000 billion and disbursing at least VND 1,000 billion within 03 years from the date of the Investment Registration Certificate or the approval for investment.

Investment projects in investment incentive sectors with an investment capital of at least VND 30,000 billion and disbursing at least VND 10,000 billion within 3 years from the date of the Investment Registration Certificate or the approval for investment.

TAXATION

Value-Added Tax (VAT)

Generally, goods and services used for production, business and consumption in Vietnam are subject to VAT. Different VAT rates (0%, 5% and 10%) or VAT exemption are applied to different kinds of goods and services. Companies are required to register with the tax offices in order to obtain a VAT code.

VAT exemption	Some goods and services are exempted from VAT such as medical or veterinary exempt services, certain kinds of insurance services, certain financial operations.
VAT 0%	Mainly applied to exported goods/services.
VAT 5%	Generally applied to areas of the economy concerned with the provision of essential goods and services.
VAT 10% (*)	This is the "standard" rate.

(*) Vietnam lowered its value-added tax (VAT) from 10% to 8% from July 2023 through December, bolstering stimulus measures to support consumption and business activities.

Corporate Income Tax (CIT)

CIT is imposed on the income (Profit) of enterprises, or any kind of organisations established under Vietnamese laws doing business in Vietnam. The current standard CIT rate is 20%. CIT incentives are available, including a preferential tax rate and tax holidays which are granted to investment projects based on their business activities or their location. Some additional CIT incentives are also available for enterprises operating in manufacturing, construction and transportation with a high ratio of female employees or ethnic-minority employees.

Taxable income is defined as the difference between total taxable revenue and total deductible expenses of the enterprise during the tax year. Taxable revenue includes all income from sales, provision of services and other incidental income accruing to the enterprise from any business activities, irrespective of whether the revenue was derived in Vietnam or overseas and has been collected or not. Generally, expenses are tax deductible on the basis that they are business related and supported by legitimate invoices/documents and are not specifically identified as being non-deductible. For the purchase of goods or services valued at VND 20 million (VAT inclusive) and above, evidence of non-cash payment is also required.

An enterprise is allowed to carry forward fully and continuously the operating loss of a financial year to offset against future taxable income for a period of up to five years counting from the year after the year of loss.

Personal Income Tax (PIT)

PIT is applied to taxable income received by individuals. Therefore, as a general rule, PIT is a liability of individuals; however the PIT regulations encompass the concept of tax withholding at source, in which the income-payer is required to temporarily withhold tax prior to paying incomes to its employees and remit the withheld tax to the tax authority.

Taxable income includes employment income, business income, income from capital investment, income from capital transfer, income from transfer of immovable properties, and other taxable income. Employment income is the most common type. In particular, taxable employment income includes income in the form of salaries, wages, remuneration, allowances (excluding some non-taxable income and exempt income as stipulated), income from membership of business associations, boards of management, boards of control, management councils and other organisations, and other benefits in cash or in-kind. For employment income, tax residents are taxed using progressive tax rates with a top marginal rate of 35%; meanwhile non-tax residents are taxed at 20%. In general, the PIT tax year is the calendar year. In certain cases, the PIT tax year may differ from calendar-year basis.

Particularly, the PIT tax year can be 12 consecutive months from the day on which the foreign individual arrives at Vietnam if he/she stays in Vietnam for less than 183 days in the first calendar year, or from January to the departure date of the year when the foreign individual qualified as Vietnamese tax resident terminates his/her labor contract in Vietnam.

Foreign Contractor Tax (FCT)

FCT, normally referred to as the Withholding Tax, is imposed on foreign contractors or foreign sub-contractors (hereinafter collectively referred to as foreign contractors), which are defined as foreign organizations or individuals carrying out business in Vietnam under the contract signed with a Vietnamese contracting party or signed with a main foreign contractor. FCT actually comprises of two kinds of taxes, Income Tax and VAT. In cases where the foreign contractor is an organization, these are CIT and VAT. The FCT declaration is categorised into 3 types:

- Declaration method (previously known as Vietnamese Accounting System - VAS method)
- Direct method (previously known as Withholding Method)
- Hybrid Method

AUDIT AND ACCOUNTING

The Vietnamese Accounting Standards (“VAS”), Vietnamese Enterprise Accounting System (not applicable for credit institutions) and detailed guidelines of the Ministry of Finance are compulsory for all enterprises in Vietnam.

Generally, companies do not need to register their accounting system if they are fully complying with the standard accounting system. However, when a company wishes to adopt any supplement or revision to the standard, the company must register and get approval from the MOF before implementation.

The Ministry of Finance (MOF) issued Decision 345/QD-BTC dated 16 March 2020 (“Decision 345”) which provides detailed roadmap for application of financial reporting standards in Vietnam, which comprise International Financial Reporting Standards (“IFRS”) and Vietnamese Financial Reporting Standards (“VFRS”).



Source: Pixabay

The fiscal year applicable to FIEs in Vietnam is normally a calendar year i.e., 1 January - 31 December. FIEs may notify the local tax authority about their own 12-month fiscal year, commencing from the first day of a quarter and ending on the last day of the previous quarter in the following year. For the first/last fiscal year (i.e. the year of company establishment and closure), the accounting period can be more than 12 months but must not be longer than 15 months.

Every enterprise is required to employ a Chief Accountant who must satisfy the criteria and conditions stipulated by the Law on Accounting, except for micro businesses. The enterprise can also outsource a chief accountant position from an authorized accounting service company in Vietnam. The annual financial statements of FIEs must be audited in accordance with the Law on Independent Audit. The audit must be carried out by an independent auditing company permitted to operate in Vietnam.



Source: accountantdaily

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Mazars is a leading international and integrated audit, accounting, tax and advisory firm

mazars



- > Consumer Finance
- > Manufacturing
- > Healthcare
- > ICT
- > Education

- > Agriculture
- > Transportation & Logistics
- > Tourism and Hospitality
- > Green Tech
- > Real Estate

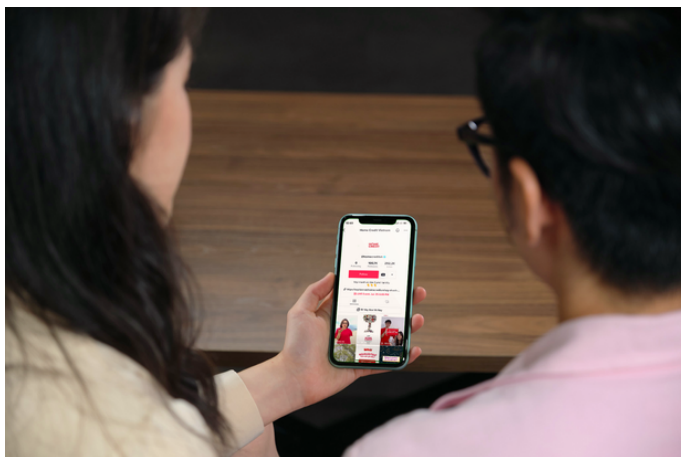
CONSUMER FINANCE IN VIETNAM - AN EXCITING FUTURE AWAITS

GREAT ROOM FOR GROWTH

Twenty years ago, Vietnamese consumer finance barely existed. Since then, the sector has experienced rapid growth. Between 2010 and 2020, the industry enjoyed an unprecedented annual growth rate of 33.7%, exceeding the overall national credit sector growth level of 17.3%.

