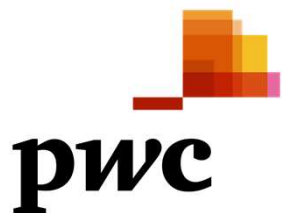


VIAC panel talk

Project Update
September, 2022

Draft
Strictly private and confidential

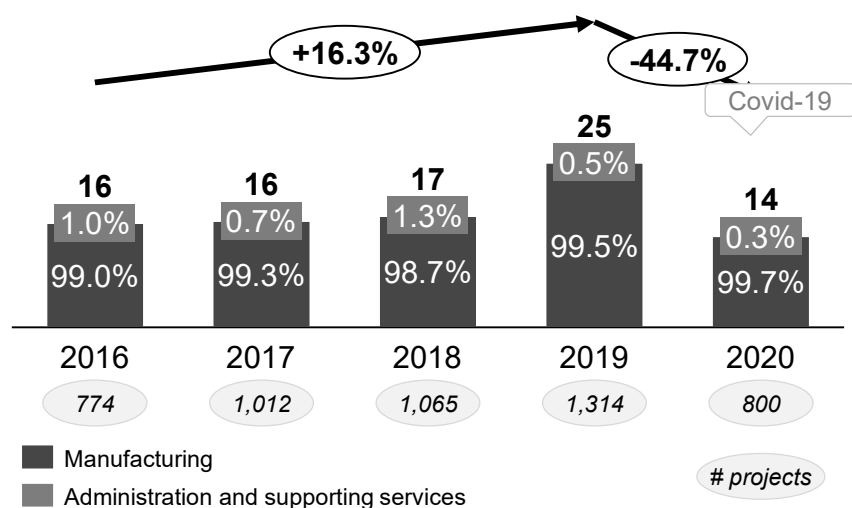


Vietnam FDI are of 2 categories – (1) Export driven (i.e. in manufacturing and supporting industries) and (2) Domestic driven (Directed to the emerging local consumer markets)

(1) Export Driven

Yearly Registered FDI by Sector (not cumulative)

USD bn, 2016 - 2020



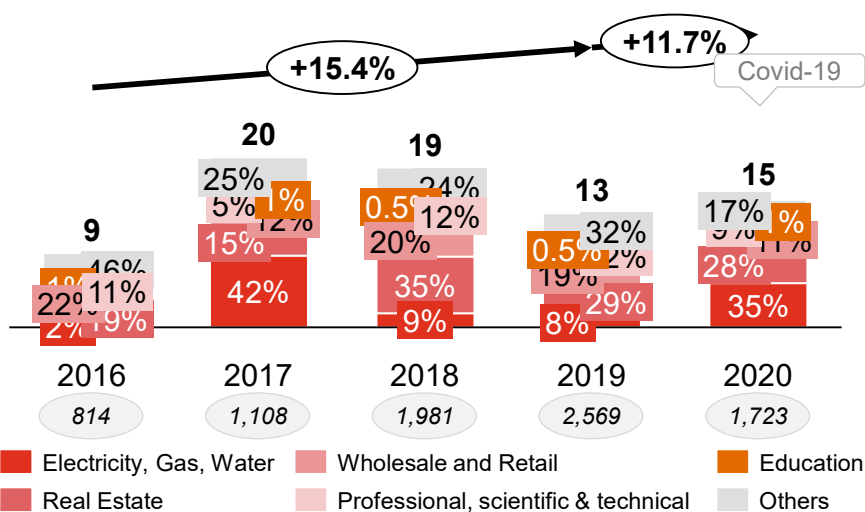
Examples of Export-driven projects:

- Samsung Electronics
- Intel
- Apple (expected)

(2) Domestic Driven

Yearly Registered FDI by Sector (not cumulative)

