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**COVID-19: Impact,
Response and
Opportunities in Vietnam**



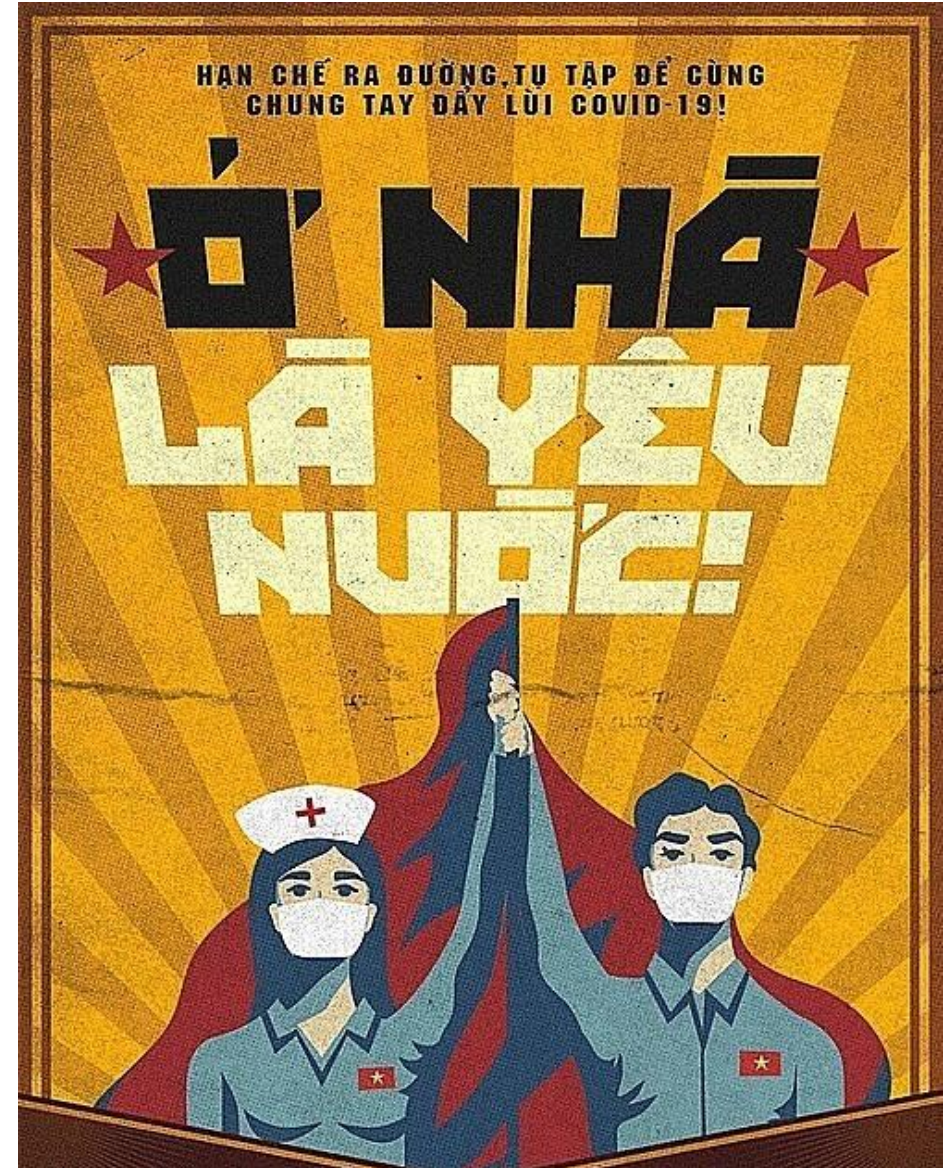
COVID-19: Global, Singapore and Vietnam



	Number of cases	Active	Recovered	Deaths
Global	6,464,532	3,004,161	3,077,644	382,727
Singapore	36,405	13,206	23,175	24
Vietnam	328	30	298	0

