

UNLOCKING OPPORTUNITIES IN VIETNAM



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01 Investing in Vietnam: The Future Frontier for Foreign Investors

As Vietnam enters 2025, the country is advancing a wide-ranging political and administrative reform agenda that directly impacts the legal and business environment. In addition to commitments to international integration and infrastructure development, the current focus is on restructuring the government apparatus, simplifying procedures, and updating the legal framework—starting with core areas such as the Law on Enterprises and the Law on Investment.

This restructuring is not limited to the central government; it extends to local levels as well. The government is being streamlined to consist of **14 ministries, 3 ministry-level agencies, and 5 government-affiliated bodies**. Some ministries are being merged—for example, the Ministry of Natural Resources and Environment will be consolidated with the Ministry of Agriculture and Rural Development. Many general departments, departments, and public service units across levels are being dissolved or merged to eliminate overlap, reduce costs, and increase administrative efficiency.

Alongside structural changes, new legal documents, procedures, and templates are being introduced. These include revised circulars and updated paperwork for business registration, investment licensing, and conditional sectors. Enterprises will need to quickly adapt internal processes to stay compliant with the new system.

In short, this political and administrative reform is more than a restructuring of state institutions — it is a foundational shift in how the state interacts with businesses, aiming for simpler procedures, a leaner bureaucracy, and clearer legal rules.



A New Era of Opportunities Awaits You

Welcome to the gateway of Southeast Asia's most compelling investment landscape—Vietnam. A land of vibrant culture, boundless energy, and unparalleled growth prospects. This Ebook isn't just another document; it's your golden ticket to the future of investment. Dive in and discover why Vietnam is the place to be, and why keen foreign investors like you are perfectly positioned to ride the wave of prosperity.



Vietnam's Remarkable Economic Successes

As of 2025, total foreign investment in Vietnam reached **USD \$38.27 billion**, reflecting a modest **3% year-on-year decline**, according to the Ministry of Planning and Investment (MPI). However, disbursed capital hit a **five-year high of USD \$25.35 billion**, indicating strong project execution despite a cautious global investment climate.

A total of **3,375 new foreign-invested projects** were approved, contributing **USD \$19.73 billion** in registered capital. An additional **USD \$14 billion** was injected into 1,539 ongoing projects through capital increases. Meanwhile, capital contributions and share purchases by foreign investors reached **USD \$4.54 billion**.

By the end of May 2025 alone, total newly registered, adjusted, and contributed capital reached **nearly USD \$18.4 billion—up 51.1% year-on-year**. This surge included 1,549 newly licensed projects (up 14.1%) with over **USD \$7.02 billion** in new capital, and 672 projects with **capital increases totaling USD \$8.51 billion—nearly 3.4 times higher** than the same period last year.

This growth reflects more than just investment momentum—it signals the impact of Vietnam's institutional and policy restructuring. The streamlining of government ministries, simplification of licensing procedures, and updated legal frameworks (including revised enterprise and investment laws) are making the investment environment more accessible, transparent, and responsive.

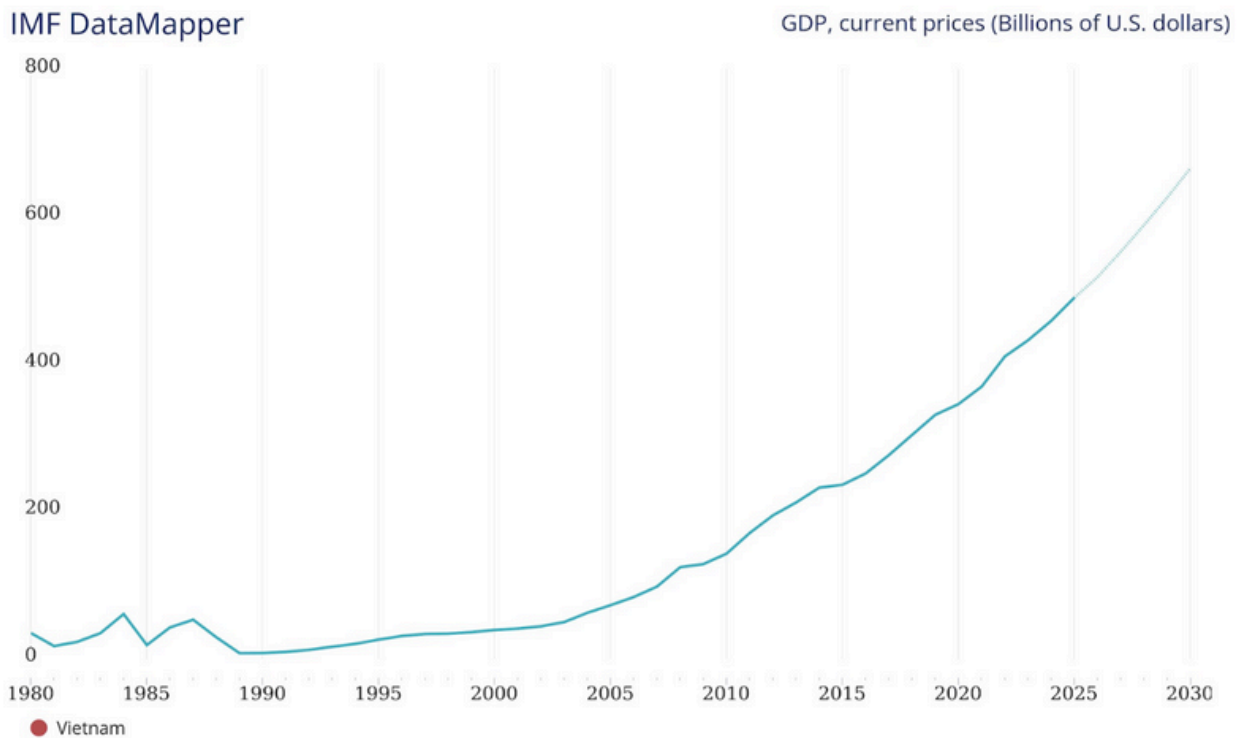
Beyond traditional FDI, foreign investors are increasingly engaging through public-private partnerships (PPPs), green bonds, infrastructure funds, and capital market instruments. These channels align with Vietnam's broader economic shift toward sustainable development, digital transformation, and green growth.

These investment flows are unfolding in parallel with Vietnam’s solid macroeconomic recovery, marked by robust GDP growth and steady reform momentum. The country posted GDP growth of 7.1% in 2024, with projections of 6.5–6.8% for 2025, underscoring its continued economic strength. As companies expand into Southeast Asia, Vietnam remains a leading FDI destination, supported by its strategic location, skilled workforce, and increasingly investor-friendly regulatory environment.

This performance also reflects the deeper impact of Vietnam’s political and administrative restructuring. The government has streamlined its apparatus—reducing the number of ministries to 14, dissolving overlapping units, and consolidating agencies. Core laws, such as the Law on Enterprises and the Law on Investment, have been revised, accompanied by updated circulars, templates, and procedures. These changes simplify entry and compliance for investors, especially in business registration, licensing, and investment approval.

Beyond traditional FDI, foreign capital is also entering through public–private partnerships, infrastructure funds, and capital market instruments—channels that align with Vietnam’s broader shift toward green growth, digital transformation, and industrial upgrading.

Vietnam’s GDP Growth (Forecasted)



02 Why invest in Vietnam?

Vietnam presents a compelling case for foreign investment, offering a strategic blend of geographical advantages, economic growth, and business-friendly policies. Here are the key reasons to consider investing in Vietnam:



1. Strategic Location

Vietnam's strategic position along major shipping and transport routes, bordering South China, and at the heart of East Asia, makes it an ideal destination for manufacturing and a vital part of the "China +1" strategy.

2. Growing Economy

Vietnam boasts strong and consistent GDP growth, often outperforming its global and regional peers. This robust economic performance signals a healthy environment for investment.

3. Stable Government

The country's relatively stable government has a clear economic vision, fair policy control, and low investment barriers. These factors, combined with attractive incentive schemes, create a favorable investment climate.

4. Ease of Doing Business

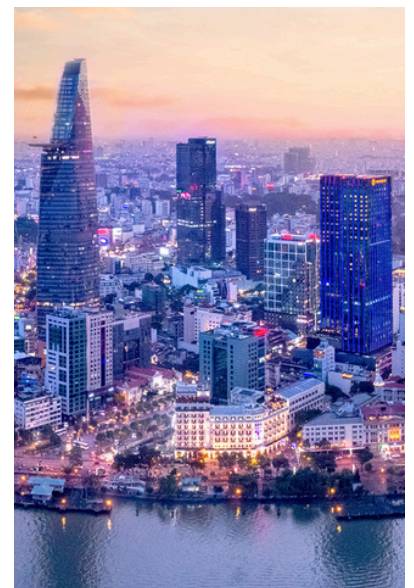
Vietnam continues to improve its business environment, emerging as a top destination for foreign investment. It ranked 3rd in the Business Environment category of the Emerging Asia Manufacturing Index 2024, and climbed to 2nd place in the 2025 Asia Manufacturing Index—its second consecutive year in the top tier. These rankings reflect efficient company setup processes, low investment barriers, and a proactive government agenda, including tax incentives, streamlined registration, and regulatory reforms. Strong economic performance, particularly in manufacturing and exports from Q1 to Q3, further reinforces Vietnam's appeal.