The importance of consumer finance to the broader Vietnamese economy cannot be overlooked, especially when almost 70% of Vietnamese adults are currently unbanked or underbanked and the young, open-minded and tech-savvy middle-class segment is growing very fast, expected to reach 56 million people by 2030.

The Vietnamese government sees consumer finance companies (Fincos), who are serving those unbanked or underbanked customers, as a critical positive force to help drive greater financial inclusion and to accelerate economic growth. The market comprises 16 Fincos, all licensed and regulated by the State Bank of Vietnam (SBV). However, 80% of the market is shared by three main players. The sector is also witnessing more and more M&A activities amongst many additional regional players, as a vehicle to enter this growing market.



Source: Home Credit



Source: Home Credit

Cash loans still account for 60% of the total portfolio. Consumer durables loans and vehicle loans have seen a negative trend in recent years, while credit cards have recorded double-digit growth. This coincides with other Fincos' plans to boost credit card offerings as a cash loan alternative, following SBV's direction.

Established in the Czech Republic in 1997, Home Credit was widely regarded as a pioneer in Vietnam, laying the foundations for the country's consumer finance market when the company started its operation here back in 2008. Now it is the second-largest operator in Vietnam, present in all 63 provinces nationwide and serving almost 15 million customers.

Since its early days, with the mission to be the partner of choice for customers' daily financial needs, Home Credit has developed a reputation as a role model for introducing disruptive and innovative products to the Vietnamese market, centered around responsible lending and tech-driven solutions, and was rated the 'Most Desired Brand' in the industry by Ipsos for five consecutive years (2018 to 2022).

Home Credit has maintained one of the best-in-class NPL ratio, thanks to a strict responsible lending approach as well as a digitalized, robust risk management system.

DIGITAL TRANSFORMATION



Source: Home Credit

Consumer finance companies are now under pressure to accelerate their digitalization plans. Local and foreign-owned FinTech businesses have begun to emerge in greater numbers as well. More innovative and disruptive products and services are being quickly rolled out into the market.

Mobile apps and simple online processes are amongst the key strategic priorities of Fincos. With the boom in e-commerce and digital payment, Buy Now Pay Later (BNPL) has also become a popular approach adopted by many FinTech and traditional operators. Add to this a new mobile money pilot scheme backed by major Telco operators and there is likely to be even greater competition in the market in the future.

In addition, Environment, Social and Governance (ESG) principles guide the business direction of Home Credit. At the end of 2022, Home Credit Vietnam was awarded the Top 100 Sustainable Companies award from the Vietnam Chamber of Commerce and Industry, making it the sole Consumer Finance Company (CFC) to receive this prestigious recognition.

Regulators are watching these developments closely and working on a special sandbox scheme to trial new business models, technologies, and products.

Many business leaders I meet often tell me how excited they are by the opportunities for growth in Vietnam. They are absolutely right, it's a dynamic, thriving market with a huge amount of potential. It is our role in the consumer finance sector to open doors to greater financial and digital inclusion, especially amongst the growing young and tech-savvy middle-class, hence, unlocking enormous opportunities for the population and the economy. We know that our customers are always demanding more flexibility, innovation and opportunities to engage. It's up to us to continue to deliver on that.", explains Annica Witschard, CEO of Home Credit Vietnam.

Driven by the promise of making customers feel good and the core nature of a market pioneer, Home Credit has quickly accelerated its push for various digitally transformational initiatives. These include Buy Now Pay Later solutions called Home PayLater, Home App, QR code payments and a 24/7 virtual assistant using voicebot and chatbot, leveraging the strength of an advanced data analytics and AI system.

Home Credit Vietnam
<https://homecredit.vn/en>

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VIETNAM MANUFACTURING 2023

Vietnam has emerged as one of Asia's great success stories, backed by stable political system, commitment to sustainable growth, relatively low inflation, strong FDI inflows, youthful and digital population, and strong manufacturing sector. In addition, the country has a large domestic market and a growing middle class. These dynamic factors have created an extraordinary opportunity for international investors to take advantage of the regional growth prospective and focus their attention on Vietnam, particularly in the manufacturing sector.

In 2022, Vietnam has become an economic standout in Southeast Asia and ended the year with a GDP growth rate of 8%. The Gross Domestic Product in the second quarter of 2023 grew 4.14% from a year earlier, faster than the 3.28% expansion in the first quarter, according to the General Statistics Office. These economic achievements make the country one of the few economies globally to grow amidst turbulent times. *This impressive growth is in direct correlation with the significant impact the manufacturing industry and foreign investments in this sector have on the domestic economy.*



Kizuna Factory in Long An | Source: Kizuna

VIETNAM AS A GLOBAL MANUFACTURING HUB WILL FUEL GROWTH.

In 2022, foreign investments in manufacturing industry in Vietnam took the lead with a total investment of over 16.8 billion USD, accounting for 60.6% of the country's total FDI capital, as stated by the Ministry of Planning and Investment.

Vietnam has transformed into an export-oriented manufacturing country as it embraced globalization and trade liberalization over the past decade. There are many reasons which make Vietnam be considered the emerging manufacturing powerhouse in the region such as connectivity with supply chains, labor-intensive sectors and low production costs, trade partnerships with the world's largest trade organizations and significant regional and global free-trade agreements, to name a few.

FOUR MAIN PILLARS OF THE VIETNAMESE MANUFACTURING ADVANTAGE.

1. TOP POSITION TO LEVERAGE ON REGIONAL MANUFACTURING DIVERSIFICATION STRATEGIES

This strategy has enabled Vietnam to capture a substantial amount of the production expansion from China and other regional peers, due to its economic policies focused on foreign investment support, infrastructure development and decisive actions in tackling the Covid-19 pandemic.

According to the World Trade Organization, Vietnam ranked 23rd among the world's leading exporters in merchandise trade in 2022, with a total export value of US\$371 billion, making it the top exporter in ASEAN.

According to Eurostat, in 2022, Vietnam was among the top six high-tech import partners of the European Union, accounting for 4% of imports with a value of €18 billion. This places Vietnam behind leading countries such as China (38%; €183 billion), the United States (19%; €91 billion), Switzerland (6%; €30 billion), and Taiwan (5%; €23 billion).

Source: Eurostat - Oxford Economics experts predict that Vietnam's share of global electrical exports will continue to grow, reaching approximately 4% by 2025.

2. PROGRESSIVE TAXATION AND FDI SUPPORT POLICIES

The Vietnamese authorities have put in place efficient and robust taxation policies dedicated to the manufacturing sector, where investors can benefit from massive tax reductions, breaks and incentives depending on the size of their project.

In addition, the multitude of trade agreements which Vietnam adheres to, with the latest signed being EVFTA with the European Union, and RCEP with the Association of Southeast Asian Nations (ASEAN), add a significant incentive to producers across the world to expand their facilities in Vietnam, so they can take advantage of the tariffs for import or export with Asia and Europe as well.

In 2022, Vietnam achieved impressive results in attracting foreign direct investment, drawing in hundreds of millions of USD and demonstrating strong investor confidence. Major investors included companies such as Samsung, Foxconn, Pegatron, Wistron, LEGO, and Nike. As of May 2023, the manufacturing and processing sector had received \$266.9 billion in capital from foreign investors. Samsung was a particularly notable investor, with a total investment of \$18 billion, nearly 30 times higher than its initial investment.

