



VIETNAM

BUSINESS REVIEW

Vol 22, June 06th 2022

Highlight

Vietnam is leading the transition to clean energy in Southeast Asia

What's in it today?



FINANCE

Green finance represents a tremendous opportunity for Vietnamese banks

Keeping inflation under control to gain economy growth



INVESTMENT

Warburg Pincus leads \$250 million investment in Novaland

93% of German companies plan to expand investment in Vietnam



RETAIL

Demand for healthy foods on the rise post-COVI



E-COMMERCE

Cross-borders platforms pay \$220 million in taxes from 2018 to 2021



ENERGY

Vietnam targets to become a net zero-carbon economy by 2050

Vietnam is leading the transition to clean energy in Southeast Asia



LOGISTICS

All households in the country will have digital addresses by 2025

Ho Chi Minh City-Can Tho High-speed Railway to boost development

FINANCE

Green finance represents a tremendous opportunity for Vietnamese banks

Nearly seven out of 10 Vietnamese consumers (68 per cent) would consider switching from their current financial services providers for a bank or financial institution with a stronger commitment to sustainability.



The information was released in Mambu's survey on the customers' understanding and interaction with green finance.

The "Is the grass greener on the sustainable side?" report survey was conducted with more than 6,000 people globally, including more than 500 in Vietnam, within a situation where increased consumers have shifted their purchase behaviour to become more sustainable in the past five years. This consumer trend of purchasing with a purpose does not just exist in commerce.

According to the survey, the result has shown that over two thirds (67 per cent) of consumers want their bank or financial institution to become more sustainable in the future.

Anna Krotova, Director of Sustainability at Mambu, said: "Our research shows that consumers are increasingly looking for ways to make greener financial decisions, but remain sceptical about how strongly banks are committed to the sustainability agenda.

"They want to play a more active role in making green finance the future of finance, and there's a huge opportunity for forward-thinking players to get ahead in this transition. Mambu empowers financial institutions to do just that and build sustainable financial products quickly and cost-effectively to meet consumer demands."

The survey also clarified two key definitions of 'green' and 'ethical' finance which may be common parlance among industry experts - but they are causing a level of confusion among consumers.

Globally, only 41 per cent of consumers have heard of either ethical finance, green finance, or both, rising to 47 per cent of consumers in the Asia Pacific. Meanwhile, Vietnam has a higher rate of 56 per cent more than the other countries, only behind Thailand with 64 per cent.

Pham Quang Minh, General Manager, Mambu Vietnam, said: "In Vietnam, the majority of the consumers (84 per cent) do not fully understand the difference between green finance (a product that has been designed to protect the environment or to manage the impacts of finance and investments on the environment) and ethical finance (finance which considers not only financial returns but also environmental, social and governance factors).

"These statistics provide a clearer picture of how Vietnamese consumers perceive the interconnection of green finance and ethical finance, which indicate a need for greater education and communication within the industry."

The survey also revealed that the top way Vietnamese consumers want banks to demonstrate their sustainability commitments is through adding or creating incentives or loyalty programmes for customers, which reward them for making financial decisions that support the sustainability transition (52 per cent). This is closely followed by making customers aware of their sustainability commitments during the application process for all products and services (49 per cent).

In spite of what preceded, almost six in 10 Vietnamese consumers would value green savings accounts and bonds, and approximately half (49 per cent) would like sustainable credit and debit cards. Another priority in Vietnam is sustainable cryptocurrency services (48 per cent) - joining Thailand as the only other country where this offering was cited as a top-three priority among consumers. VNS

[Back to top](#)

Keeping inflation under control to gain economy growth

Vietnam's independence in the supply of food, which accounts for 40% of the commodity bundle used for the calculation of the consumer price index (CPI), has been a key factor in helping the country to keep inflation under control.

"This is the golden timing for Vietnam to make breakthroughs in development as countries around the world are facing high risks of inflation," Minister of Finance Ho Duc Phoc, referring to the fact that the economy is capable of meeting local consumption demands.

