

An aerial photograph of a city skyline, featuring a prominent, very tall skyscraper in the center. The city is densely packed with buildings, and a river or waterway is visible on the left side. The sky is clear and blue.

Foreign Investment Agency  
Ministry of Planning and Investment

*Taiwan, July 2019*

# INVESTMENT IN VIETNAM



# GLOBAL PARTNER



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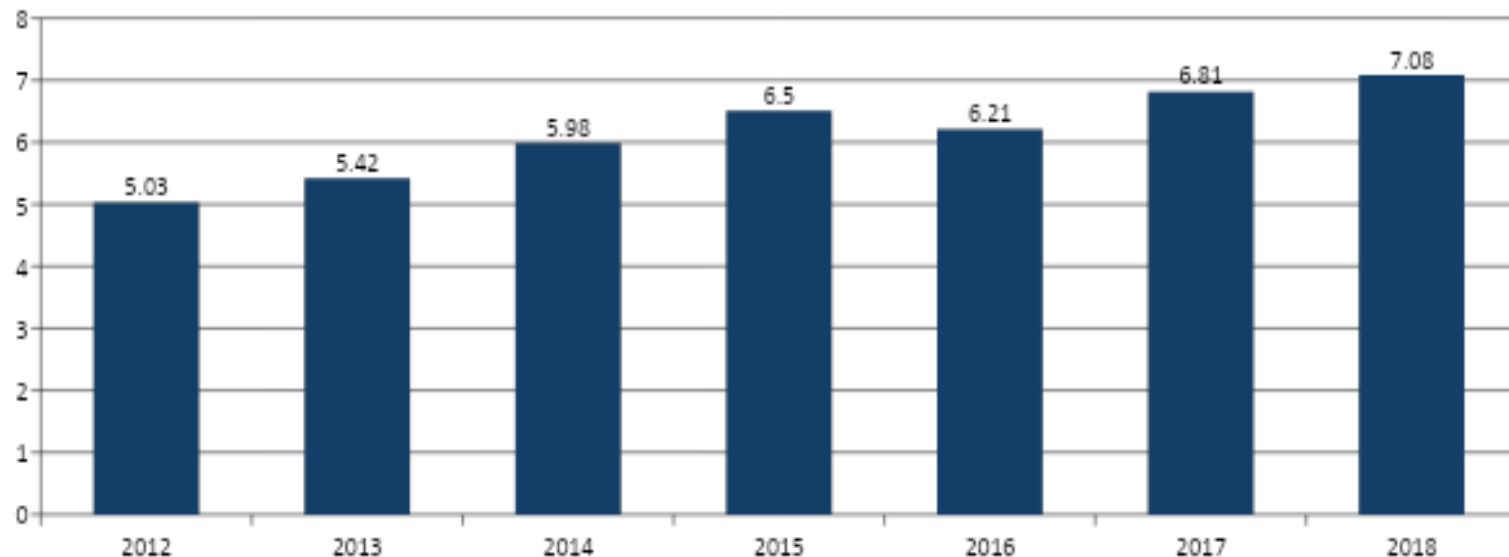
**New FDI strategies**

**Potential Sectors for Taiwanese Investors**

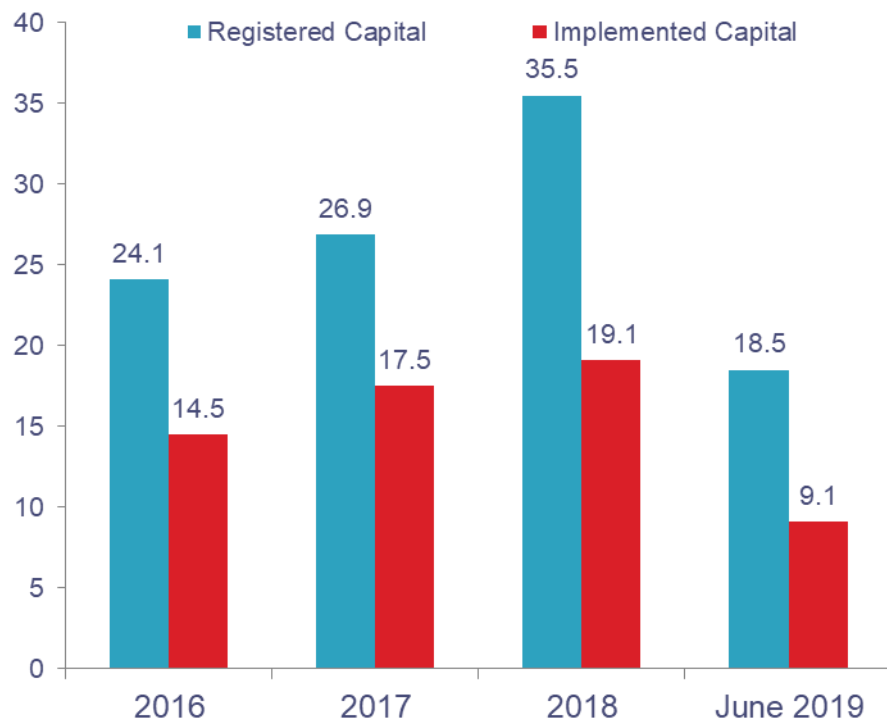
# VIETNAMESE ECONOMY

- GDP 2018 increased by **7.08%**, highest rate in the last 10 years  
GDP: **244.78 billion** USD, GDP per capital: **2,587** USD  
Trade volume: **482 billion** USD  
International visitors: **15.6** mil people  
Foreign exchange reserves: exceed **60 bil** USD
- 1<sup>st</sup> haft 2019: GDP **6.76%**; Trade volume **245.5 bil USD**; CPI **2.65%**

Vietnam GDP growth 2012 – 2018 (Unit:%)



