



UK-Vietnam Business Forum

London, 9th October 2018





UK-ASEAN Business Council

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Vice Minister for Industry and Trade, Vietnam

H.E. Hoang Quoc Vuong

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Minister of State for Trade and Export Promotion
Department for International Trade
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Cooperation Agreement Signing Ceremony Between Vietnam Chamber of Commerce and Industry & UK-ASEAN Business Council

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Deputy Prime Minister of Vietnam

Foreign Affairs Minister

H.E. Pham Bình Minh

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Panel Discussion on Vietnam's Economic Future

- **H.E. Hoang Quoc Vuong, Vice Minister for Industry and Trade, Vietnam**
- **Rt Hon. Ed Vaizey MP, Prime Minister's Trade Envoy to Vietnam**
- **Matthew Cavanagh, Director Group Government Relations, Prudential**
- **Fraser Wilson, Director, Dragon Capital Vietnam**

Moderated by Oliver Cornock, Editor-in-Chief, Oxford Business Group

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Networking Break

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Panel Discussion on Vietnam's Business Opportunities

- **Nguyen Ba Cuong, Deputy Director, Foreign Investment Agency, Ministry of Investment and Planning**
- **Vo Tan Thanh, Vice Chairman, Vietnam Chamber of Commerce and Industry**
- **Le Hoang Diep Thao, CEO, Trung Nguyen International**
- **Huy Nguyen Trieu, Co-founder, CFTE & Associate Fellow, University of Oxford**

Moderated by Oliver Cornock, Editor-in-Chief, Oxford Business Group

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An aerial photograph of a city skyline, likely Ho Chi Minh City, Vietnam. The image shows a dense cluster of buildings, including several tall skyscrapers. A river flows through the city, with bridges crossing it. The sky is clear and blue. The text is overlaid on the top right of the image.

Mr NGUYEN BA CUONG
Deputy Director
Foreign Investment Agency (FIA)
Ministry of Planning and Investment (MPI)

INVESTMENT IN VIETNAM

CONTENTS

I. Why Vietnam

II. FDI Viet Nam

III. Orientation in FDI attraction

IV. Investment Procedure

V. How can FIA support investors

I. WHY VIETNAM



1. **Stable** Politics – Open Society
2. High and Stable Economic **Growth**
3. Competitive Production **Cost**
4. Abundant **Human** Resource -
Golden Population
5. Potential **Market**
6. Global Economic **Integration**
7. Open Policy with attractive
investment **incentives**
8. Strategic **Location**

VIETNAM MACRO ECONOMIC & GDP GROWTH

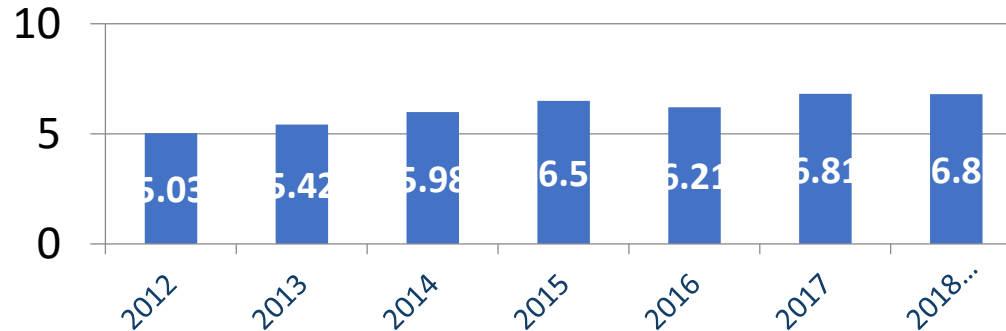
- GDP 2017 increased by **6.81%**, highest rate in the last 5 years

GDP: **220 billion** USD, GDP per capital: nearly **2,400** USD

Trade volume: **440 billion** USD

- GDP growth first 6 months 2018: **7.08%**
- GDP growth 2018 estimated at **6.8%**

Vietnam GDP Growth 2012 – 2018 (%)