Previously, NA Deputy Hoang Van Cuong from Hanoi expressed concern over the risks posed to Vietnam by rising inflation in countries around the world, given the country's high level of economic openness and its dependence on trade. "Rising prices of import materials would lead to higher prices of goods and products in the domestic market, which eventually put pressure on efforts to contain inflation," he noted. In response, Minister Phoc noted controlling inflation has been a key issue in the functioning of any economy, including Vietnam's, for which measures are needed to curb the inflation rate for growth and to ensure social welfare.

In April, the inflation in the US expanded by 8.3% year-on-year, Europe by 8%, Singapore by 5.4%, South Korea 4.8%, Thailand 4.6% and Vietnam by 2.25%. According to Phoc, the Government would continue to maneuver fiscal and monetary policies flexibly and effectively to prevent inflation from rising, including tax cuts and tightening the management of prices of strategic commodities under state administration.

Another key measure pointed out by Phoc is to support the development of the business community to keep social welfare intact, along with accelerating economic restructuring via digitalization, innovation, and infrastructure development. "The core objective of the economy is to ensure monetary and fiscal policies benefit the businesses and individuals," Phoc said.

"Positive business performance would help create jobs and ensure social welfare, and subsequently leading to GDP growth," he continued. Phoc called for every administrative reform, effort for digitalization, and scientific advancement to be for the benefit of the people and businesses, saying these are the core solution to address inflation risk.

Governor of the State Bank of Vietnam Nguyen Thi Hong said inflation is a global issue, and it is affecting Vietnam's economy due to its deep integration into the world's economy. Hong noted the Government has been closely monitoring the inflation situation to keep it under control. "Vietnam's 2.25% inflation rate is mostly due to the rising prices of commodities in the global market," she added.

In the coming time, Hong said the central bank is committed to managing monetary policy in line with the macro-economic situation and the implementation progress of economic recovery packages.

[Back to top](#)

E-COMMERCE

Cross-borders platforms pay \$220 million in taxes from 2018 to 2021

Cross-borders platforms like Facebook and Google have paid VND 5.1 trillion (\$220 million) in taxes for the period between 2018 and 2021, says Finance Minister Ho Duc Phoc.



A Facebook logo is displayed on a smartphone in this illustration taken January 6, 2020.
Photo by Reuters/Dado Ruvic

He informed lawmakers in a report that by April 2021, Facebook had been taxed VND1.97 trillion; Google, VND1.9 trillion; and Microsoft, VND651 billion.

The figures were 15 percent higher than Phoc's report in March.

Vietnamese authorities also collected VND735 billion from handling violations and tax avoidance by individuals and organizations providing cross-border digital and e-commerce services, the report said.

Last year, Vietnam earned VND1.32 trillion from taxing cross-border platforms, up 15 percent from 2020.

The General Department of Taxation said last year that Facebook, Google, Netflix, YouTube and other cross-border platforms were not fulfilling their tax obligations in Vietnam. Vietnam is also looking to tax online sellers, both on e-commerce platforms and social media, as e-commerce sales have been surging by double-digits in recent years. Phoc called for tightening regulations and upgrading the capacity of collectors in order to tackle tax evasion more effectively. Vnexpress

[Back to top](#)

ENERGY

Vietnam targets to become a net zero-carbon economy by 2050

The Vietnam Energy Outlook Report, developed in close cooperation between the Danish Energy Agency (DEA), the Electricity and Renewable Energy Authority (Vietnam), and the Embassy of Denmark was presented in Hanoi. The report shows how Vietnam can reach its target of net zero greenhouse gas emissions in 2050.



The Vietnam Energy Outlook Report 2021 is the third in a series of outlook publications under the Danish - Vietnamese Energy Partnership Program, which is Denmark's main contribution to Team Europe on Energy in this country.