5. Large, Young Labor Force

Vietnam offers one of the most dynamic labor markets in Asia, with a workforce nearing 60 million and expanding by approximately 1 million people each year. As of April 2024, 67.4% of the population is of working age (15–64), and the median age of just 33.4 reflects a youthful, energetic, and economically active demographic—ideal for long-term industrial and technological growth.

The country boasts a highly literate and well-educated population, with a literacy rate of 96.6% and school completion rates exceeding 95% at the elementary and middle school levels, and nearly 80% at the high school level. This translates into a large, trainable, and adaptable workforce that is well-equipped to support both traditional manufacturing and high-value sectors such as electronics, renewable energy, and digital services.

Vietnam's demographic dividend, combined with its strong education system and government-backed workforce development initiatives, positions it as a premier destination for foreign investors seeking both scale and skill.



6. Integration with Legal Frameworks

Vietnam's membership in the WTO and its participation in major international Intellectual Property Protection conventions, protocols, and agreements ensure robust legal protections for investors.

7. Industrial Zones

Vietnam's extensive network of Economic Zones, Industrial Parks, and Business Districts offers ample infrastructure for business operations. As of 2025, the country hosts 414 industrial parks and 18 coastal economic zones nationwide, strategically located to support manufacturing, logistics, and investment projects.

Recent regulatory developments have also granted foreign-invested enterprises greater land acquisition rights within these zones, further enhancing investor accessibility and long-term stability.



8. Growing Consumer Spending

Vietnam's population of over 100 million and a rapidly expanding middle class are driving strong consumer spending. The services sector, which now accounts for more than 42% of GDP, grew 7.7% in Q1 2025 and contributed over half of the overall economic growth. With Q1 GDP increasing 6.93% year-on-year—the highest first-quarter growth since 2020—market opportunities across consumer-driven sectors continue to expand.



9. Network of FTAs

Vietnam's deep integration into the global economy is a major draw for investors. As a signatory to 17 Free Trade Agreements (FTAs) covering over 50 partner economies, the country offers extensive market access across Asia-Pacific, Europe, and the Americas.

Key agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) not only reduce tariffs but also harmonize trade standards, streamline customs procedures, and enhance investor protections. This broad FTA network strengthens Vietnam's role in global supply chains and reinforces its position as a strategic base for export-oriented production.

For investors, this means lower trade barriers, improved cost efficiency, and access to some of the world's most dynamic consumer markets.

These factors collectively make Vietnam an attractive destination for foreign investors, offering a promising blend of strategic advantages, economic potential, and a supportive business environment.



03

Comprehensive Market Insights and Investment Opportunities in Vietnam

Food and Beverage Market

Vietnam's food and beverage (F&B) industry is set for strong expansion in 2025, with market value projected to **grow by 10.67% year-on-year**, reaching over VND 725 trillion. This outlook comes from the "Vietnam Food and Beverage Market Report 2024," a comprehensive study by iPOS.vn and Nestlé Vietnam Co., Ltd., based on input from 4,005 restaurants/cafes and 4,453 diners nationwide.

The report forecasts a **robust 9.6% growth rate** for the sector, reflecting strong domestic demand and aligning with broader consumer market trends. These figures underscore the dynamic potential of Vietnam's F&B landscape and reinforce its appeal as a vibrant, high-potential segment for both local and foreign investors.

With rising consumer spending, evolving tastes, and increasing urbanization, Vietnam's F&B sector presents compelling opportunities for innovation, expansion, and long-term returns.



Trends and Developments

Looking ahead to 2025, the Vietnamese beverage market is poised for continued expansion, particularly within small and medium-sized beverage models. This growth is primarily fueled by the accelerating trend towards convenience among consumers. These adaptable models present an attractive proposition for investors, characterized by their moderate initial investment costs, strategically convenient store locations, inherent suitability for high-demand take-out and delivery services, and product pricing that caters to the mid-range to affordable segments. This combination of factors positions them as key drivers of future growth and accessible entry points for new ventures in the F&B sector.



Consumer Spending Insights

In 2023, 14.9% of diners reported spending over VND 100,000 on dinner daily—a 3.5-fold increase from 2022—highlighting rising disposable incomes and evolving dining preferences. Coffee consumption is also surging, with 59.5% of consumers willing to pay more than VND 41,000 per cup, reflecting both increased spending power and a deepening appreciation for specialty beverages.

This trend is mirrored in the rapid expansion of coffee chains nationwide. As of March 2023, Highlands Coffee led the market with 609 stores, followed by Trung Nguyen E-Coffee (411), The Coffee House (152), Phuc Long (133), and Starbucks (87). The combination of rising consumer demand and intense brand competition underscores the strong growth potential of Vietnam's F&B market—particularly in casual dining and specialty coffee segments.

For investors, these shifts signal a vibrant and scalable market with opportunities for innovation, brand development, and long-term returns.



Online Ordering and Delivery

Vietnam's online food delivery market is undergoing rapid expansion, fueled by shifting consumer habits and accelerating digital adoption. Between 2023 and 2024, the sector grew by 26%—the highest rate globally—rising from USD \$1.4 billion to USD \$1.8 billion. According to forecasts by iPOS.vn and Euromonitor International, in collaboration with Grab, the market is expected to reach USD \$2.7 billion by 2025.

This surge reflects the growing normalization of online food ordering among Vietnamese consumers, signaling deep integration into daily life and strong long-term potential. For platforms, investors, and F&B operators, this trend presents compelling opportunities to scale operations, innovate service models, and capture value in one of Southeast Asia's most dynamic digital consumer markets.

For investors looking to penetrate Vietnam's thriving F&B market, strategic considerations are paramount:

1. Investment Models: Focus on moderate investment cost models, such as quick-service restaurants or cloud kitchens. These are particularly well-suited to leverage the rapidly expanding online food delivery market, which is projected to reach an impressive USD \$2.7 billion by 2025.

2. Strategic Location: Prioritize convenient locations optimized for high-volume take-out and delivery services. This involves targeting densely populated urban centers like Ho Chi Minh City and Hanoi, or strategically deploying cloud kitchens within residential zones to efficiently capture consumer demand.

3. Pricing Strategy: Implement a mid-range to affordable pricing structure. This approach is crucial for broad market appeal, ensuring access to Vietnam's large and increasingly discerning consumer base, thereby maximizing market penetration and potential returns.



Agribusiness Market

Vietnam's agricultural, forestry, and fisheries sector continues to demonstrate impressive export growth, underscoring its pivotal role in the nation's economy and its attractiveness for investment. In the first four months of 2025, total exports for this sector reached an estimated \$21.15 billion, marking a strong 10.7% increase compared to the same period in 2024. Notably, the export turnover for agricultural, forestry, and fishery products in March 2025 alone was estimated at an impressive \$6.14 billion. This robust performance contributed to a significant trade surplus of \$4.4 billion, representing a healthy 13.1% year-on-year increase. These figures highlight the sector's resilience and its expanding global reach, presenting promising opportunities for investors.



Vietnam's coffee export sector continues to perform strongly, buoyed by sustained global demand and favorable price shifts. In 2024, the country exported 1.32 million tonnes of coffee at an average price of USD 4,151 per tonne, generating USD \$5.48 billion in export revenue—a 29.1% increase in value compared to 2023. This marks a steady upward trend, with coffee export turnover nearly doubling from USD \$2.66 billion in 2020 to USD \$5.48 billion in 2024.

Despite a 9.4% decline in export volume in the first four months of 2025, a surge of over 61% in average export prices drove revenues to USD \$3.8 billion—up 51.8% year-on-year. These figures highlight not only the sector's resilience in the face of supply constraints but also its continued appeal as a high-value export segment. With strong pricing power and expanding global demand, Vietnam's coffee industry remains a key pillar of the country's agri-export economy and an attractive space for long-term investment.