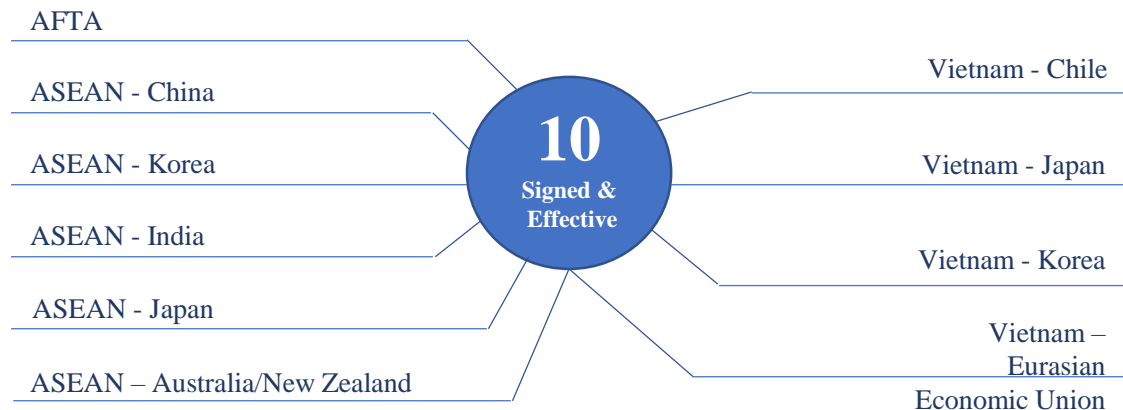


The image shows a world map with three concentric dashed orange circles. Each circle contains a cluster of logos for various multinational corporations, representing different regions or sectors. The logos are arranged in a circular pattern around the center of each dashed circle.

- Circle 1 (Left):** HSBC, bp, MAERSK, BOSCH, NOVIARTIS, DAIHLER, ABB, Shell, and others.
- Circle 2 (Center):** SAMSUNG, HYUNDAI, HONDA, DENSO, and others.
- Circle 3 (Right):** intel, Pfizer, GE, citi, and others.

GLOBAL ECONOMIC INTEGRATION

By 2020, Vietnam will take an important role of economic connection network of 55 partners in which 15 are members of G-20



CPTPP AGREEMENT

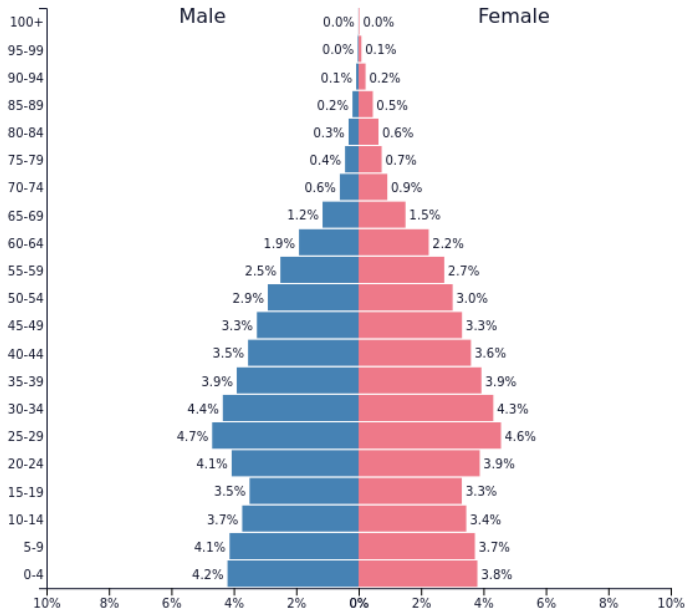


- 14% of GDP (USD 13 trillion)
- 8% of the population (500 million people)
- 15% of global trade
- 98% tax rate abolished
- Commitment to non-traditional sectors
- Numbers of countries consider joining

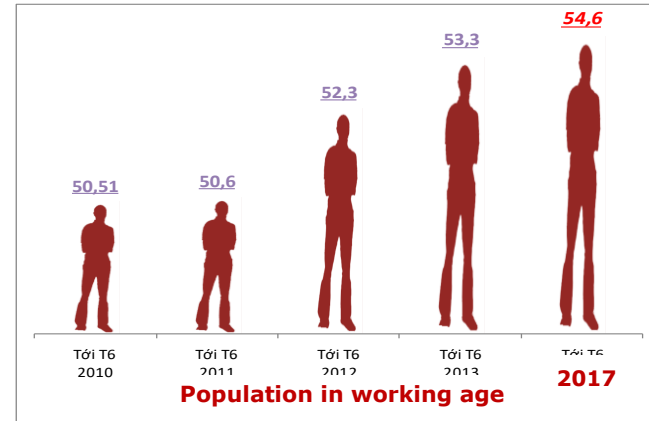
- Vietnam is regarded as the most benefited country from CPTPP
- Driving force for institutional reform and investment environment
- Collaborate, build supply chain to access markets of member countries
- Come into force **by 2019**

