



TRUNG TÂM TRỌNG TÀI QUỐC TẾ VIỆT NAM
VIETNAM INTERNATIONAL ARBITRATION CENTRE



TRUNG TÂM XÚC TIẾN THƯƠNG MẠI VÀ ĐẦU TƯ TP.HCM
INVESTMENT AND TRADE PROMOTION CENTRE OF HO CHI MINH CITY

Keynote Report:

*“The concerns of investors about the
investment environment
in Ho Chi Minh City”*

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C O N T E N T S

01

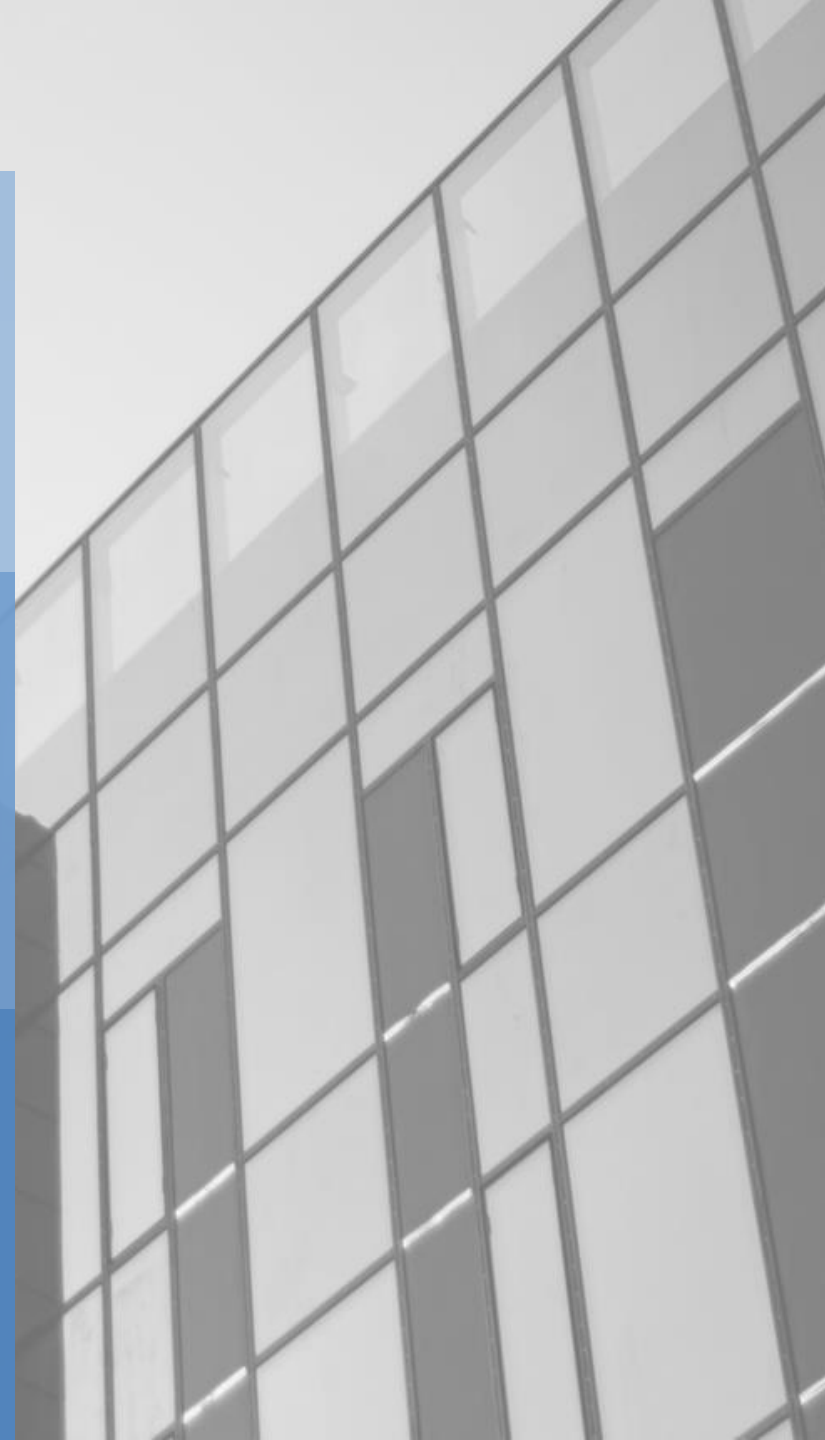
The Investor's Checklist

02

What's missing?