# FDI IN VIETNAM



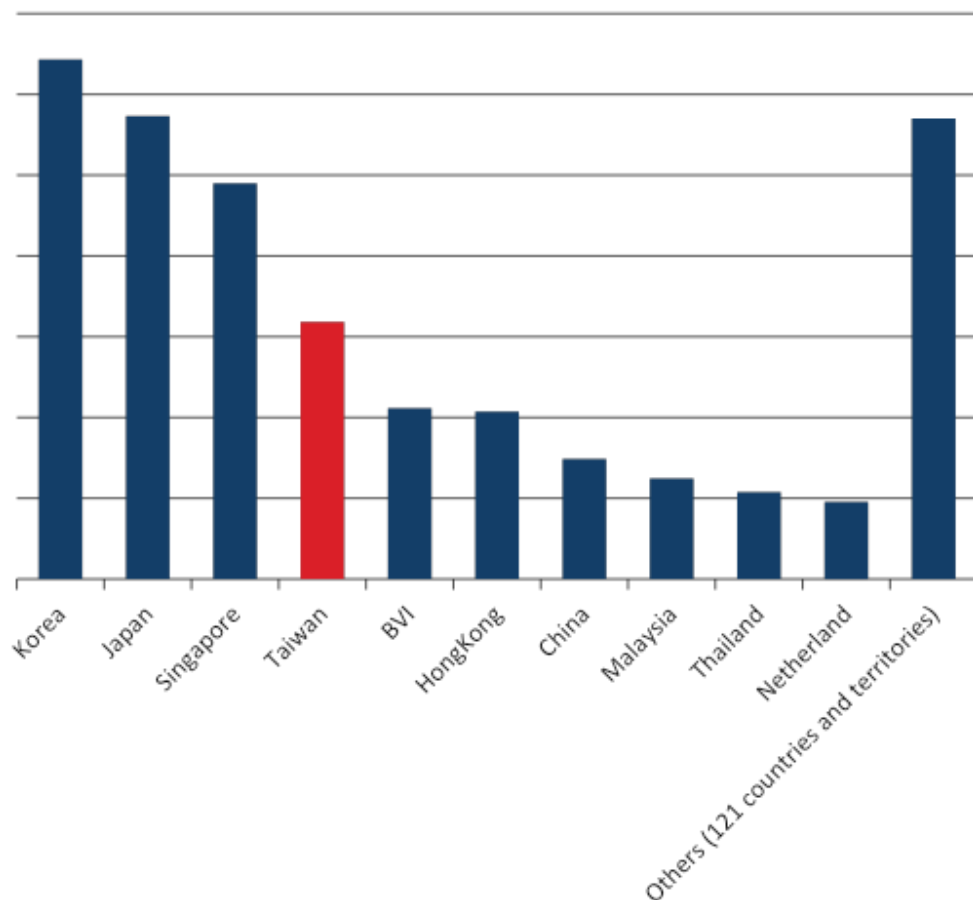
	2015	2016	2017	2018	6/2019
<b>Registered capital</b>	24.11	26.89	35.9	35.5	18.5
<b>Implement ed capital</b>	14.5	15.8	17.5	19.1	9.1

- Total registered capital accumulated to **351.7 billion** USD
- Implemented capital accumulated exceeds **200 billion** USD

# FDI IN VIETNAM BY PARTNERS

## (Accumulated as of June 2019)

Billion USD



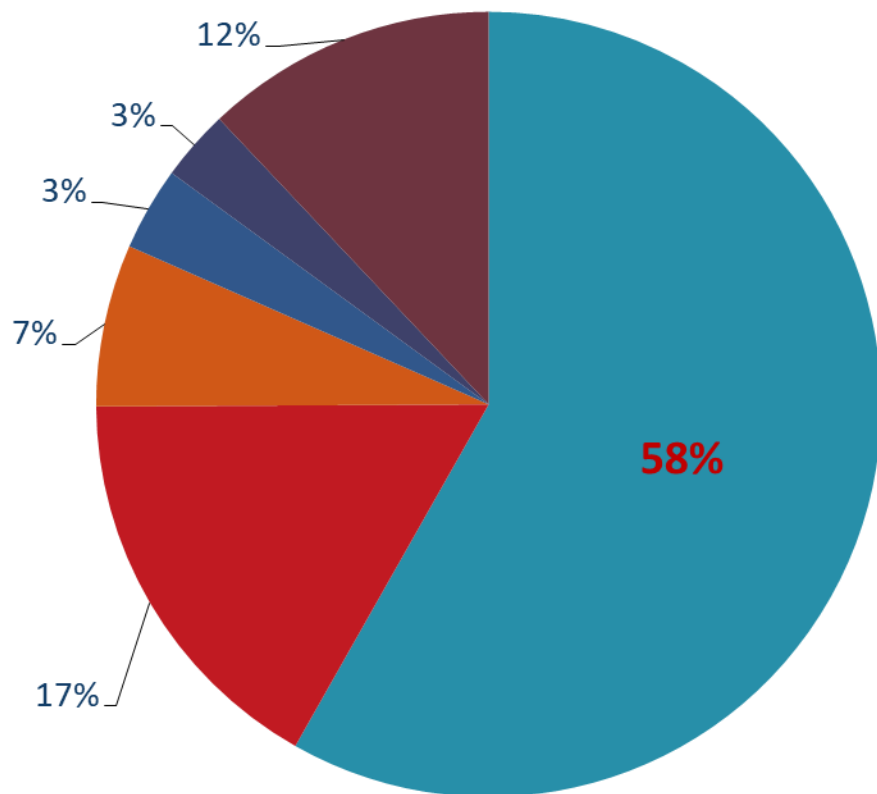
Source: Foreign Investment Agency (FIA)

No.	Partner	Number of projects	Registered capital (bil USD)
1	Korea	7,905	64.6
2	Japan	4,190	57.9
3	Singapore	2,266	49.2
<b>4</b>	<b>Taiwan</b>	<b>2,645</b>	<b>31.9</b>
5	BVI	1,554	21.3
6	Hongkong	816	21.2
7	China	2,461	15.5
8	Malaysia	599	12.5
9	Thailand	540	10.7
10	Netherland	339	9.6
	Other (122 )	5,639	57.3
<b>Total (132 countries and territories)</b>		<b>28,954</b>	<b>351.7</b>

# FDI IN VIETNAM BY SECTORS

## (Accumulated as of June 2019)

- Manufacturing and processing industry
- Real estate business
- Production and distribution of electricity, gas, water, air
- Lodging and restaurant
- Construction
- Others



Source: Foreign Investment Agency (FIA)

No.	Sector	Project	Registered Capital (bil USD)
1	Manufacturing and processing industry	13,645	203
2	Real estate business	793	58.3
3	Production and distribution of electricity, gas, water, air	122	23.3
4	Lodging and restaurant	772	12.0
5	Construction	1,631	10.2
6	Wholesale, retail, repairing services	3,793	7.0
7	Logistic and warehouse	757	5.0
8	Mining	109	4.9
9	Education and training	482	4.3
10	Communication & Information	1,955	3.7
	Others (9 sectors)	4,339	17.2
<b>Total (19)</b>		<b>28,954</b>	<b>351.7</b>

# Vietnam Trade Overview

## TOP 10 Trade partners

No	Country	Amount (bil USD)
1	China	106.7
2	South Korea	65.7
3	United States	60.3
4	Japan	37.8
5	Thailand	17.3
<b>6</b>	<b>Taiwan</b>	<b>16.4</b>
7	Malaysia	11.5
8	Germany	10.7
9	India	10.7
10	Hong Kong	9.5

