



QR  
III/2022

# QUARTERLY REPORT

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### MESSAGE FROM CEEC CHAIRMAN



Dear our Esteemed Members, Colleagues and Friends,

I'm pleased to present to you our newest Quarterly Report, where you can find our recent activities, interesting articles and events.

I'm delighted to inform you that Qatar Airways offered CEEC Members a unique discount up to 10%\* to a selection of preferred destinations. Please find more details about the offer [here](#) and contact our office for the promo code.

Moreover, [Home Credit Vietnam](#) will remain CEEC Silver Corporate Partner for 2022/2023. On that occasion, I would like to thank to Home Credit for continuous support to CEEC.

Additionally, CEEC Board Member joined few meetings with the Prime Minister of Vietnam where the topics of macro-economic stabilization, administrative reforms, science and technology market and pharma issues were discussed.

Last but not least, CEEC inaugurated "Coffee meetup with Board Members in HCMC" event to our members. The first meeting was held in September, bringing current HCMC's Board members and CEEC Members. The purpose of those meetings is to know our members better, learn about news and updates regarding their businesses in Vietnam and enable them to connect and find ways to collaborate with each other.

I hope you will enjoy reading our report, and if you have any further questions, do not hesitate and email us at [office@ceecvn.org](mailto:office@ceecvn.org). We will get back to you as soon as possible.

A handwritten signature in black ink, appearing to read 'Marko Moric'.

**MARKO MORIC**  
*Chairman of the Board*



## **CEEC BOARD MEMBER AT THE VIETFOOD AND BEVERAGE TRADE SHOW**

On August 11-13, 2022, the 26th edition of the Vietfood and Beverage Trade Show has marked the return of face-to-face events after 2 years of the pandemic. CEEC Board Member, Lukasz Kozlowski was proud to be a part of such an influential event and support the National Support Centre for Agriculture, the “Stowarzyszenie Rzeźników i Wędliniarzy RP” and National Union of Fruit and Vegetable Producers Groups for the exhibition.

The Vietfood and Beverage Trade Show has been a significant trade promotion with important business sectors and players in the industry. In addition, this exhibition provides a platform for both domestic and international suppliers to find new partners or distributorships around the world.



## CEEC VICE-CHAIRMAN ATTENDED THE QUANG NINH INVESTMENT PROMOTION CONFERENCE



On Tuesday, 26th July, CEEC's Vice-Chairman Csaba BUNDIK attended the Quang Ninh Investment Promotion Conference 2022.

The event was co-organized by Quang Ninh Provincial People's Committee and VCCI.

Mr. Bundik then had an interview with the Quang Ninh News, where he shared his point of view on the investment opportunities and the competitive advantages of Quang Ninh province. The full interview can be found [here](#) (in Vietnamese).



## CEEC BOARD MEMBER PARTICIPATED IN THE MEETINGS WITH THE PRIME MINISTER

A few meetings with the Prime Minister, Mr Pham Binh Minh, and Deputy Prime Ministers took place in September with participation of our Board Member, Mr. Minh Nguyen. The meetings were dedicated to following topics: macro-economic stabilization, administrative reforms, science and technology market and pharma issues.

On 12th September, CEEC's Board member aka EuroCham's Vice-Chairman Mr. Minh Nguyen attended the meeting with the Prime Minister which addressed the macro-economic situation.

EuroCham's Chairman Mr. Alain Cany also joined the meeting, where he stated that Vietnam's economy has remained stable while neighboring countries were facing difficulties.

It was recommended that the government should encourage banks to expand public-private partnership mechanisms, ease visa policies, and further boost administrative reforms.

More details of the meeting can be found [here](#).



Another meeting took place on 17<sup>th</sup> September. It was a conference of Prime Minister with foreign investment enterprises.