HUMAN RESOURCE

Population Pyramid

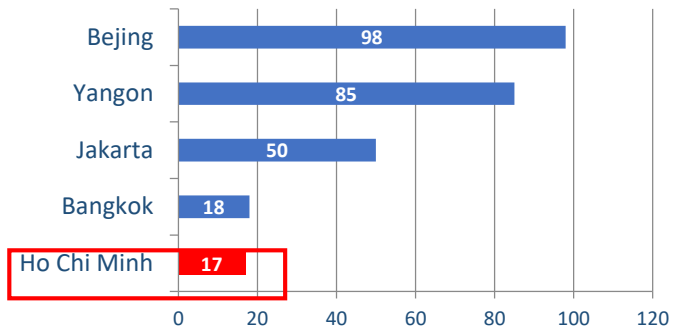


Viet Nam - 2018
Population: 96,356,744

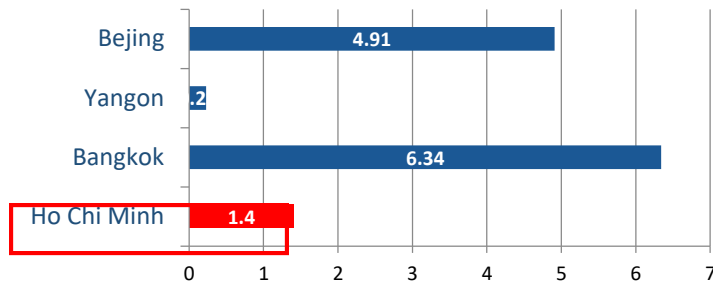


INVESTMENT COST COMPARISON

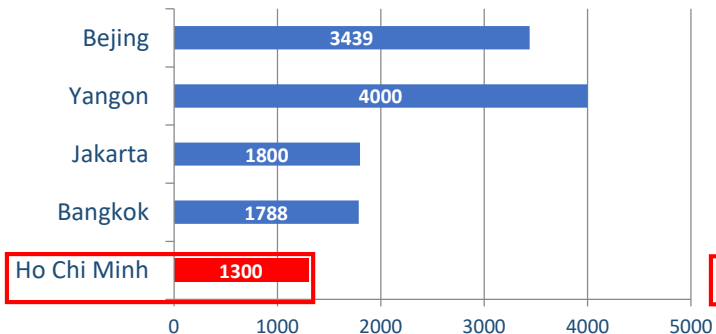
Grade A Office rental (USD/m2/month)



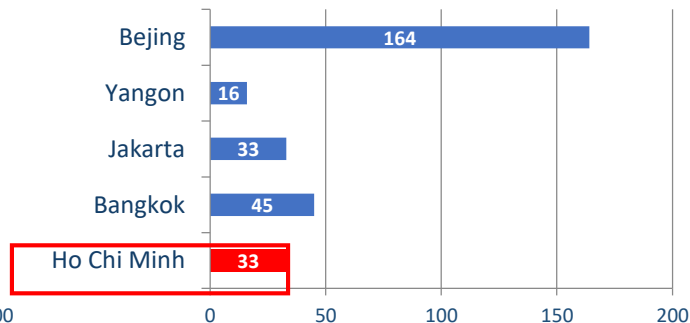
IZ rental fee (USD/m2/month)



Apartment rental (USD/apt/month)



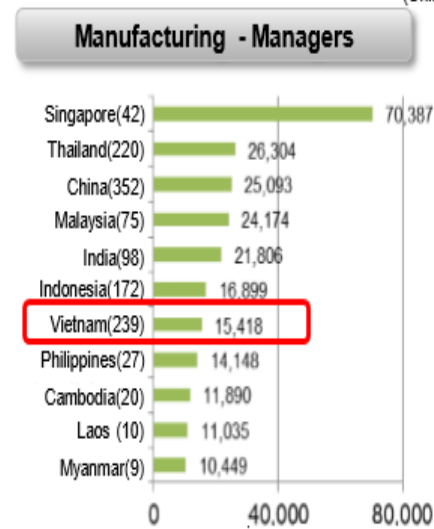
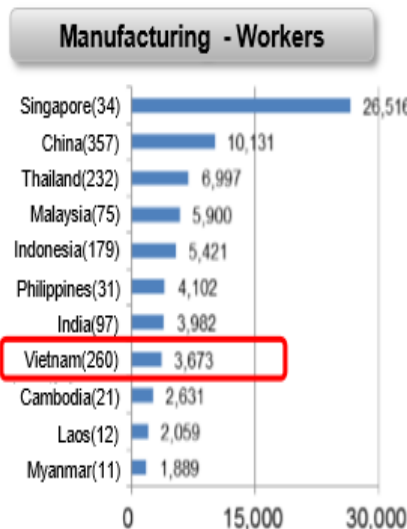
Retail Space Rental (USD/m2/month)



INVESTMENT COST COMPARISON

Standard Salary (USD)

(Unit: USD)



CIT & VAT COMPARISON

	Corporate Income Tax (CIT)	Value Added Tax (VAT)
Cambodia	20%	10%
Indonesia	22%	10%
Laos	24%	10%
Malaysia	24%	Sales tax 10%
Myanmar	25%	
Philippines	30%	12%
Singapore	17%	7%
Thailand	20%	7%
Vietnam	20%	10%