Halal

For investors targeting Vietnam's lucrative agricultural, forestry, and fisheries sectors, consider these strategic approaches:

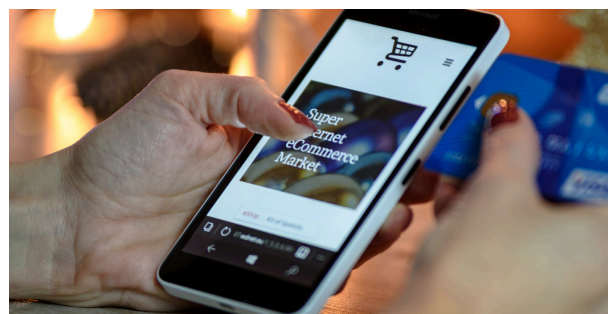
1. Coffee Export Value Chains: Invest in high-value segments like processing, branding, and exporting premium coffee (Robusta, specialty Arabica), potentially partnering with local firms leveraging advanced technologies.



2. Halal Market & Supply Chain: Secure Halal certification, acknowledging its variable global recognition, and prioritize building comprehensive Halal-certified supply chains for sustainable exports, emphasizing rigorous production standards and reputational criteria.



3. Rural E-Commerce Platforms: Invest in or partner with mobile-first rural e-commerce platforms to directly connect farmers with consumers and suppliers, thereby reducing costs and expanding market reach.



4. High-Tech & Green Agriculture: Adopt or invest in smart agriculture (precision/vertical farming) and green practices (organic coffee) to meet global demand for sustainable, traceable products, potentially through partnerships with tech-focused agri-firms.



5. Strategic M&A in Agribusiness: Pursue targeted M&A opportunities in coffee and Halal processing firms to quickly gain market share and leverage Vietnam's established export infrastructure, utilizing expert consultancy support.



Wood

Vietnam has firmly cemented its position as a leading global exporter of wood and wood products, significantly expanding its market reach across the US, EU, South Korea, Japan, and emerging economies like the UAE and India. In 2024, the country's wood and wood product exports hit a record USD \$16.25 billion, a substantial 20.3% increase over the previous year. Overall forestry sector exports, including non-timber products, reached USD \$17.3 billion, with wooden furniture alone contributing USD \$3.1 billion. The US remains a dominant market, accounting for over half of total wood exports in 2024 (approximately USD \$8.17 billion in the first 11 months, or 56% of the total).

Drivers of Growth

This impressive growth is underpinned by Vietnam's proactive forestry development policies, which prioritize sustainable management, reforestation, and increasing the supply of certified raw materials. These policies aim to boost the multi-purpose value of forest ecosystems, diversify production, and attract investment into the industry. The government also promotes advanced processing technologies like UV coating systems and automation to enhance product quality and efficiency.

Strategic business support initiatives further contribute to this success, encouraging value-added products, diversifying markets beyond traditional strongholds, and leveraging e-commerce. Government incentives include tax breaks for eco-friendly production, reduced import duties on machinery and raw materials, and support for FSC certification, alongside streamlined export and customs processes. An extensive network of Free Trade Agreements (FTAs), such as the EVFTA and CPTPP, also fosters a conducive environment by reducing tariffs and improving trade transparency.

Navigating US Tariffs: A New Outlook

While the US initially imposed retaliatory tariffs of up to 46% on certain Vietnamese wood imports in April 2025, and an ongoing investigation under Section 232 of the Trade Expansion Act of 1962 remains, a significant positive development has emerged.

As of July 2025, President Donald Trump announced a new trade agreement with Vietnam. Under this agreement, Vietnamese goods exported to the US will now face a 20% tariff for domestically sourced products and a 40% tariff for goods transshipped through a third country to avoid tariffs.

Impact of Reduced Tariffs

This adjustment is a considerable improvement from the initial 46% and offers a more favorable outlook for Vietnam's wood industry:

- **Reduced Cost Burden:** Lower tariffs directly decrease costs for Vietnamese exporters, helping them maintain price competitiveness in the US market without excessively burdening consumers or eroding profit margins.
- **Market Share Retention:** With reduced tariffs, Vietnamese wood products are less likely to lose their competitive edge against rivals from other countries, helping Vietnam retain its significant market share in the crucial US market.
- **Increased Predictability:** The new agreement, while still imposing tariffs, offers greater clarity and predictability compared to the uncertainty of the prior 46% rate. This allows businesses to plan production, supply chains, and market strategies more effectively long-term.
- **Enhanced Supply Chain Transparency:** The 40% tariff on transshipped goods is a clear measure against origin fraud. This will push Vietnamese businesses to enhance transparency in their supply chains, ensuring legal raw material sourcing and compliance with US rules of origin, ultimately boosting the industry's reputation.

To mitigate the impact of tariffs and global economic volatility, Vietnam's wood industry is focusing on diversifying export markets, strengthening supply chain oversight for legal origin and sustainability (e.g., EUDR compliance), investing in deep processing technologies, and promoting a "Made in Vietnam" brand emphasizing quality and sustainability. The industry is also exploring increased raw material imports from the US to potentially alleviate tariff pressure on finished goods. The Department of Forestry is actively monitoring US trade policy adjustments and collaborating with businesses to implement timely solutions, aiming for an export target of USD \$18 billion in 2025. This recent tariff adjustment by the US signals a willingness to adapt policy based on bilateral trade agreements, offering renewed hope for Vietnamese wood businesses in navigating and growing within this vital market.



Aviation Market

Vietnam's aviation market is experiencing rapid growth, driven by increasing passenger and cargo demands, along with a resilient post-COVID recovery. The nation's participation in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) further highlights its potential for foreign investments. The Vietnam Master Plan on National Airport Development for 2021-2030 outlines a significant investment of USD \$17.8 billion by 2030 and USD \$25.48 billion by 2050 to enhance the nationwide aviation system. ([PwC Vietnam Airport Sector, 2024](#)).

This momentum is fueled by several structural factors: a rapidly expanding middle class, a population exceeding 100 million, and chronic under-capacity in the public healthcare system. As of 2024, only 23.4% of hospitals are privately operated. To meet rising demand, the government aims to increase private hospital bed capacity from the current 6% to 15% by 2030, and 25% by 2050, opening significant space for private and foreign capital to enter the sector.



Trends and Opportunities

- 1. Open Market for Private Sector:** Favorable legal policies are creating opportunities for both local and foreign investors to participate in Vietnam's airport sector.
- 2. Masterplan Implementation:** Specialized flight operation systems, logistics centers, flight training centers, and aircraft maintenance, repair, and overhaul (MRO) centers are essential components for compliance with international safety standards.
- 3. Public-Private Partnerships (PPP):** The PPP modality encourages private and foreign investment participation, with foreign investors permitted up to 30% capital contribution or stake acquisition.

4. **Opportunities for Airport Suppliers:** Smart technology providers have a chance to contribute to infrastructure upgrades and expansions, given the evolving technology adoption in Vietnam's aviation sector.

Actionable Insights for Investors



To capitalize on Vietnam's burgeoning aviation market, investors should consider the following strategies:

- **Investment:** Focus on opportunities in the open market for private sector participation.
- **Compliance:** Ensure compliance with international safety standards and regulatory requirements outlined in the Vietnam Masterplan.
- **Partnerships:** Explore potential partnerships and investment opportunities through PPPs.
- **Technology:** Provide innovative solutions to meet the evolving technological needs of Vietnam's aviation sector.

By aligning investment strategies with market trends and regulatory frameworks, investors can position themselves to benefit from Vietnam's growing aviation industry and contribute to its long-term development.

Healthcare

Vietnam's healthcare sector has emerged as one of the most active areas for mergers and acquisitions (M&A), driven by rising domestic demand and investor appetite for long-term, stable returns. In the first nine months of 2024, total M&A transaction value surged by 46% year-on-year, reaching USD \$3.2 billion. The average deal size also increased significantly—from USD \$65 million in 2022 to USD \$100 million in 2023—indicating growing investor confidence and a shift toward larger-scale consolidations.

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VKey investors and market entrants are already shaping this transformation. Notable deals include Thomson Medical Group's acquisition of shares in FV Hospital (Ho Chi Minh City), and investments by the International Finance Corporation (IFC) into private hospital chains and diagnostic service providers. Domestic players such as Vinmec (under Vingroup) and Hoan My Medical Corporation continue to expand aggressively through both organic growth and acquisitions of regional hospitals and clinics.

Emerging M&A themes include:

- Expansion of hospital and specialty care networks in second-tier cities
- Entry of private equity into diagnostics, preventive care, and elderly care
- Rise of health-tech investments in telemedicine, digital records, and AI-enabled diagnostics
- Vertical integration of healthcare service providers and insurers

Vietnam's regulatory landscape is evolving to support this momentum. The amended Law on Medical Examination and Treatment, along with Decree No. 96/2023/ND-CP, has established a legal framework for telemedicine, including remote diagnostics and digital health services. These reforms not only formalize telehealth practices but also enable state health insurance coverage for select remote treatments, making digital healthcare more accessible and scalable.