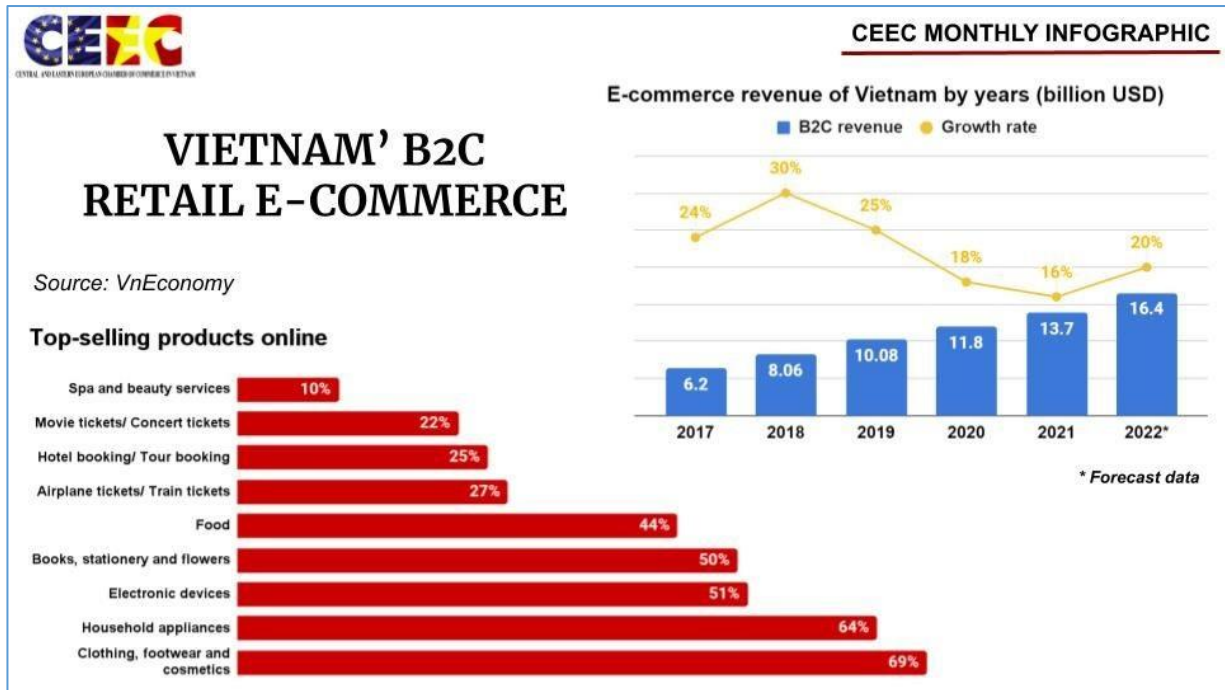
The meeting gathered a significant number of FDI companies and foreign business associations in Vietnam. Representatives from the Vietnamese government and FDI businesses discussed the development strategy for Vietnam in the coming years, focusing on pharmaceuticals, green infrastructure, administrative reform, etc.

More details of the meeting can be found [here](#).

**CEEC MONTHLY INFOGRAPHIC**  
**Key sectors that drive the GDP growth in the first half of 2022**



**CEEC MONTHLY INFOGRAPHIC**  
**Vietnam B2C Retail E-Commerce**



The recently released Vietnam E-commerce 2022 White Book forecasts that the size of Vietnam's retail e-commerce (B2C) market in 2022 will reach \$16.4 billion.

With 75% of people using the Internet, Vietnam has 74.8% of Internet users participating in online shopping.

For further details, please visit the link [HERE](#).



**CEEC MARKET INSIGHTS**

**Flexibility defines the new normal of the office market in Ho Chi Minh City**



**CEEC MARKET INSIGHTS**

**Flexibility Defines  
the New Normal  
for the Office Market  
in Ho Chi Minh City**

by W Business Center  
& Chestertons Vietnam



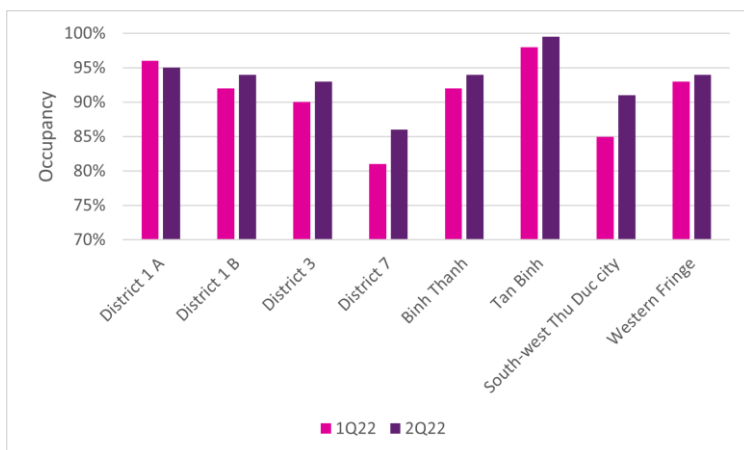
A monthly publication



A sense of normality is evident in the office market in HCMC. Lifts are packed in the morning rush and restaurants kept busy during the lunchtime frenzy. Although variants may throw another giant spanner in the works the general direction that the office market will take in years following peak Covid is now being debated.

