

**Enterprise
Singapore**

GrowingEnterprises^{SG}

Expand your business to **Vietnam**

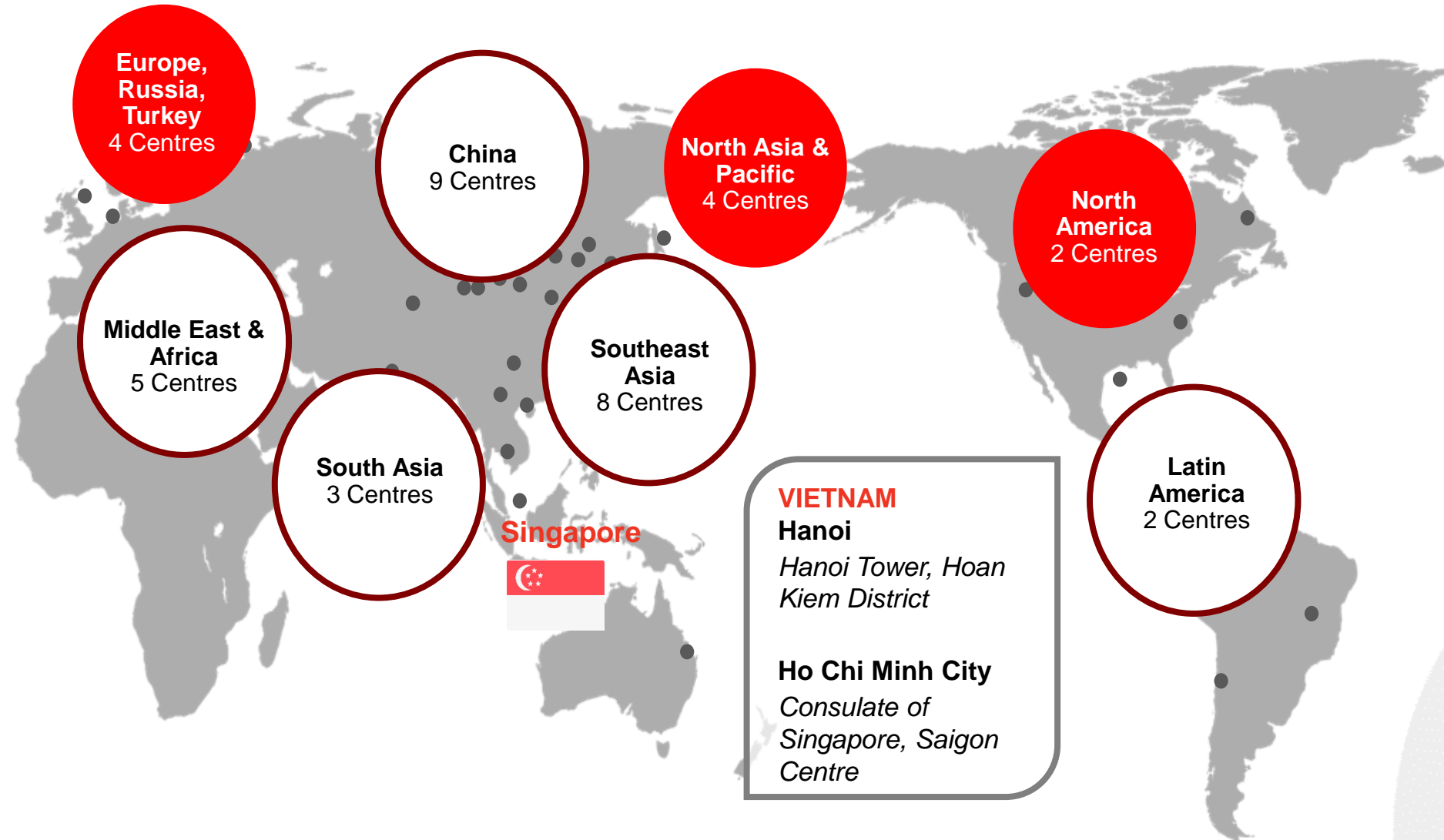
29 October 2020

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About Enterprise Singapore

ESG has a global network of 36 Overseas Centres, who are the main drivers of providing market expertise and in-market facilitation



Why Vietnam

Vietnam's projected long-term growth is underpinned by favourable conditions

Political Stability



- Single-party state, one of the most politically stable countries in SEA
- In 2018, VN ranked 4th for most political stable country in South East Asia

Strategic Location



- VN is in the center of ASEAN, with close proximity to major markets in Asia (i.e. China)
- Long coastline gives direct access to the South China Sea; the world's main shipping route, and thus opportunities for trade