3. GEOGRAPHICAL LOCATION AND INFRASTRUCTURE INVESTMENTS



Skoda Factory in Quang Ninh | Source: VnMedia

Vietnam's geographical position is a major asset for attracting investments in the manufacturing sector, as the country has direct access to the most important freight and trade routes in Asia, with a multitude of airports, rail links, seaports and direct highway systems connecting Vietnam with one of their most important trade partners – China. Coupled with consistent investment in infrastructure and industrial parks development, these make Vietnam highly attractive for the logistics sector as well, as the backbone of a growing supply chain where Vietnam takes a lead position.

As of 2022, the system of Industrial Parks and Economic Zones nationwide is present in 61 provinces and cities, including 403 parks, 18 coastal economic zones and 26 border gate economic zones, stated by the Ministry of Planning and Investment of Vietnam.

4. DIGITALIZATION IN PRODUCTION

The Vietnamese Ministry of Information and Communications has emphasized that digital technology, focused on design, creation, and manufacturing in Vietnam, is the primary industrial sector driving the country's industrialization and modernization. This contributes to increased digitalization capabilities and the development of a digital nation.

Vietnam is accelerating its digital transformation across all sectors, which is seen as a crucial step in promoting the country's economic growth in the context of the 4th industrial revolution. This effort is reflected in Vietnam's national digital transformation program for 2025, with a vision for 2030, which focuses on three main pillars: developing a digital government, a digital economy, and a digital society. This is a positive sign for Vietnamese firms, encouraging them to embrace digital transformation to further penetrate global markets and increase exports.

According to the Vietnam Chamber of Commerce and Industry, to succeed in the European market, Vietnamese firms must meet key criteria such as product origin, quality, and digital capability. Enterprises should increase their adoption of advanced technologies to improve product quality and meet safety and intellectual property requirements. Investment in human capital, training, and IT education will lead to higher productivity and improved operations and efficiency, enabling firms to meet higher international standards.

Vietnam offers many advantages that attract foreign direct investment in manufacturing, including a stable business environment, openness to new-generation Free Trade Agreements, and an abundant labor force. The country's preferential policies for foreign investors, which include reducing some administrative procedures for investment, further demonstrate its openness to foreign investment. However, the procedures for obtaining operational and manufacturing licenses can still be quite complicated. To enter the market legally and avoid potential problems, investors should carefully consider legal factors and develop a clear understanding of prevailing regulations and the commercial best practices in Vietnam.

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Info graphics, or Infographics, are a type of data visualization that combines text, images, and charts to present information in a clear and concise way. They are commonly used for educational purposes, marketing, and data analysis.

HEALTHCARE SECTOR OVERVIEW

The healthcare sector is one of the fastest-growing industries in Vietnam. The population is rising, and parallelly, the elderly population is increasing. Per capita spending is also increasing, along with the booming middle class. Chronic diseases, led by diabetes, cardiovascular diseases, and others, are on the rise.

The government is committed to enhancing citizens' health protection and care, goals have been set until 2030, with a vision till 2045. After dynamic growth in 2022, 92% of the population is covered with health insurance. However patients have to cover approximately half of their treatment costs by themselves, which puts considerable financial pressure on lower income households.



Source: Centers Healthcare

In 2022, Vietnam's health expenditure reached USD 21 billion, with strong growth over the last decade, and a forecasted compound annual growth rate (CAGR) of 14% in the next five years.

Per capita health expenditure is 203 USD, expected to grow steadily. Just under half of the health expenditure is represented by pharmaceuticals, a similar amount for medical services, while medical devices have a smaller share.

In 2021, Vietnam had 1,128 hospitals, of which 1,105 were in the public sector. The number of beds per thousand population stood at 2.5 in 2021.

Sources: Report on the evaluation of the implementation of the development strategy of Vietnam's pharmaceutical industry in the period to 2020, with a vision to 2030

Vietnam is laying the foundation for a digital healthcare industry, with a roadmap set in 2019 by the Ministry of Health to digitalize patient records at hospitals and establish smart hospitals.

Vietnam managed to handle the fight against COVID-19 more successfully than many developed countries. Key to success was central action, strict lockdown measures, disciplined citizens, vaccination efforts, and the provision of healthcare networks even in rural areas.

Source: BMI Fitch – Vietnam Healthcare Report

PHARMACEUTICAL MARKET OVERVIEW

The opportunity for growth is huge, with per capita spending on drugs increasing from 38 USD in 2015 to 73 USD in 2022. The industry's market size is currently around USD 8 billion and could rise to USD 16 billion by 2026. Fitch Solutions forecasts steady growth in the revenue of Vietnam's pharmaceutical industry, with an expected compound annual growth rate of about 7% between 2022 and 2026, thanks to the rising demand for healthcare products.

The pharmaceutical market is considered one of the fastest-growing in Vietnam, with massive future potential. The IQVIA Institute ranked Vietnam in the Pharmerging Market, a group of 17 countries with the highest growth in the pharmaceutical industry worldwide.

DRUG REGISTRATION

Existing drug registrations are subject to periodic renewals. Since the COVID-19 pandemic, the Drug Administration of Vietnam (DAV) had difficulties to renew registrations of drugs being on the market, temporarily resolving the situation with resolutions.

Registration of new pharmaceuticals is timely, even drugs from stringent regulatory authorities such as EU's EMA have to go through the same process.

The Pharmaceutical Sector Committee of EuroCham representing the innovative pharma industry, is advocating for Regulatory Reliance for drugs from EU, as applied by many other ASEAN countries. Proposals for amendments to the new Pharma Law have been made.

SPECIAL REGULATIONS ON DRUGS

Legislation related to the pharmaceutical industry is undergoing major changes, including the issuance of a new Tender Law, the development of the Health Insurance Law, and a new Pharma Law. The National Strategy for Pharma has also been recently updated. EuroCham's sector committee for the innovative pharma industry advocates for faster and sustainable access to innovative drugs in Vietnam, focusing on key topics such as sector development, health financing, regulatory issues, procurement, and legal, ethics and compliance.

Import and wholesale prices of pharmaceutical products, including over-the-counter (OTC) drugs, are to be aligned with the Ministry of Health.

Affiliates of foreign pharma companies have more marketing activities allowed than Representative Offices but affiliate companies have to run an importing warehouse and cannot be involved in distribution.

Source: relevant laws and Foreign Invested Enterprise (FIE) workshop,, Ministry of Health, 13 June 2023

IMPORT AND LOCAL PHARMA PRODUCTION, FDI

Vietnam's strategy is to develop the pharmaceutical business through foreign direct investment (FDI) as well, supporting local production and increasing quality. The value of imported drugs in 2020 exceeded 3.3 billion USD, and in 2021, it exceeded 3.9 billion USD. Meanwhile, domestically produced drugs were valued at 3 billion USD in 2020 and 3.1 billion USD in 2021. Europe provides nearly 50% of the value of imported pharmaceutical products, followed by the United States, India, and South Korea.

Pharmaceutical factories in Vietnam can meet less than 50% of the market demand. By 2022, 15 local manufacturers were able to reach EU-GMP (or other Stringent Regulatory Authorities such as Japan) qualification for production, with more than half of them developed by European, Japanese, and Korean investors from the pharma industry, bringing their expertise. The investment and development of Davipharm by Polish Adamed is an example of investment from CEE.

Regarding FDI in the pharma sector the vast majority of investment was made in pharmaceutical manufacturing (87%), with the rest in research and clinical trials.

Europe leads in pharma investment in Vietnam, followed by APAC and North America. Vietnam attracts FDI into pharma production with various measures, such as investment incentives, special economic zones, streamlining administrative procedures for investors, and additional incentives for medical equipment production.



