



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Investment Opportunities in Vietnam 2021

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Snapshot of Vietnam



Key Milestones

Declaration of
Independence

End of the Vietnam War
and Reunification

Đổi Mới
(EN: renovation)

Vietnam joins
ASEAN

Vietnam joins
APEC

Vietnam joins
the WTO

Vietnam signs TPP
(now CPTPP)

Signing of
RCEP

1945

1975

1986

1995

1998

2007

2016/18

2020



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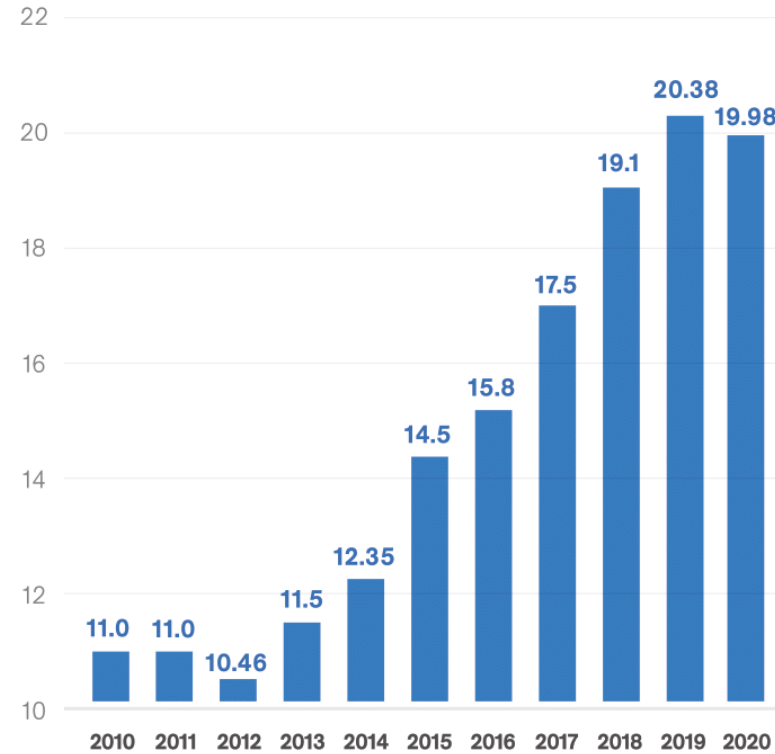
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Economics and FDI

- 
2.91%
 GDP Growth Rate
- 
7%
 Export Growth Rate
- 
US\$19.98 billion
 FDI Disbursement
- 
US\$543 billion
 Import and Export Turnover
- 
2,523
 New Projects
 Granted investment certificate in 2020
- 
112
 Investor Countries and Territories







FDI Disbursement in Vietnam (US\$ Billion)

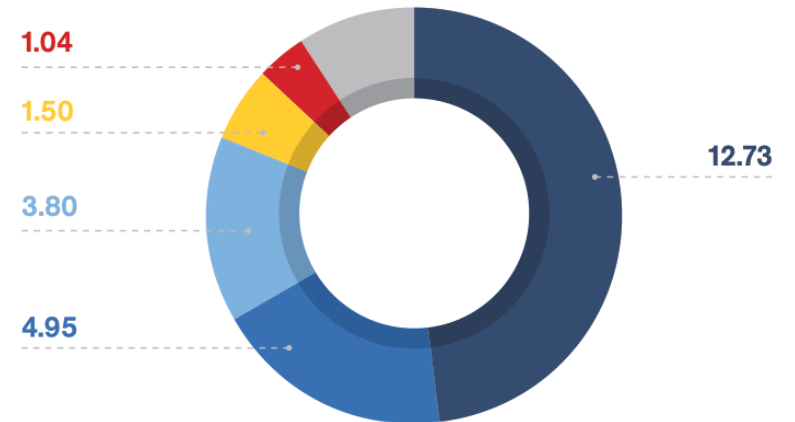
From 2010 to 2020



Source: Ministry of Planning and Investment

Top 5 Sectors Receiving Investment (US\$ Billion)