Source: World Bank and KPMG

INVESTMENT INCENTIVES

Corporate income tax(CIT)

Tax rates	Application condition	Term for incentive application
20%	The common CIT rates	
17%	<ul style="list-style-type: none">- Regions with difficult socio-economic conditions;- Feed production for poultry, cattle and aquiculture;- Agriculture machinery, energy saving products, high-grade steel;- Traditional trade	10 years
	<ul style="list-style-type: none">- These enterprises which has total sales of less than 20 billion Dong (<i>900 thousand USD</i>);- Income from small credit institutions and small finance funds	Whole investment period
15%	Enterprises are in not difficult socio- economic conditions area which are doing planting, breeding, processing of agricultural and fisheries	Whole investment period
10%	<ul style="list-style-type: none">- Regions with particularly difficult socio-economic condition;- Economic zones and high-tech zones, areas of research and development, software, particularly important infrastructure, environmental protection, large-scale plants	15 years
	<ul style="list-style-type: none">- Social sector (education, training, medical, culture, sport, environment, etc);- Agriculture, social housing development, etc.	Whole investment period
***	These projects are eligible for the preferential tax exemption in several years, tax- free in maximum 4 years, 50% tax rate for next 9 years.	

INVESTMENT INCENTIVES

Import Tax Exemption

- Machinery, materials, specialized vehicles which imported to create fixed assets in encouraged investment projects
- Materials cannot be domestically produced
- Goods imported for the first time which are listed in the regulations for investment projects
- Materials and components for investment projects in especially encouraged investment sectors/or in areas with particularly difficult socio-economic conditions, are exempted from import tax for the first 5 years as from the start of production

INVESTMENT INCENTIVES

Exemption from land rental fee

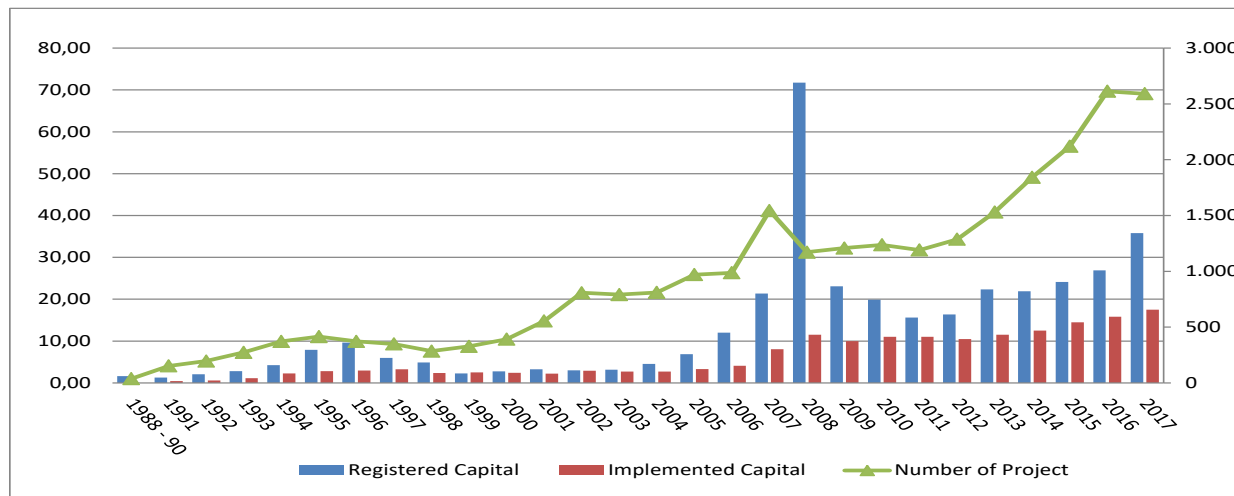
Type of Projects	Exemption duration
- In encouraged investment sectors	3 years
- In difficult socio-economic geographical areas	7 years
- In especially difficult socio-economic geographical areas or in encouraged investment sectors located in difficult socio-economic geographical areas.	11 years
- In encouraged investment sectors located in especially difficult socio-economic geographical areas	15 years
- BOT projects, projects in high-tech industrial zones, projects of education and training, and hospital projects	Whole project life time