## TOP 10 Export Products

No	Export Products	Amount (bil USD)
1	Phones & Spare parts	49
2	Garments & Textiles	30.5
3	Computers and Spare parts	29.3
4	Machinery & Spare parts	16.6
5	Footwear	16.3
6	Timber Products	8.9
7	Aquatic Products	8.8
8	Motor vehicles & spare part	8
9	Cameras & spare parts	5.2
10	Steel	4.6



# VIETNAM – TAIWAN ECONOMIC PARTNERSHIP

## FDI

- Taiwan is the **earliest foreign investor** (1989) in Vietnam
- Taiwan is the **4<sup>th</sup> largest FDI** investor in Vietnam (2,645 projects; registered investment capital of 31.9 billion USD)
- Vietnam and Taiwan are negotiating a new Agreement on Promotion and Protection of investments

## Economic

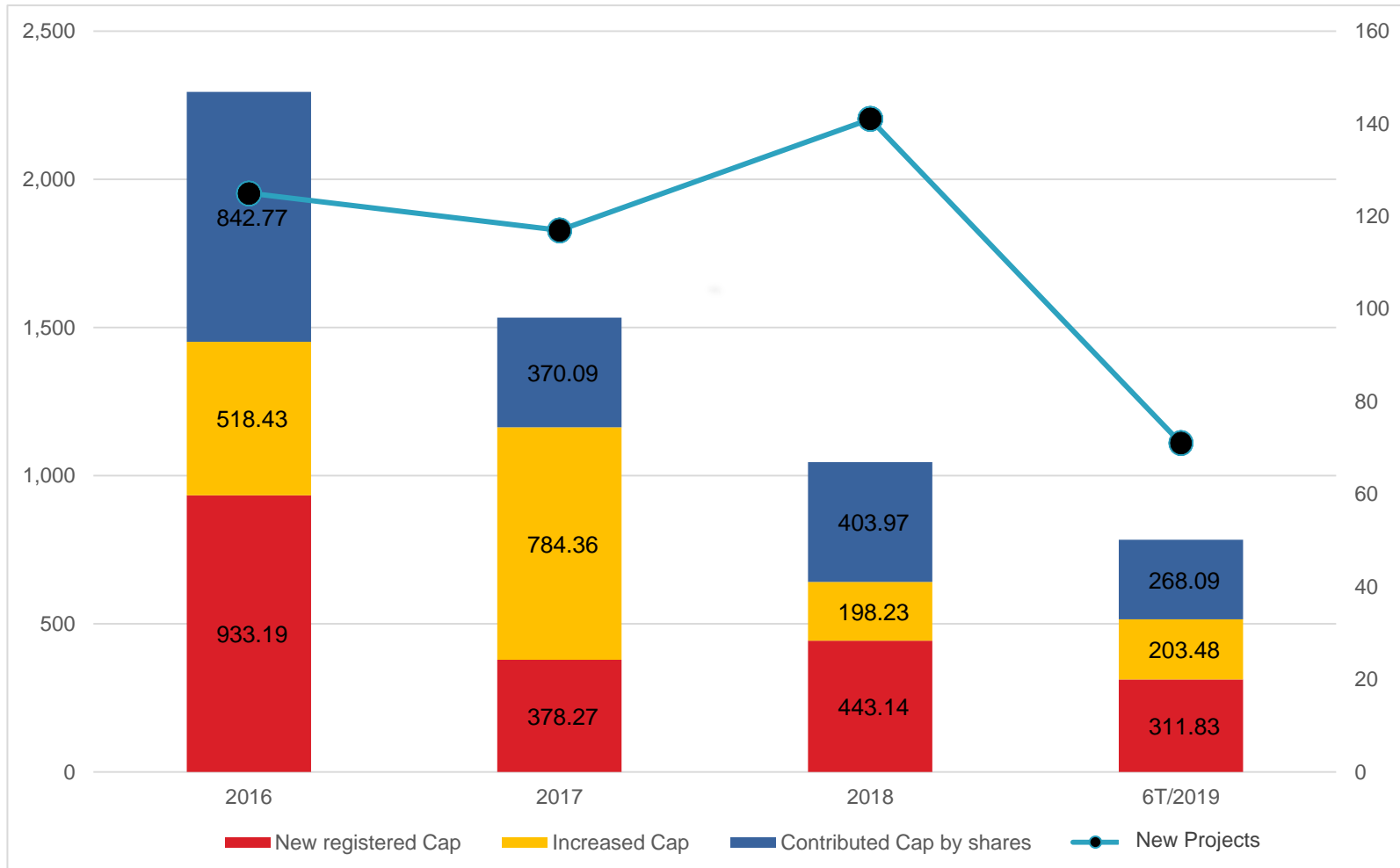
- Bilateral Trade volume reached **14 billion USD** in 2018
- Vietnam and Taiwan are members of WTO

- 60,000 Taiwanese in Vietnam
- 220,000 Vietnamese labors; 120,000 brides; 8,000 students in Taiwan
- Number of tourists between the two countries approx 800,000 in 2018
- 50+ daily flights between Vietnam - Taiwan