-  Manufacturing and Processing
-  Real Estate
-  Electricity Production and Distribution
-  Wholesale and Retail
-  Profession, Science, and Technology
-  Others

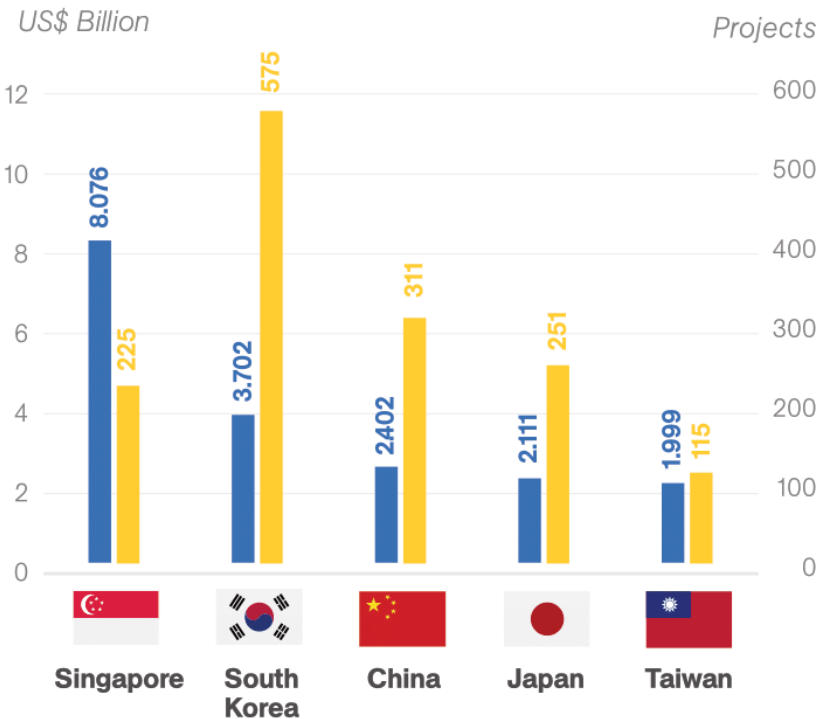


Source: Ministry of Planning and Investment
 Data as from January 1 to November 20, 2020

Economics and FDI

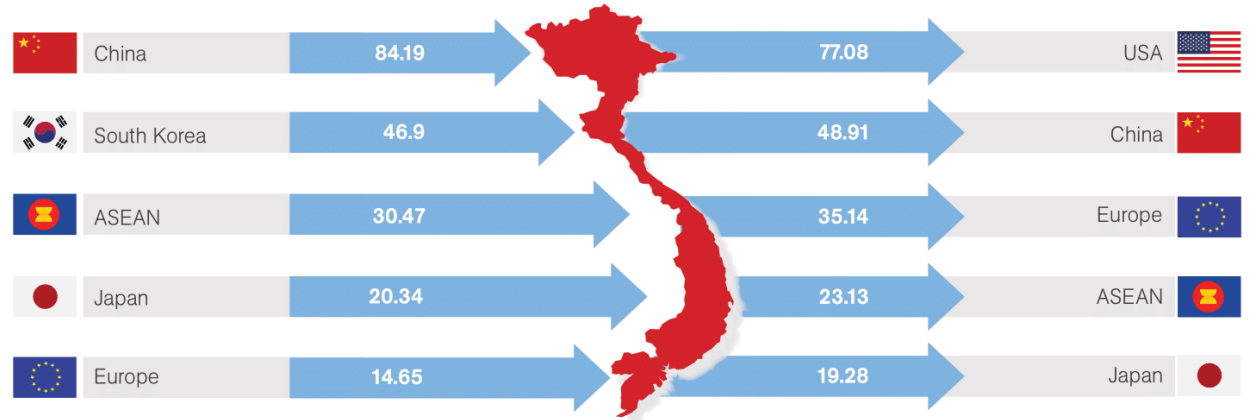
Top 5 Countries Investing in Vietnam

■ Total registered capital (US\$ Billion)
■ Newly granted projects



Source: Ministry of Planning and Investment
Data as from January 1 to November 20, 2020