Additionally, the Ministry of Health is working with the Ministry of Planning and Investment to develop investment incentives for pharmaceutical production, medical equipment, and healthcare infrastructure. These efforts are expected to attract more foreign direct investment and accelerate the modernization of Vietnam's healthcare system.



Retail Industry Amid the Storm of Macroeconomic Turbulence: What is the Adaptation Strategy?

Vietnam's consumer market is entering a pivotal phase in Q3 2025, where macroeconomic volatility has transitioned from a potential threat to a tangible reality. The confluence of tightened US–China tariff policies, which are straining global supply chains, coupled with widespread domestic inflationary pressures and a discernible decline in consumer confidence, paints a complex economic picture. Furthermore, the economy is exhibiting a "K-shaped" divergence model, indicating uneven recovery across different sectors and demographics. Within this challenging yet dynamic environment, the retail sector, a significant contributor accounting for 43% of Vietnam's GDP in the first half of 2025, finds itself at a critical juncture. It faces a dual challenge: balancing inherent growth expectations with a noticeable weakening in consumer purchasing power. For foreign direct investors, understanding these underlying dynamics is paramount to identifying resilient opportunities and formulating effective market entry or expansion strategies.

According to the NIQ report "The Transforming Era of Retail" (July 2025), Vietnamese consumer behavior is undergoing a profound transformation, driven by two primary forces: economic and tariff pressures, and the pervasive impact of technology and infrastructure development.

1. Economic & Tariff Pressures:

The current economic climate is compelling consumers to adopt more cautious spending habits. This manifests as tighter expenditure, particularly on non-essential categories such as entertainment, dining out, and personal hobbies. A significant shift is observed towards a preference for domestically produced goods, a strategic move by consumers to mitigate the impact of import taxes. This trend is underscored by data indicating that 40% of consumers are actively buying more "Made in Vietnam" products, while 30% are seeking goods from untaxed countries. Concurrently, consumers are increasingly engaging in "bargain-hunting" behavior, prioritizing brands that offer direct promotions and discounts (41% buying discounted products more frequently).

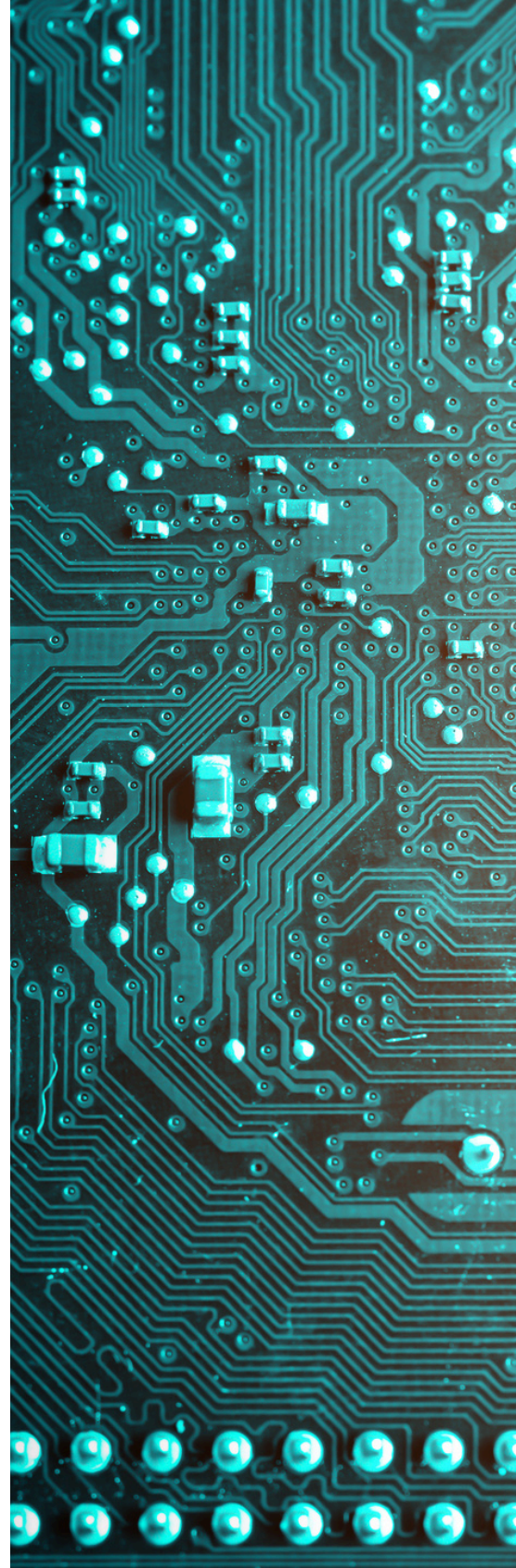


This financial insecurity is leading to defensive consumption patterns and a tendency to delay significant purchases, with 21% postponing large acquisitions like homes or appliances, and 20% searching for cheaper product alternatives. Specific spending reductions include entertainment activities (45%), personal hobbies (37%), limiting travel (36%), and dining at home (35%).

2. Impact of Technology and Infrastructure:

Beyond economic factors, the rapid evolution of technology and infrastructure is fundamentally altering how consumers interact with the retail landscape. There is a notable increase in the frequency of online shopping, now surpassing traditional offline channels, with livestreaming emerging as a highly effective sales medium. Consumers are also demonstrating a strong preference for hybrid experiences, seamlessly blending online and offline touchpoints, such as online purchases with in-store pickup or in-store interactions complemented by digital tools. Furthermore, the development of new infrastructure, including metro systems and electric vehicle (EV) charging stations, is creating novel touchpoints for convenience retail, expanding accessibility and shaping new consumption patterns.

In this uncertain economic context, sustained growth for retail businesses in Vietnam will no longer be solely derived from scale, but rather from agility, deep user insight, and the meticulous optimization of every customer touchpoint. Businesses that can swiftly respond to evolving data and strategically invest in the most relevant channels are best positioned to retain their customer base and ensure long-term profitability.



Actionable Insights for Investors:

1. Optimize Growth Strategies: Rather than aggressive expansion, prioritize lean growth by meticulously managing profit and loss (P&L) per store. Leverage data-driven insights for site selection, focusing on zoning and actual purchasing power to ensure sustainable development.

2. Strategic Investment in Customer Experience & Presence: Increase investment in customer experience technology, including AI, personalized promotions, and digital behavior analytics. Simultaneously, maintain a high-quality physical presence in key areas such as satellite cities, industrial zones, and transportation hubs to create new touchpoints for convenience retail.

3. Cultivate New Customer Segments: Focus on Gen Z and young households, who represent a new growth center. These segments seek a blend of emotional value, convenience, and brand experience. Tailoring offerings to meet these needs will unlock significant potential.

4. Expand into B2B Retail Channels: Explore and expand B2B retail opportunities, particularly targeting SMEs and wholesale chains located around industrial zones. This customer base is less affected by cautious personal spending patterns and offers high growth potential.

5. Adapt to Shifting Consumer Behavior

- Prepare for reduced spending on non-essentials: Entertainment service providers, for example, should anticipate declining customer volumes and adjust their services to align with new consumer needs.
- Capitalize on the preference for domestic goods: Local brands should enhance the visibility and availability of domestically made products to align with consumers' efforts to avoid tariff impacts. Domestic manufacturers can also promote brand stories and frequent promotional campaigns.
- Strengthen promotional and loyalty programs: Given consumers' increasing pursuit of discounts, businesses should enhance promotional campaigns, create bundled offers, and develop loyalty programs to effectively address this behavior.



04

How to Venture into Vietnam

While Vietnam is a highly attractive investment destination for foreign investors, it still has a complex legal process for establishing a company. In this section, we discuss the set up procedures for companies that want to begin operations in the country.

1. Identify your Company Type

According to the Law on Enterprises 2020 in Vietnam, there are five types of enterprises. Here's a brief overview to help you identify your company type:

Multi-Member Limited Liability Company (LLC)

- Members: 2 to 50 individuals or organizations.
- Liability: Limited to each member's contributed capital.
- Shares: Cannot issue shares except for equitization.
- Bonds: Can issue bonds as per the law.

Joint Stock Company

- Shareholders: Minimum of 3, no maximum limit.
- Capital: Divided into shares.
- Liability: Limited to each shareholder's contributed capital.
- Securities: Can issue shares, bonds, and other securities.

Sole Proprietorship

- Owner: One individual.
- Liability: Owner's liability extends to all personal assets.
- Securities: Cannot issue any securities.
- Restrictions: Owner cannot establish another sole proprietorship or hold certain positions in other business types.