During the second quarter of 2022 occupancy rates in HCMC have risen in all main districts in the city pointing to a sense of optimism of future economic activity and putting an end to the notion of widespread hybrid working. While in Europe and America such a mix of work from home and office may continue, in most of Asia this is not expected to last once the perceived danger of the virus has fully abated. Firstly, the home environment is usually not conducive to home working plus commuting times to work are mostly less in Vietnam than in large cities in Europe. Also, the social esteem of working in an office is far greater for Asia’s generally younger office population.

**Chart: Occupancy rates in Ho Chi Minh City**

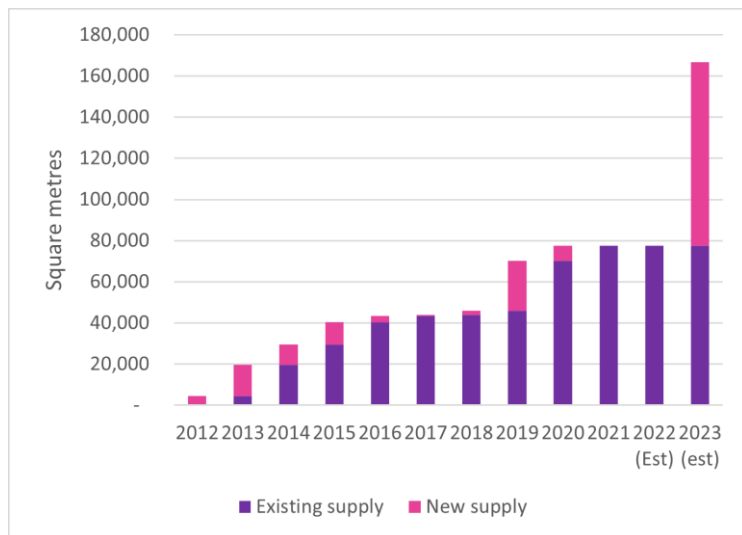


Source: [Chestertons Vietnam](#) Research & Advisor

Office rental rates have remained stable over the past quarter reflecting the usual practice of increasing volume rather than prices after a crisis. This is likely to occur also in other real estate sectors such as retail and hotels. However limited new supply in the District 1 CBD until 2024 will mean pressures on rental rates as occupancy comes ever close to 100%. However, the anticipated rise in rental rates could be tempered by a number of factors.

While a long time coming, south-west Thu Duc city (previously District 2) could benefit tenants as significant new supply of nearly 90,000 square metres from two new buildings is expected to hit the market in 2023. The opening in Q2 2022 of the Cau Thiem Bridge 2 connecting districts 1 and south-west Thu Duc city means that they will be only a few minutes’ drive to the current CBD. This could herald the beginning of the “Pudong Effect” where the south-west Thu Duc city area acts as a spillover for the current CBD and perhaps a strong challenger as the prime office location of the city in the future.

**Chart: Historical office supply in south-west Thu Duc city (formerly District 2)**



Source: [Chestertons Vietnam Research & Advisory](#)

District 1 is still the magnet for multinational companies and while no new Grade B or above supply is expected to come to the market in 2023 the following year could see a surge with over 200,000 square meters being added. This would represent a nearly 20% increase from current supply and is likely to absorb demand.

The flexible (serviced) office market segment continues to go from strength to strength in Ho Chi Minh City with occupancy at record levels and the constraint on is the limitation of quality space for further expansion. Interestingly while the talk globally has been the rise of co-working spaces, the real trend is still dedicated office space with some areas set aside for public areas. Data security still remains a dominant factor so the co-working concept can be seen more in hotel lobbies for digital nomads and the wide array of coffee shops.

In fact, the most evident display of co-working is within the confines of a company’s own office space with more collaborative and fluid design concepts transplanting the more traditional model. The trend is therefore more one of flexibility in terms of use of existing office space, plus using flexible office

locations on shorter term contracts with limited capital expenditure. Some companies are expanding by splitting into two or more locations such as for back-office functions enabled by cloud technology or the physical offices being closer to staff.

What this overall flexibility means is that rental rates are less likely to increase significantly even if demand outpaces supply. Tenants can easily adjust their office working practices to reduce or even eliminate space in expensive locations such as within the CBD. Flexible offices in the CBD provides the tenant with a prestigious address while having most staff working in more remote locations.

