

VIETNAM

**A NEW POSITION IN THE GLOBAL SUPPLY
CHAIN & THE BRIGHT FUTURE OF
ECONOMIC COOPERATION WITH**

CANADA

Ta Thu Ha (She/Her)

European – American Market Department

Vietnam Ministry of Industry and Trade

Email: hatt@moit.gov.vn





I. WHY VIETNAM ?

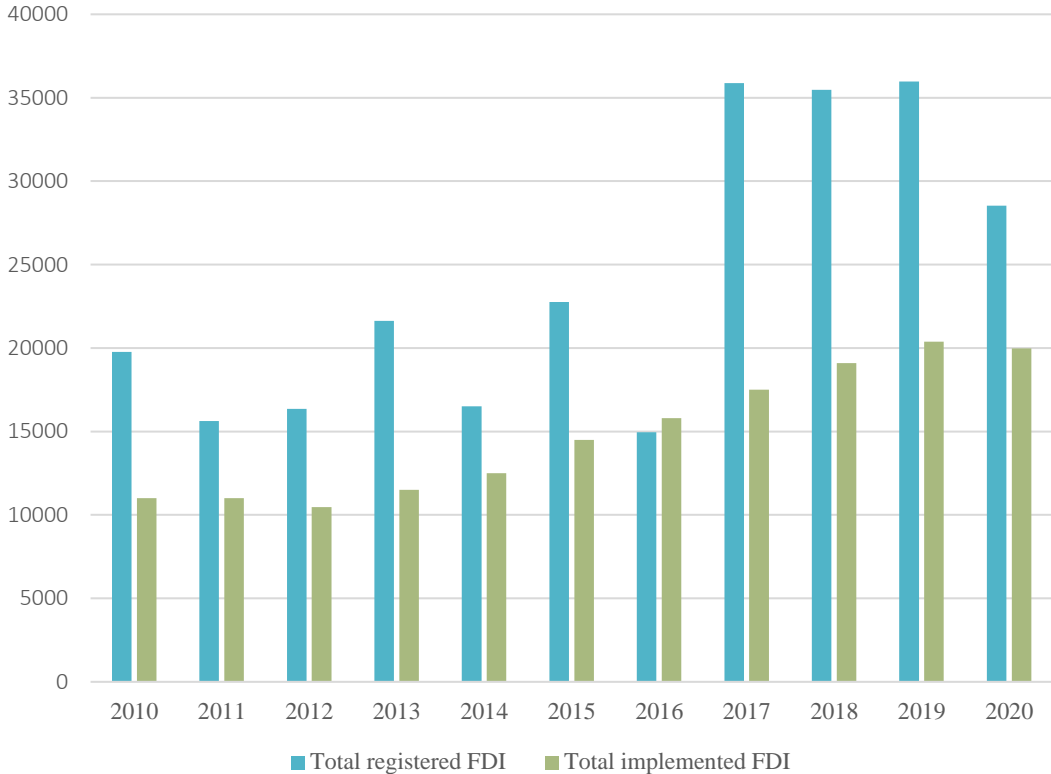
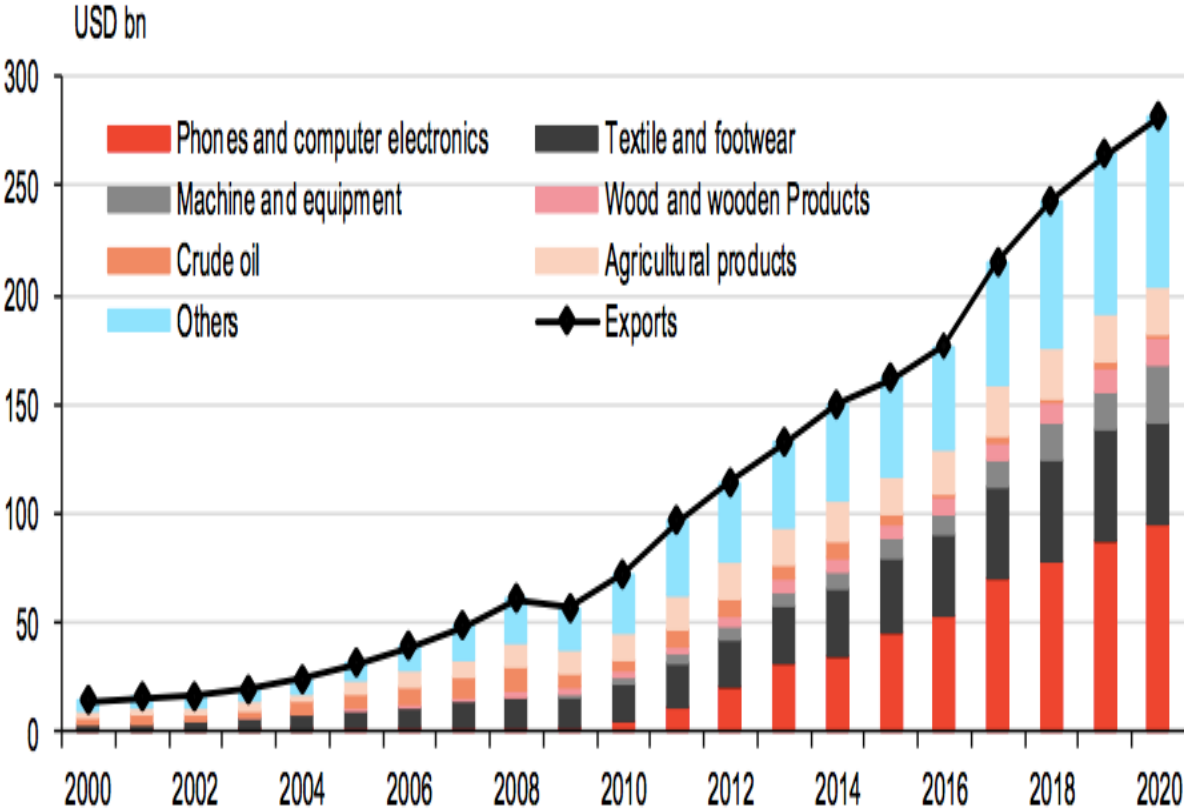
**II. CANADA – VIETNAM
POTENTIAL PARTNERS**