The message of the Vietnam Energy Outlook Report 2021 (EOR21) is clear: there is a great potential for green transition in Vietnam, which by 2050 can become a net zero-carbon economy as set out by Prime Minister Pham Minh Chinh during COP26 in Glasgow. In details, the report provides mid- to long-term perspectives on possible development paths for Vietnam's energy system towards 2050, guides policy makers and inspires deliberations on a green transition. Particularly, the EOR21 examines a scenario for Vietnam to reach the net zero emissions by 2050 and an in-depth study on the green transport sector with higher share of electrification and a modal shift towards collective means of transport which resulted in a significant reduction of CO2 emissions and air pollution.

It is expected that the report will give concrete inputs to the implementation of Vietnam's National Power Development Plan No. 8 (PDP8), the National Energy Master Plan, the Vietnamese Climate Change Strategy and other governmental plans and strategies.

"The EOR is developed with good data sources, using advanced models to calculate development scenarios for the power sector in particular and the energy sector in general, providing valuable information about short-term and long-term energy and power system development, in conformity with the Vietnamese Government's direction for sustainable energy development along with environmental protection and energy security", stated by Vice Minister Dang Hoang An at the Launch.

"Vietnam has already come a long way with its green transition, which Prime Minister Pham Minh Chinh's net zero pledge at COP26 in Glasgow illustrates. With the Vietnam Energy Outlook Report 2021 developed in a close collaboration with the Vietnamese Energy Authorities, we aim to display how this target can be reached in time and at the lowest cost possible to the benefit of the country, its people and, not least, the global climate" said Mr. Kristoffer Böttzauw, Director General of DEA.

Potential for reaching the 2050-target of net-zero emissions

In recent decades, Vietnam has experienced average annual growth rates of around 7 percent in GDP and the growing economy has led to significant increase in energy consumption as well as in CO₂-emissions. It is key for both Vietnam's and the global green transition that the country, with a population of almost 100 million people, is able to decouple economic and energy consumption and turn its energy system into a more sustainable and green energy system by investing in renewable energy and energy efficient technologies.

'Vietnam is an important partner for Denmark when it comes to green economy transition. We are happy to share with our local counterparts solid and well-proven Danish solutions, knowhow and best practices gained during the past 30 years to support Vietnam in realizing its great potential for green transformation and the country's commitment to combat climate change and achieve net-zero by 2050 in the most efficient and just way.' said H.E. Mr. Kim Højlund Christensen, Ambassador of Denmark to Vietnam at the launch.

With green transformation of the energy sector now being one of the top priorities as well as a prime demand, the EOR21 received a lot of attention and deliberations from Vietnamese sector policy-makers and managers, experts, academia and media. The report demonstrates how Vietnam through massive electrification of its industry and transport sectors along expansion of renewable energy technologies and ambitious national energy efficiency targets can secure a cost-efficient green transition and reach its target of net zero emissions in 2050. Moit

[Back to top](#)

Vietnam is leading the transition to clean energy in Southeast Asia

Vietnam is leading the transition to clean energy in Southeast Asia and is a bright spot on an otherwise soot-black map, according to an article published recently on news site The Economist.



The article said Southeast Asia is among the parts of the world most vulnerable to climate change. Yet this smoke-belching region seems uninterested in forsaking fossil fuels.

In the four years to 2021, the share of electricity generated by solar in Vietnam increased from practically nothing to nearly 11%. Not only was this a faster rate of increase than almost anywhere else in the world. It is a bigger share than larger economies such as France or Japan have managed.

By last year, Vietnam had become the world's tenth-biggest producer of solar power. Underscoring his country's commitment to the energy transition, Prime Minister Pham Minh Chinh vowed in November to stop building new coal-powered plants and to reduce his country's emissions to net zero by 2050.

Other Southeast Asian countries that desire improve their game can draw a few lessons from Vietnam.

Accordingly, Vietnam has quadrupled its wind and solar power capacity compared to 2019. The article attributed the "extraordinary achievement" primarily to political will and market forces.