Single-Member Limited Liability Company (LLC)

- Owner: One individual or organization.
- Liability: Limited to the company's charter capital.
- Shares: Cannot issue shares except for equitization.
- Bonds: Can issue bonds as per the law.

Partnership

- Partners: At least 2 general partners; may include limited partners.
- Liability: General partners have unlimited liability; limited partners' liability is limited to their capital contribution.
- Securities: Cannot issue any securities.

Other forms of Business

Branch

This is not a common form of foreign direct investment and is only permitted in a few sectors. Branches of foreign companies are different from representative offices in that a branch is permitted to conduct commercial activities in Vietnam.

Representative Office

Foreign companies with business relations or investment projects in Vietnam may apply to open representative offices in Vietnam.

A representative office is not an independent legal entity and may not conduct direct commercial or revenue-generating activities (i.e., the execution of contracts, receipt of funds, sale or purchase of goods, or provision of services).

However, a representative office is permitted to:

- Act as a liaison office to observe the business environment;
- Search for trade and/or investment opportunities and partners;
- Supervise and assist with the implementation of contracts entered into between its head office and Vietnamese partners;
- Act on behalf of its head office to supervise and direct the implementation of projects in Vietnam.

Thus representative offices can provide a wide range of ancillary support to their head offices overseas. This is a very common form of presence in Vietnam for foreign companies, particularly those in the first stage of a market entry strategy.



As of 2025, the core legal framework governing the establishment of foreign representative offices (ROs) and branches in Vietnam remains largely unchanged. However, foreign investors should be aware that compliance extends beyond these foundational decrees, requiring careful navigation of sector-specific regulations and Vietnam's international commitments, particularly under the World Trade Organization (WTO).

Understanding the Establishment Process

While ROs are typically limited to non-commercial activities such as market research and liaison functions, branches may engage in revenue-generating operations, subject to approval. The feasibility of establishing either entity depends heavily on the industry in question. For example:

- Legal, education, and financial services may have market access limitations or require specific licensing.
- Vietnam's WTO Schedule of Specific Commitments outlines conditions for foreign commercial presence in various service sectors, which can include equity caps, joint venture requirements, or local partner mandates.

Recent Legal Developments Impacting Foreign Entities

Although the core RO/branch decrees remain intact, new laws and amendments are shaping the broader compliance environment:

- The Amended Law on Enterprises (effective July 1, 2025) and Decree 168/2025/ND-CP introduce the concept of Beneficial Owners, requiring all enterprises—including those with ROs or branches—to collect, update, and disclose ownership information to authorities 1.
- The Draft Cybersecurity Law 2025 may impose data localization and local presence requirements for certain digital service providers, potentially affecting foreign entities operating in tech, e-commerce, and fintech 2.

Strategic Implications for FDI

Vietnam's legal landscape is evolving to balance regulatory oversight with investment facilitation. The government continues to streamline procedures and improve transparency, as reported by Tuoi Tre News, which highlights Vietnam's role as a gateway to Asia's 4.8 billion consumers 2. Meanwhile, VnExpress notes that reforms are aimed at enhancing investor protection and simplifying business registration 1.

Foreign investors are encouraged to:

- Conduct sector-specific legal due diligence
- Consult with local legal advisors familiar with WTO commitments and Vietnamese law
- Monitor regulatory updates that may affect operations, especially in regulated or emerging sectors

2. Procedures for Establishing a Business for Foreign Investors

Below is a summary of the 4 main stages of setting up an LLC / FIE:

- In rare cases where an investor intends their LLC/FIE to do business in a specified special sector, they may be required to fulfill Step 1 'Pre-Investment Approval'.
- Most investors can skip directly to Step 2, to apply for a required Investment Registration Certificate (IRC).
- Once the IRC is in hand, an organization may pursue to subsequent Step 3 to apply for an Enterprise Registration Certificate (ERC, also referred to as a Business Registration Certificate) as well as dependent actions such as securing a physical business address, and so on.
- After being licensed, the Enterprise will be required to register their company seals, open bank accounts, and more.

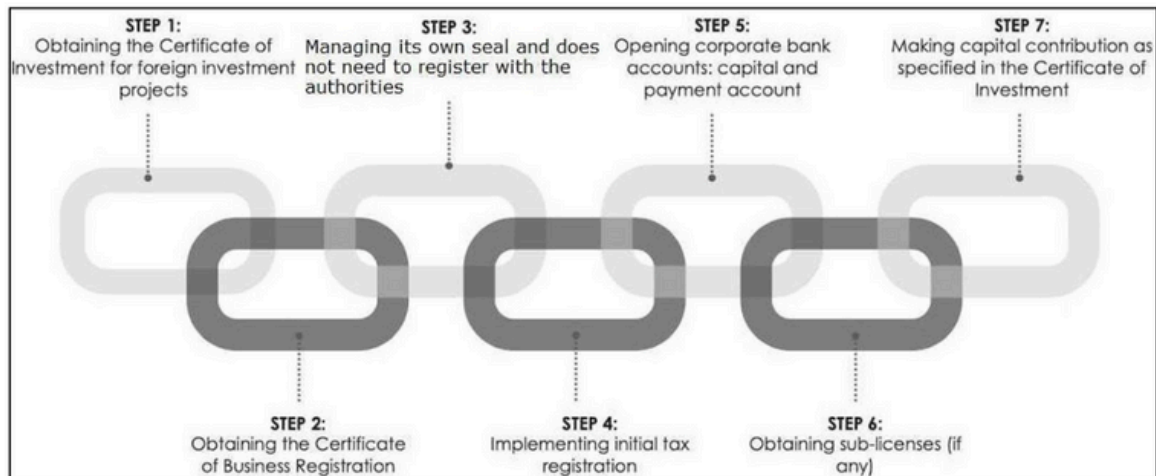
Initial Regulatory Review

Note: This step may not apply to all investment projects. The requirement for regulatory approval varies depending on the scale and nature of the investment.

For mega investment projects, companies need to seek the approval of Vietnamese competent authorities prior to starting establishment procedures. As a result, it is important to understand if an investment will require approval, and if so, prepare requisite documentation and work against the application processing times.

Here is a summary of project types which may require further special approvals:

- Construction of Residential housing projects;
- Airports, Aerodromes, air transport businesses, cargo terminals, ports;
- Petroleum processing;
- Casinos and businesses involving betting;
- Infrastructure projects for industrial zones and export-processing zones;
- Nuclear power plants;
- Golf Courses;
- Special Land Use Rights;
- Projects located on or near islands, borders, coastal areas and other defense sensitive locations;
- Projects in sensitive heritage locations;
- Projects that require relocation of inhabitants;
- Projects that require re-purposing some types of forests, or rice crops.



Overview of Company Incorporation Process in Vietnam for Foreign Investors

Step 1 – Investment Registration Certificate application (IRC)

The first step in the Vietnamese corporate establishment process is an application for an Investment Registration Certificate (IRC). This is required of all foreign owned investment projects and establishes the right of the foreign enterprise to invest within Vietnam.

Required documents for investors:

- Application for implementation of investment project (this should include details of the project in Vietnam);
- Proposal of investment project (should include the details of the investment project, including lease agreements or land use needs);
- Financial statements (of the last two years of a company's operation; additional information may be required to prove financial capacity);
- Legal papers of the investors and its authorized representative (in case the investor is an organization);
- Lease agreement or memorandum of understanding (MOU); and,
- Other documents relating to the investment project, and requirements on the eligibility and capacity of the investor in accordance with regulations of law (if any).

Timeframe:

Typically 15 days from submission, but longer if the sector is not governed by the WTO.

Step 2 – Enterprise Registration Certificate application (ERC)

The Enterprise Registration Certificate (ERC) is required for all projects that seek to set up new entities within Vietnam. When obtained, the ERC will be accompanied by a number that will double as the tax registration number of the entity.

As part of the application process, the following information should be prepared:

- Application for enterprise registration;
- Company charter;
- List of all board members;
- List of legal representatives; and
- Letters of appointment and authorization

Timeframe:

Three days from the date when documents are submitted.

Step 3 – Post Licensing Procedures

Once the IRC and ERC have been issued, additional steps have to be taken to complete the procedure and start business operations.

This includes:

- Seal carving;
- Bank account opening;
- Labor registration;
- Business license tax payment;
- Charter capital contribution; and
- Public announcement of company establishment



Step 4 – Initial Tax Registration

Tax code registration must be undertaken with the tax department within 10 working days from the issuance date of the IC.

The documents required for tax code registration include:

- Application form.
- Notarized copy of the business registration certificate or IC.



Step 5 – Corporate Bank Accounts: Capital and Payment

After obtaining the seal and tax code, companies need to open a bank account.