Investor friendly government policies



- Active promotion of economic, trade, and investment cooperation
- More than 15 signed FTAs
- VN is a CPTPP member, and one of 2 ASEAN country to finalize FTA agreements with the EU

Rising Urbanization



In 2019, VN's urbanization rate has reached 40%, with 50% of the population expected to live in cities by the 2040s

Young and Educated Population



- ~70% of the population is under the age of 35
- Literacy rate of 95% for those aged 15-35
- VN ranks 48 out of 157 countries on the Human Capital Index (HCI), 2nd in ASEAN

Growing Investment & Consumerism



- GDP growth of 7% in 2018-2019, one of the fastest in the region
- FDI of US\$38.2b in 2019, marking a 10-year high and representing a y-o-y increase by 7.2%
- Ranked 4th globally in 2020 Consumer Confidence Index despite pandemic
- 47% rise in household spending expected between 2017 and 2021

References:

World Bank, 2018 &2020

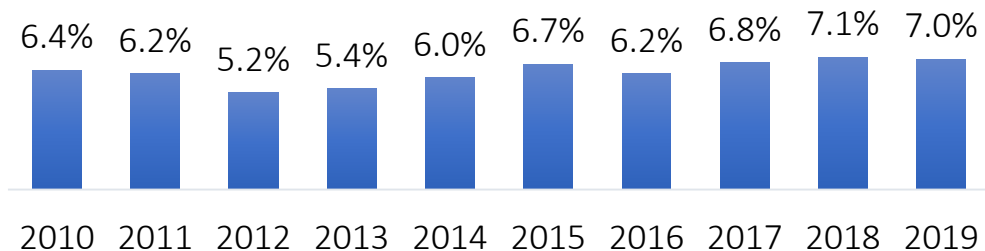
Conference Board Global Consumer Confidence Survey, 2020

Vietnam news, 2019, "Vietnam's FDI capital hits 10-year record in 2019"

VietNamNet Newspaper, 2019, "Vietnam's urbanization rate in 2019 to reach 40%"

Vietnam's economy is poised for strong rebound and continued growth despite being hard-hit by COVID-19