II. FDI IN VIETNAM

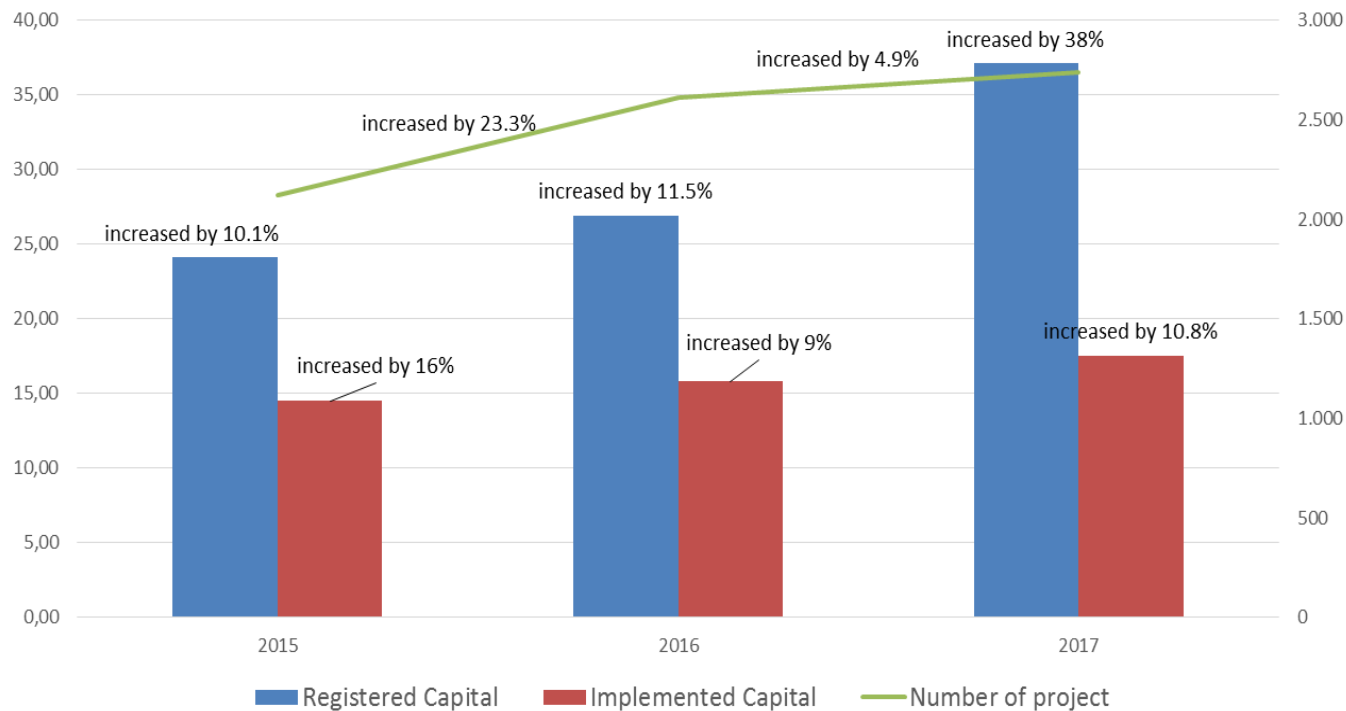
	2015	2016	2017	September 2018
Registered capital	24.11	26.89	37.1	25.4
Implemented capital	14.5	15.8	17.5	13.25
Number of projects	2,120	2,613	2,741	8,298

- Total registered capital accumulated to **334 billion** USD
- Implemented capital accumulated to nearly **185.6 billion** USD

Unit: bil USD

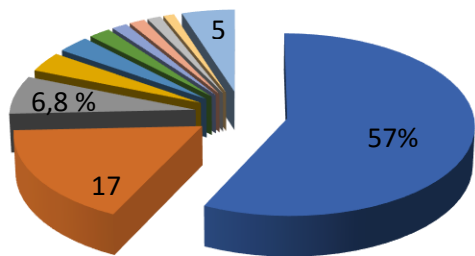


FDI IN VIET NAM 2015 - 2017



FDI IN VIETNAM BY SECTORS

(Accumulated as of September 2018)



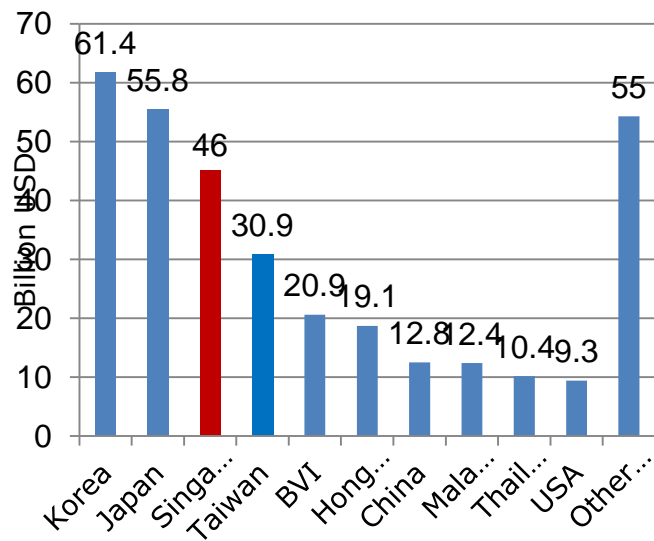
- 1 Manufacturing and processing industry
- 2 Real estate business
- 3 Production and distribution of electricity, gas, water, air
- Other