03

Outlook






The Investor's Checklist

What are investors looking for in Ho Chi Minh City?

Ho Chi Minh City continuously rakes in the **highest figures of foreign investment** in the Vietnamese context. It totaled **USD 3.74 billion in 2021** (down 14.2% from last year).

Following current developments on the world stage, Vietnam is profiting from a **re-routing of supply chains** in the regional and global context. Strong shifts can be seen in **manufacturing activities moving away from China** and the ripple effects of the **ongoing armed conflict** in eastern Europe.



A **new wave of investors** is arriving in Vietnam to explore its opportunities for foreign businesses. HCMC is well-positioned to attract the **lion's share of this sum** if it manages to mitigate the looming capacity **shortage in terms of industrial land, office space, commercial real estate, and skilled labour.**

State's coffers

● Revenue ● Spending (quadrillion VND)



TARGETS (2021-2025)

● 2016-2020 (implemented) ● 2021-2025 (targets)

Average GDP growth



Annual income per capita



Budget overspending



Annual productivity



VIETNAM'S ECONOMY (2016-2020)

(times)



Growth

● GDP ● CPI (%)



Trade value

● Exports ● Imports (billion USD)



Domestic investment

(quadrillion VND)



(VND1 quadrillion = \$43.39 billion)

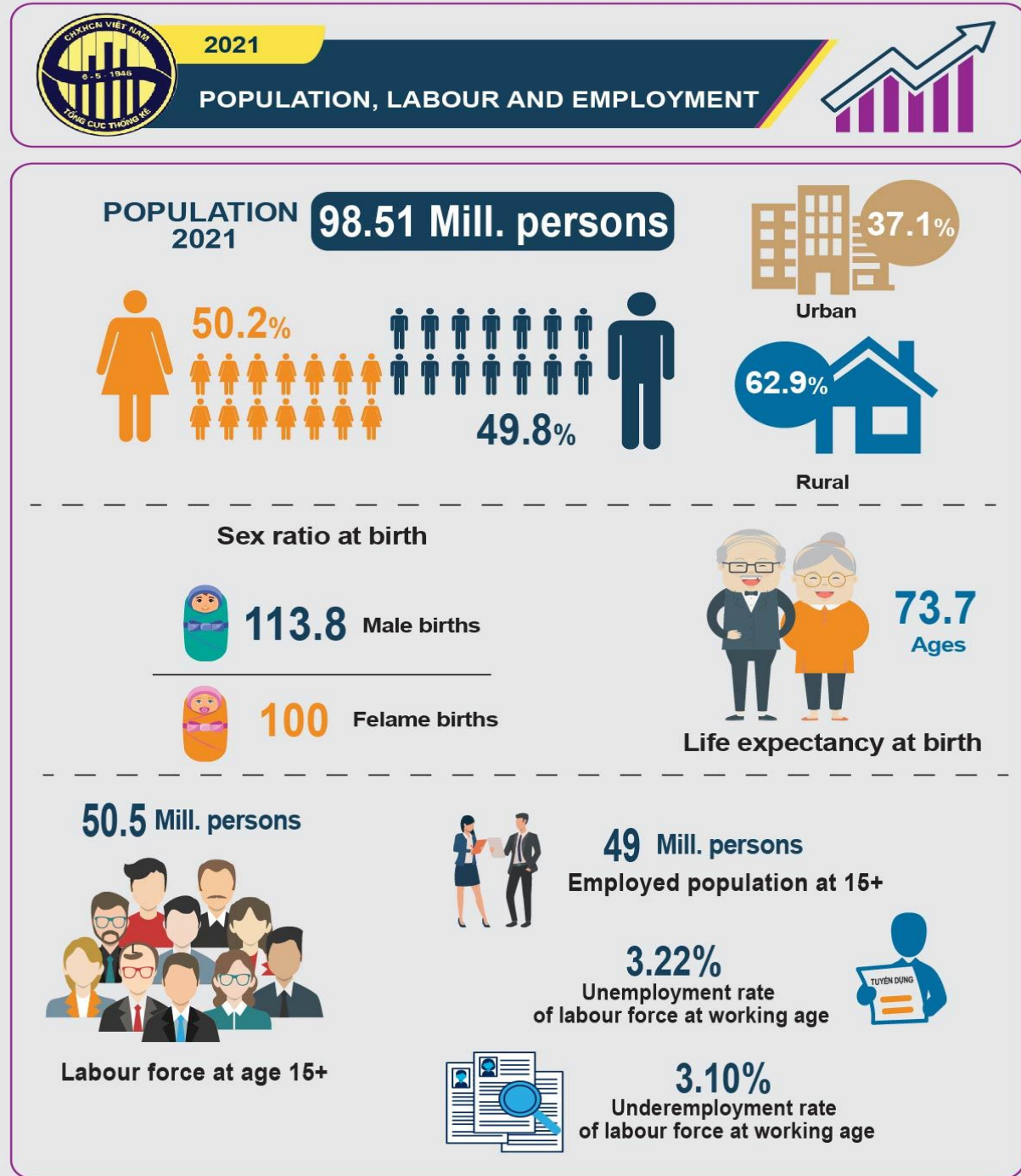
New businesses





People

- ✓ Workforce (size and quality)
- ✓ Cost of Labour
- ✓ Demographic outlook
- ✓ Size of the domestic consumer market
- ✓ Language barrier, overall education level

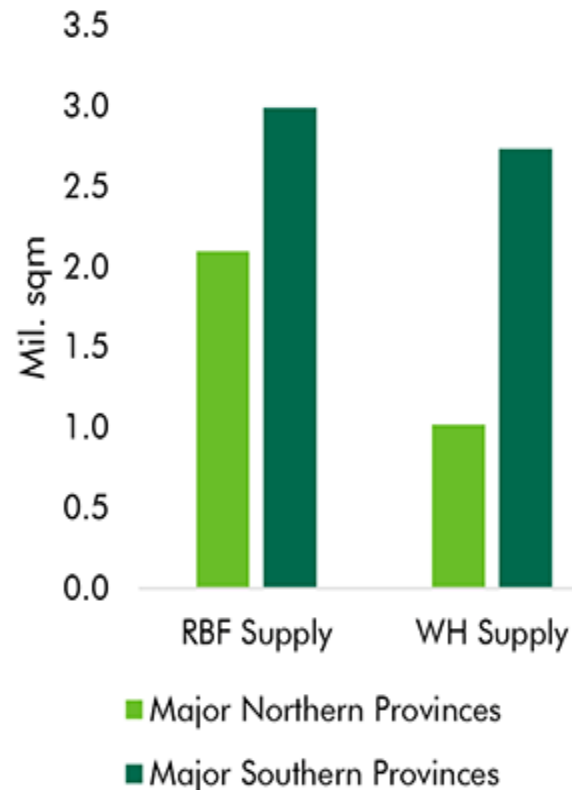
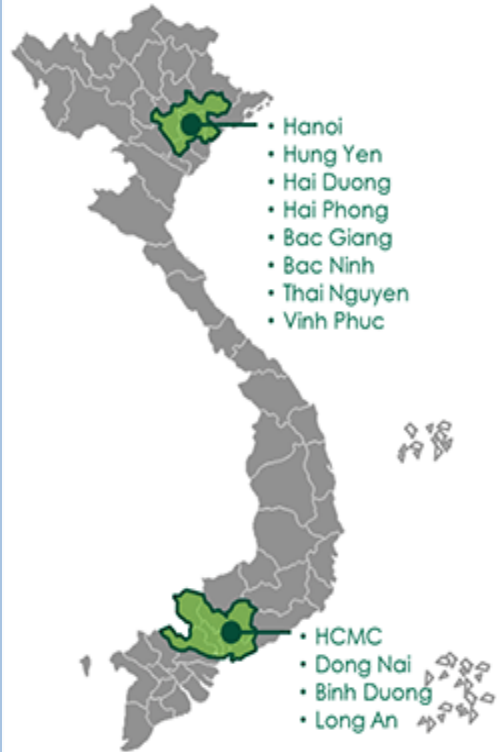