III. COVID19 – NEW NORMAL

**IV. SUSTANABLE MOVEMENT OF
THE GLOBAL SUPPLY CHAIN**

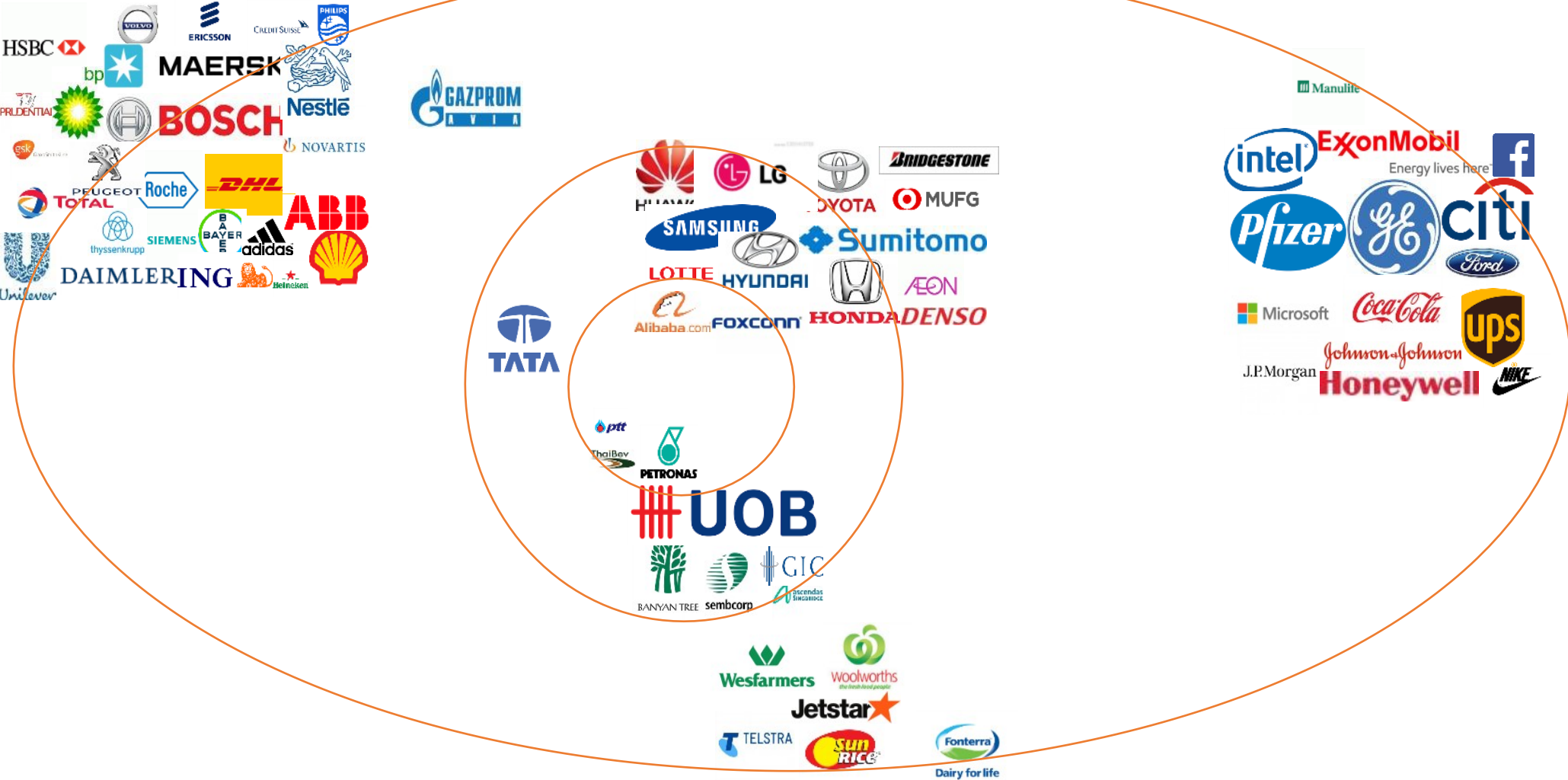


PANORAMA OF VIETNAM ECONOMY BY THE YEARS



Source: CEIC, HSBC

STRATEGIC LOCATION & GLOBAL PARTNER



VIETNAM – A NEW DESTINATION OF THE GLOBAL VALUE CHAIN



China Plus One



WHY VIETNAM?



1. Strategic **Location**
2. **Stable** Politics – Open Society
3. Strongly **improved** infrastructure
4. Improved Business Environment
5. Competitive Production **Cost**
6. Abundant **Human** Resource - Golden Population
7. Potential **Market**
8. Economic **Integration**