The application documents for opening a bank account are:

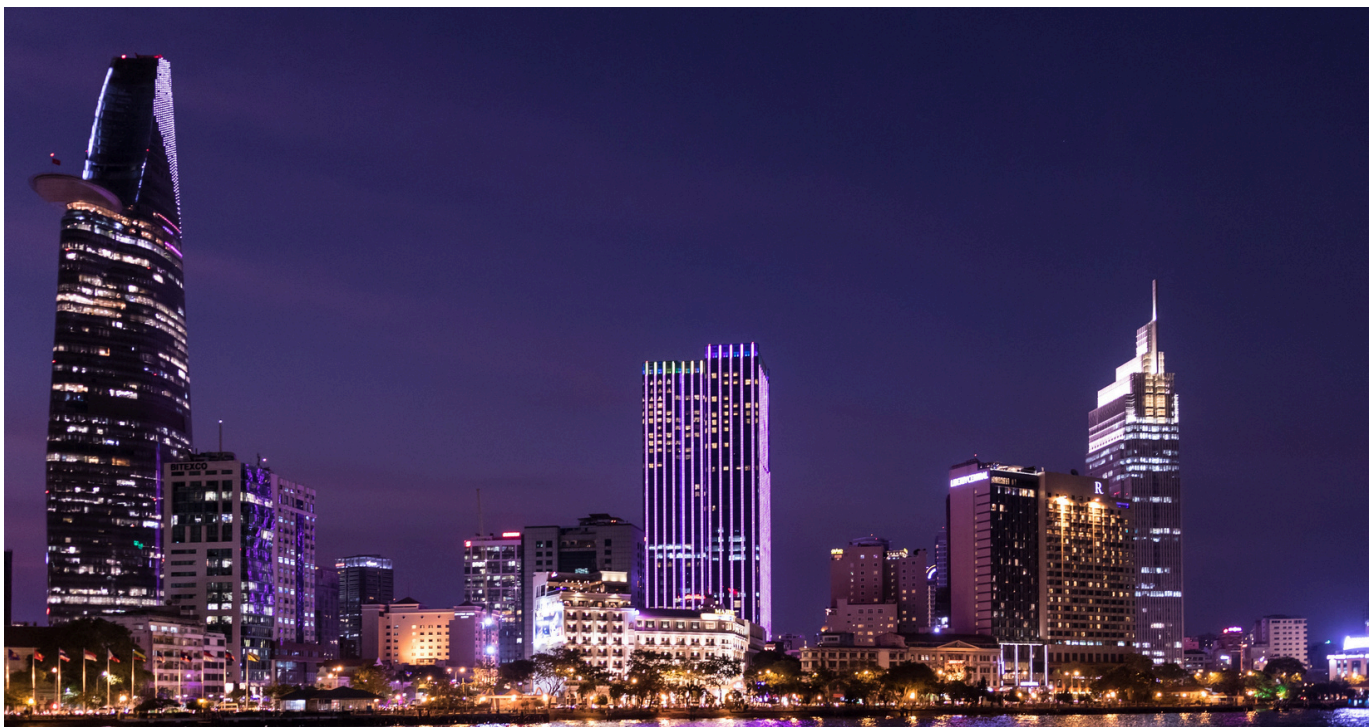
- Bank issued application form;
- Business registration certificate or IC;
- The company charter, seal and tax code certificates;
- The Board of Management resolution for the authorized signatory of the bank;
- Other documents required by the bank.

Step 6 – Obtaining Sub-licenses

Before starting a business, investors must research the market, supply and demand for their products/services, human resources, and understand the laws regulating their business lines. Special attention should be given to conditional investments, which require meeting specific conditions for security, national defense, social order, social morality, and public health. These business lines have stricter procedures than ordinary business lines, though they are not prohibited by law.

Here is a list of conditional business lines that require a sublicense, according to the Investment Law 2014, Enterprise Law 2014, and other relevant laws:

[List of Conditional Business Lines and Required Sublicenses](#)



Step 7 – Records of Existing Capital Contribution for IRC

Incorporation is an iterative process, often requiring multiple adjustments during the setup phase to ensure compliance with legal and regulatory standards. As changes are made to project details, investors may need to adjust their investment registration certificate (IRC) accordingly. This flexibility is built into the final procedure to accommodate such updates and ensure the project remains aligned with its original goals and regulatory requirements.

When an investor makes changes to the following, they must adjust the IRC:

- Project name
- Investor information
- Project location and land use area
- Project objectives and scale
- Investment capital (including contributions and mobilized funds)
- Project implementation timeline
- Project execution schedule, including capital contribution and operational objectives



Procedure for Adjusting the Investment Registration Certificate

Step 1: Document Preparation

For projects not requiring investment guideline approval, prepare the following:

- Application form for adjustment
- Progress report up to the adjustment time
- Investor's decision on adjustment
- Current IRC
- Documents confirming full capital contribution (notarized financial statements or bank confirmation)
- Additional documents depending on the specific adjustment (e.g., location change documents, capital increase confirmations, legal representative's passport)

For projects requiring investment guideline approval, follow additional procedures specified in Article 41 of the Law on Investment 2020.

Step 2: Online Declaration and Submission

1. Online Declaration: Declare the project information on the National Foreign Investment Information System (fdi.gov.vn).
2. Document Submission: Submit documents to the investment registration authority within 30 working days of online declaration.
3. Receipt and Review:
 - Authority prints receipt upon submission.
 - Invalid documents must be corrected within 3 working days of notification.
4. Certificate Adjustment: The authority adjusts the IRC within 10 working days of receiving valid documents or provides a written refusal with reasons.

Step 3: Business Registration Certificate Adjustment

Foreign investors in Vietnam must be aware that any significant changes to their registered investment projects necessitate an adjustment registration with the relevant investment registration agency. This requirement is mandated by the Investment Law 2020.

Such changes typically include, but are not limited to:

- Location of implementation: Relocating the project to a different site.
- Scale of the project: Expanding or significantly reducing the project's physical size or operational capacity.
- Scope of project activities: Modifying the types of business activities conducted under the project.

While changes to a company's Business Registration Certificate are handled under the Law on Enterprises 2014 (and its subsequent updates), the Investment Law 2020 specifically governs these project-level modifications. This dual regulatory framework ensures comprehensive oversight, with the Investment Law focusing on the strategic and operational parameters of the investment project itself.

Therefore, to maintain full regulatory compliance, foreign investors must diligently monitor any proposed alterations to their project's core details and initiate the necessary adjustment registration procedures as stipulated by the Investment Law 2020. This ensures that the investment project's operations remain consistent with its approved framework and legal requirements.

Notes

- Ensure compliance with conditional business line requirements if applicable.
- Separate the business registration certificate if not previously done.
- Investment projects may need policy decisions before IRC adjustments if they lead to investment policy changes.

Competent Authorities

- Management Boards: Industrial parks, export-processing zones, hi-tech zones, and economic zones.
- Departments of Planning and Investment: Projects outside specialized zones or spanning multiple provinces.

FAQs

- Timing: No specified deadline for adjusting the IRC after changes, but prompt action is recommended to avoid inconsistencies.
- Penalties: Failure to adjust the IRC can result in fines of VND 20,000,000 - VND 30,000,000.
- Capital Increase: Submit adjustment documents, contribute increased capital, and update the enterprise registration certificate accordingly.



3. Requirements to establish a company in Vietnam

Minimum capital requirements

For most sectors and business lines, Vietnam requires no minimum capital requirements. However, the registered capital will be assessed by The Department of Planning and Investment for whether it is adequate to cover the expenses of the business until it generates enough revenue to cover its costs. It is possible to set up a basic business services company with less than USD \$10,000 in some cases, but in most cases it would be at or above this threshold, depending on the nature of the business.

It is best to verify whether your business may require minimum capital investment however, given that some industry sectors (business lines) do have requirements. Examples include:

- Finance, Banking, Insurance and Fin-tech;
- Language centers or Vocational schools; and,
- Medical clinics.

Note that, the amount of registered capital that is selected and eventually approved, will be stated on your Business Registration Certificate, which will likely be viewed and known to companies that you do business with. Therefore, a higher amount of registered capital might in some cases bear positive effects for a firm, in terms of how a business is viewed by companies that it deals with.

Vietnam's Law on Enterprises 2020 has been amended and supplemented by Law No. 76/2025/QH15, which officially takes effect on July 1, 2025.

Under this amendment:

- Any change in a company's registered capital must be formally reported.
- This involves updating the Enterprise Registration Certificate (ERC).
- If the company holds an Investment Registration Certificate (IRC), that must be updated as well.
- These updates must comply with both the amended Law on Enterprises and the Law on Investment 2020.