Source: Hoan My Da Nang Hospital

DISTRIBUTION SYSTEM, PHARMACY CHAINS

In addition to approximately 200 drug production facilities, there are 170 enterprises that import drugs and medicinal ingredients, more than 5,000 wholesale establishments, and over 62,000 pharmacies.

Pharmacy chains are growing but concentration is still behind many developed countries.

Pharmaceutical business methods include e-commerce platforms, social networks, sales websites, and sales apps.

SUMMARY

The healthcare sector in Vietnam is attractive to foreign investors, who manage the complex legal environment.

Sectors open for foreign investment, especially pharmaceutical production, are developing. A significant number of local manufacturers have achieved higher standards with the help of foreign investors, particularly from EU countries. The Vietnamese government is supportive of foreign investors.

Regarding export to Vietnam, half of Vietnam's pharmaceutical needs are covered by foreign countries. To seize this opportunity, it is worth to undergo the registration process.

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VIETNAM'S ICT MARKET & KEY TRENDS AND GROWTH PROSPECTS IN 2023

Vietnam has emerged as a hotbed of technological innovation, propelling its ICT sector to new heights. With a tech-savvy population, robust government support, and a thriving startup ecosystem, the country offers an array of untapped prospects for savvy investors. The ICT industry encompasses a wide range of sectors, including software development, telecommunications, e-commerce, digital services, and cybersecurity, each ripe with unique opportunities for lucrative investments.

UNEARTHING KEY CATALYSTS DRIVING VIETNAM'S ICT MARKET GROWTH

Exponential Digital Transformation: Vietnam is at the forefront of a sweeping digital transformation across industries. Rapid internet penetration, widespread smartphone adoption, and according to the e-Economy Southeast Asia Report 2021, Vietnam's digital economy is anticipated to reach USD 50 billion by 2025, creating new growth opportunities for the ICT market.

Government Initiatives: The Propeller of Progress: The Vietnamese government has been proactive in fostering the development of the ICT sector. The government approved the National Digital Transformation Program through 2025, with a vision to 2030, which will further support the growth of the ICT market. World Bank data shows that Vietnam's digital economy is growing 10% per year and could exceed USD 200 billion by 2045. By aligning investments with government initiatives, astute investors can leverage the nation's progress-oriented ecosystem.

Surging E-commerce Landscape: The exponential growth of e-commerce in Vietnam has acted as a catalyst for the ICT market's expansion. As internet penetration continues to soar and consumer behavior evolves, the demand for online shopping experiences and digital payment solutions has skyrocketed. The proof is that Samsung Vietnam has announced the construction of a new research and development (R&D) center in Vietnam by the end of this year, worth USD 220 million.

EMERGING TRENDS UNVEILING FUTURE PROSPECTS

Building Smart Cities and Embracing IoT: Vietnam is committed to building smart cities equipped with IoT infrastructure to enhance urban living. By incorporating IoT devices and sensors into transportation systems, energy management, and public safety initiatives, the country is paving the way for sustainable urban development.

Revolutionizing Industries with Cloud Computing and Data Analytics: Vietnam is experiencing an upsurge in the adoption of cloud computing and data analytics solutions, yet it also exposes hosted data to severe risks such as privacy and identity theft. For instance, as part of national goals for digitalization, the Ministry of Information and Communications (MIC) aims to expand the market share covered by domestic CSPs (cloud service providers) to 70% by 2030.



Source: Jablotron

Strengthening Cybersecurity Infrastructure: Increased investment in infrastructure development projects is poised to drive significant growth in the ICT market. For example, Viettel Cloud currently operates 13 data centers in Vietnam, with plans to expand to 17,000 racks by 2025. By 2030, their total investment is projected to reach USD 1.6 billion, supporting the provision of 34,000 racks meeting international standards. These substantial investments create lucrative opportunities for businesses in this dynamic market.

Harnessing the Power of Artificial Intelligence (AI) and Machine Learning (ML): Vietnam is witnessing the growing adoption of AI and ML technologies across diverse industries, including healthcare, finance, logistics, and manufacturing. The integration of intelligent automation and predictive analytics is paving the way for remarkable breakthroughs. To cultivate the country into an innovation and AI hub in ASEAN and the world, the government issued a national strategy on research and development applications for AI until 2030. Such government investments will help start-up companies offer ICT solutions in the market.

HARNESSING THE POTENTIAL HIGHLIGHTED NUMBERS

SOFTWARE DEVELOPMENT AND OUTSOURCING:

Vietnam's software development and outsourcing sector continues to thrive, driven by competitive costs and a skilled workforce. In 2022, the country's software export revenue reached approximately \$7.5 billion, showcasing its growing prominence in the global market

Global leaders such as Microsoft, Qualcomm, Cisco Systems, IBM, and Dell Technologies dominate the ICT market in Vietnam.



Source: Adasa Sistemas

E-COMMERCE AND DIGITAL PAYMENTS:

E-commerce sales reaching an estimated \$14 billion in 2022 and are projected to grow at a CAGR of 15.6% from 2023 to 2027.

According to Google's report, Vietnam has a thriving startup scene, with a rapidly growing number of innovative start-ups emerging in various sectors, such as e-commerce and fintech. - Vietnam is predicted to achieve the highest growth of 31% in the digital economy in Southeast Asia between 2022 and 2025.



Viettel Telecom | Source: People's Army Newspaper

TELECOMMUNICATIONS INFRASTRUCTURE:

According to the Authority of Telecommunications under the MIC, the expansion of telecom network infrastructure has achieved full coverage in all localities at the communal level. Mobile networks, including 2G, 3G, and 4G, now reach 99.8% of the population, with 5G being piloted in 16 provinces and cities. And Vietnam aims to achieve 5G coverage nationwide by 2030. These government-led initiatives present promising growth prospects for telecom service providers, opening up new opportunities in the market.

Expanding network infrastructure, including fixed and wireless broadband, is a key driving force for long-term growth in the ITC market. Casa Systems' strategic partnership with Vietnam Posts and Telecommunications Group (VNPT) paves the way for next-gen 5G technologies in Vietnam, including cloud-native 5G Core, RAN, and Fixed Wireless Access (FWA) solutions. This collaboration will revolutionize the telecommunications landscape, offering enhanced connectivity and unlocking new business opportunities.

Source: Ministry of Information and Communications, Mordor intelligence, ITA

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EDUCATION

VIETNAMESE HIGHER EDUCATION AS AN INVESTMENT

After the end of the Vietnam War in 1975, followed by reunification in 1976, the country's higher education was rebuilt following the Soviet model. The fall of the Soviet Union and the introduction of the Doi Moi policy started opening Vietnam's economy to the world by the early '90s. The Government undertook comprehensive reforms to increase the quality of education. Through the founding of new higher education institutions (HEIs), multi-field and multi-disciplinary universities offering Associate (college), Bachelor/ Master's (university) and PhD programs (research centers) started welcoming students. The first fully foreign funded university was established in the year 2000, after a Government decree incentivizing foreign investment in higher education was issued. Today, establishing a foreign university in Vietnam requires nearly €40m of secured capital, years of administrative procedures and direct approval from the Prime Minister of the country.



Source: Ho Chi Minh City National University

In 2007, a credit system similar to ECTS was introduced, though its implementation still presented many weaknesses. Joining the WTO in 2007 accelerated reforms aimed at better preparing graduating students to the expectations of the job market. However, severe disconnect remained between HEIs and scientific research, businesses and employers as academic research and PhD studies were still conducted in specialized and officially entitled research centers, outside of universities.