Source: Foreign Investment Agency

No.	Sector	Project	Registered Capital (bil USD)
1	Manufacturing and processing industry	13,026	190.8
2	Real estate business	740	57.4
3	Production and distribution of electricity, gas, water, air	115	22.8
4	Lodging and restaurant	714	12
5	Construction	1,559	10.1
6	Wholesale, retail, repairing services for automobile, motorcycle and other motor vehicles	3,278	6.9
7	Mining	109	4.9
8	Logistic and warehouse	717	4.9
9	Education and training	437	4.3
10	Arts, entertainment	131	3.4
	Other (9 sectors)	5820	16.6
Total (19)		26,646	334

FDI IN VIETNAM BY PARTNERS

(Accumulated as of July 2018)

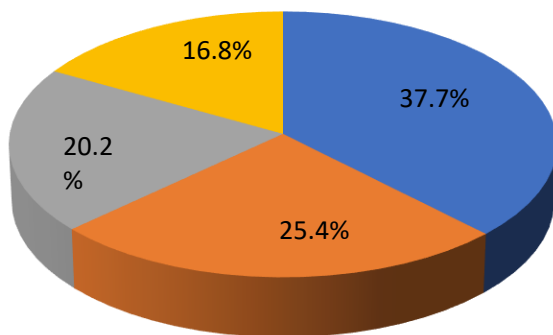


Source: Foreign Investment Agency

No.	Partner	Number of projects	Registered capital (bil USD)
1	Korea	7,242	61.4
2	Japan	3,899	55.8
3	Singapore	2,127	46
4	Taiwan	2,563	30.9
5	BVI	781	20.9
6	Hongkong	1,376	19.1
7	China	2,041	12.8
8	Malaysia	581	12.4
9	Thailand	516	10.4
10	Holland	320	9.3
	Other (119 countries and territories)	5,200	55
Total (129 countries and territories)		26,646	334

FDI UNITED KINGDOM IN VIETNAM BY SECTORS

(Accumulated as of September 2018)



- 1 Manufacturing and processing
- 2 Real estate business
- 3 Mining
- 4 Other

Source: Foreign Investment Agency

No.	Sector	Project	Registered Capital (mil USD)
1	Manufacturing and processing industry	108	1310.4
2	Real estate business	17	882.9
3	Mining	7	701.4
4	Water supply and waste treatment	2	180
5	Lodging and restaurant	7	117.1
6	Education	39	70.8
7	Professional activities, science and technology	67	57.7
8	Construction	9	48.3
9	Wholesale, retail, repairing services for automobile, motorcycle	37	40.1
10	Agriculture, forestry and fishery	2	27.1
	Other (6 sectors)	49	43.6
Total (19)		344	3479.4

INDUSTRIAL PARKS, ECONOMIC ZONES

- **324** Industrial parks (220 existing Industrial Parks; 43 FDI Industrial Parks)
 - * *VSIP has 8 IZ in Vietnam, attracted 7 bil USD of FDI from 22 nations*
- **17** Coastal Economic zones
- **03** High Tech Park (06 High Tech Parks by 2030)
- **03** Special Administrative Economic zones (Van Don, Cam Ranh, Phu Quoc)



III. ORIENTATION OF FDI ATTRACTION

- Projects with high added value, using modern technology, environmental friendly
- Large-scale projects with highly competitive products, adding to the global value chain
- Industrial projects shifting from outsourcing to production
- Infrastructure development projects (PPP), training of high quality human resource, R&D, modern services projects
- Projects of Information technology and biotechnology supporting agriculture and modern agriculture