Reforms make it easier for foreign investors to do business in Vietnam. However, the article said, if it hopes to achieve net zero emissions by 2050, the country will have to make greater efforts. According to consulting firm Dezan Shira, energy demand in Vietnam has soared by roughly 10% per year over the past decade. VOV

[Back to top](#)

RETAIL

Demand for healthy foods on the rise post-COVID

Consumers are increasingly looking for natural and environment-friendly products and those with health benefits after the COVID-19 pandemic, according to the High Quality Vietnamese Product Business Association.



Vu Kim Hanh, its chairwoman, who led a Vietnamese business delegation to THAIFEX-Anuga Asia, the region's largest food and beverage trade fair, in Bangkok last month, said consumers were obsessed with the pandemic and looked for foods that boost their health and immunity but are convenient.

Speaking at a seminar in HCM City last week, she said demand for plant-based products and alternative protein products had grown significantly.

Surveying 1,000 booths at THAIFEX, her delegation found that the current demand was for plant-based products, but other emerging trends included products derived from insects and biological products developed from lab and fungi, she said. "All these three products are under a common concept called 'alternative protein'. We went through the THAIFEX fair and saw many booths showcasing 'alternative proteins'."

Nguyen Truong Thinh, deputy sales director of Luong Quoi Coconut Co., Ltd, said: "After the pandemic, natural and organic products have received greater attention from consumers. When we did market research, we found that though incomes have decreased, people are willing to cut other expenses to buy products that are good for their health." "This is a trend that we and other manufacturers cannot miss." Earlier his company used to sell simple products such as coconut oil, but now uses many new technologies, including UHT sterilization technology (used for dairy industry) to keep coconuts' freshness at 95 per cent. According to Nguyen Le Quoc Tuan, CEO of Song Huong Foods, which makes products from eggplant and other traditional items, the company's products are naturally fermented by using an improved traditional process to ensure health benefits and natural flavours.

Ly Huy Sang, general director of Minh Long I, said kitchen utensils helped increase the taste of food, but cooking would also affect the quality of food, directly affecting health. That was why his company constantly researches and develops premium porcelain cooking product lines (macrobiotic cookware) that help retain flavour and nutrition in foods after cooking. Hanh said: "In general, the way people buy and consume food and agricultural products has changed a lot since before the pandemic. For instance, consumers are now more interested in green-clean foods, foods that bring variety to their diets and are environment-friendly. "Enterprises should promote local advantages and tropical foods."

[Back to top](#)

LOGISTICS

All households in the country will have digital addresses by 2025

The potential is great, but the development and operation of Vietnamese cargo shipping has not been commensurate with the role and position of the country.



This goal was highlighted in the National Postal Development Strategy to 2025 approved by Deputy Minister Vu Duc Dam on May 30.

The strategy sets a goal of developing the postal industry into an essential element of the country's infrastructure.

The postal and delivery industry was forecast to reach annual revenue of US\$10 billion by 2030, given the current growth rate of around 20-30 per cent per year.

The strategy stressed that completing the digital address platform in line with the national digital map was important for the development of e-commerce and the digital economy.

According to Dương Tôn Bảo from the Department of Posts under the Ministry of Information and Communications, the drastic change in the postal and e-commerce market, along with the development of digital technology in the Industry 4.0 era, has been changing ways of doing business and opening up new opportunities for the development of the postal industry.

The industry needed new strategies to create breakthrough development, he said.

He cited the report of the Vietnam e-Commerce Association that the e-commerce market would expand at an average of 29 per cent per year to reach \$52 billion by 2025.

The huge volume of goods traded via online channels led to an explosive demand for delivery services – a huge potential for the postal industry to tap and transform from delivering newsletters to an important foundation for e-commerce development, an essential infrastructure of the digital economy.

“The postal industry plays a role in ensuring the flow of materials besides the flow of data in the digital economy and digital society,” Bảo wrote on vietnamnet.vn.

He said the postal market in Vietnam was witnessing the intertwining between the old and the new, stressing that the market would see increasingly harsh competition.