The arrival of the big IT, electronics and automotive multinationals in Vietnam improved the situation by establishing high tech research centers and industrial parks. The 2012 Higher Education Law set a target of increasing the number of master's and PhD students, with the goal of training 20,000 PhDs by 2020, half from Vietnam and half from overseas.

In 2015, there were 77,000 higher education teachers/lecturers in Vietnam, out of which only 9,126 had PhDs and 36,347 had master's degrees. The reform highly encouraged foreign exchange programs and joint degree programs especially with partial studies at a foreign university. For the first time in 2019, 3 Vietnamese universities were listed in the Times Higher Education ranking, and some private HEIs acquired international accreditations.

The Covid-19 pandemic of 2020-2022 forced all institutions to switch to distance learning partially or completely, which pushed both public and private institutions to digitalize and modernize day-to-day operations and teaching. While the need for in-person learning has not decreased due to the pandemic, institutions and authorities in Vietnam have opened up to digital solutions and are expected to build these into their operations more and more. We suspect that the developing higher education infrastructure will move in a digital direction, likely more quickly than their European counterparts, which already have considerable brick-and-mortar infrastructure. Education Technology (EdTech) providers, fully online degrees and blended learning approaches are showing a lot of promise, although convincing students of the quality of these offers remains a challenge.



Source: VAS

The first private HEIs were established in the '90s, due mainly to the fact that the demand to enter the higher education system was more than 8 times higher in the '90s, and five times higher in 2005 than the number of available places. To this day, nearly one million Vietnamese students cannot enter the Vietnamese public education system each year. They can either enroll in private institutions or study abroad. In 2015 there were 498 registered HEIs, out of which 93 were private. These HEIs still operate on a strict quota-based system and some private HEIs' educational quality remains dubious.

STUDYING ABROAD

This situation and the emergence of the Vietnamese middle classes led to an increased demand for studying abroad. Out of the nearly one million students per year who are unable to get into public HEIs, 126,000 (2022) students continue their studies outside of Vietnam. The main target countries in 2022 were Japan (40,000), the USA (26,000), Australia (17,000), Korea (13,000) and Canada (7,000). 90% of these students are self-funded and are interested in business and social science degrees. CEE countries attract significantly less students, the Czech Republic and Hungary have around 500 Vietnamese students, Poland 270, and Bulgaria and Austria each receive around 100 of them per year.



Source: Kinderland Vietnam



Source: Vietnam+ | VinUniversity, VinGroup

Even though there are over 300 student recruitment companies in Hanoi alone, the key players remain the international organizations, state owned Vietnamese or foreign companies and NGOs. Reliability is one of the key factors of the successful operators given the traditionally high risk of visa exploitation in Vietnam.

Many consider studying abroad as a time and cost-effective way to reach native level English knowledge. The English language learning industry used to be fully in-person pre-pandemic. Post-pandemic however, this industry also seems to be moving towards the more affordable and flexible distance learning model.

The preference for English speaking countries, or countries where English is the language in which courses are taught, as study abroad destinations means that the demand for young Vietnamese to learn English is strong and continuing to grow. Parents can choose between bilingual schools, international schools, or independent English language centers if they wish to go beyond the level of English language education provided by the public education system.

CEE's higher education is hardly represented on the Vietnamese market. Although competitive tuition fees and high-quality education (not forgetting CEE countries' traditionally „friendly” status with relatively safe and secure policies towards Vietnamese students) could be an alternative for Vietnamese seeking affordable studies abroad. With the notable exception of Poland and Hungary, CEE governments and HEIs have not yet started actively promoting themselves in Vietnam as a study abroad destination. Traditional barriers for CEE players in this market are the availability of programs taught fully in English at the host institution, quality, and ease of life in a country where English is not the official language, and lower (compared to Anglo-Saxon countries) or non-existent scholarships for Vietnamese students.

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AGRICULTURE

Vietnam has a long-rooted tradition in agriculture: the country's economy has heavily depended on the sector for centuries. More than three decades after the Doi Moi industrialization brought down the sector's share in the GDP from 40% to 11.88% in 2022, the overall GDP value has been steadily increasing in recent years. The country has managed to transition from a net importer position to become a global leading exporter of agricultural commodities, such as rice, coffee, pepper, rubber, and walnuts.

Vietnam's agricultural sector is still experiencing rapid growth. In 2022, Vietnam's agricultural sector reached its highest growth in recent years, reaching 3.36 percent. Meanwhile, the export turnover of the entire industry was over 53 billion USD, although there are differences between certain products and related demands.

The sector continues to be one of the largest employers, with close to 20 million people, accounting for less than 30% of the total workforce, according to ILO estimations. Flagships like coffee, cashew, rice, pepper, and rubber contribute to national pride and brand identity. Agriculture remains one of the most important economic, political, and social issues in the country. Market prices and environmental catastrophes can play a crucial role on a large scale, impacting society, economy, and politics. This strong influence is visible as heavy droughts and salt intrusion into the Mekong Delta, caused by the changing climate, affect not only coffee and rice farmers but also have a major national impact on the economy.

The year 2023 has brought more attention to the country's agricultural sector. Vietnam has been selected to host the 4th global conference of the One Planet Network's Sustainable Food Systems Programme, titled "The transformation we need," bringing together experts from around the world to discuss how best to develop sustainable, resilient, healthy, and inclusive food systems.

Vietnam has also been chosen to pilot the Food Innovation Hub, an initiative catalyzed by the World Economic Forum with public, private, and civil society partners, aimed at improving sustainability in food production.

The major challenges arise from climate change and the abuse of the environment. These challenges include water scarcity in underground water, lower Mekong flow (partly due to the dams built upstream), droughts and floods, overuse of chemicals in fertilizing, quality assurance, and lack of proper waste management. Environmental catastrophes can have concrete and collateral negative impacts. Food safety and quality have become major concerns, not only in overseas developed markets but also in Vietnam. Although legal frameworks are in place, implementation and legal enforcement are lacking. Negative experiences and lower-quality products can undermine the benefits arising from free trade agreements, especially the EVFTA.

Apart from environmental and climate change impacts, there are several other challenges. The government is making significant efforts to promote investments in agriculture, which are crucial for further development. The growth target set by the government of the SRV was to double the amount of foreign investment in agriculture to 34 billion USD by the end of 2030. According to the Ministry of Agriculture and Rural Development (MARD), during the period of 2009-21, foreign investors only registered under 2,000 projects, accounting for just 5.7% of all projects in Vietnam, with 17.64 billion USD worth of investment, or 4.3% of total investment. The majority of these projects were from Asian countries, mainly investing in areas surrounding the capital city of Hanoi and the Mekong Delta, which already have developed proper infrastructures.



Source: Mega Story - Vietnam Plus

The lower scale of investment leads to a lack of productivity, proper growth, added value, and competitiveness. The reasons for these low figures are related to land rights and accessible loans (lack of guarantee). Developments are happening at both micro (small-scale farms/plants usually supported by the government or VBARD) and macro/large-scale levels. Cooperative operations, targeted buying and usage throughout the entire supply chain could be a solution. Presently, agricultural finance in Vietnam is dominated by VBARD and the Vietnam Bank for Social Policy, both of which are state-run. Cooperatives and microfinance institutions play a much smaller role.