One of the most important new requirements introduced by the amendment is the disclosure of Beneficial Owners (BOs). **Companies are now required to:**

- Collect, update, and retain information about their BOs.
- Provide this information to the relevant state authorities when requested.

This change is aimed at improving corporate transparency and ensuring Vietnam's compliance with international standards on anti-money laundering and financial accountability.

Charter capital and total investment capital

Charter Capital refers to the total value in capital and other assets that will be contributed by the owners of a company when establishing a company. The total investment capital of the company can combine both charter capital and loan capital. Charter capital and the total investment capital, including portions which are shareholders' loans or third-party finance, as well as the company charter, must be registered with the licensing authority of Vietnam. Once approved, investors can increase or decrease the charter capital amount with prior approval from the local licensing authority.



Capital contribution schedules

Foreign investors must ensure that capital contributions are completed within 90 days from the issuance date of the Enterprise Registration Certificate (ERC) or the Investment Registration Certificate (IRC) (if applicable).

If the full contribution cannot be made within this timeframe:

- The company must adjust its registered capital in the IRC (if applicable) before the deadline.
- It must also amend the ERC to reflect the actual contributed capital, typically by reducing the registered capital.

Failure to comply with these requirements may result in:

- Fines of up to VND 20 million, as stipulated under Decree 122/2021/ND-CP.
- A forced reduction of registered capital.
- Delays or denials in obtaining tax codes, business licenses, or other regulatory approvals.
- Restrictions on bank account usage, including difficulties in transferring or receiving funds.

For large-scale or phased investment projects—such as infrastructure developments or multi-stage capital injections—the licensing authority may grant an extended contribution timeline. However, this must be explicitly stated in the IRC at the time of registration.

Transferring capital to the Foreign Invested Enterprises (FIE)

To transfer capital into Vietnam, after setting up the FIE, foreign investors must open a capital bank account in a legally licensed bank. A capital bank account is a special purpose foreign currency account designed to enable tracking of the movement of capital flows in and out of the country. The account also allows money to be transferred to current accounts to make in-country payments and other current transactions.

A business requires a legal address in Vietnam to incorporate a company in the country. Most businesses require that it have its own physical location, such as an office or building leased or acquired, particularly for manufacturing, distribution and trading, retail services, restaurants and entertainment venues, and more.

A virtual office address may be used for certain service-based businesses however, such as business or personal consulting companies or similar virtual services firms.

When registering a company, a company submits documents which serve as proof of the address that will be used as the location for the business to operate in once the incorporation is completed. This address may be checked during the incorporation process by The Department of Planning and Investment.

Company legal representative

A company is required to have at least one Legal Representative. The LR of a Vietnam-based company can hold a Company President, Director, or General Director position, depending on the company organization structure.

A qualifying legal representative requires a residential address in Vietnam. The residency status of the LR is preferable but should not be a qualifying requirement during the incorporation process; their residency status may be addressed separately.

Further, foreign nationals involved with the company will require a work permit for Vietnam which they may apply for during or after the incorporation process.

4. FDI Investment Incentives & Policies

The Vietnamese government offers numerous investment-related business incentives and is continually making further improvements through both reforms and by further upgrading incentives to maintain the country's high appeal to foreign investors.

Tax incentives tend to be one of the most important among investment incentives to foreign investors and is one of the most attractive features of the Vietnamese business landscape.

Vietnam's Law on Investment specifies the three forms of incentives that are available to companies operating within the country, in Section 1, Article 15.1:

- 1.** **Corporate Income Tax:** Application of a corporate income tax (CIT) rate lower than the standard 20% CIT, for a certain period of time or throughout the project execution
- 2.** **Import Duties / Tax:** Exemption or reduction of import duties or tax on goods imported as fixed assets on raw materials, supplies, and parts used for the project
- 3.** **Land rent and levies:** Exemption or reduction of land rents and land levies.

Note about Corporate Income Tax (CIT) incentives: CIT incentives are granted to both foreign and local investors to promote investment in sectors or areas that are on par with the national development strategies. There are two main CIT incentives in Vietnam—preferential tax rates (reduced tax rates), and tax holidays (tax exempted for a certain period or the lifetime of the project).

CIT Incentives

Preferential CIT Rates

10% CIT rate shall be applied:

- within 15 years for new investment projects in an area with especially difficult socio-economic conditions, in economic zones and in high-tech zones; and to new investment projects in the sectors of high technology, scientific research and technological development, investment in development of especially important infrastructure facilities of the State, and production of software products; the products support the high technology sector; the products support the garment, textile and footwear, IT, automobiles assembly, mechanics sector and are not produced domestically as at 1 January 2015, or if produced domestically, they meet the quality standards of the EU or equivalent.
- for the entire operational period is applicable to enterprises operating in the sectors of education and training, occupational training, health care, culture, sport and the environment

15% CIT rate shall be applied:

- within 10 years applied to: income of the company from farming, breeding, processing of agriculture and aquaculture products in an area other than disadvantaged areas or particularly disadvantaged area

17% CIT rate shall be applied:

- for the first 10 years applies to new investment projects in areas with difficult socio-economic conditions;
- for the entire operational period is applicable to agricultural service co-operatives and to people's credit funds.

Large manufacturing projects with investment capital of VND6,000 billion or more disbursed within 3 years of being licensed (excluding those related to the manufacture of products subject to special sales tax or those exploiting mineral resources) can also qualify for CIT incentives if the projects meet either of the following criteria:

- i) Minimum revenue of VND10,000 billion/annum for at least 3 years after the first year of operations; or
- ii) Headcount of more than 3,000 at least 3 years after the first year of operations.

From 2015, large manufacturing projects are defined to include projects with investment capital of VND12,000 billion or more, disbursed within 5 years of being licensed (excluding those related to the manufacture of products subject to special sales tax or those exploiting mineral resources) and using technologies appraised in accordance with relevant laws.

Additional tax reductions may be available for companies engaging in manufacturing, construction and transportation activities which employ many female staff or employ ethnic minorities.

Tax incentives which are available for investment encouraged sectors do not apply to other income, which is broadly defined.

Summary of Prioritized Business Lines and Projects Eligible for Investment Incentives in Vietnam			
Class	High Tech	Large Scale	Social Importance
Description	Investment projects in the following sector categories: • Information technology • Biotechnology • New Material technology • Automation technology • Supporting products for high technology • Scientific research and development • Software production	Manufacturing projects with a minimum invested capital of VND 6,000 billion, and which meet one of the following: i) Annual revenues of VND 10,000 billion by the fourth year of operations ii) Employment of at least 3,000 workers Manufacturing projects** with a minimum investment capital of VND 12,000 billion and which utilize certain technologies.	Investment projects in the following sector categories: • Education • Vocational training • Healthcare • Culture • Sports • Environmental
Incentives	• 10% CIT for 15 years* • CIT exemption for 4 years** • 50% reduction on payable CIT for 9 years	• 10% CIT for 15 years* • CIT exemption for 4 years** • 50% reduction on payable CIT for 9 years	• 10% for entire life of project • 4 years of CIT exemption** • 5 years of 50% reduction on payable CIT

* From the first year of operating income generation

** From the first year of profit

Note: Projects within economic zones may be liable to different treatment.

Incentives for priority areas

Vietnam's Special Economic Zones (SEZs), encompassing economic zones (EZs) and industrial parks (IPs), are designed to offer a compelling suite of incentives and facilities to attract foreign direct investment. These advantages are crucial for businesses seeking a strategic foothold in the Vietnamese market:

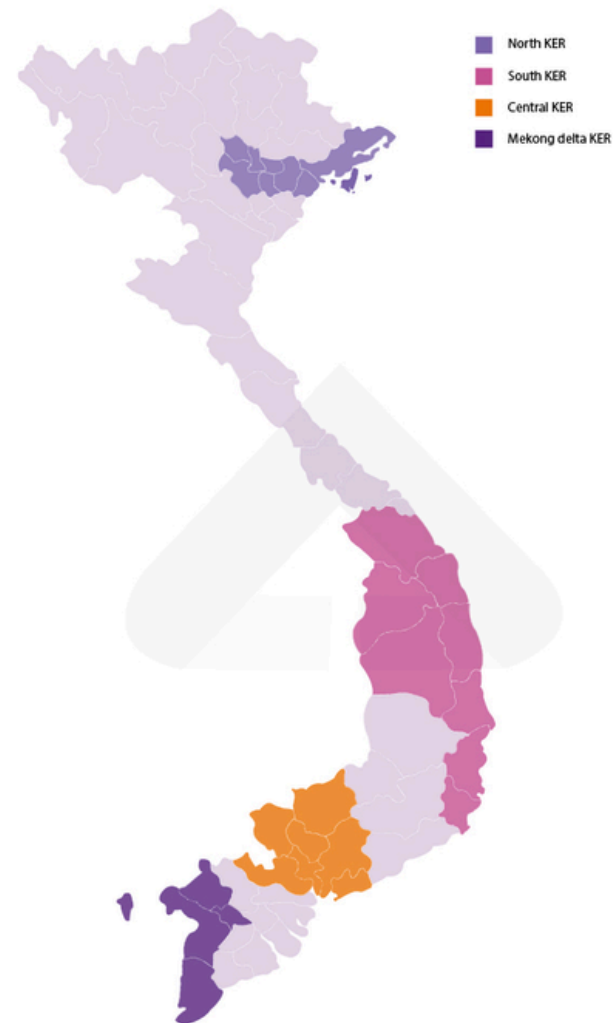
1. Tax Incentives: Businesses may enjoy Corporate Income Tax (CIT) exemption for 2–4 years, followed by a 50% CIT reduction for an additional 4–9 years; preferential CIT rates of 10% for 15 years, or even for the entire project life, for certain sectors (e.g., education, healthcare); and import duty exemptions for fixed assets and materials not domestically available.