How to manage a pandemic: Lessons from Vietnam



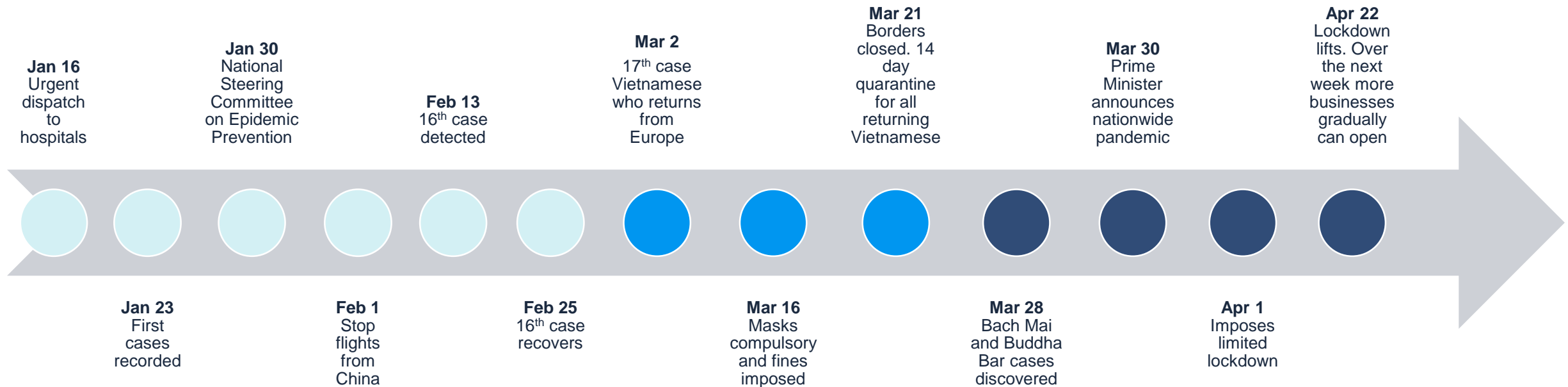




**ĐẨY LÙI VIRUS
CORONA**



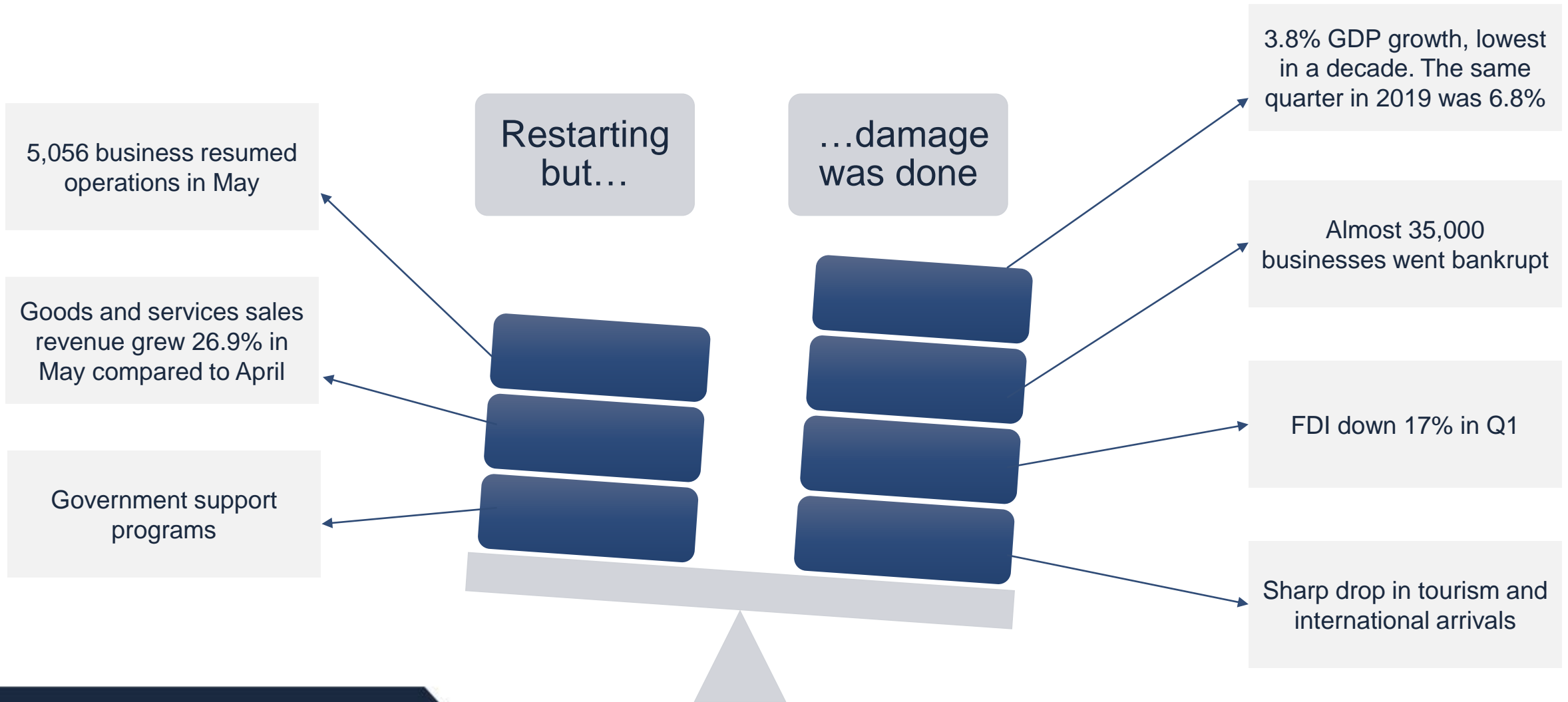
Vietnam's COVID-19 Timeline of Response Measures