MEASURES TO IMPROVE INVESTMENT ENVIRONMENT

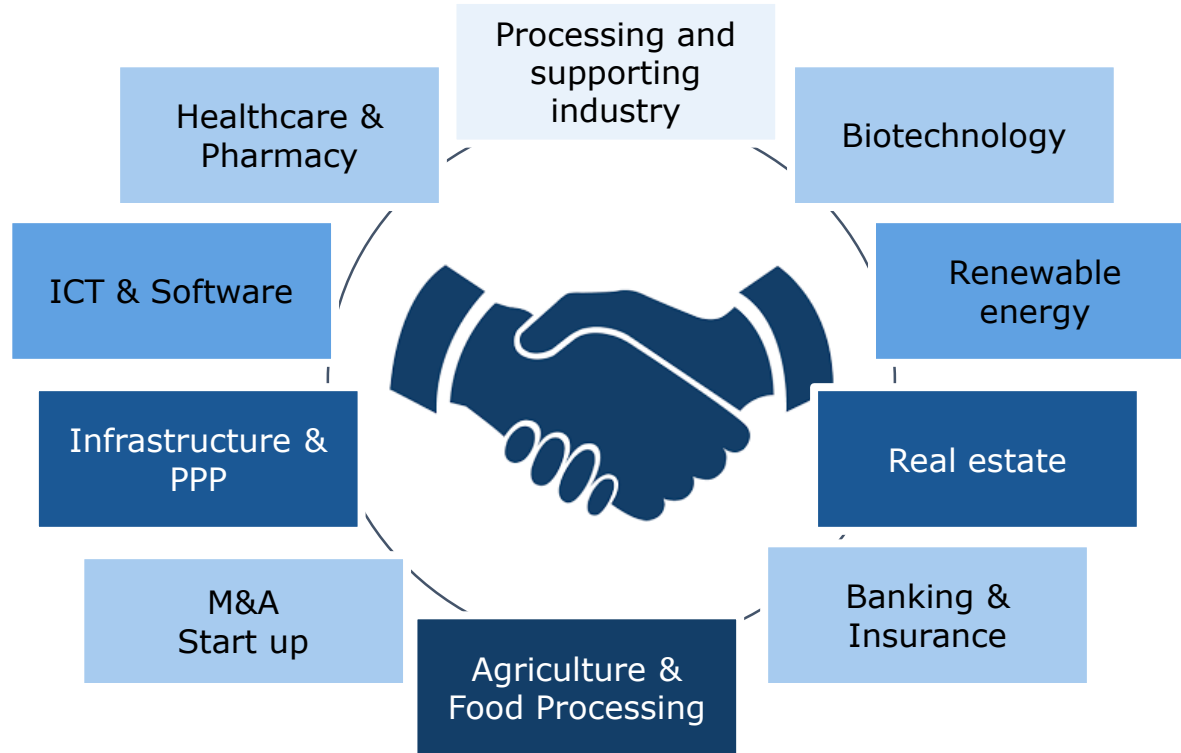
30 years anniversary of FDI in Vietnam

30

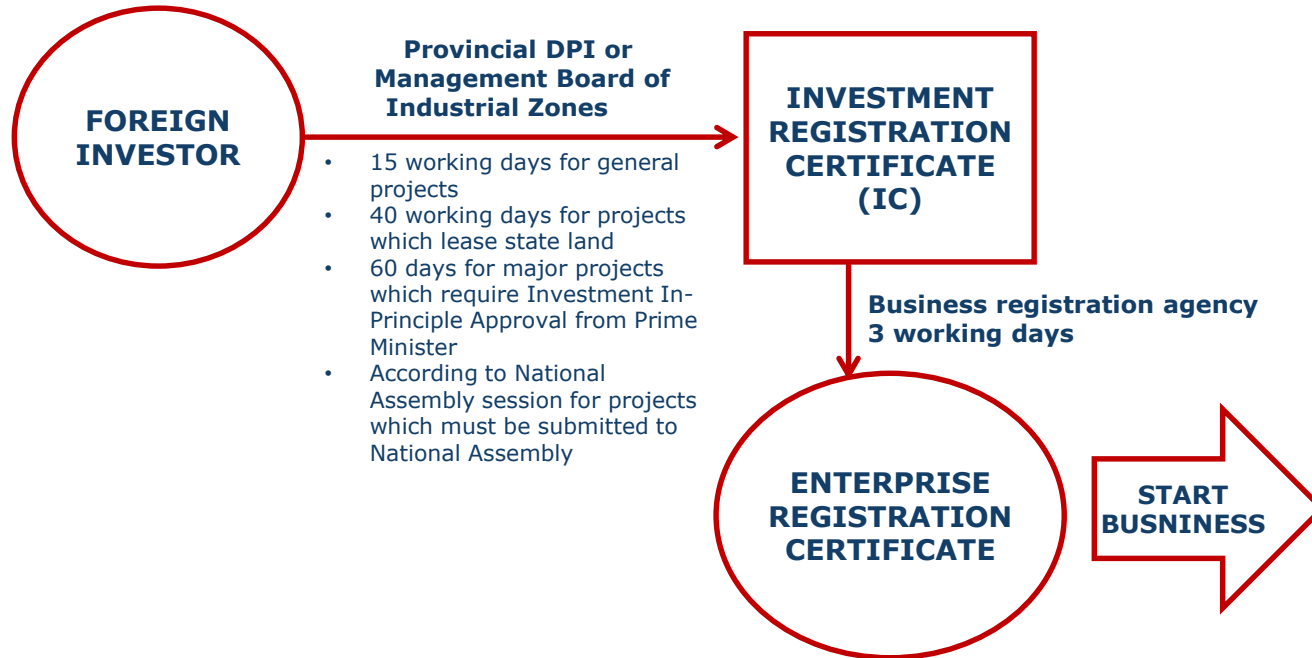
1988 - 2018

- Implement concrete legal framework, enhance transparency, policy implementation
- Develop skills supply and productivity
- Improve infrastructure, energy and logistics systems
- Facilitate supporting industry (part and materials)
- Modernize investment promotion