TOP 5 IMPORT PARTNERS



Top 5 Imports and Exports (US\$ Billion)

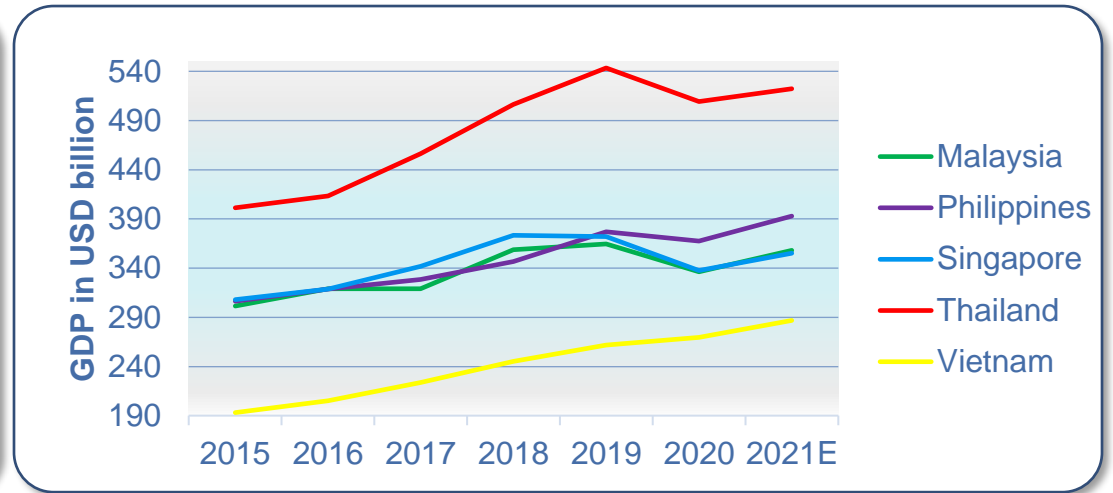
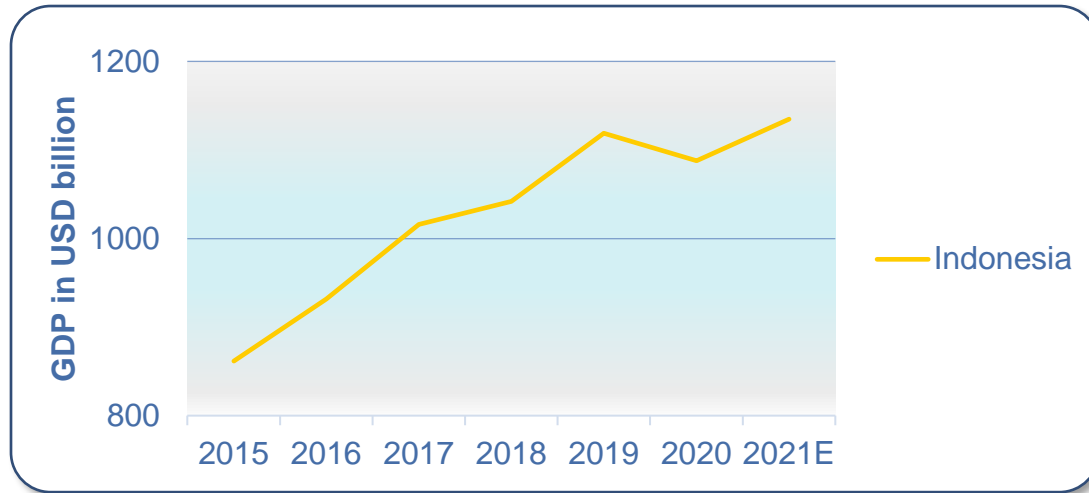
TOP 5 IMPORTS

1	Computers, Electronic products and Components	63.97
2	Machinery and Equipments	37.25
3	Telephones and Components	16.65
4	Textile fabrics	11.88
5	Plastic Materials	8.4

TOP 5 EXPORTS
















































































1	Telephones and Components	51.18
2	Computers, Electronics, and Components	44.58
3	Textile and Garment	29.81
4	Machinery and Equipment	27.19
5	Footwear	16.79