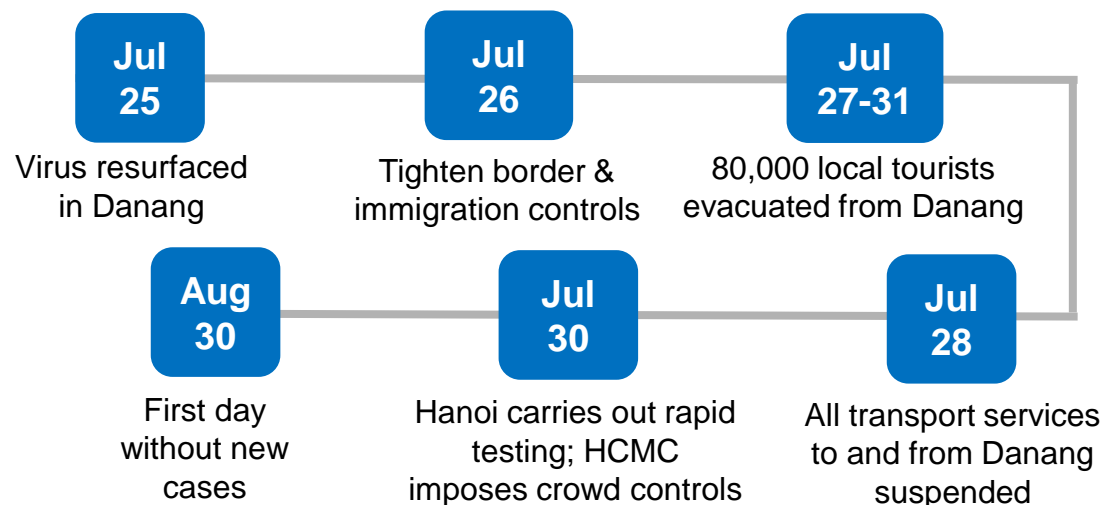
Stable growth over the past decade



Source: Asian Development Bank, 2019

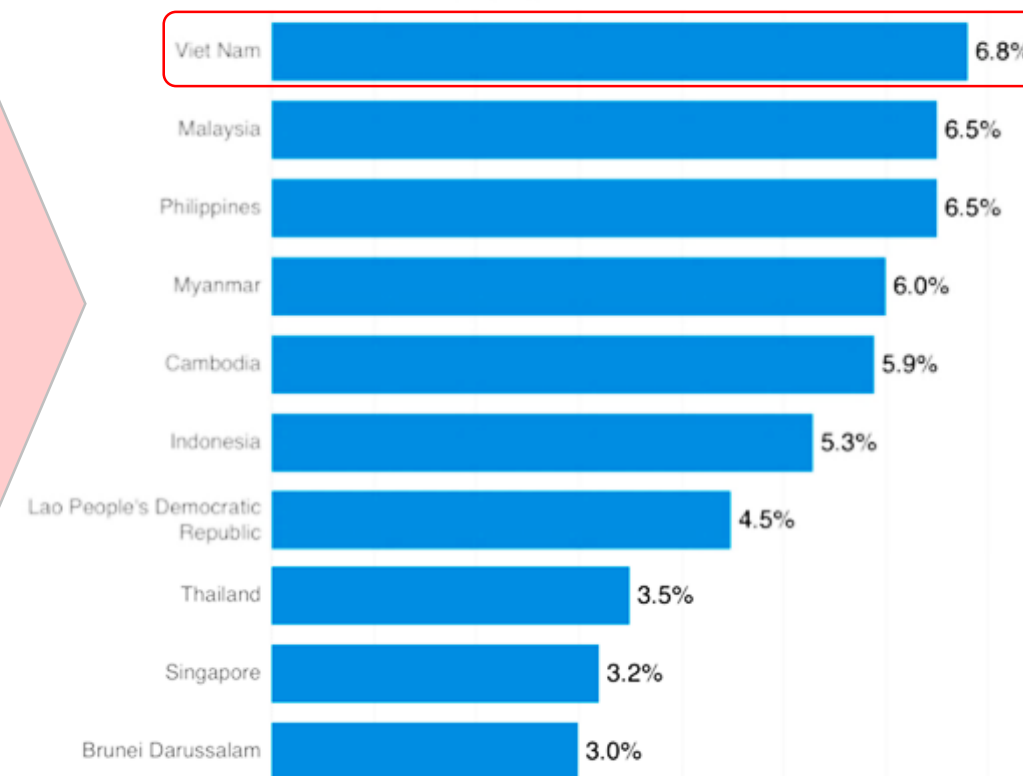
Vietnam has recorded strong GDP growth performance over the past decade, in particular over the last 5 years.

Fast government response against COVID-19



Strong recovery forecast

GDP Growth Rate, 2021 forecast
(% per year)



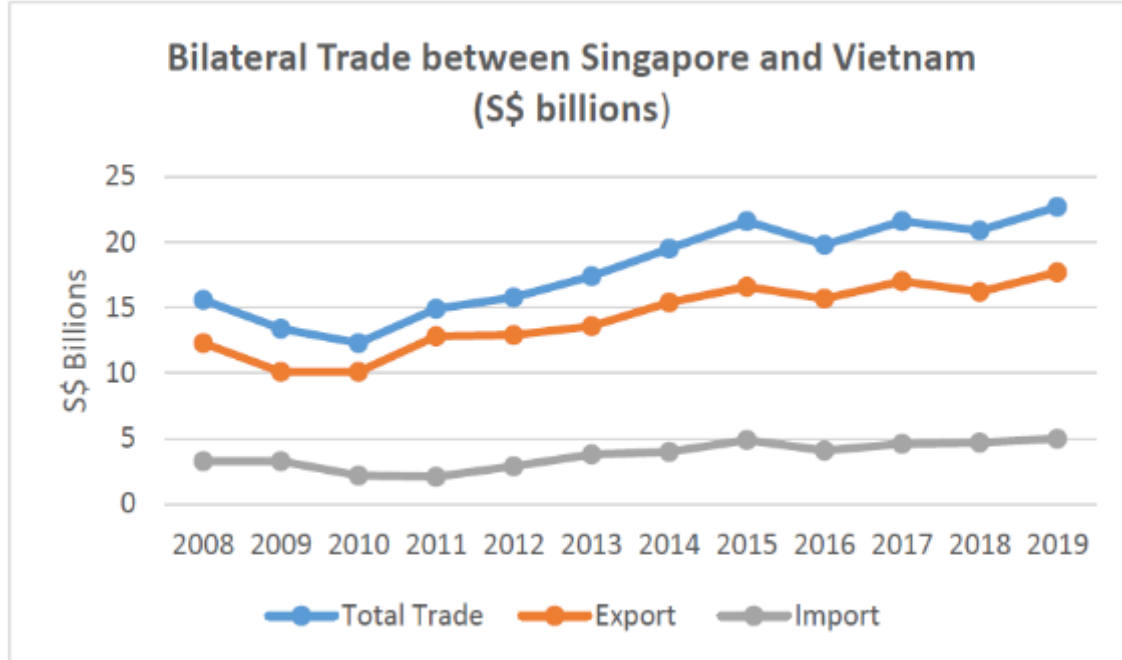
Source: Asian Development Bank. Asian Development Outlook (ADO) 2020 Supplement (June 2020)

Vietnam is expected to make the strongest recovery from COVID amongst Southeast Asian countries.