2. Infrastructure Support: SEZs provide robust infrastructure, including seamless access to roads, ports, electricity, and water utilities, along with pre-zoned industrial land plots available with long-term lease options.

3. Regulatory Support: Businesses benefit from streamlined, one-stop administrative procedures facilitated by the Management Boards within EZs and IPs. However, it is important to note that enterprises remain subject to national labor, land, and environmental laws, which differs from the more relaxed regulations seen in some other SEZs globally (such as in Indonesia).

4. Investment Opportunities: Preferential incentive sectors include high-tech manufacturing, renewable energy, education, healthcare, logistics, and infrastructure. Investors also gain strong access to Vietnam's extensive network of Free Trade Agreements (FTAs) and a young, increasingly skilled labor force, enhancing global competitiveness.

Key Economic Regions (KERs) of Vietnam



Incentives in Economic Zones

Vietnam has encouraged the establishment of economic zones throughout the country. These zones are a common entry point for a variety of firms because they provide access to specialized labor, easy access to ports, good business conditions, increased access to infrastructure, pools of talent, and networks of suppliers. Foreign investors should strongly consider setting up their operations within one of Vietnam's industrial zones.

Importantly, investors in these zones benefit from tax incentives extended by the Vietnamese government. In most cases, qualifying for tax holiday and preferential tax incentives. In limited cases, where a zone is located in a disadvantaged area, a preferential rate of corporate income tax will also apply.

Common Economic Zone Investment Incentive Types in Vietnam	
Economic zones	Economic Zones in extremely disadvantaged areas
• 2 to 4 years* of tax exemption** • 4 to 9 years of 50% reduction on payable CIT * Rate determined on a case-by-case basis ** From the first year of profit generation	• 10% CIT for the lifetime of the project • 4 years of tax exemption* • 9 years of 50% reduction on payable CIT * From the first year of profit generation

Incentives in Disadvantaged Areas

Disadvantaged Location Investment Incentives in Vietnam	
Disadvantaged areas	Extremely disadvantaged areas
• 17% CIT for 10 years* • 2 years of CIT exemption** • 4 years of 50% reduction on payable CIT * From the first year of income generation ** From the first year of profit generation	• 10% CIT for the lifetime of the project • 4 years of tax exemption* • 9 years of 50% reduction on payable CIT * From the first year of profit generation

- Firms operating in extremely difficult areas, special economic zones (SEZs) or high-tech zones (HTZs) are taxed at 10 percent for the first 15 years of revenue generation. This period also includes a tax holiday for the first four years followed by a 50 percent reduction for the subsequent nine years;
- Firms operating in difficult areas are taxed at 17 percent for 10 years of revenue generation. This period also includes a tax holiday for the first two years, followed by a 50 percent reduction for the subsequent four years;
- Firms operating in industrial parks are eligible for two years of tax holidays, followed by a 50 percent corporate tax reduction for the subsequent four years.
- Tax incentives are also granted for large manufacturing projects except for those in natural resources.

5. Common pitfalls for foreign investors who venture into Vietnam

- 1.** **Legal issue:** There are multiple legal and compliance requirements a foreign investor should be aware of and comply with. Failure to do so will result in fines and penalties imposed by the authorities
- 2.** **Accounting and tax issue:** The Vietnamese accounting standards VAS are very different from IFRS/ US GAAP. The local tax laws are also different and how to fulfill tax compliance is a burden for most foreign investors who are new to Vietnamese legislation
- 3.** **Cultural & linguistic issue:** Vietnam has a unique culture with its own language, Vietnamese. Some foreign investors whose products and services are provided for local Vietnamese people sometimes fail to do so because they don't localize their products and services and/or they don't deal with cultural appropriation for their brands and product offerings properly

To navigate these challenges effectively, schedule a consultation with our team today [here!](#)





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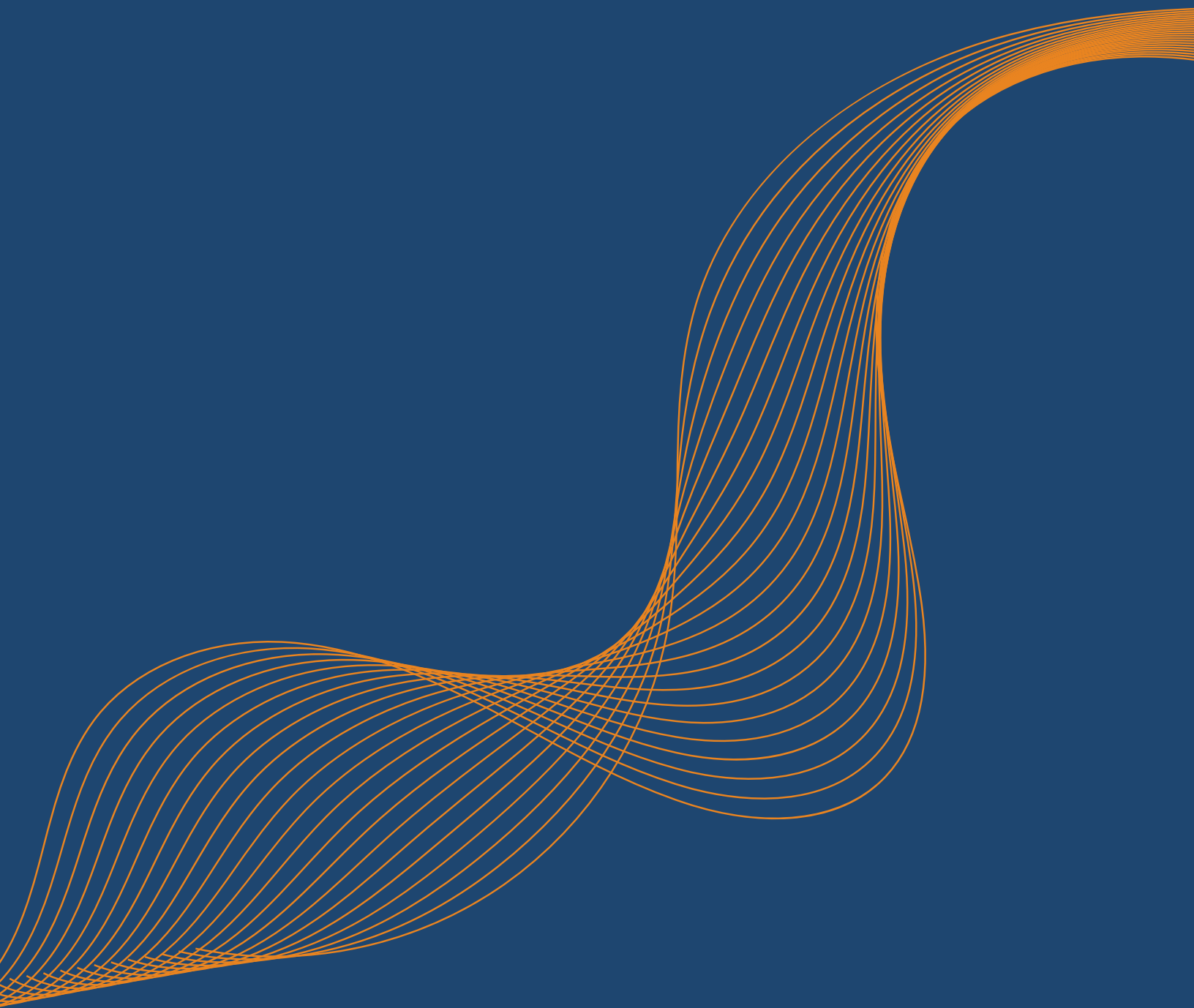
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