GDP Growth in ASEAN



	Av. GDP Growth (2015-20)	GDP Growth 2020	Est. GDP Growth 2021	Ease of Doing Business
Indonesia	4.86%	-2.77%	4.00%	73 rd
Malaysia	2.43%	-7.79%	6.50%	12 th
Philippines	3.76%	-2.49%	7.00%	95 th
Singapore	2.06%	-9.30%	5.00%	2 nd
Thailand	5.08%	-6.31%	2.50%	21 st
Vietnam	6.91%	2.91%	6.50%	70 th

FTA Integration

■ Not signed
 ■ Signed
 ■ In force

Opportunities for Foreign Investors



Trade War, Next Destination: Vietnam



Manufacturing



Escaping Tariffs



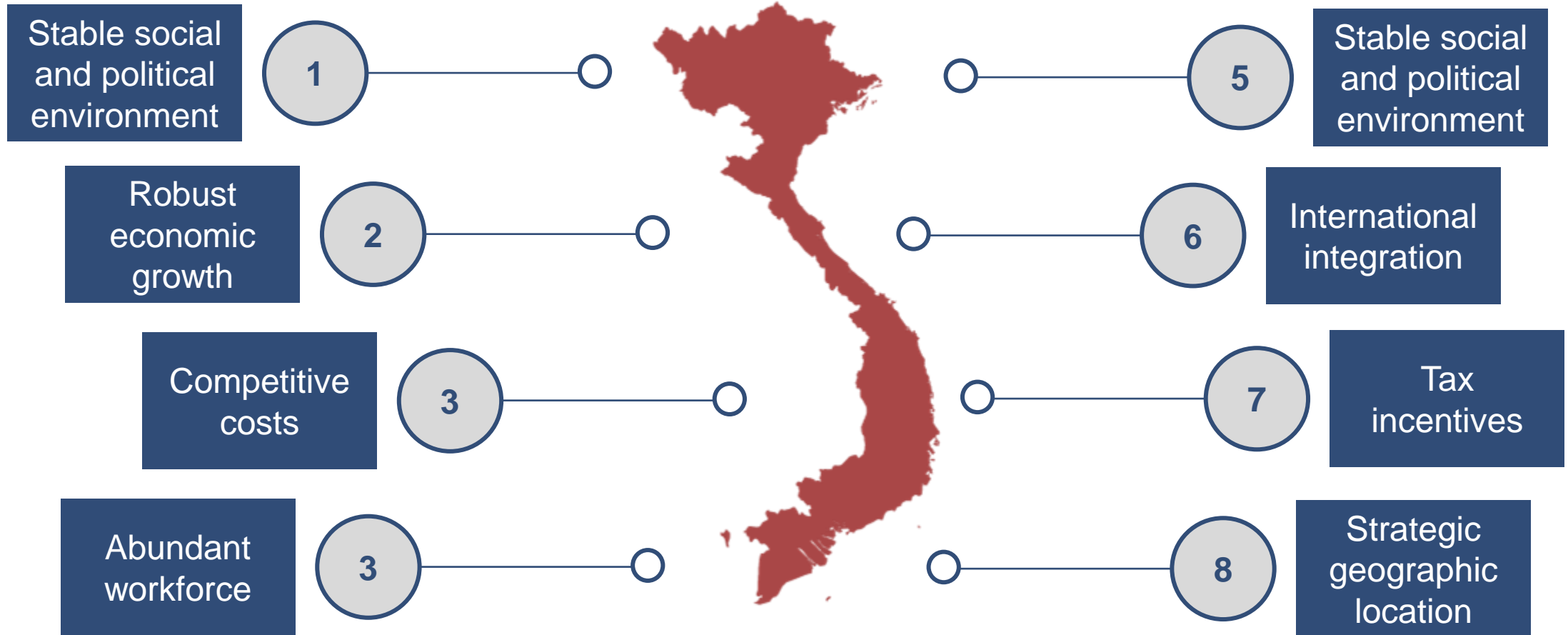
Import/Export Processing Center



Foreign Professionals