An aerial, high-angle photograph of a massive traffic jam in a city street. The road is packed with a variety of vehicles, including cars, motorcycles, and a bus. Many people are visible on the motorcycles, some wearing colorful raincoats and face masks. The scene is a dense, multi-lane gridlock. On the left side of the image, there is a dark blue gradient overlay containing white text and a horizontal line.

Returning to Normal

Impact of Coronavirus to Vietnam's economy



Fighting back: 2021 and onwards

- IMF forecast Vietnam's GDP to grow at 2.7 percent this year, higher than any of its regional peers.
- Others more optimistic and predicting 4 – 5%
- ADB reported economy to bounce back to 6.8% in 2021
- World Bank saying growth to rebound at 7.5% in 2021



Demographics and Key Drivers

1. One of the fastest growing middle classes in the region
2. Increasing urbanisation
3. Growing consumer spending and huge growth in e-commerce
4. Prioritising industries such as renewable energy
5. Shift from low to high value add manufacturing
6. Pro-trade: Multiple FTA's – EVFTA
7. Stable Government, high growth rate
8. Improving Business Climate
9. Restricted Sectors continue to open up (Education)

Vietnam's Demographics



★ Political System	Socialist Republic
★ Capital	Hanoi
📍 Economic Centre	Ho Chi Minh City
👤 Population	96.2 million
💰 Currency	Vietnam Dong (VND)
🗣️ Language	Vietnamese
🌐 Provinces	63
📍 Area	331,210 km²
🌐 Neighbours	China, Laos, Cambodia
🕒 Time Zone	UTC+7
📈 2019 GDP Growth	7.02%
👤 Labour Force	55.4 million
👤 Middle class population	10% population <i>Expected to rise to 33 million people by 2020</i>
💰 Average annual income	US\$2,587

Manufacturing / Processing

- Largest recipient of FDI in consecutive years
- Increasing depth in supply chains
- High infrastructure spending to address challenges
- Half the labour cost of China, more than 96mil people
- Favourable geography, long coast and proximity to China
- Export structure has resilient structure (60% low-value (e.g. garments) and 40% high value (e.g. electronics))
- Low-end products expected to hold up well over next 2 years with increased demand from cost-conscious shoppers
- High value added products to surge from 2021
- More cost pressure in China, history says wage inflation tends to increase after a pandemic



Education

- Government easing regulations and allowing more foreign investment in the sector
- International schools allowed to enrol more Vietnamese students
- Young population and increasing wealth
- Singapore perceived as high quality
- Emerging sectors – early childhood and pre-school



F&B, Retail, E-Commerce & Digital

- Retail 3rd largest recipient of FDI in recent years
- Growing middle-class, willingness to spend on experiences
- Seeking high-quality products
- F&B: tastes changing. Demand for quality and food safety
- E-commerce: Banks slashing online transaction fees
- Huge internet penetration and mobile device usage
- Tech savvy population



Tourism & Aviation

- Tourism has been significantly affected with a YOY drop of 80 – 90% less customers
- Expected to rebound faster and stronger, with strong domestic support
- Will surge when international arrivals begin again, particularly as China and Korea are key markets for Vietnam
- Seen as a safe country with positive press around the virus
- One of fastest growing Aviation markets in the world pre-COVID