Traditional postal companies which were slow to renovate were losing market share to start-ups and technology enterprises which were young in experience but faster in applying technology.

He said this forced the postal industry to transform itself into a digital supply network, and there was no other way.

Accordingly, the postal development strategy emphasised that modern technology was the core, and a Made-in-Vietnam ecosystem of digital platforms would be the breakthrough solution.

“Postal enterprises develop in the direction of becoming enterprises which apply digital technologies to create new products and services and ensure people across the country have the right to access and use quality postal services at reasonable fees,” the strategy said.

The focus would be on building a Made-in-Vietnam ecosystem of digital platforms, including digital addresses and e-commerce platforms.

The strategy targeted that, by 2025, all households across the country would have digital addresses, and all farmer households would participate in e-commerce platforms developed by postal companies.

According to Bảo, the postal industry owns huge resources with a network of over 21,600 points reaching to commune level and covering 63 provinces and cities together with nearly 800 enterprises operating in the industry.

The postal infrastructure coupled with the telecommunications infrastructure, electronic payment and digital address would promote the development of e-commerce and help expand the market for postal services, he said.

The postal industry would promote e-commerce in rural areas to accelerate the digital agricultural economy and enable residents to access public services.

“The digital revolution and the COVID-19 pandemic have changed the global economic growth model. Vietnam’s postal industry sees this as an opportunity to become an essential infrastructure of the country and the digital economy and contribute to promoting the development of digital government and digital society,” he said. — VNS

[Back to top](#)

Ho Chi Minh City-Can Tho High-speed Railway to boost development

CT Group – with its desire to invest in traffic infrastructure and particularly a high-speed train to the Mekong Delta – shared information about this project at the Workshop on Clearing Highways and Promoting the Advantages of the Mekong Delta on May 31.

CT Group Tran Kim Chung sharing his plans to set up a high-speed train to the Mekong Delta. According to Tran Kim Chung, chairman of the Board of Directors at CT Group, the Mekong Delta has a population comparable to Belgium, Norway, and Finland combined.

He believes that the area has a secure competitive position, but it has not fully utilised its current advantages. The Mekong Delta's geological location is particularly unique. It is one of the most valuable deltas in the world, with favourable rainfall, excellent wind, and fertile land. However, people in the region continue to migrate to other areas. The Mekong Delta's huge potential still has much room for expansion in terms of transportation, economics, and social development. However, the best way to achieve a breakthrough remains unclear due to its limited budget and the fact that certain projects must be given priority.

According to Dr. Tran Du Lich, the high-speed train line from Ho Chi Minh City to Can Tho will fuel breakthrough growth in the southwestern area, delivering a makeover for the region. Chung, who loves the Mekong Delta region, explained that nearly 30 years ago, CT Group possessed the largest coir net export firm and the largest rice export company shipping products to Eastern Europe from Vietnam. "During the period, our employees worked extensively in the Mekong Delta region," Chung said.

However, it is difficult to move to the delta since the road system is still underdeveloped. As a result, the group has spent the last two years evaluating a project to develop a high-speed railway in the region. "Our partners have made preparations and the group has worked with shareholders who have expertise in running successful railroads in Malaysia," Chung added. The Group also submitted its project to the World Bank (WB), which advised that the project would only work if there could be synchronised development between traffic, industrial, and commercial zones around the axis.

In line with the WB's view, Chung said CT Group has set up a joint venture with a wide spectrum of units capable of producing the modules to build such a development.

CT Group will provide reports on the project's specifics to the government and the Ministry of Transport. The high-speed railway project from Ho Chi Minh City to Can Tho will require VND170 trillion (\$7.39 billion), with site clearing costing VND56 trillion (\$2.43 billion) and construction works of VND85 trillion (\$3.7 billion). The freight train will begin at An Binh and Di An stations in Binh Duong province, while the passenger train will start at Tan Kien station (Binh Chanh District of Ho Chi Minh City). The line will end at Cai Rang station in Can Tho province.