An Attractive Investment Destination



Potential Sectors and Industries for FDI Inflow



Electronic components and equipment



Energy



Supporting industry



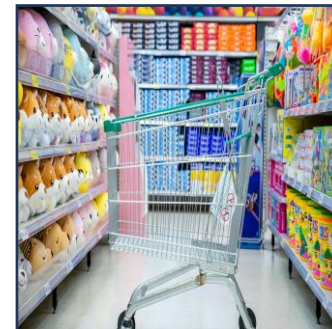
Automotive



E-commerce



Medical Devices



Retail and consumer goods



Textile

Entry Options



What Are The Steps?



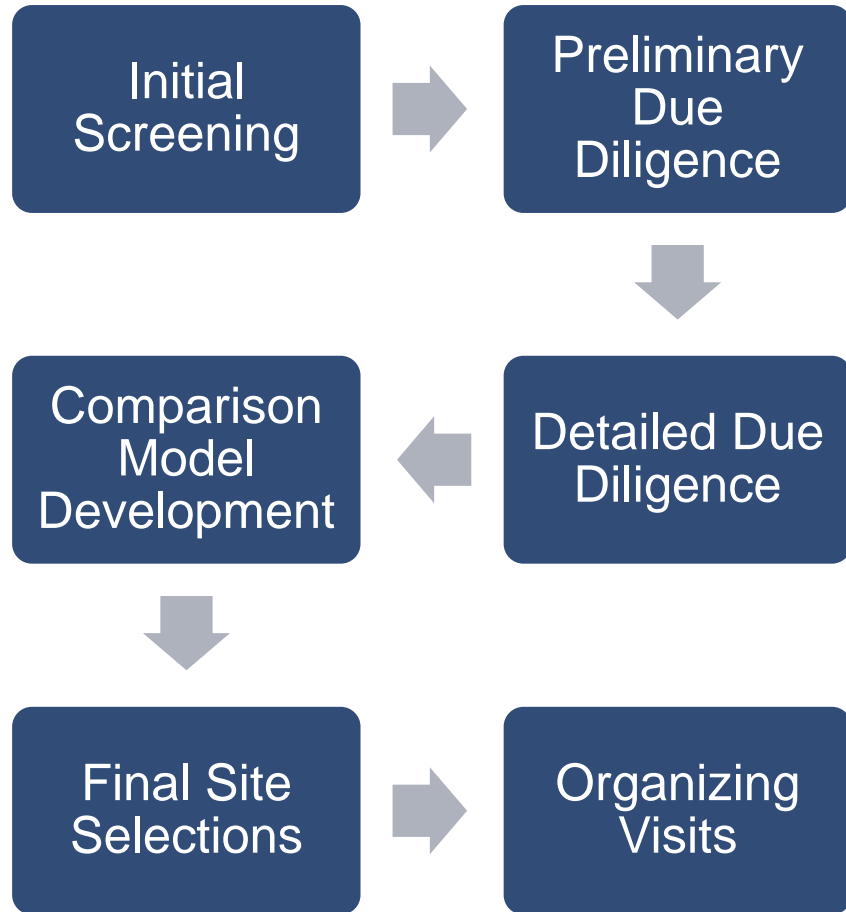
Why and how invest
in Vietnam or in
other countries?
Any requirement?

Understand your
needs, no one-size
fits all

Choose the most
appropriate
corporate structure

Know taxes,
accounting
standards and
deadlines

How To Choose Your Location?