New office destinations are beginning to appear such as Phu Nhuan and as the metro lines finally begins operation this will change the dynamics of the office market. Future commercial development will gravitate to new mass transit stations plus the lines passing through district 1 will cement the district's status as the prime CBD for the foreseeable future with south-west Thu Duc city potentially coming a close second. The world is going through uncertain times and Covid still remains a lingering cloud hanging over our daily lives. As necessity is the mother of invention then such uncertainty leads to the need for greater flexibility in how tenants adapt and prosper in this environment. The office market players in Vietnam are reacting to this with consequences that will impact the rest of the decade.

Authors: W Business Center & Chestertons Vietnam



### CEEC MARKET INSIGHTS Vietnamese higher education as an investment



CEEC MARKET INSIGHTS

#### Vietnamese higher education as an investment

by Csaba Bundik  
& Ben Mandjak



A monthly publication

Sponsors    

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 up 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.

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.

## STUDYING ABROAD

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.

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.

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.

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. 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.

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.

Authors: Csaba Bundik - CEO – CETA Consulting, Vice-Chairman – CEEC

Ben Mandjak - Business Development Manager – CETA Consulting, Board Member – CEEC

**ANNOUNCEMENT**  
**On continuation of partnership with Home Credit Vietnam**



We are very pleased to announce that Home Credit continues to be CEEC's Silver Corporate Partner for 2022.

Home Credit, a global consumer finance platform, entered Vietnam in 2008 as the market pioneer and is now the country's top consumer finance company, with nearly 6,000 employees serving more than 14 million customers nationwide.

Home Credit Vietnam provides leading consumer financial products in three main categories: POS loans (motorbikes, home appliances, electronics, furniture etc.), cash loans and revolving loans. Powered by an advanced technology platform with a robust Home Credit mobile app, the company offers fast, relevant and safe financial products and services which are seamlessly accessible 24/7, allowing customers to easily choose what works best with their needs or lifestyle. Home Credit's mission is to empower people to live the life they want now, by delivering innovative, inclusive, responsible and sustainable consumer financial solutions.

CEEC would like to express its sincere thanks to Home Credit Vietnam for their confidence in the operation and development of the Chamber. More information about the company can be found [here](#).



## CEEC COFFEE MEETUP WITH BOARD MEMBERS



On 7<sup>th</sup> September CEEC initiated the first “Coffee Meetup with Board Members” to its Members. It was a great opportunity to catch-up after the summer and hear news from our members.

The next meeting is planned for the end of October.

UPCOMING EVENTS

**SHARE & (L)EARN**

**Customs valuation methods & supply chain transformation in Asia Pacific Region**

**Agenda**

- 09:00 - 09:30: Guest welcoming and networking
- 09:30 - 10:00: Customs valuation, HS code classification and other custom policies by Minh Hai Nguyen from Mazars Vietnam
- 10:00 - 10:30: Supply chain - Incoterms, current situation, issues by Michal Tuora from MT Consulting
- 10:30 - 11:00: Q&A

**Event information**

**DATE & TIME** Thursday, 13 October 2022@ 9am

**VENUE** W Business Center – Ground Floor, 200 Pasteur, District 3, HCMC

**ADMISSION FEE** CEEC members & co-hosts - FOC  
Non-members - 250,000 VND

**REGISTRATION** via below QR Code

**Speakers**

- MINH HAI NGUYEN**  
Partner, Head of Advisory @ Mazars Vietnam
- MICHAL TUORA**  
CEO @ MT Consulting

CEEC Corporate Partners: ALMA, mazars, HOME CREDIT, Edelman

**SHARE&(L)EARN**  
**Customs and supply chain –**  
**What shall we know?**  
**13 October 2022**  
**in HCMC**

**BUSINESS THURSDAYS: OCTOBER EDITION**  
**13 October 2022**  
**in Hanoi**

Co-organized by: CEEC, dbav, belux cham, BNC Cham, CCI FRANCE VIETNAM, EUROCHAM, GBA, ICHAM, NORDCHAM, IFA, METROPOLE, HEINEKEN, Edelweiss, ALMA, KLM, METROPOLE, HEINEKEN, Edelweiss, ALMA, METROPOLE

The October Edition of  
**BUSINESS THURSDAYS**  
 by CEEC and DBAV

FREEFLOW DRAUGHT BEER | CANAPÉS | LUCKY DRAW

Thursday, 13 October 2022  
**6:00PM - 9:30PM**  
 La Veranda - Sofitel Legend Metropole Hanoi  
 56 Ly Thai To Street, Hoan Kiem, Hanoi