The freight train will cover 174 kilometres and the passenger train will travel around 140 kilometres. The route passes through the provinces of Binh Duong, Ho Chi Minh City, Long An, Tien Giang, Vinh Long, and Can Tho, and has 13 stations.

The legal basis for this railway deployment is in accordance with Resolution No.120/2017 to develop the Mekong Delta and adapt to climate change, Decision No.1769/2021 approving railway network planning, and Decision No.287/2022 approving the master plan for the Mekong Delta region for the period from 2021 to 2030.

It is estimated that by 2030, the passenger demand will be about 4.1 million, accounting for a share of around three per cent of the passenger transport market. By 2050, this figure should reach over 22 million, accounting for 8.8 per cent of the market. Cargo transport will grow from approximately five million tonnes of goods in 2030, accounting for 0.85 per cent of the market, to 41 million tonnes of goods in 2050 (3 per cent of the market).

According to a survey on transportation expenses, a price of between VND800 (3.5 US cents) and VND1,000 (4.3 US cents) per km was calculated for trains travelling at an average speed of between 60 and 80 km/h. For cargo, a price of VND1,800 (7.8 US cents) per kilometre was calculated for the average speed of 50 km/h. The passenger transport speed is to range from 55 to 60km/h, with rates from VND600 (2.6 US cents) to VND1,000 (4.3 US cents) per km.

The freight transport speed will range from 45 to 45km/h, with charges from VND400 (1.7 US cents) to VND1,000 (4.3 US cents) per km. If the high-speed railway – with its top speed of 200km/h – goes into service, the cost is projected to be 5-10 per cent more than for regular rail transit.

To maximise the value of the railway, CT Group suggests developing high-tech industrial parks, agricultural zones, and commercial areas near this route to fully utilise the potential of the route when it is put into operation. VIR

[Back to top](#)

INVESTMENT

Warburg Pincus leads \$250 million investment in Novaland

Novaland plans to use \$250 million investment from Warburg Pincus and others to increase its strategic land bank and complete development of some major projects.



The 1000-hectare NovaWorld Phan Thiet project has been developed by Novaland.
Photo by Novaland

The investment, according to a Novaland official, marks the beginning of a strategic partnership between Novaland and the U.S. fund. The collaboration will ally Novaland's position in the real estate market with Warburg Pincus' global real estate experience and expertise. "We are delighted to welcome Warburg Pincus as a strategic partner," Bui Xuan Huy, chairman of Novaland, said.

"Warburg Pincus is one of the world's most established and successful private equity investors, and its sizable investment demonstrates its great belief in Novaland's growth potential." Warburg Pincus' track record of assisting successful real estate enterprises in Vietnam and Asia would be valuable to Novaland, he added. The money will be used to acquire lands and develop ongoing projects in some important places, leveraging upcoming infrastructure in Vietnam's southern region. Credit Suisse - a global investment bank and financial services company based in Switzerland - acted as the sole financial advisor to Novaland.

Jeffrey Perlman, managing director, head of Southeast Asia and Asia Pacific real estate, Warburg Pincus, said the investment further reinforces his company's long-term commitment to Vietnam with over US\$1.5 billion committed to date and continues its track record of backing market leaders in their respective sectors. "We are very excited about the opportunity to invest in yet another great Vietnamese company and look forward to working with the management teams at NovaGroup and Novaland.

"We believe Novaland will be able to capitalize on the significant market opportunity, and we will use our network, experience and skills to assist Novaland in taking its business to the next level." The Warburg Pincus financing represents Novaland's next successful fundraising from international investors in less than a year after the issuance of international convertible bonds listed on the Singapore Stock Exchange in July 2021.

Warburg Pincus has made its sixth investment in Vietnam with this deal. Since 2013 it has invested over US\$1.5 billion in several of Vietnam's leading businesses, including retail platform Vincom Retail, logistics and industrial developer BW Industrial Development, homegrown integrated hospitality platform Lodgis Hospitality, joint-stock commercial bank Techcombank, and fintech platform MoMo.