# TAIWAN FDI IN VIETNAM

Million USD

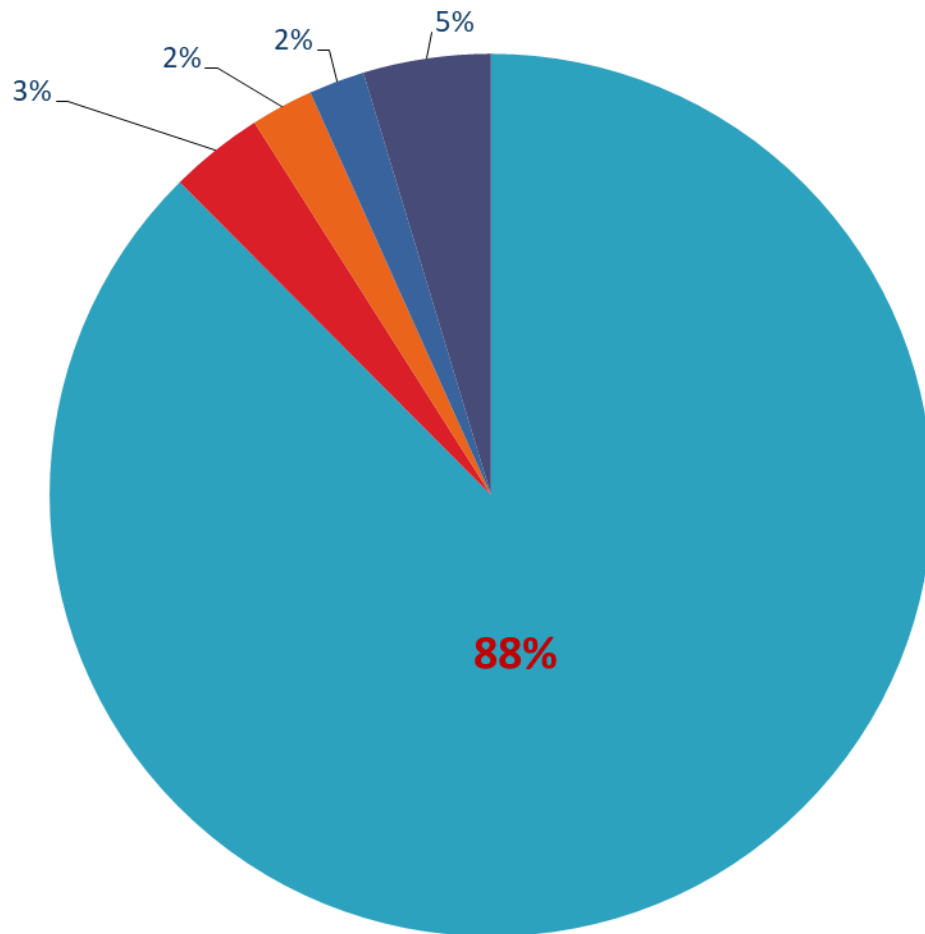
Number of projects



Source: Foreign Investment Agency (FIA)

# FDI FROM TAIWAN BY SECTOR (Accumulated as of June 2019)

■ Manufacturing and processing industry    ■ Construction  
■ Real estate business                      ■ Agriculture, forestry and fishery  
■ Others (15 sectors)

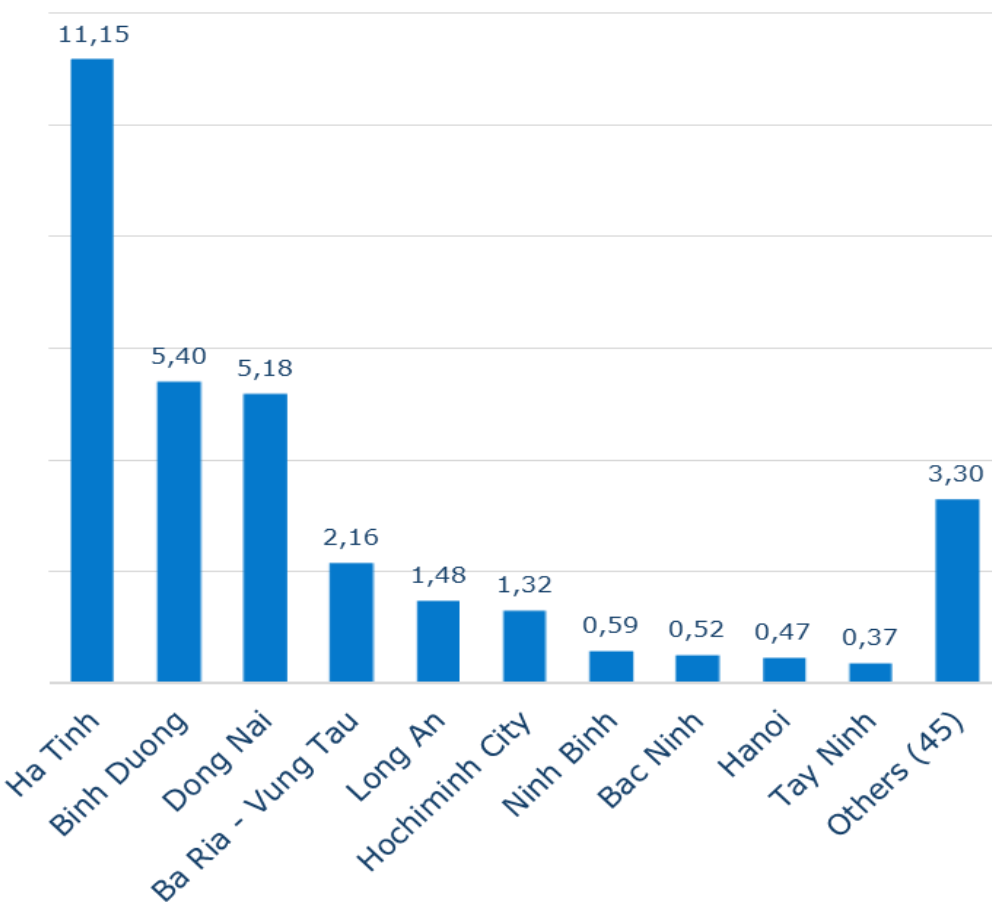


TT	Sector	Number of project	Registered capital (Bil. USD)
1	Manufacturing and processing industry	1,992	27.9
2	Construction	99	1.1
3	Real estate business	46	0.73
4	Agriculture, forestry and fishery	150	0.65
	Others (15 sectors)	358	1.49
	<b>Total</b>	<b>2,645</b>	<b>31.9</b>

Source: Foreign Investment Agency (FIA)

# FDI OF TAIWAN BY REGION

## (Accumulated as of June 2019)



Source: Foreign Investment Agency (FIA)

No.	Province	PJs	Registered Capital (Bil USD)
1	Ha Tinh	35	11.15
2	Binh Duong	832	5.4
3	Dong Nai	330	5.18
4	Ba Ria - Vung Tau	29	2.16
5	Long An	181	1.48
6	Ho Chi Minh city	536	1.32
7	Ninh Binh	13	0.59
8	Bac Ninh	53	0.512
9	Hanoi	155	0.47
10	Tay Ninh	66	0.37
	Others (45)	415	3.3
<b>Total</b>		<b>2.645</b>	<b>31.9</b>

# TAIWANESE FDI IN VIETNAM

- ✓ Taiwanese investors mainly invest in manufacturing sector (**88%** Projects)
- ✓ Projects concentrated in cities with organized transportation & logistics
- ✓ Strong supply chains linkage in manufacturing sector between China – Vietnam by Taiwanese investors
- ✓ **86%** of Projects scale under **10 mil USD**
- ✓ Taiwanese agricultural projects in Vietnam are of small scale with limited number of high-tech projects

Project Scale (USD)	PJ No	Registered Capital (mil USD)
Over 1 bil	4	14,460
Under 500 mil – 1 bil	1	760
100 mil – 500 mil	17	3,937
50 mil – 100 mil	34	2,342
10 mil – 50 mil	306	5,804
<b>Under 10 mil</b>	<b>2,283</b>	<b>4,622</b>
Under 5 mil	1,195	2,829
Under 1 mil	816	331
Under 500 thousand	466	101
Under 200 thousand	190	18
Total	2,645	31,927