Source: VnExpress

The lack of finance can also have devastating effects during the loss of markets due to a pandemic. There is a need for a transition strategy to meet the challenges caused by social and technological progress while maintaining momentum in developing rural areas and the livelihoods of farmers. This strategy should also focus on strengthening the management of natural resources. The targets set by the MARD can be achieved through improving productivity, quality (including traceability), and exportability. The new series of free trade agreements aim to create new markets for Vietnamese goods.

The question is whether production can meet the standards in terms of quality and quantity. Through new free trade partnerships and achieved modernization, the country will be able to differentiate its market and avoid dependence on one or two major players. Vietnam needs investments in the agricultural sector to move up the global supply chain, leaving behind its current position as an unprocessed/raw material producer. Besides the growing number of free trade partners and the huge ASEAN market, internal demand is growing. Income levels and the size of the middle class, thanks to GDP growth, are increasing, leading to higher local consumption that can fuel the market for higher-quality products.

The government is also encouraging new possible investment fields such as smart applications/greenhouses, higher food safety measures, food processing of high-end manufactured products, environmentally friendly solutions/fertilizers/ technologies, climate-smart solutions, financial solutions, product branding, bioproduction, aquaculture, animal health, traceability, quality, and food safety improvement, and applying blockchain technology for production. These opportunities exist at all levels of the value chain. In recent years, aquaculture and fruit production have grown substantially and are export-oriented as well. Investing in Vietnam can help businesses reach not only the growing Vietnamese market but also markets in ASEAN, CPTPP, RCEP, VN-EAEU FTA, UKVFTA, and possibly in the future, the IPEF countries. At the same time, increasing domestic consumption, combined with the larger demand for high-value products, has also led to increased imports of agricultural products into Vietnam. CEE countries were generally strong in agriculture in the past in Vietnam. Thanks to the large number of alumni in agriculture, the CEE brand is still well known and appreciated. Investment and technology transfers that align with the government's objectives (see above) could be key elements for success. Producing in Vietnam can also open markets in Southeast Asia. However, trading in the Vietnamese agricultural market requires proper research to find niche products, as competing with local producers might be challenging.



Source: dauonline

Having said this, CEEC is continuously working through its formal and informal advocacy channels to ensure a level playing field for both national and foreign businesses. The past has shown good results as we have successfully pushed for a transparent and effective implementation of the respective chapters of the EVFTA. However, it will surely be a long-term partnership for your business.

Dr. Gellért Horváth

Former Vice Chairman of CEEC

Honorary Member of CEEC

TRANSPORTATION & LOGISTICS

THE CHALLENGING FACTORS WHICH IMPACT TO THE PROMOTION OF TRADE AND DEVELOPMENT OF VIETNAM'S LOGISTICS SERVICES INDUSTRY

According to the VLA, the growth rate of the logistics industry in Vietnam in recent years has reached about 14-16%, with a scale of about 40-42 billion USD per year. The logistic industry is considered the "backbone" of the supply chain of Vietnam; it is the important service industry of the national economy. Nevertheless, there are still the limits of local logistics activities where may restraint the the effectiveness of logistics operation and its development. The advantages of country geographical and economic have not fully exploited for promoting the logistics activities. The connection of transportations and technology infrastructures are under constructing for nearby future

In the spirit of resolution, Vietnamese Government proactively provides the solutions to overcome the challenging and obstacles. Vietnam continuously focuses on investing to push the infrastructure, human resources, technology, and policy changing to develop the logistics industry and enhance the competitiveness, in comparison to neighboring countries, while attracting foreign investors. Vietnam holds a crucial position as a significant logistics hub in both the regional and global contexts.

TO DEVELOP VIETNAM'S LOGISTICS SERVICES INDUSTRY IN LINE WITH THE EXISTING POTENTIALS.

Vietnam has been recognized as one of the fast and dynamic developing economy in the region. To attract more investments, Vietnam's logistics industry needs to be enhancing to improve the competitiveness, operational efficiency to grow with the development of country's economy

Vietnam's transportation infrastructure: last year, the average logistics cost in Vietnam accounted for 16.8-17% of the value of goods, in comparison, Singapore's logistics cost is 8.5%, Malaysia's is 13%, Thailand's is 15.5%, and the global average is 10.7%. The slow process in import-export activities, rising costs and strong competition have directly affected the development of economy. The Government pushes on strengthening the logistics sector by reducing the transportation cost and improving the competitiveness so it's the need to have the focused investment on the professional and high-end transportation infrastructure including the improving of airport, seaport, road, warehousing, network and building the hubs of logistics.





Human resources: currently the transport and logistics companies are facing the shortage of high qualified workers. Following the Vietnam logistics research, Vietnam's logistics industry required the millions high-quality personnel with expertise, procurement management, transportation management and fluent languages speaking by 2030 to align with its rapid development and to be ready for the strong foreign investment in future. The Government encourages the logistics enterprises to provide training and skill development programs to enhance the capabilities and professionalism of the workers. The international cooperation in training and curriculum at university will help to exchange and learn about the international supply chain management to meet the high requirements of logistics service industry.

Simplify the process and its administration: Streamline customs procedures to reduce the time and costs associated with import/export activities. Implementing modern customs technologies and adopting international best practices can help facilitate smoother trade transactions.

Information technology: To promote innovation in the logistics industry in Vietnam, it is necessary to build a strong and sustainable innovation information technology which is supported by policies and regulations for innovation and research and development investment. The government should prioritize the promotion of IT solutions to optimize logistics transportation and warehousing management, thereby enhancing logistics efficiency and productivity.



The favorable business environment with the clear regulation and policy from Government also attracted more investment and expansion of logistics industry in Vietnam.

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TOURISM & HOSPITALITY

2022 – 2023 travel season has fortunately become the long-awaited beginning of the recovery period for Vietnamese tourism & hospitality industry after the COVID-19 pandemic. It is best reflected by the figures, published by Vietnam National Administration of Tourism for 2022. Vietnam has welcomed 3,8 million visitors, mostly arriving from Asian countries, such as South Korea and Japan, followed by European and both South and North American tourists. However, this number of arrivals is only 18% of the total number of arrivals from pre-pandemic times (2019).

In contrast, Thailand has welcomed 10 million arrivals in 2022 (25% of 2019's 40 million), and Indonesia attracted 4,6 million visitors (over 28% of 16 million in 2019). Vietnam's tourism authorities set a target of over 8 million arrivals for 2023 - a rather viable goal, considering that only in the 1st quarter of the year the country has already welcomed 2,69 million tourists. The expectations are therefore well met, however, the fact that the return to pre-pandemic dynamics of Vietnam's tourism market is rather time-consuming cannot go unnoticed. This issue is the main cause of uneasiness of tourism-related enterprises across the country, especially since both the authorities, as well as businesses have poured a stream of means into the development of accommodation base, airline infrastructure, as well as new attractions.



Golden Bridge Vietnam In Ba Na Hills | Source: Tripadvisor

Some of the reasons behind this current situation are visa related. The past visa policy of Vietnam, which is due to be changed from August 15th, 2023, allowed visitors to apply for single entry, 30-day e-visas what makes much more difficult to plan Vietnam as a part of multi-destination journey. Especially for travel companies for whom that concept was quite familiar and popular. The other reason was even simpler – for the e-visa can apply only holders of only 80 countries. Fortunately, the changes about to take effect just might become a true game changer.