Factors to evaluate potential locations

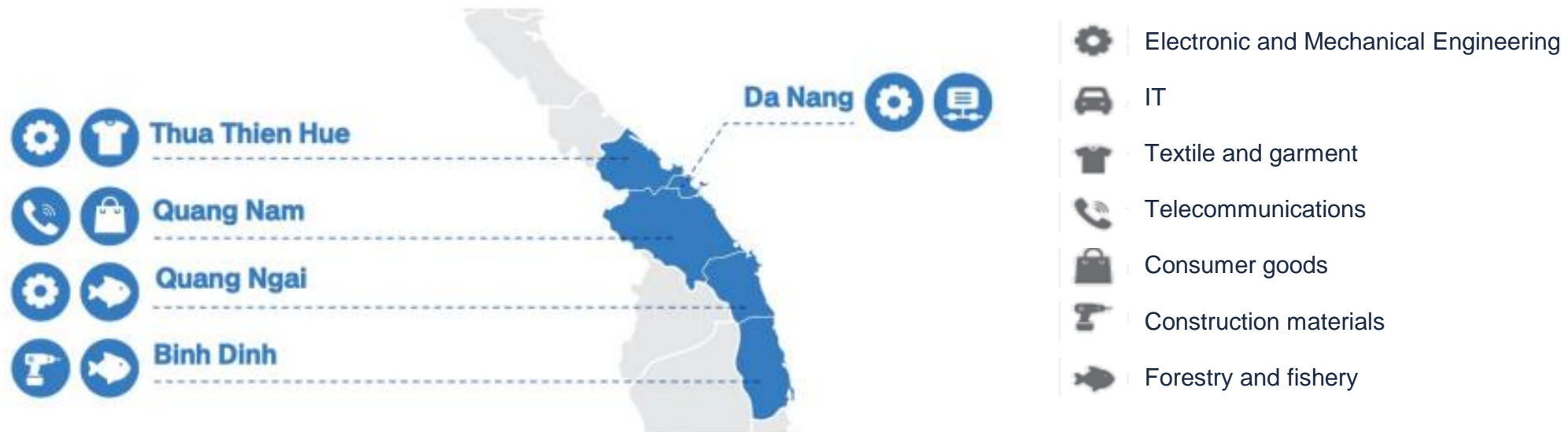
Availability of materials	Government policy	Taxation
Proximity to market	Labor availability	Incentives
Infrastructure	Local laws	Political stability

Northern Clusters



- Accounts for 16% of Vietnam's population
- Best option for China+1 manufacturing
- Abundant and young workforce
- Greatest skilled labor supply in Vietnam

Central Clusters



- Low-cost destination compared to Northern and Southern areas
- Over 2 million workers
- Focus on science, engineering, IT and economics

Southern Clusters



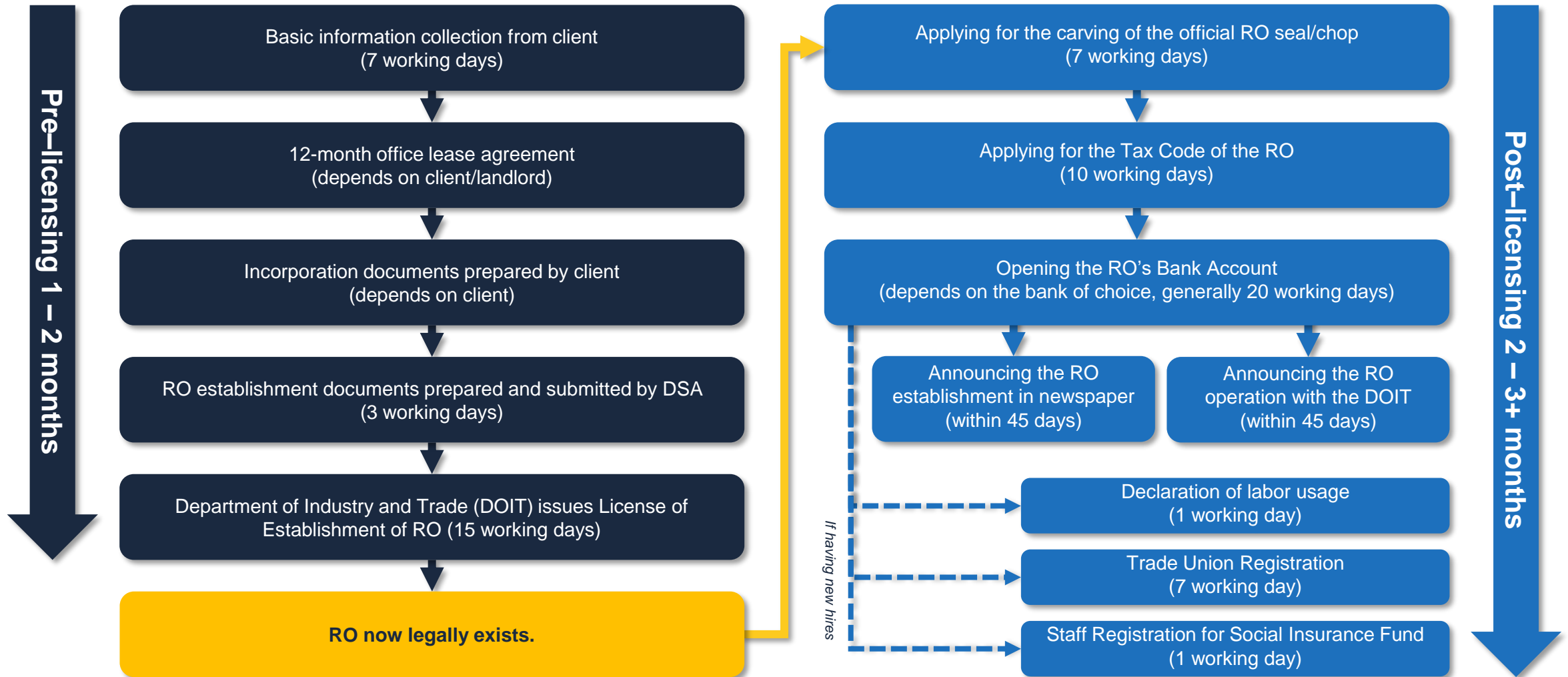
- Attracts most of FDI
- HCMC has become hub for start-ups and tech
- Most abundant labor force in Vietnam
- Best destination for F&B, pharmaceuticals and luxury goods