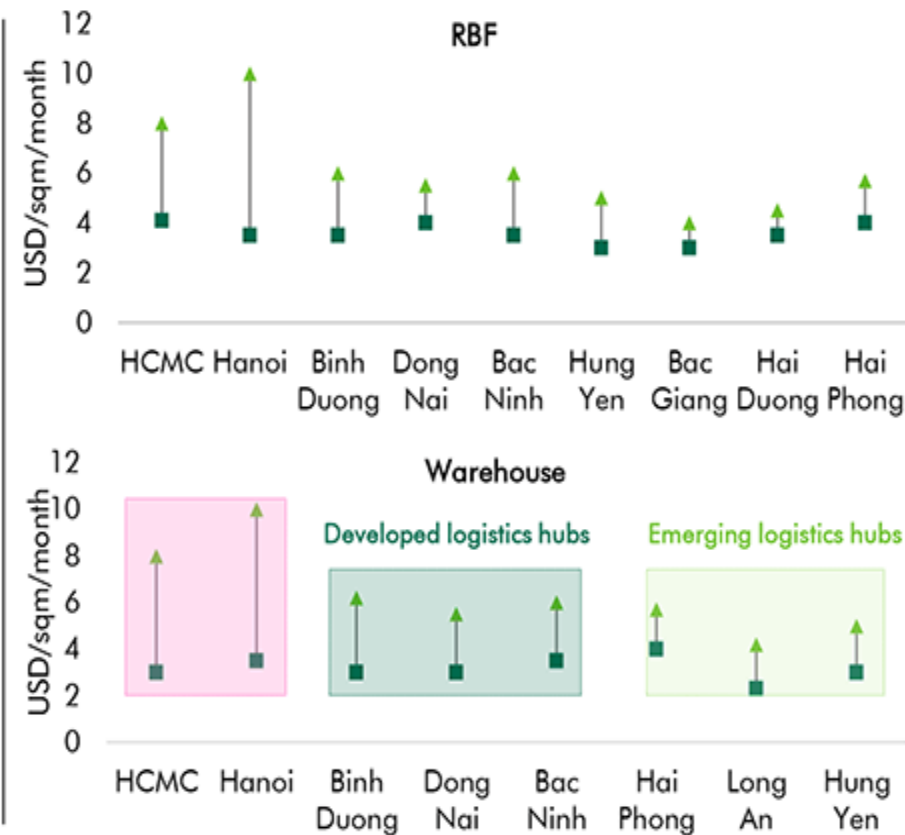
W h a t ' s m i s s i n g ?

Capacity

READY-BUILT FACTORY AND WAREHOUSE



ASKING RENT



Ready-built Factory
Stable asking rent

Warehouse
Up 5%-10% y-o-y in selected new projects

establish, buy, fund, and operate businesses in Vietnam are the staples of attracting foreign investment.

Certainty

- Foreign investment projects often struggle with Red Tape when wanting to project their entire business portfolio onto the Vietnamese canvas.
- Case-by-case decisions and authoritative discretion when granting certain licenses and certifications create uncertainty amongst investors and advisors.

Uncertainty is the death of FDI

- Investors often face unpredictable lengths of licensing procedures (or M&A approval).
- **HCMC** authorities should be proactive in communicating with foreign investors to create more transparency.



HCMC can turn
Red Tape into a **Red Carpet**
for foreign investment



O u t l o o k

- Three of the most important buzzwords for HCMC's role in FDI flows will lie in the area of **future growth markets**, supported by **new technologies**.

- One of HCMC's **greatest resources** lies within its

People.

- As foreign direct investment into HCMC gains sophistication, Vietnam's **labour market** will have to adapt to reflect the **growing requirements in education and training**.
- Additionally, HCMC should continue its efforts to **improve the domestic infrastructure** to support the absorption of **increased trade and manufacturing activities** in the metropolitan region.



DIGITAL

RENEWABLE

SUSTAINABLE

Growth Potential

- Vietnam's **Digital Economy**
- Vietnam's **Renewable Energy Potential**
- Vietnam's **Sustainability Commitment**

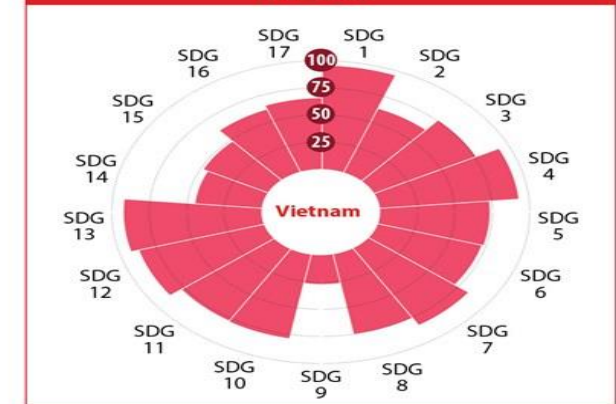
VIETNAM UP THREE PLACES on Sustainable Development Goal Index

According to the fourth annual report on the implementation of the UN Sustainable Development Goals (SDG), Vietnam ranks 54th, up three notches against 2018.

OVERALL PERFORMANCE



AVERAGE PERFORMANCE BY SDG



SDG TRENDS



Source: UN Sustainable Development Report 2019

<http://infographics.vn>

Thank you for listening...

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