POTENTIAL SECTORS FOR INVESTORS



IV. INVESTMENT PROCEDURES



V. FIA's SUPPORT TO INVESTORS



- **Provide information** on policies and investment opportunities in Vietnam
- **Arrange business matching** with Vietnamese partners, Industrial - Economic zones
- **Coordinate** with relevant Ministries, Government Agencies
- Provide **guidance** on establishing enterprises, constructing factories, selecting investment locations
- Support to **solve difficulties** and problems while doing business in Vietnam
- Other necessary **assistance** as proposed by investors

CONTACT US



Foreign Investment Agency

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Website: <http://fia.mpi.gov.vn>

Email: fiavietnam@mpi.gov.vn
cuongfia@yahoo.com.vn

Investment Promotion Center of the Northern Vietnam

65 Van Mieu, Ha Noi

Tel: 844.38458149 Fax: 844.38437927

Website: <http://ipcn.mpi.gov.vn> / Email: ipcn@mpi.gov.vn

Investment Promotion Center of the Central Vietnam

103 Le Sat, Hai Chau, Da Nang

Tel: 84511.33889689 Fax: 84511.33889679

Website: <http://centralinvest.gov.vn> / Email: ipcmientrung@gmail.com

Investment Promotion Center of the Southern Vietnam

289 Dien Bien Phu, Ho Chi Minh

Tel: 848.39306671 Fax: 848.39305413

Website: <http://www.ipcs.vn> / Email: bbt@ipcs.vn

USEFUL WEBSITES

No	Website	Agency
1	http://www.chinhphu.vn	Portal of the Government
2	http://www.mpi.gov.vn	Ministry of Planning and Investment
3	http://www.mof.gov.vn	Ministry of Finance
4	http://www.moit.gov.vn	Ministry of Industry and Trade
5	http://fia.mpi.gov.vn	Foreign Investment Agency
6	https://dautunuocngoai.gov.vn	National portal on FDI
7	https://dangkykinhdoanh.gov.vn	Business Registration Management Agency
8	http://www.gso.gov.vn	General Statistics Office
9	http://www.khucongnghiep.com.vn	Vietnam Industrial Zone
10	http://muasamcong.mpi.gov.vn	E-Procurement system

VIET NAM, connecting to SUCCESS



THANK YOU!



Panel Discussion on Vietnam's Business Opportunities

- **Nguyen Ba Cuong**, Deputy Director, Foreign Investment Agency, Ministry of Investment and Planning
- **Vo Tan Thanh**, Vice Chairman, Vietnam Chamber of Commerce and Industry
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What is the Vietnam Opportunity?

Huy Nguyen Trieu

CEO, The Disruptive Group

Co-founder, CFTE

Associate Fellow, Oxford Said Business School

April 2015

Huy Nguyen Trieu

Fintech: disrupting finance

Presentation at Egg Accelerator, Vietnam – April 2015

November 2016

FINTECH IS THE NEW BANKING?

☐ TRUE ☐ FALSE

Join the discussion at

ECHELON VIETNAM 2016

e27.co/echelon/vietnam ticketbox.vn/e27

Contact: 08. 3512.5185

Email: contact@e27.co

Key Fintech speakers:



LE HOANG LAN
Chairman
Disruptive Ventures



HUY TRIEU NGUYEN
CEO
Disruptive Group



PHILIPP KRISTIAN
Co-Founder
Disruptive Ventures



WARREN CAMMACK
Head of Innovation
Citigroup



November 2017



Mr Vu Viet Ngoan

Head of Economic Advisory Board to
Prime Minister



Mr Jack Ma

Chairman of Alibaba Group



Mr Trương Gia Bình

Chairman of FPT Corporation



Mr Eric Jing

CEO



Mr Huy Trieu Nguyen

Fintech Expert, CEO of The Disruptive
Group, Associate Fellow at Oxford
Saïd Business School



Mr Trần Công Quynh Lan

Deputy General Director of VietinBank



Mr Nguyễn Đăng

Deputy CEO in charge of E
National Payment Corp
Vietnam (NAPAS)



March 2018





Thank you

Huy Nguyen Trieu

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*To celebrate the 45th Anniversary of Vietnam-UK Diplomatic Relations,
please join us at a Reception co-hosted by the Embassy of Vietnam and the
Vietnam-UK Network.*

Central Hall Westminster

6:30pm Reception

7:30pm Speeches

8:00pm Vietnamese Cultural Performance

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