Singapore is one of the largest foreign investors in Vietnam

Vietnam was Singapore's 10th largest trading partner in 2019

- Total trade has been growing steadily
- In 2019, bilateral trade was **S\$22.7B**, 8.4% y-o-y increase



As of end 2019, Singapore is Vietnam's 3rd largest foreign investor and top ASEAN investor

In 1H 2020, Singapore was Vietnam's top foreign investor with **US\$4.5B**



Vietnam-Singapore Industrial Parks (VSIP)

- Signature bilateral initiative
- The 7 VSIPs have generated over US\$15B in investments and created over 272,300 jobs in Vietnam

Key Sectors

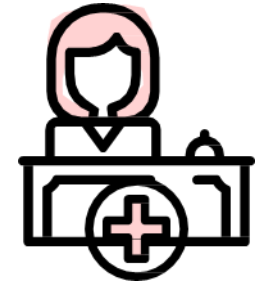
Fast growing digital segment in Vietnam attracted international and local players in recent years

	2011 - 2017 (6 YEARS)	2018 - 2019 (1 YEAR)
<p>Transportation applications</p> 		
<p>Food delivery applications</p> 		

Sector opportunities



Retail /
Ecommerce



Health Tech



Edu Tech

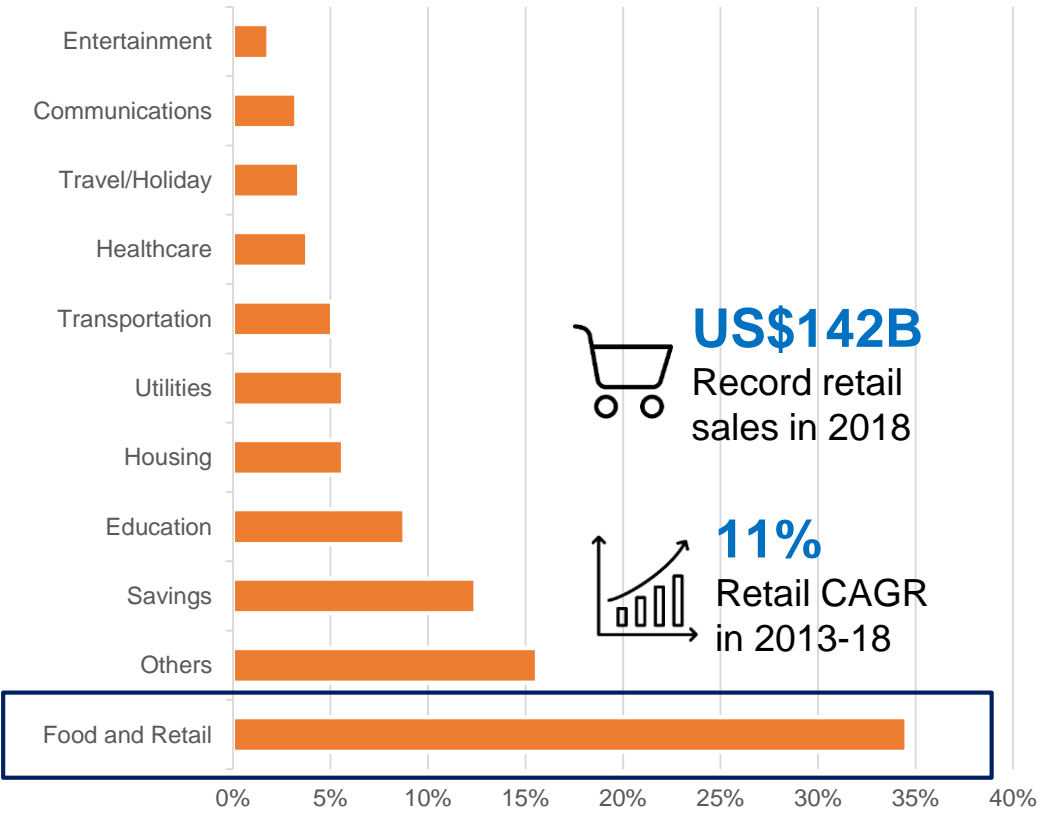


Smart
Manufacturing

Food & retail sectors saw growth in base of e-shoppers, with focused spend on essential items