# WHY VIETNAM



**Stable** Politics, Open Society

High & Stable Economic **Growth**

Competitive Production **Cost**

Abundant **Human** Resource

Potential **Market**

Global Economic **Integration**

Open **Policy** & Investment **Incentives**

Strategic **Location**

# Global Economic Integration

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## Global

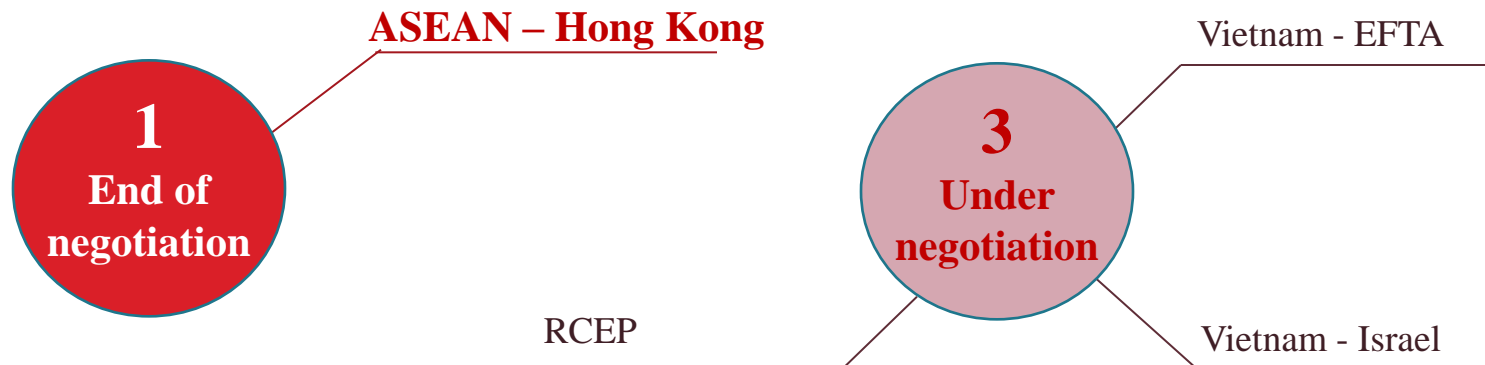
- CPTPP, EVFTA come into force
- CHINA - US Trade war
- China + 1, Thailand + 1
- Taiwan New Southbound Policy

## Vietnam

- Administration reform
- Macro economic stabilization
- Investment environment improvement
- New FDI mobilization strategy
- Revise Investment and Enterprise Law (2019)

# Global Economic Integration

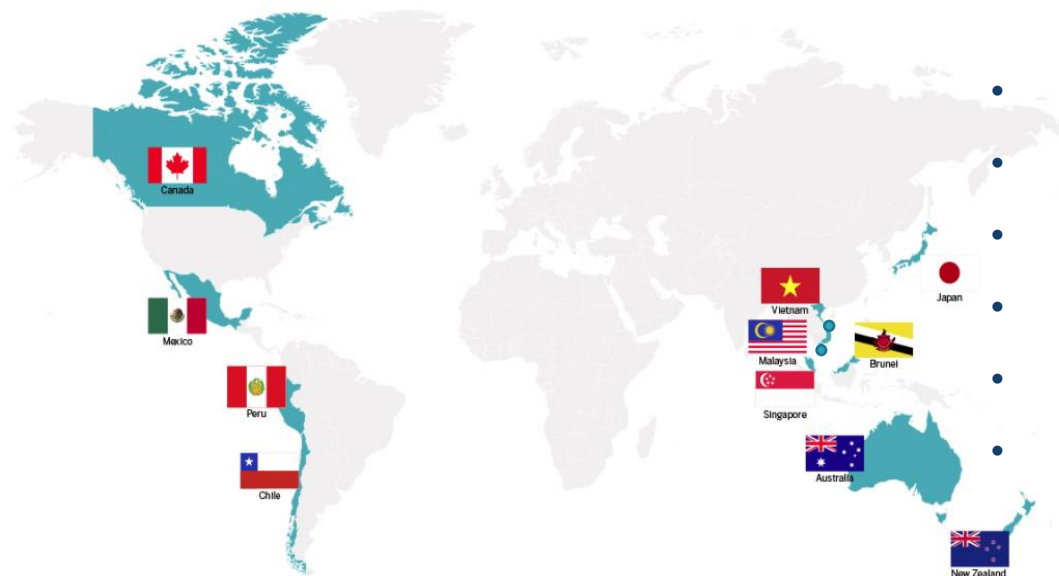
By 2020, Vietnam will take an important role of economic connection network of 55 partners in which 15 are members of G-20





# Global Economic Integration

## CPTPP AGREEMENT



- 14% of GDP (USD 13 trillion)
- 8% of the world population
- 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
- Came into force **since January 14<sup>th</sup> 2019**