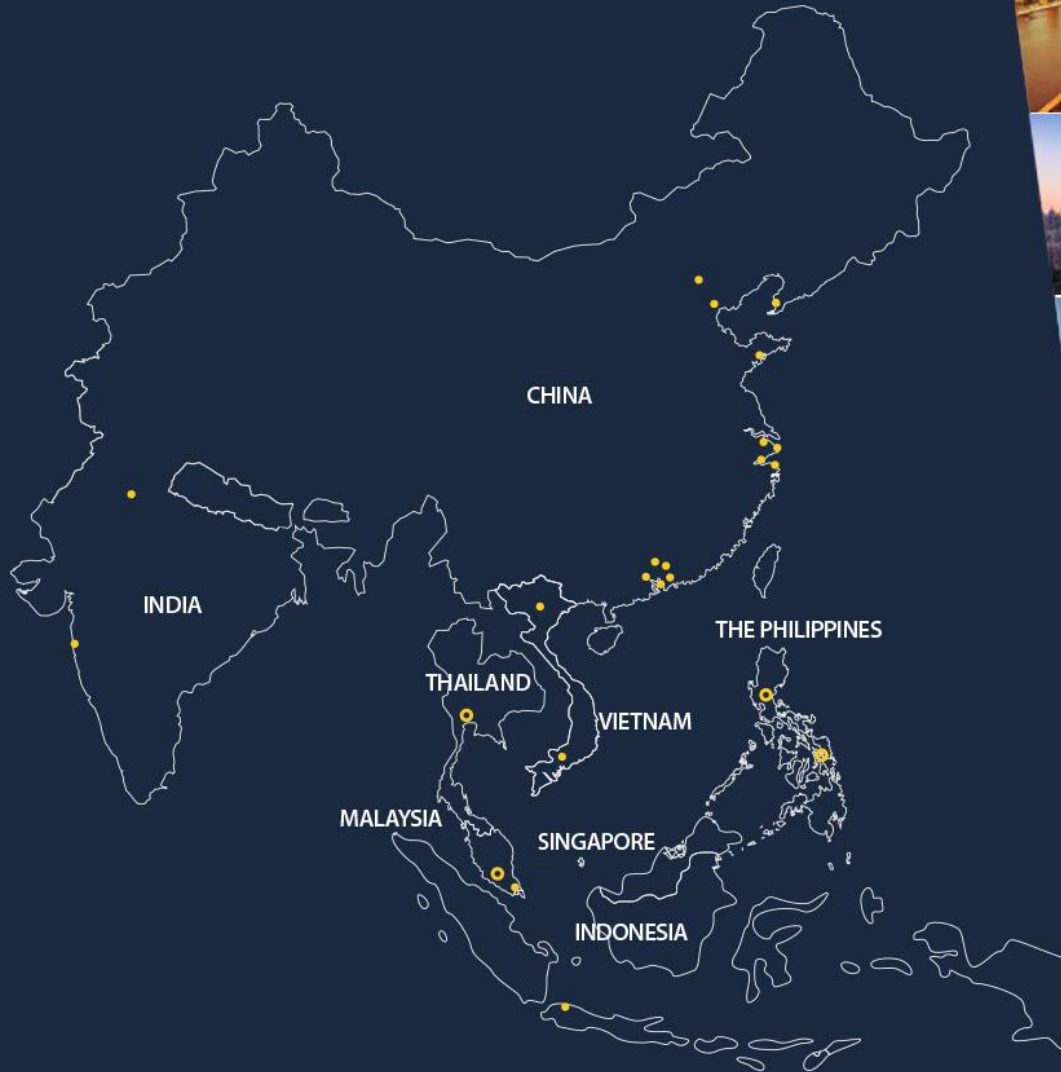
Other Opportunities...

- **Prioritized sectors:**
 - High, advanced, and environmentally-friendly technologies,
 - Clean and renewable energy,
 - Medical equipment production and high-quality healthcare services,
 - Education and training,
 - Luxury tourism, financial, logistics, and other modern services,
 - High-tech and smart agricultural production,
 - The development of modern technical infrastructure,
 - And especially new sectors based on Industry 4.0
- **More investment in regional areas, particularly central Vietnam**
- **Restrictions will ease in protected industries**
- **Investments into large projects such as Energy due to greater bankability and security**
- **Booming middle-class will continue to attract investment into Vietnam**



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