



Recommendations:

Vietnam is a fast growing technology and manufacturing hub. A large population, low labor costs, and strong industrial base makes Vietnam the fastest growing country in Asia. The government is rapidly removing the institutional obstacles that previously impeded business. ****Top choice for manufacturing and exporters****

- (+) Consistently strong economic growth over last decade, especially in 2020
- (+) Solid manufacturing base with low cost labor
- (+) Strategically located Special Economic Zones (SEZs) allow global trade with minimal taxes

- (-) State-owned enterprises and government bureaucracy still create obstacles
- (-) Internal transportation infrastructure is still inadequate despite heavy government investment
- (-) Limited English language capabilities

Highlights:

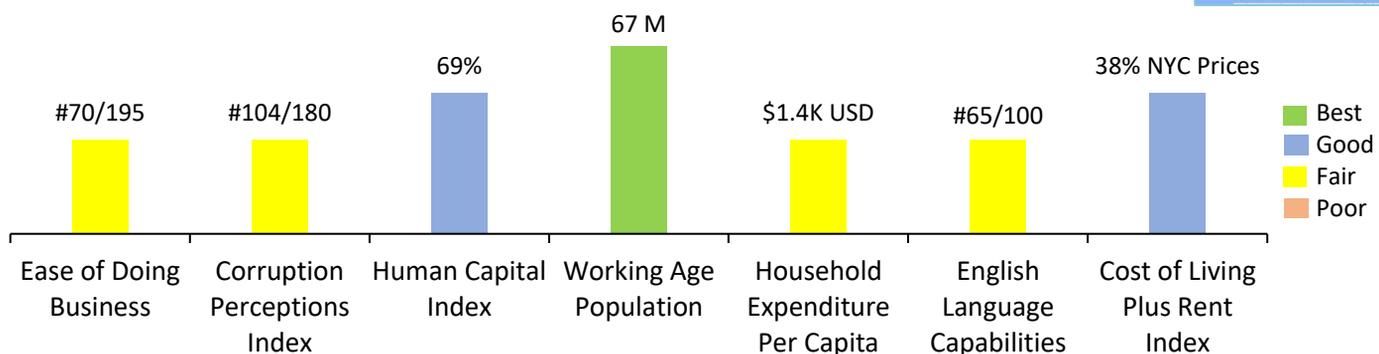
- Vietnam has become the newest global hot spot for manufacturing
- 7%+ average GDP growth over last 10 years, with strong GDP growth even in 2020
- #1 middle income country on Human Capital Index
- Premier destination for FDI (\$17 billion in 2020)

Vietnam's shift from a centrally planned to a market economy has transformed the country from one of the poorest in the world into a lower middle-income country. Vietnam now is **one of the most dynamic emerging countries in East Asia region.**

- World Bank, 2020

Country Facts:

Population:	96.2 million with 67 million working-age population
GDP:	\$260 billion USD, 7.0% annual growth from 2015-2019
GNI per capita:	\$2,590 USD, 2.8% Inflation, lower middle-income country
Industries:	Agriculture (14% GDP / 34% Workforce) esp. rice, tea, and coffee; Manufacturing (34% GDP / 28.5% Workforce), esp. textiles, garments, furniture, technology, and cars; Services (41% GDP / 35.4% Workforce), esp. retail and telecom
Tourism:	Growing tourism sector (4.5% of GDP) – 18M tourists in 2019, #28 in the world for visitors



Marketing:

Per capita expenditure:	\$1,400 USD
Internet penetration:	67% (Southeast Asia 63%)
Shop online:	32%
Mobile ownership:	159%
Primary messaging:	Facebook Messenger
Primary website:	Facebook / Youtube

Average Labor:

Annual Labor Productivity	\$12,000
Prof. Salary	\$9,876
Worker Salary	\$7,044

Infrastructure:

Ports	Fair
Roads	Fair
Airfields	Fair
Railroads	Good

Opening a Business:

Relevant Laws:	Article 6, Law on Investment (2020) / Law on Enterprise
Time to Incorporate:	5 to 15 days to incorporate
Fees to Incorporate:	\$150 USD for government fees; some additional legal fees depending on business
Paid-in Capital:	No minimum capital requirements except in certain fields (banks, finance, insurance, language centers)
Remittance Taxes:	Business dependent, 15% average rate
Restrictions:	100% foreign ownership possible through a LLC or JSC (Joint Stock Company), although there are tax and legal benefits for joint ventures; some sectors restricted for foreigners
Trends:	Government reforms are making it steadily easier for foreigners, especially joint ventures with Vietnamese companies or activities in Special Economic Zones (SEZs)

BBA Services:

BBA retains several staff members in Vietnam to include an attorney skilled in market entry procedures. BBA can assist SMEs in most sectors and find trusted local partners, among other services.

<https://businessbridgeasia.com>