# Global Economic Integration

## EVFTA

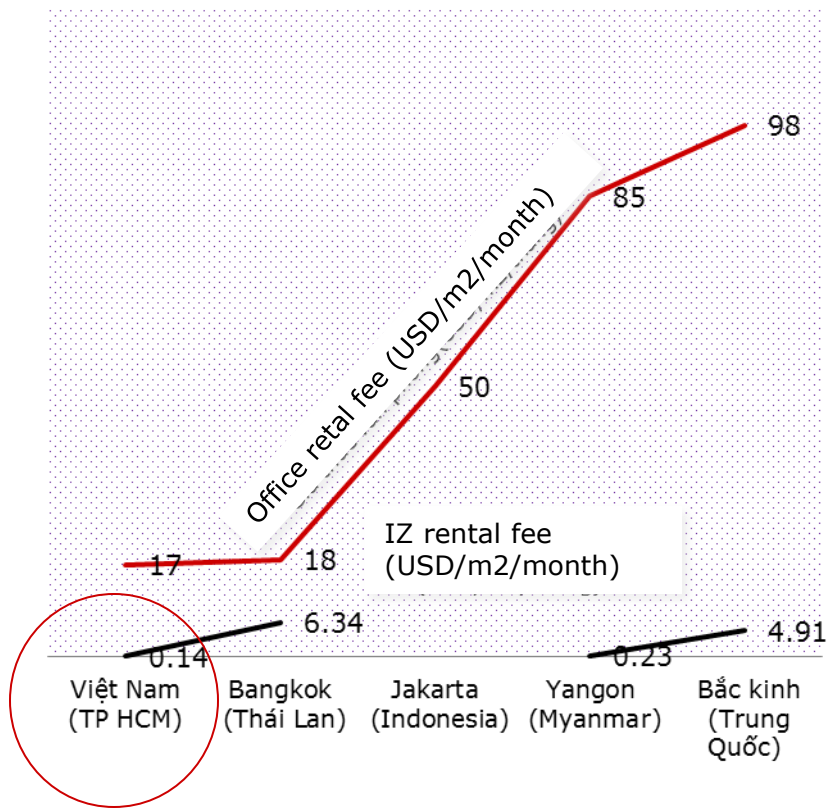
### EU-Vietnam FTA



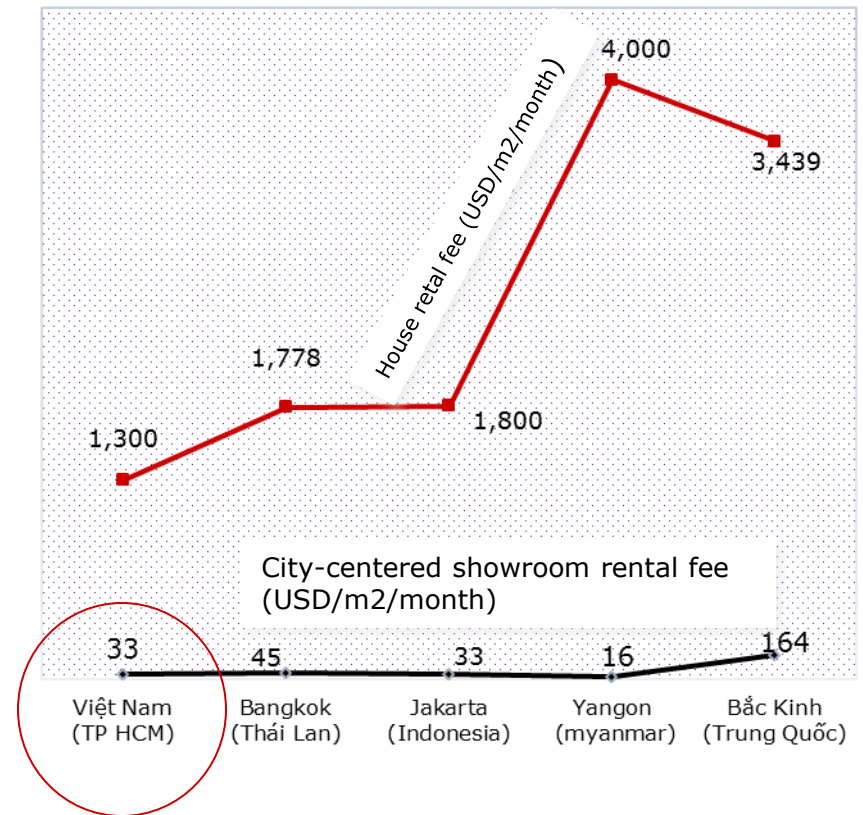
- Vietnam is the 2<sup>nd</sup> ASEAN nation signed FTA with EU, the 1<sup>st</sup> developing nation in ASIA signed FTA with EU
  - 10% of the world population (600 million)
  - 99% tax rate abolished
  - Commitment to non-traditional sectors
- 
- EVFTA is a comprehensive, high-quality Agreement
  - Provide a springboard for Vietnam to boost exports, and diversify export markets and products
  - Vietnam's export to the EU will increase 20 percent in 2020; 45% in 2025 - 2030
  - Officially signed in **June 30<sup>th</sup> 2019**

# INVESTMENT COST COMPARISON

## Office/ Industrial Zone



## House/ Retail Space



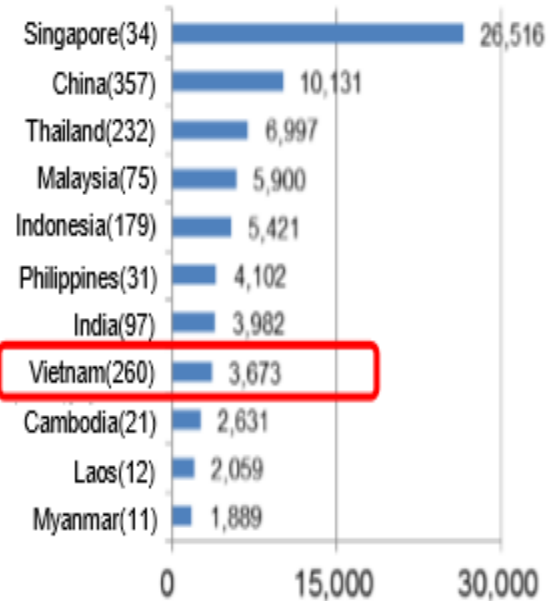
Source: JETRO

# INVESTMENT COST COMPARISON

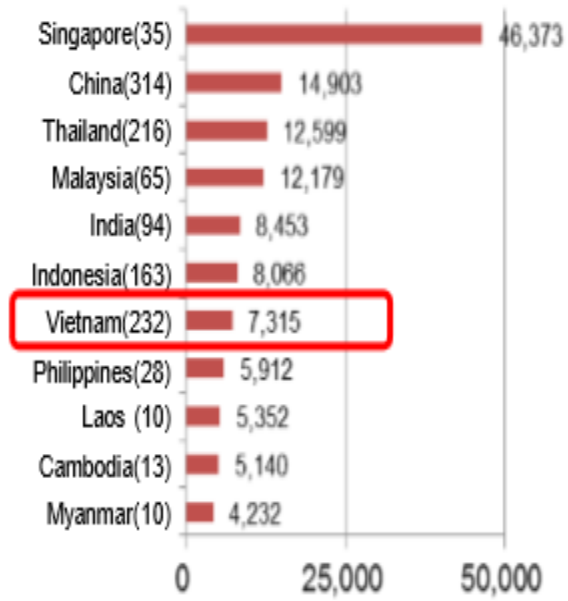
## Salary (USD)

(Unit: USD)

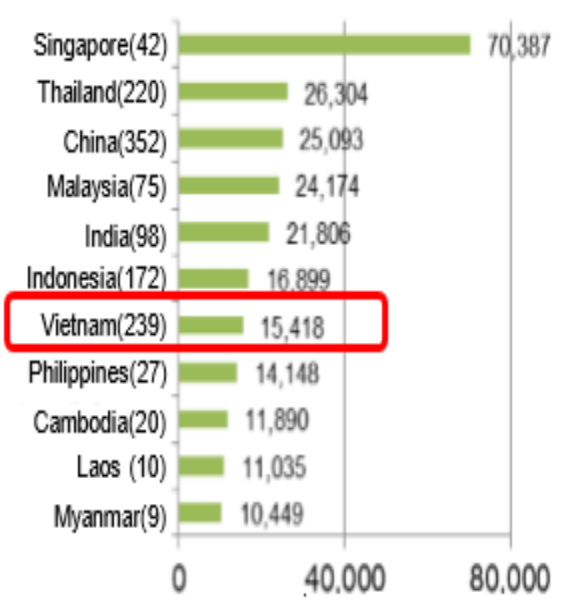
### Manufacturing - Workers



### Manufacturing - Engineers



### Manufacturing - Managers



# CIT AND VAT COMPARISON AMONG ASEAN NATIONS

	<b>Corporate Income Tax (CIT)</b>	<b>Value Added Tax (VAT)</b>
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%
<b>Vietnam</b>	<b>20%</b>	<b>10%</b>