Key Market Entry Options

Most Popular Investment Vehicles for Foreign Investors

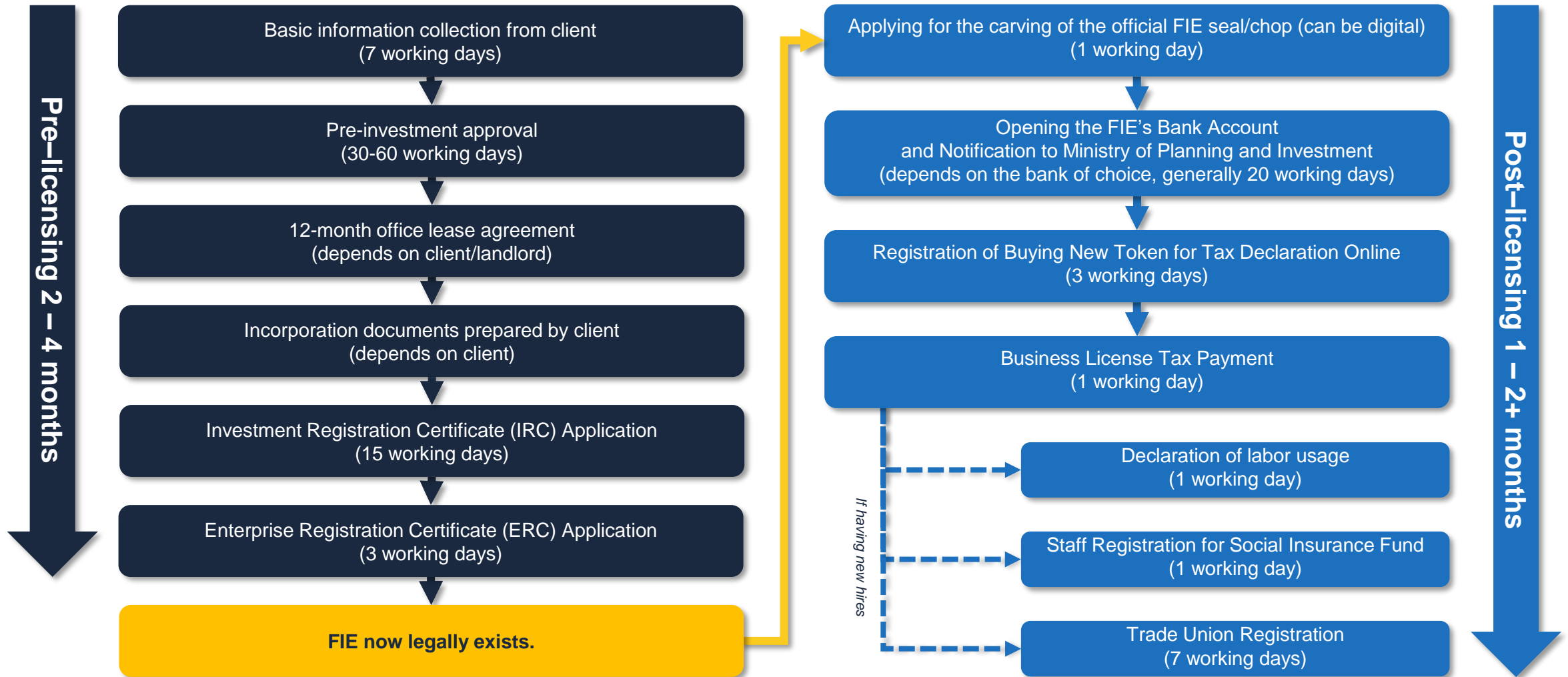
Entity Types	Common Purpose	Estimated Setup Time	Pros	Cons
Representative Office RO	<ul style="list-style-type: none"> ➤ Not a Separate Legal Entity ➤ Restricted to Market Research, Liaison and Quality Control Activities 	Time to Find Location + 6 – 8 Weeks NOTE: Applies to normal investing projects whose objectives/business lines are under WTO Commitment. For special cases, the timeframe will be prolonged.	<ul style="list-style-type: none"> ➤ Simple Registration Process 	<ul style="list-style-type: none"> ➤ Cannot Conduct Revenue-Generating Activities ➤ Parent Company Bears Liability
Branch Office BO	<ul style="list-style-type: none"> ➤ Not a Separate Legal Entity ➤ Permitted Commercial Activity within Parent Company's Scope 		<ul style="list-style-type: none"> ➤ Can Remit Profits Abroad 	<ul style="list-style-type: none"> ➤ Limited to Certain Industry Sectors ➤ Parent Company Bears Liability
Foreign-Invested Entity FIE Also, LLC	<ul style="list-style-type: none"> ➤ Separate Legal Entity 	Time to Find Location + 2 – 4 Months NOTE: Applies to normal cases. For special cases, the timeframe will be prolonged.	<ul style="list-style-type: none"> ➤ Liability Limited to Capital Contribution ➤ No Restriction on the Scope of Business 	<ul style="list-style-type: none"> ➤ Cannot Issue Shares ➤ Maximum of 50 Shareholders