Consumers spent most on food and retail pre-COVID



Source: Kantar Insight Handbook 2020

COVID prompted an increase in e-shoppers, with essential items being the key spend category

A shift in **featured categories** by e-commerce platforms:

- Mask / hand sanitiser
- Fresh /Frozen Groceries
- Staple goods
- Books / Home Entertainment
- Healthcare / wellness products

Source: Vietnam (May 14, 2020)

National E-commerce Development Plan 2021-2025

- E-commerce revenue should reach **US\$35b** to account for 10% of national retail and services earnings
- **55%** of population shopping online
- Average spending for online shopping of **US\$600** per person per year
- **50%** of SMEs to develop online shopping channels
- Cashless payment to account for **50%** of e-commerce transactions

Rise in popularity of e-learning platforms & edutech products

Pre-COVID



~47%

of household expenses on children education

Opportunities in Edutech

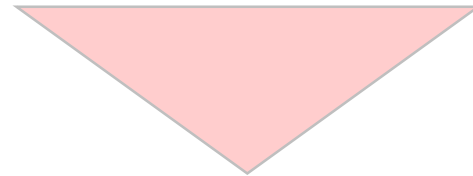
Projected Vietnam market size of **US\$3B** by 2023

Rise in private and enrichment sub-sectors

39%

Increase in no. of private schools in pre-primary and general education schools, 2013 – 2017

Soft skills classes and workshops have become popular, with a lack of soft skills being cited as a key reason of unemployment for graduates.



COVID

Shutdown of schools

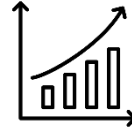
Implementation of home-based learning led to an increased uptake of e-learning platforms.

VNPT's user size grew by 4x, no. of platform visits increased **by more than 5x** to exceed 5M; while **Viettel's** e-learning platform **gained 41M visits**.

Healthcare sector is relatively nascent, with COVID presenting opportunities in digital health and telemedicine



US\$17B
Healthcare
expenditure in 2019



12%
Growth in no. of
private hospitals



Vietnam is one of the
fastest ageing
countries

Push for digitalisation in healthcare

- Government launched its 'Vietnam Health Programme' in 2019, to achieve 28 targets across 10 priority health fields including proper nutrition, physical exercise, and early detection and management of non-communicable diseases.
- MOH is working on a plan to develop smart healthcare during 2018-2025, including a national healthcare datacentre, smart healthcare systems, smart medicine management systems, and other e-Government initiatives.
- MOH issued Circular 47/2017 to regulate telemedicine in Vietnam, allowing doctors to offer telemedicine services to patients.

Promoting development of pharmaceutical and medical device sectors

- MOH aims to strengthen regulations for pharmaceuticals, vaccines and medical devices, to ensure better access to medicines and health technologies.
- Government is prioritizing developing human resources and medical science and technology, including capacity building in medical, pharmaceutical, biomedical science and technology research.

Vietnam is in the early-stage of its i4.0 journey: There are many points of entry for solution providers to participate in this transformation now

By 2030, manufacturing innovation & I4.0 adoption would be critical in sustaining Vietnam's economic growth

- Since majority of manufacturing firms are engaged in the assembling and outsourcing activities, **technologies impacting production quality consistency and lead time will be of prioritised interests.**



Opportunities in the following areas:

- **Process monitoring & control**
- **Automation & robotics**
- **Big Data**

Market Entry

Initiatives and collaborations between Singapore & Vietnam

1. Launch of GIA HCMC in July 2019, in partnership with Quest Ventures and SIHUB

- The Global Innovation Alliance (GIA) network was expanded to Ho Chi Minh City (HCMC) in July 2019, in collaboration with Quest Ventures – a Singapore-based venture fund – and Saigon Innovation Hub (SIHUB) – an agency under the Department of Science and Technology in HCMC.
- The first accelerator programme virtually was completed in Sept 2020 and interested startups can register interest for 2nd batch through Quest Ventures Website

Quest for Growth - Vietnam Global Innovation

Virtual Market Access and Go-to-Market (GTM) in Vietnam

SPEAKERS



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VENTURES



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Initiatives and collaborations between Singapore & Vietnam

2. National University of Singapore Enterprise (NUSE) has launched BLK 71 Saigon

- Launched in 2020, BLK71 Saigon is a partnership between NUS Enterprise and Becamex IDC. BLK71 is a global initiative by NUS Enterprise to serve as a technology-focused ecosystem builder and global connector which catalyses technology solutions development and adoption with corporates.



Enterprise Singapore provides financial and non-financial support for companies looking to expand overseas



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Thank You

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