*Source: World Bank and KPMG*

# POTENTIALS FOR TAIWANESE INVESTORS

## •21 Airports

(9 International & 11 domestic airport)

## •39 Sea-ports

(3 A1 Deep sea-port Hai Phong, Van Phong, Cai Mép – Thị Vải)

## •326 Industrial parks

(250 Industrial Parks operating;  
43 FDI Industrial Parks)

## •17 Coastal EZ

## •03 High Tech Park

(06 High Tech Park by 2030)



# INVESTMENT INCENTIVES

## Corporate income tax(CIT)

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

- Machines, materials, specialized means of transportation etc. imported to form fix assets of the encouraged investment projects

- Materials which are unable to be produced domestically

- Commodities imported for the first time according to a list prescribed by the Government for investment projects on hotel, office buildings, apartments, golf courses, tourist resorts, recreation and entertainment sites etc.

- Materials and components of projects in the specially encouraged investment sectors, or geographical areas of specially difficult socio-economic conditions are exempted from the import tax for 5 years since the commencement of production.



# INVESTMENT INCENTIVES

## Exemption from land rental fee

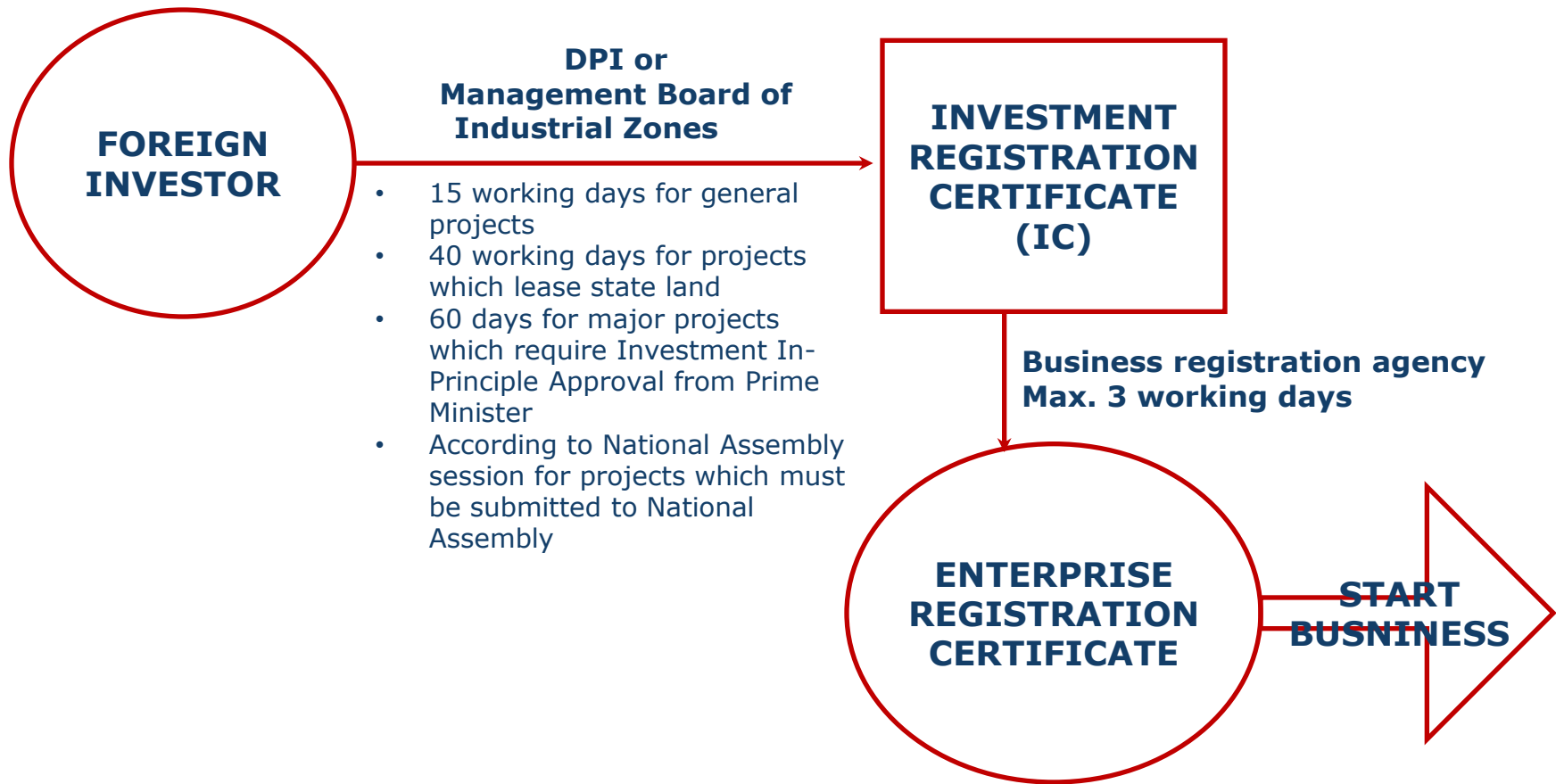
<b>Type of Projects</b>	<b>Exemption duration</b>
- In encouraged investment sectors	3 years
- In difficult socio-economic geographical areas	7 years
- In especially difficult socio-economic geographical areas or in encouraged investment sectors located in difficult socio-economic geographical areas.	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

# OPEN INVESTMENT POLICIES & INCENTIVES



- Enterprises are free to conduct businesses and investment activities in all areas which are not forbidden or applied conditions by the Law.
- List of forbidden business lines (06), List of conditional business lines (243) are published on:  
<https://dautunuocngoai.gov.vn/fdi>  
<https://dangkykinhdoanh.gov.vn>