[Back to top](#)

93% of German companies plan to expand investment in Vietnam

Nearly 93% of German companies will continue to invest in Vietnam and over 64% expect their businesses to develop better in the next 12 months.



Chief Representative of AHK Vietnam Marko Walde (mid) at the launch of the survey. Photo: Nguyen Tung

The figures were revealed in a survey conducted by the German Chambers of Commerce Abroad, Delegations, and Representative Offices (AHK) from March-April, 2022.

According to the survey launched today [June 8], German businesses have expressed more confidence in their business development and held a positive view of Vietnam’s economic growth than they did in the fall of 2021.

Chief Representative of AHK Vietnam Marko Walde attributed the positive sentiment to Vietnam’s border reopening as well as the Government’s drastic and timely policies, noting they have created a boost for post-pandemic economic recovery.

The survey also suggested over 46% of German businesses plan to recruit more employees in the coming year. Respondents demonstrated that the most important factors for their trade and investment decisions in Vietnam are political stability, availability of skilled workers in technical and non-technical fields, and adequate transport, and logistics infrastructure.

“In addition, Vietnam’s participation in free trade agreements (FTAs) has put the country in favorable conditions to attract foreign direct investment (FDI) flows,” he said.

It is estimated that 73% of German companies believe that the implementation of the EVFTA from August 1, 2020, increases their competitiveness in Vietnam.

Walde added German companies place significance on the availability of skilled labor in technical fields (58.3%), quality of education in technical fields (58.3%), and tariff trade barriers (56.5%).

Opportunities and challenges

The AHK Representative noted over 450 German companies are operating in Vietnam and creating 50,000 jobs, in turn contributing positively to bilateral economic cooperation.

“Although German enterprises show resilience in the post-pandemic recovery, they are facing risks and challenges caused by global uncertainties that make them more concerned about their business development in the coming year,” Walde said.

Amid severe Covid-19 impacts and disruption of the global supply chains, Walde stressed investment diversification has become one of the top priorities for German companies.

“Instead of focusing on a certain market or investment destination, German companies are expanding their supply chains, and 95% are eyeing Southeast Asia, with Vietnam and Thailand being prime candidates,” he added.

At present, Walde expected Vietnam to hold a key role in the global trade movement.

“Out of the 10 ASEAN members, Vietnam is among four taking part in the CPTPP [along with Brunei, Malaysia, and Singapore], and Singapore are the only two having a free trade agreement with the EU,” he said. Walde also highlighted the importance of Vietnam as a production hub, factoring in the fact that foreign investors are allowed to establish wholly-foreign-owned ventures, a hard-working and dedicated workforce, and the close connection in terms of economy, culture, and society between Vietnam and Germany. To further push for investment capital from Germany to Vietnam, Walde called for the country to continue promoting the supply chain network and high-quality workforce that are capable to meet investors’ demands.

Transport and energy infrastructure are also fields that need more investment from the Government, he added, calling for the country to soon set up a network of renewables and serve as the foundation for Vietnam’s sustainable development in the future.

[Back to top](#)

For more information, please contact us:

SEIKO IDEAS

Research & Consulting Division

Our services	Marketing Research Business Matching Investment Consulting Translation - Interpretation Training (Language & Soft skills)
Our clients	Think tanks, Universities Japanese & Vietnamese Government Organizations Manufacturers, Retail companies Advertisement agencies, Mass media
Head Office	Floor 5 th – A Chau Building No.24 Linh Lang Str., Ba Dinh Dist., Hanoi, Vietnam
Rep. Office	〒220-0012, 8F Wework, Ocean Gate Building 3-7-1 Minatomirai, Nishi ward, Yokohama Kanagawa, Japan
Telephone	+84-24-6275-5246 ; +84-24-6273-6989
Fax	+84-24-6273-6988
URL	www.seiko-ideas.com
Email	newsletter@seiko-ideas.com

**You are receiving this because you [subscribed](#) to our weekly business newsletter or you gave us your address via name card.*