USD bn, 2016 - 2020

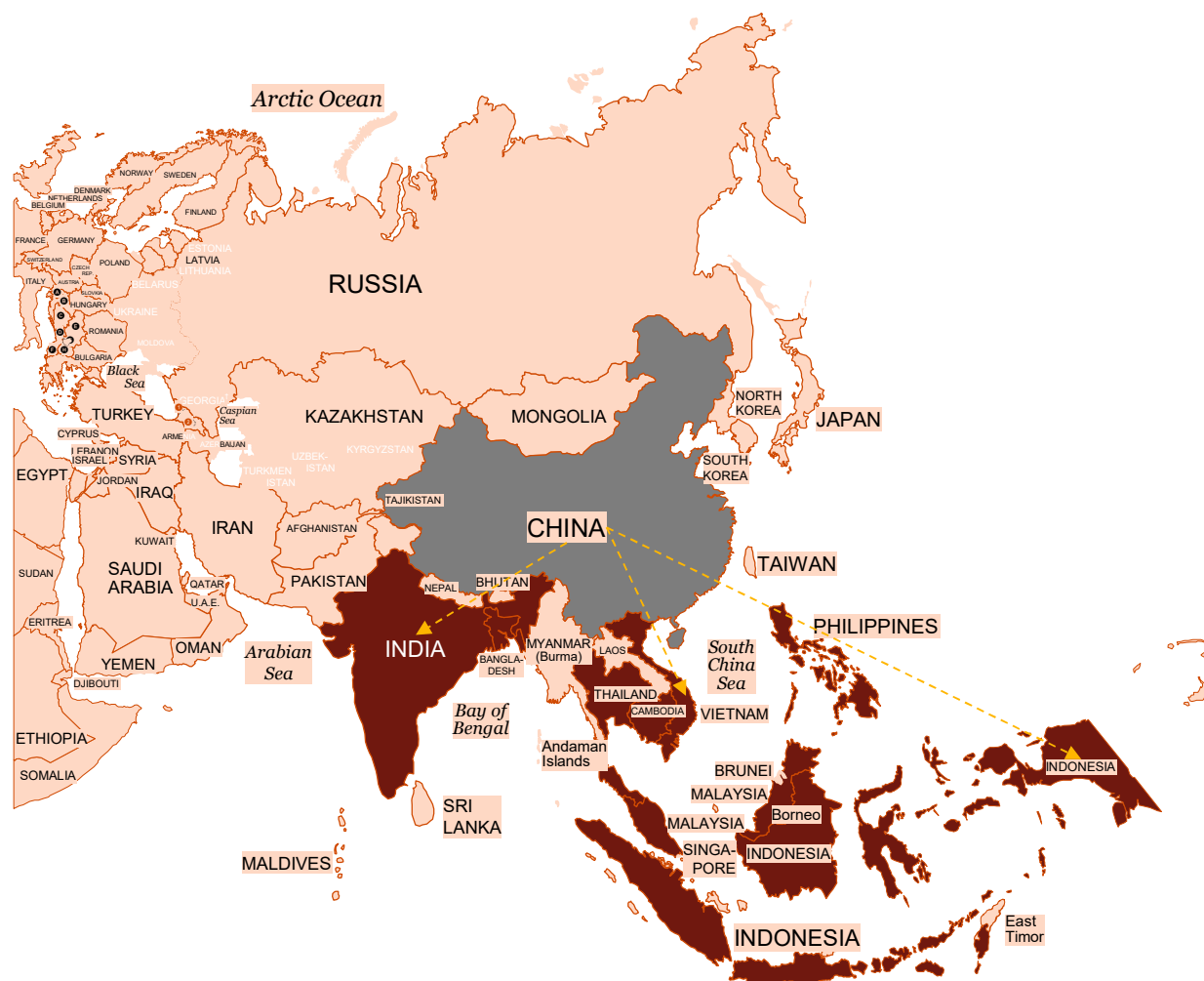


Examples of Domestic-driven projects:

- Aeon
- Lotte
- Central Group

Focus on export driven investment

(1) Export Driven



Key criteria for an investor to choose a country to invest into:

Criteria

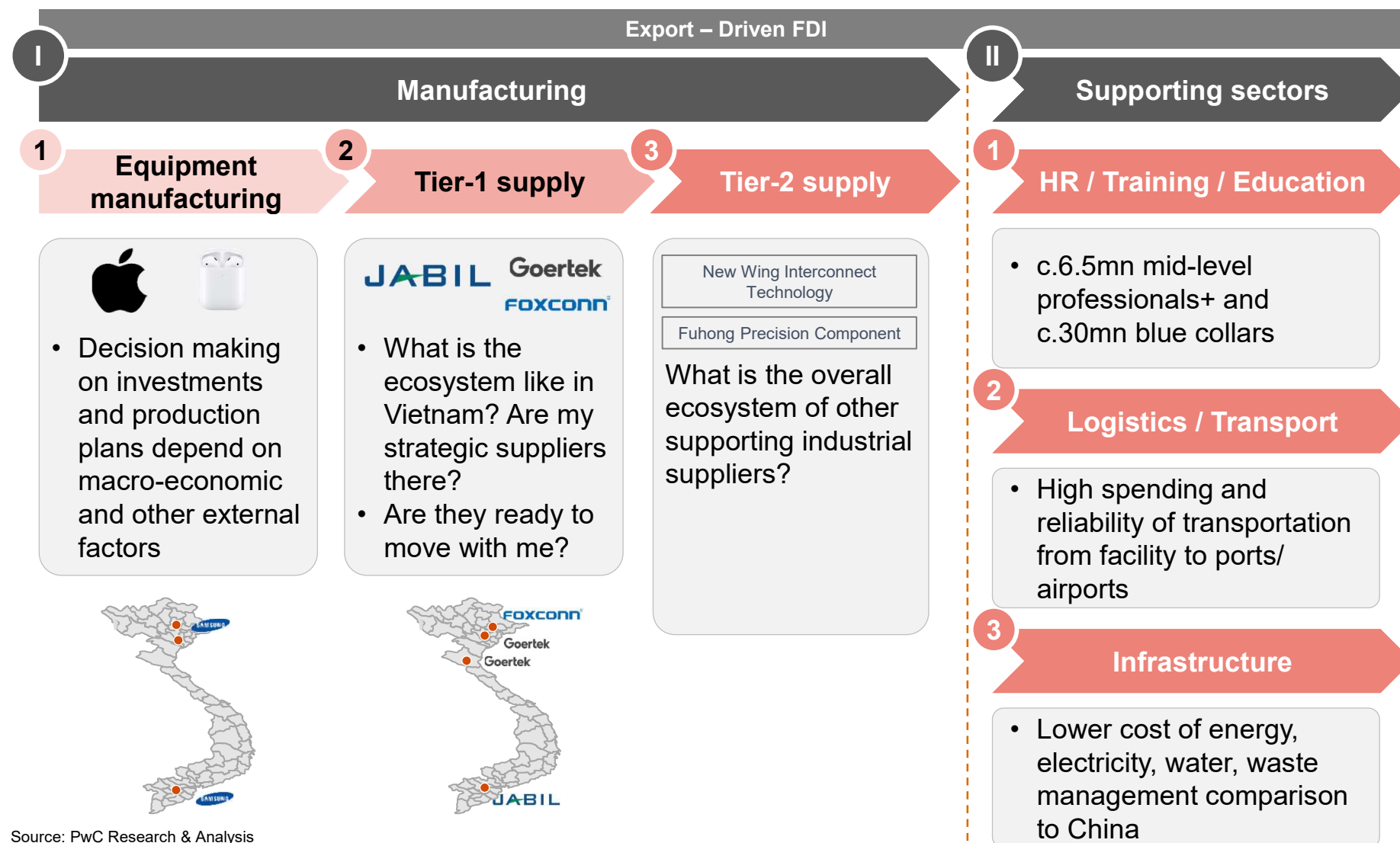
Low risk investment destination

- 1 Political environment
- 2 Ecosystem and supply chain
- 3 Investment environment and landscape
- 4 Infrastructure, energy and logistics