Bai Dinh Pagoda in Ninh Binh | Source: Baoquocte



Ha Giang, Source: Vietnam.travel

The e-visa validity period will be extended from 30 to 90 days, and multiple entry visas will be reintroduced. It's very good step for the tourism industry. In the current state of affairs, when most of Southeast Asian nations allow travelers coming from developed countries to enter visa-free, each and every step facilitating arrivals to Vietnam is warmly welcome. I honestly keep my fingers crossed for Vietnam to soon include more European Union countries in their visa waiver program (currently only the a few are eligible to enter the country visa-free), as well as to expand the list of e-visa eligible nationalities.

Another issue, which should be considered a key point to improve is the overwhelmingly low number of guests returning to Vietnam. It has been stuck for many years at the rate of about 5% of the total arrivals, compared to Thailand's 50%. The increasing of this number is a great challenge for both private and state travel-related entities.

Vietnam have to design relevant marketing campaigns, promote and strengthen the cooperation between the provinces, and present itself as a destination not only featuring the classical North-to-South tour, but also boasting multiple beach leisure destinations and regularly providing new unique attractions. This means that the country's tourism authorities - in cooperation with travel agencies - should promote more destinations still undiscovered by foreign tourists, at the same time disallowing them to become similar to all the other places in the regions. This issue is one of the first key points that should be reconsidered in order to allow Vietnam's tourism sector to develop more sustainably.

Fortunately, some steps had already been taken and the country's "Pearl Island" – Phu Quoc, which has for some time now enjoyed the status of visa-free zone for a long list of nationalities, has been attracting an increasing number of visitors - up to the point where even multiple chartered flights kept pouring in for the past travel season.

Vietnam has a great potential to rapidly redevelop sustainable travel industry and soon surpass the pre-covid rates of international arrivals. As long as this redevelopment is well-thought-out and coherent, more and more people will get to know the wonders of Vietnam, at the same time boosting the country's development, of that I am sure.



Nha Trang Beach, Source: Hotel.com

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GREEN TECHNOLOGY



VIETNAM CLEAN TECHNOLOGIES OVERVIEW

Like the overall economy, population and urbanization, the clean technology sector in Vietnam is growing. Several plans have been developed, foremost the National Green Growth Strategy, which focus on the clean technology sector mainly renewable energy, environment & water, and energy efficiency. Transportation still remains a bottleneck, like infrastructure development, but metro lines are being built or partly finished and efforts are being made towards electric or hybrid transportation and more generally summarized as Smart or Resilient Cities. For example, plans for the period of 2026-2030, Ho Chi Minh City sets a target of limiting and moving towards eliminating motorcycles and motorbikes in some central areas. In the previous period, the Department of Transport will plan to implement solutions for developing public transport and controlling private vehicles. Also, Hanoi has drawn up plans to limit or ban private non-vehicles from city centre areas.

The current market size for the clean technology sectors in Vietnam is approximately US\$ 4-5 billion per year. There is no specific data for the whole market hence using the total of each sub-sector the size can be estimated that in the next 5 to 10 years, Vietnam will need to invest US\$ 15-20 billion for renewable energy sector and US\$14 billion for Environment and in the water sector to be able to achieve the governmental targets. Funding of these projects still remains a challenge or a test of patience and networks, as decentralized licensing, local banking system, Public Private Partnerships or international donor organizations will have to get involved.



Source: Nova Energy



Binh Thuan Province, Vietnam

As Vietnam is particularly vulnerable to the effects of climate change, e.g. at the Global Climate Risk Index, that is based on human and GDP losses as a result of climate related extremes over the past 20 years, Vietnam ranks eighth in the world. In 2015 scientists summarized that Vietnam has suffered from increased average and heavy rainfall, persistent sea level rise that causes increased saline water intrusion, especially in the Mekong Delta, and more extreme storm surges, more severe droughts, and increased average temperatures and occurrence of heat waves. An Intended Nationally Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC) has been issued in late 2015 and the government of Vietnam has given its approval to the Paris Agreement under the UNFCCC on 3 November 2016. The Government also issued a plan for implementation of the Paris Agreement in Vietnam and made further commitments in Glasgow in 2021. However, the energy sector contribution towards the overall nationally determined contribution mitigation target is judged by researchers as unambitious even though it is the largest source of greenhouse gas emissions and the energy sector emissions are increasing fast.

Thus, the country has developed a comprehensive set of policies, and major growth is expected to come from Renewable Energy development as the Vietnamese government has issued the Power Development Plan VII which forecasts the development of Renewable energy from now to 2030 and is currently finalizing the plan VIII, which is expected to be published end of Q2/2022. The environmental and water sector will see strong growth as well, due to international commitments (COP26, Glasgow, Paris Agreement) and prevalent pollution

PRACTICALLY SPEAKING



Source: dothanhsyb

The Vietnamese clean technology industry is expected to grow steadily and the plans call for an increased focus on clean technology for power production. Currently, hydro-power makes up a substantial share of Viet Nam's electricity mix, including small and medium hydro-power plants. Solar water heaters are reasonably common throughout the country and biogas digesters have spread fairly widely in rural areas. There are some factories producing electricity from waste or using biogas or biomass for heating or drying, and there is some production of biofuel. The potential to expand hydro-power is very limited, but vast efficiency increases can be achieved alongside investments, whilst there is substantial potential for expansion of waste-to-energy and biofuel production. Investment agreements have been signed, but up to date Vietnam has low deployment of wind and solar Photovoltaic (PV) power generation, despite considerable potential, and no Concentrating Solar Power (CSP), geo-thermal power generation or tidal power generation.

Due to vested interests and institutionalized factors, Vietnam is only going slowly towards non-hydro renewable energy production. Especially for local investors the development of solar PV was in the early 2020s very interesting. Good progress in solar development has been made; but far off sufficient electricity supply or direct power sales agreement necessities. In addition, certain obstacles have to be overcome and after an expiration of the current solar PV power purchase agreement and FiT regime, companies have to get prepared for a bidding mechanism while dealing with infrastructure limitations and curtailments of allowed supply.

The role of and domination by some large State-owned Enterprises (SoEs) must not be neglected when entering the energy market in Vietnam. For example, the Electricity Vietnam (EVN), Vietnam Coal and Mining Cooperation (VINACOMIN), Vietnam Petroleum and Gas Cooperations (Petrovietnam and Petrolimex groups) jointly control most power generation and distribution; also the coal mining, import, export and distribution; and oil and gas exploration, refinement, import, export and product distribution is in the hands of these big players and all their subsidiaries. They are controlled by the Central Government, with debates in the National Assembly but also local approvals from provincial assemblies might be required from case to case or in line with the overarching national development goals. An additional layer of complexity and opportunity has been added recently by the creation of power generation companies, which have been split off EVN's monopoly status, while big challenges still prevail regarding electricity distribution, oversupply and undersupply in certain areas and the project finance guarantee system. Summing up, a distant market management without knowledge and contacts to the various players is not recommended.



Illustrated image - Source:Getty

The EU Vietnam Free Trade Agreement (EU Vietnam FTA) includes a comprehensive and binding chapter on Trade and Sustainable Development (chapter 13) to support stable economic growth, social development and environmental protection and through the so-called Green Tech Annex of the FTA tackling non-tariff barriers affecting the renewable energy sector.

Christoph Schill

*Former Board Member of CEEC
Honorary Member of CEEC*

REAL ESTATE

The present report will examine the office and industrial real estate segments and provide insights from the two major cities in Vietnam: Ho Chi Minh City and Hanoi.