Entrance fee 350,000 VND | Registration in advance is required:  
<https://bit.ly/BusinessThursdaysOct22> or

**CEEC GET TOGETHER – Networking event**  
**20 October 2022**  
**in HCMC**

**CEEC**  
 MONTHLY  
**GET-TOGETHER**

Join us for get-together evening and enjoy:  
 \* 15% discount on drinks  
 \* lucky draw prizes from the Koheis Bar

Thursday, 20 October 2022  
 from 6.00 PM  
 Venue: Koheis Bar, 1st Floor, 151 Dong Khoi,  
 District 1, HCMC  
 (entrance via Art Arcade)

FREE ENTRY

find us on

CEEC Corporate Partners

**CEEC**  
**TENNIS**  
**CUP 2022**

**5 NOVEMBER**  
 10:35 AM – 4 PM

REGISTER

LOCATION  
 TENNIS FAN LEAGUE  
 COUNTRY CLUB (TFL),  
 2776 KHU PHO 1, AN PHU,  
 DISTRICT 2, HCMC (HEM  
 257 LUONG DINH CUA)

FEEES: CEEC MEMBERS & CO-HOSTS 950.000 VND  
 NON-MEMBERS: 1.200.000 VND

SPONSORS:

**CEEC TENNIS CUP 2022**  
**5 November 2022**  
**in HCMC**



## **GREEN ECONOMY FORUM & EXHIBITION (GEFE) 2022** **28-30 November 2022**



The EuroCham Vietnam with EuroCham’s Green Growth Sector Committee and with support of the Delegation of the European Union to Vietnam, EuroCham’s nine affiliated national European business associations, European embassies and governmental organisations, as well as the Vietnamese government and its ministries, will host the “Green Economy Forum & Exhibition (GEFE) 2022”. Additionally, to bring GEFE 2022 to its fullest potential, EuroCham will cooperate with Reed Tradex Vietnam, the exhibition organiser.

The event’s primary objective is to support Vietnam in achieving its COP26 commitments and the socio-economic development goals specified in its National Green Growth Strategy for 2021-2030.

*Date: 28-30 November 2022*

*Venue: THISO SkyHall, Sala, 10 Mai Chi Tho Bld, Thu Thiem New Urban, District 2, Ho Chi Minh City, Vietnam*

GEFE 2022 will bring together academics, innovators, students, experts across sustainable business and governance for three days of conferences, exhibitions, and high-level B2B and B2G dialogue sessions, along with EuroCham Vietnam’s Green Business Awards and annual Gala Dinner. The whole slate of events will act as a platform to enhance cooperation between European and Vietnamese business communities, and to promote a sustainable green Vietnamese economy through expertise sharing and technology transfer initiatives.

The first day of GEFE 2022 will include a plenary conference, which will function as a forum for high-level dialogue between European and Vietnamese government representatives and business stakeholders to coordinate and hold discussions on green policy frameworks, national energy plans, and climate risks more generally.

Each of GEFE 2022's three days will entail panel discussions and seminars on a broad theme, including energy and green financing on day one, waste and sustainability on day two, followed by innovation and entrepreneurship on the third and final day. Each day will be further divided into subtopics, covering more than 20 green sector subjects in total.

The event offers different options to exhibitors:

- Standard booth 9 or 18 sqm
- Raw space of 18 sqm
- Country Pavilion from 80 sqm

In case you are interested in joining CEEC Pavilion, please contact us via [monika@ceecvn.org](mailto:monika@ceecvn.org)

More details can be found [HERE](#).

Join the “Green Economy Forum & Exhibition (GEFE) 2022” to bring green European innovations and sustainable solutions to Vietnam.

Further information will be updated on the CEEC website: <https://ceecvn.org/events/>  
Please check our website regularly for upcoming interesting events.

## **Mazars Vietnam released “Doing business in Vietnam 2022”**

Our member Mazars in Vietnam released "Doing Business in Vietnam 2022"

To ensure an organized and successful business entry in Vietnam, business leaders and investors entering and operating in the country should refer to a trusted operational guidance, serving as a factsheet with regular business updates.



The annual publication Doing business in Vietnam aims to provide the most relevant and updated information that investors and business leaders need to comprehend. It highlights various topics for enterprises to focus on, namely investment incentives, legal structures, tax, labour, foreign exchange control along with general information about the country economy.

View and download the full publication [HERE](#).