# INVESTMENT PROCEDURES AND INCENTIVES



# New FDI Strategies

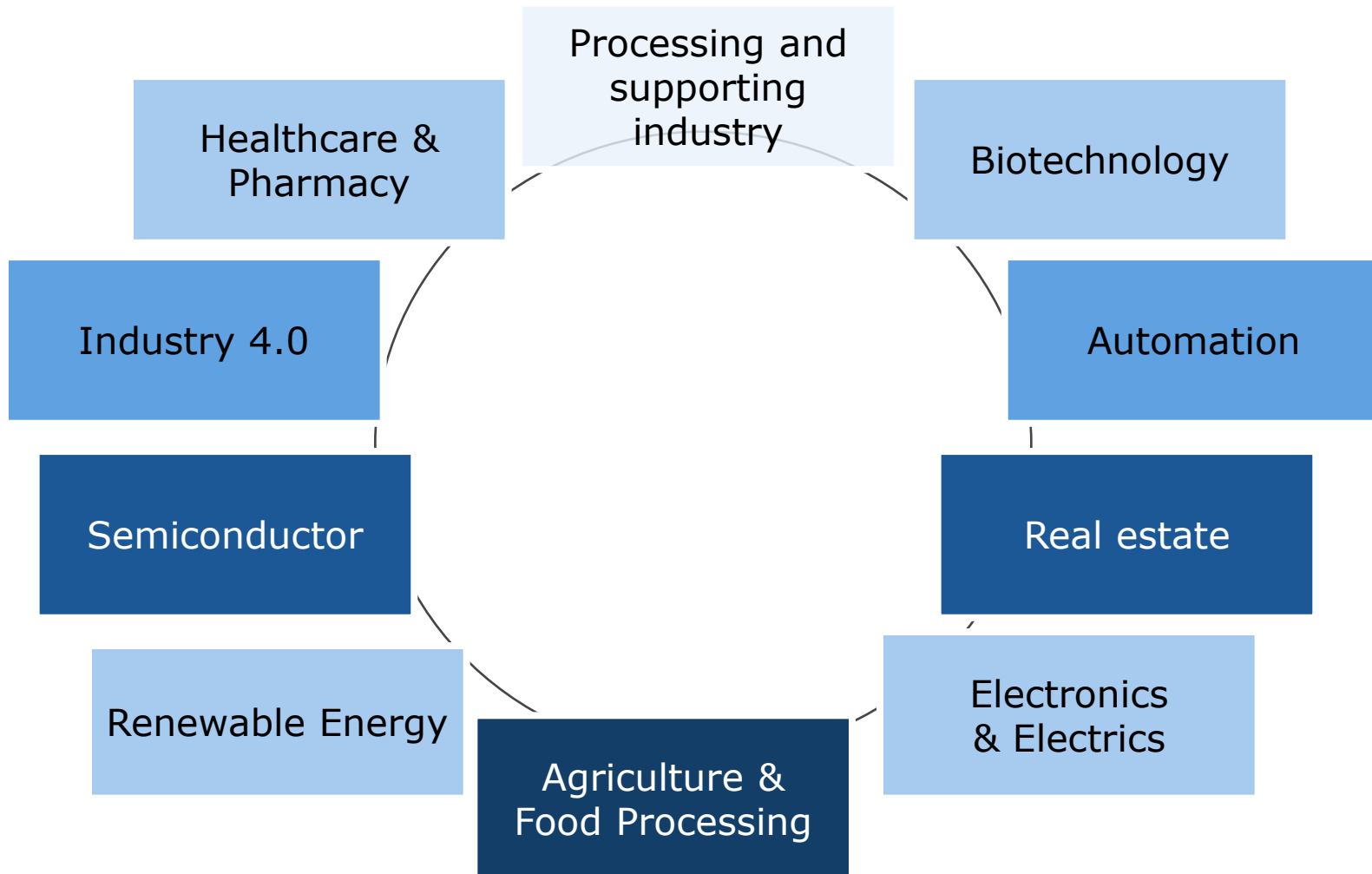


- Implement concrete legal framework, enhance transparency, policy implementation
- Enhance Government FDI management capacity
- Restructure the investment incentive mechanism
- Facilitate local suppliers to FDI value chain
- Promote technical transfer
- Develop skills supply and productivity
- Improve infrastructure, energy and logistics systems
- Modernize investment promotion

# VIETNAM – TAIWAN COOPERATION POTENTIALS

VIETNAM	TAIWAN
Stable and high economic growth	High economic growth
Competitive Production Cost	Investment costs are significantly higher than in Vietnam
Young population with golden generation; Abundant human resource	Aging population, young labor force is becoming scarce.
Market of high potential with various opportunities for investment and business	Competitive market
Lack of capital, science and technology	Strong in capital, science and technology
Business management level is limited and young	Business management level is advanced compared to other countries

# POTENTIAL INVESTMENT SECTORS



## **Vietnam encourages investment:**

- High-tech projects**
- In line with development master plan**
- Environmentally friendly**
- Ensuring localization & country of origin**
- Diversify exporting destination**

# FIA's SUPPORT TO INVESTORS

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- Provide **information** on policies and investment opportunities in Vietnam
- Arrange **business matching** with Vietnamese partners, Industrial - Economic zones
- Set up the **C2G meetings** with relevant Ministries, Government Agencies
- Provide investors with **guidance** on establishing enterprises, constructing factories, selecting investment locations
- Support to **solve difficulties** and problems while doing business in Vietnam
- Others **assistances** as requested by investors



# CONTACT US

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Website: <http://centralinvest.gov.vn> /

Email: [ipcmientrung@gmail.com](mailto:ipcmientrung@gmail.com)

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# FIA in TAIWAN



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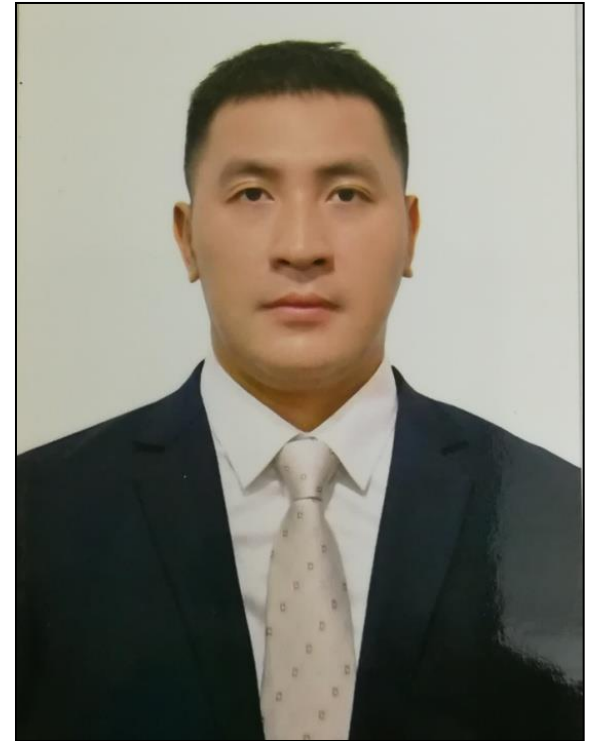
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# USEFUL WEBSITES

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

***Investing in VIET NAM,  
Engaging the World***



**THANK YOU!**