Affordable and cost competitive

- 1 Labour
- 2 Land/construction and other operational costs
- 3 Tax incentives

Focus on export driven investment

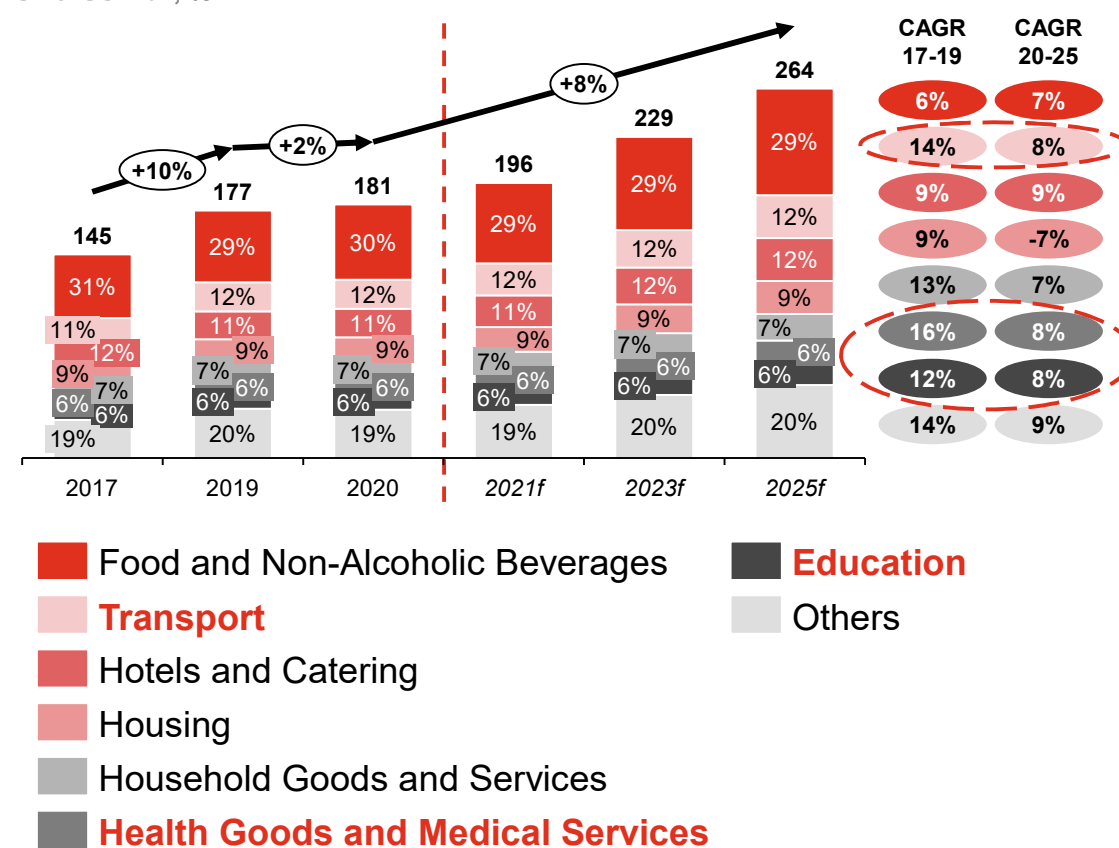


Focus on domestic driven investment

(1) Domestic Driven

Historical and forecasted domestic consumer expenditures in Vietnam

Unit: USD bn, %



Some key consumer spending likely to increase:

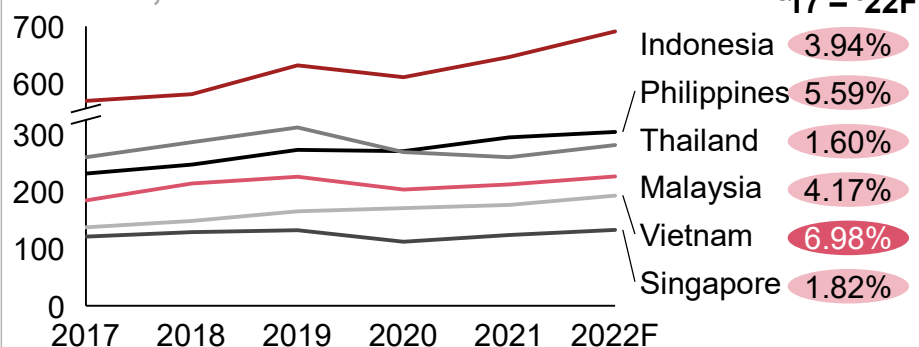
- **Basic essential goods/ services** such as: Foods and beverages, Agri-foods; Transport; Housing; Basic education; Health goods and Medical services
- **Premium essential services** as alternatives for international standard services, e.g.: Premium education (i.e. International Higher Education, International schools, Language schools, etc.); Premium healthcare services; Online/ innovative services, e.g.: E-Commerce; Cyber security; Cash-less payments; Fintech; etc.
- **Agriculture's supporting goods/ services** e.g. training, expertise, feeds, medicine, etc.

Focus on domestic driven investment

(1) Domestic Driven

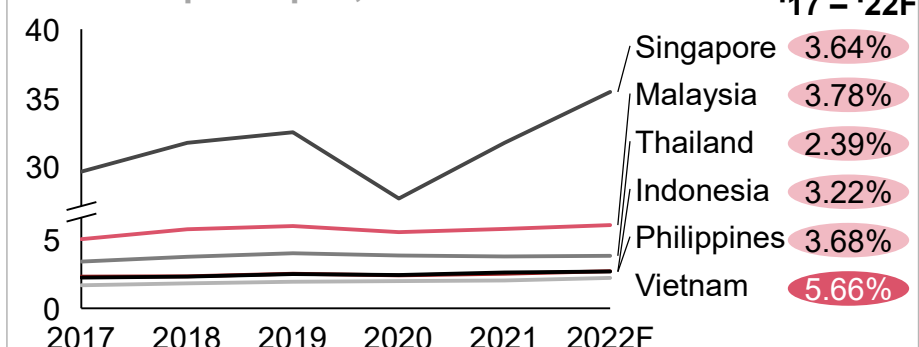
Domestic Consumer Expenditure⁽¹⁾

USD mn, 2017 – 2022F



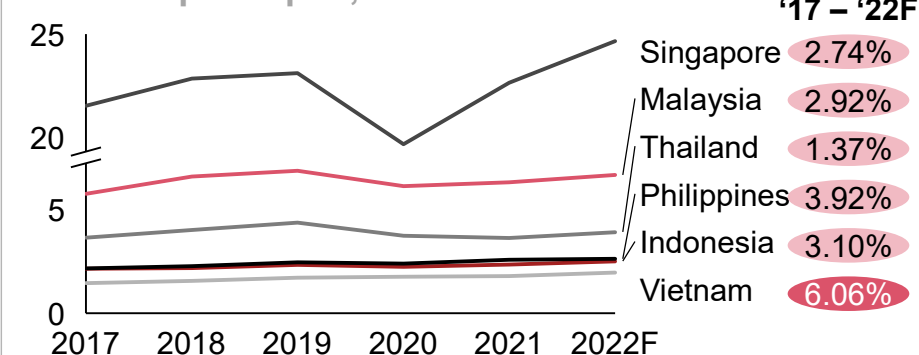
Disposable Income⁽²⁾ per Capita

USD '000 per capita, 2017 – 2022F



Domestic Consumer Expenditure⁽¹⁾ per Capita

USD '000 per capita, 2017 – 2022F



- Compared with other regional countries, the market in Vietnam is may not be there yet but has the high potential with fastest growth rate in the region
- However, highly competitive retail / consumer market!

Note: (1) Consumer expenditure comprises personal expenditure on goods - durable, semi-durable and non-durable - and on services in the domestic market

(2) Disposable income is gross income minus social security contributions and income taxes

What are the key considerations when investing in Vietnam?

(1) Export Driven

Low risk investment destination

Cost competitive investment destination

(2) Domestic Driven

Looking at large and untapped market

Bet on the future: coming early before market develop