Joint Stock Company JSC	<ul style="list-style-type: none"> ➤ Separate Legal Entity 		<ul style="list-style-type: none"> ➤ Liability Limited to Capital Contribution ➤ No Restriction on the Scope of Business ➤ Can Issue Shares, Go Public 	<ul style="list-style-type: none"> ➤ At Least Three Shareholders Required ➤ Supervisory Board Required for Most JSCs
Public Private Partnership PPP	<ul style="list-style-type: none"> ➤ Entails Partnership Between Foreign or Domestic Enterprise and Government for Infrastructure Projects 	Negotiation Time + 2 – 4 Months	<ul style="list-style-type: none"> ➤ Government Aggressively Pursuing PPPs to Develop Infrastructure 	<ul style="list-style-type: none"> ➤ Several PPP Models ➤ Investors Unsure of Returns

RO Registration Procedure



From now on, the RO can officially operate and hire staff under its name.

FIE Registration Procedure



From now on, the FIE can officially operate, sign contracts and hire staff. For specific industries or business activities (i.e., manufacturing, or domestic B2C sales), certain special licenses need to be applied for during the post-licensing process (i.e., Retail License)

NOTE: A customized timeline, as well as a comprehensive document checklist, detailing which documents to be provided and prepared by the client for DSA's further handling, will be sent to the client upon confirmation and signing of services.

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Thank You!

Got any questions?

Please contact:



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