OFFICE REAL ESTATE MARKET

1. HO CHI MINH CITY

The office market in Ho Chi Minh City has shown promising signs in Q1 2023, with increased rents and occupancy rates, indicating a positive trajectory for the sector. Grade A buildings have recorded an impressive occupancy rate, reaching over 90%, with some buildings maintaining full occupancy since 2022 until Q1 2023. This highlights the strong demand for Grade A office spaces in the city.

Despite stable occupancy rates, rental prices for Grade A buildings have remained relatively unchanged compared to the previous year. The current rental range is between \$40 and \$68 USD per square meter per month. The Grade B segment has also attracted significant tenant interest, resulting in a slight increase in average rents this quarter, reaching approximately \$35 USD per square meter per month.

The introduction of new projects in Q4 2022 has contributed to the growth of the office market. These projects have seen a stable influx of tenants, leading to a marginal increase in the occupancy rate compared to the previous quarter, which now stands at a respectable 82%.

2. HANOI

The office market in Hanoi has witnessed a positive trend in Q1 2023, particularly in Grade A buildings, where rents have experienced a slight increase. This improvement follows the positive market performance observed in the previous quarter, indicating a steady upward trajectory for the sector.

In Q1 2023, Grade A office rents in Hanoi reached their highest point at \$46-47 USD per square meter. This upward movement in rental prices reflects the growing demand for Grade A office spaces in the city. Moreover, the average occupancy rate for Grade A buildings remained steady at over 80%, demonstrating a consistent level of interest from tenants.

The Grade B office segment in Hanoi also demonstrated stability in both rents and occupancy rates. The average rental price for Grade B offices in this quarter stood at \$26 USD per square meter per month. Additionally, the average occupancy rate for Grade B offices remained high, holding steady at 86%.



Source: Ricons

OVERALL

The office real estate market in Vietnam is witnessing a significant shift as more investors are exploring and investing in office buildings built according to the Environmental Social Governance (ESG) model. This emerging trend aligns with the current direction of the real estate market in the Asia Pacific region, providing opportunities for the development of eco-friendly buildings in Vietnam.

In the Asia Pacific region, the number of green buildings is projected to increase by over 20% between 2022 and 2023. Looking ahead to 2030, it is expected that more than 40% of buildings in the region will be green.

The exploration of ESG models in office building construction signifies a positive and forward-thinking approach within Vietnam's real estate market. As the country continues to develop, integrating sustainability into its built environment will contribute to long-term success and resilience. Learning from the sustainability journeys of other countries, Vietnam can implement best practices and tailor them to suit its unique context.



Source: VIR

INDUSTRIAL REAL ESTATE MARKET

1. HO CHI MINH CITY

The industrial market in Ho Chi Minh City has demonstrated remarkable performance in Q1 2023, surpassing all other regions in the country. The average rental rate in this city reached a record high of approximately 240 USD/sqm/term, accompanied by an impressive occupancy rate of 95%. These figures highlight the attractiveness and competitiveness of the industrial park market in Ho Chi Minh City.

The scarcity of available land combined with the development focus on centrifugal industrial zones has created favorable conditions for neighboring markets such as Binh Duong, Dong Nai, and Long An. These markets have also experienced significant growth in Q1 2023, with average rental rates ranging from 100 to 250 USD/sqm/term. Furthermore, they continue to prioritize infrastructure development and implement policies aimed at attracting foreign direct investment (FDI), intensifying the competition among these regions.

The high rental rates and occupancy rates in Ho Chi Minh City reflect the strong demand for industrial spaces driven by the growth of manufacturing and industrial sectors in Vietnam. As global supply chains continue to evolve and businesses seek to diversify their production bases, the industrial market in Ho Chi Minh City has emerged as a key player, offering modern facilities and a competitive environment for companies to thrive.

2. HANOI

Hanoi's industrial sector has experienced robust growth in the first quarter of 2023, with the average rental rates witnessing an increase of 5-10%. This positive performance reflects the rising demand for industrial spaces in the city. The average occupancy rate of Hanoi industrial parks reached an impressive 90-92%, while the average rental rate stood at around 160 USD/sqm/term, marking a substantial increase of 5-10% compared to the previous quarter.

In certain areas of Hanoi, the rental rates even surged to approximately 300 USD/sqm/term, signaling a surge in demand for industrial parks and highlighting the growing scarcity of short-term supply in the region.

The sustained growth and strong performance of Hanoi's industrial sector can be attributed to various factors, including the city's proactive measures to attract investments, enhance infrastructure, and improve the ease of doing business. Hanoi's strategic location, skilled labor force, and favorable investment climate have positioned it as a prime destination for industrial activities.

OVERALL

Recognizing the importance of sustainability and smart solutions, the real estate industry in Vietnam has embraced cutting-edge technologies, such as the implementation of 4.0 technologies, to enhance construction practices and improve infrastructure management. By adopting green building principles and incorporating smart systems, developers are creating more efficient, eco-friendly, and resource-efficient structures that align with global sustainability standards.



Landmark 81, Vietnam

Vietnam's industrial real estate market, in particular, has witnessed the positive impact of this green and smart orientation. With the increasing demand for manufacturing facilities, industrial parks are being developed with sustainability in mind. These industrial zones incorporate eco-friendly practices, such as energy-efficient infrastructure, waste management systems, and renewable energy sources, to create a more environmentally conscious and attractive working environment.

Furthermore, the adoption of smart technologies within industrial parks enables advanced manufacturing processes, efficient supply chain management, and seamless connectivity. This transformation enhances productivity, reduces operational costs, and positions Vietnam as a competitive player in the global manufacturing landscape.

As the global trend towards sustainable development intensifies, Vietnam's real estate industry stands poised to seize opportunities and become a front-runner in the region. By aligning with international green building standards and leveraging smart technologies, the country's real estate sector can enhance its competitiveness, attract more foreign direct investment, and contribute to the country's economic growth.

In summary, Vietnam's real estate market demonstrates resilience and promises exciting opportunities for investors and industry players. Despite the current stress, the market remains robust and primed for growth. With a positive outlook, proactive strategies, and a focus on innovation, Vietnam's real estate industry can thrive amidst evolving market dynamics. By embracing change and leveraging opportunities, investors and developers can unlock the full potential of Vietnam's vibrant real estate sector.

Sources: NAI Vietnam, Colliers (Vietnam), JLL Research

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MEMBERSHIP IN CEEC



As an independent non-profit organisation, the Central and Eastern European Chamber of Commerce in Vietnam (CEEC) was created and funded by members for members.

By joining the Chamber, our members receive following benefits:

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The membership is divided into the following categories: individual members, and corporate members: Small and Medium Enterprises (SME) and Large Enterprises (LE) members. Application form with additional information can be found on our website section or through our office contacts in Hanoi and Ho Chi Minh City. The main requirements to become a member of CEEC are: being from or being closely related to one of our represented countries (Austria, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, North Macedonia, Montenegro, Poland, Romania, Serbia, Slovak Republic, and Slovenia) and interested in doing business in Vietnam. Vietnam-based companies interested in the CEE region are also welcome to join as associate members.

Through CEEC's affiliation agreement with the European Chamber of Commerce in Vietnam (EuroCham), members of CEEC are also members of the EuroCham and they are entitle to use all available benefits and resources.



Furthermore, our members' voices can be heard through direct channels as one of our Board Members, who is our representative and also Vice Chairman in EuroCham. He is very active in the Government advisory council too.

Further information about our members and membership application form can be found at:

<https://ceecvn.org/members/>

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