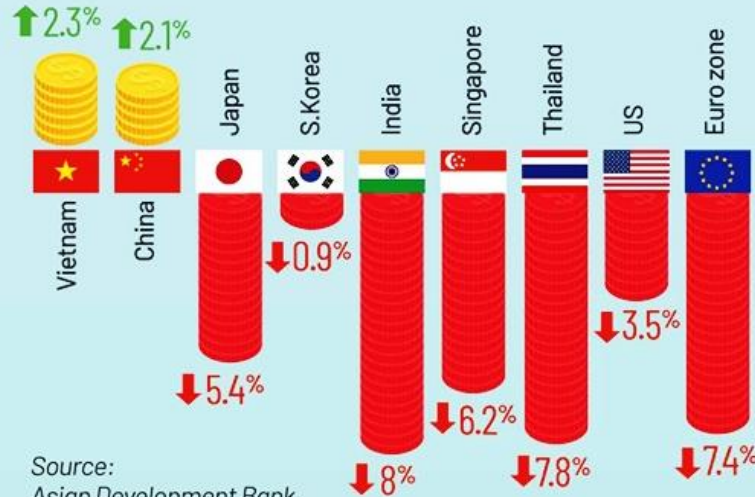
VIETNAM'S 2020 ECONOMY

GDP GROWTH RATE



Source: General Statistics Office

VIETNAM'S GDP GROWTH AMONG WORLD'S HIGHEST



Source: Asian Development Bank

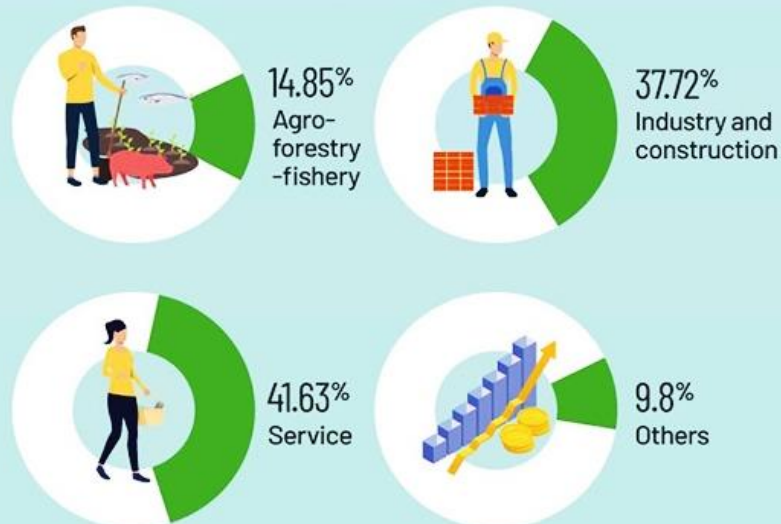
RECORD DROP IN INTERNATIONAL ARRIVALS

Unit: Million



Graphic: An Nhien

ECONOMIC STRUCTURE



HIGHEST EXPORT SURPLUS IN 5 YEARS

Unit: \$ Billion



MACRO - ECONOMIC INDICATORS



- **Rapid growth and macro-economic stability:** The economy expanded 2.91% in 2020, after having posted gross domestic product growth above 7% for two consecutive years, despite the negative impacts of COVID-19 pandemic. Viet Nam's GDP growth in 2020 is among world highest.
- **Market size:**
 - Population of over 95.5 million people with increasing purchase-power supported by growing **GDP per capita (\$8,374 in 2020)**.
 - **AEC-member** offers the gate to ASEAN regional market of over 600 million people.
 - more than **200 trade-partners** and **13 FTAs** in implementation.

MACRO - ECONOMIC INDICATORS



- **Social - political stability:** In Group of 10 countries without conflict, **rank 64/163** countries (2020, Institute of Economics and Peace).
- **Tourism Development:** Asia's leading destination at three categories of culinary, culture and heritage at 2020 World Travel Awards ceremony for Asia
- **Innovation Index: 42/131** economies, maintained its 3rd place for 2 consecutive years in Asean countries (2020, World Intellectual Property Organisation).
- **Business Environment Improvement: 70/190** countries at 69.8 points (2020, WB)
- **Index of Economic Freedom: 90/184** at 61.7 points, 17/40 in the Asia Pacific (2021, Heritage Foundation)

GLOBAL ECONOMIC INTEGRATION

LIST OF

F T A

JOINED BY VIETNAM
as of December, 2020

FTAs in which Vietnam has joined cover most continents. They comprise nearly 60 economies which altogether make up ~90% global GDP.

13 FTAs ALREADY CAME INTO FORCE

2 FTAs RECENTLY SIGNED,
SOON TO BE EFFECTIVE

UKVFTA

UK – Vietnam
Free Trade
Agreement

Signed on
**DEC.29,
2020**

*Officially came into force
since 23:00 on Dec.31, 2020*

RCEP

Regional
Comprehensive
Economic
Partnership

Signed on
**NOV.15,
2020**

*Including: ASEAN,
China, RoK, Japan,
Australia, New Zealand*

2 FTAs UNDER NEGOTIATIONS

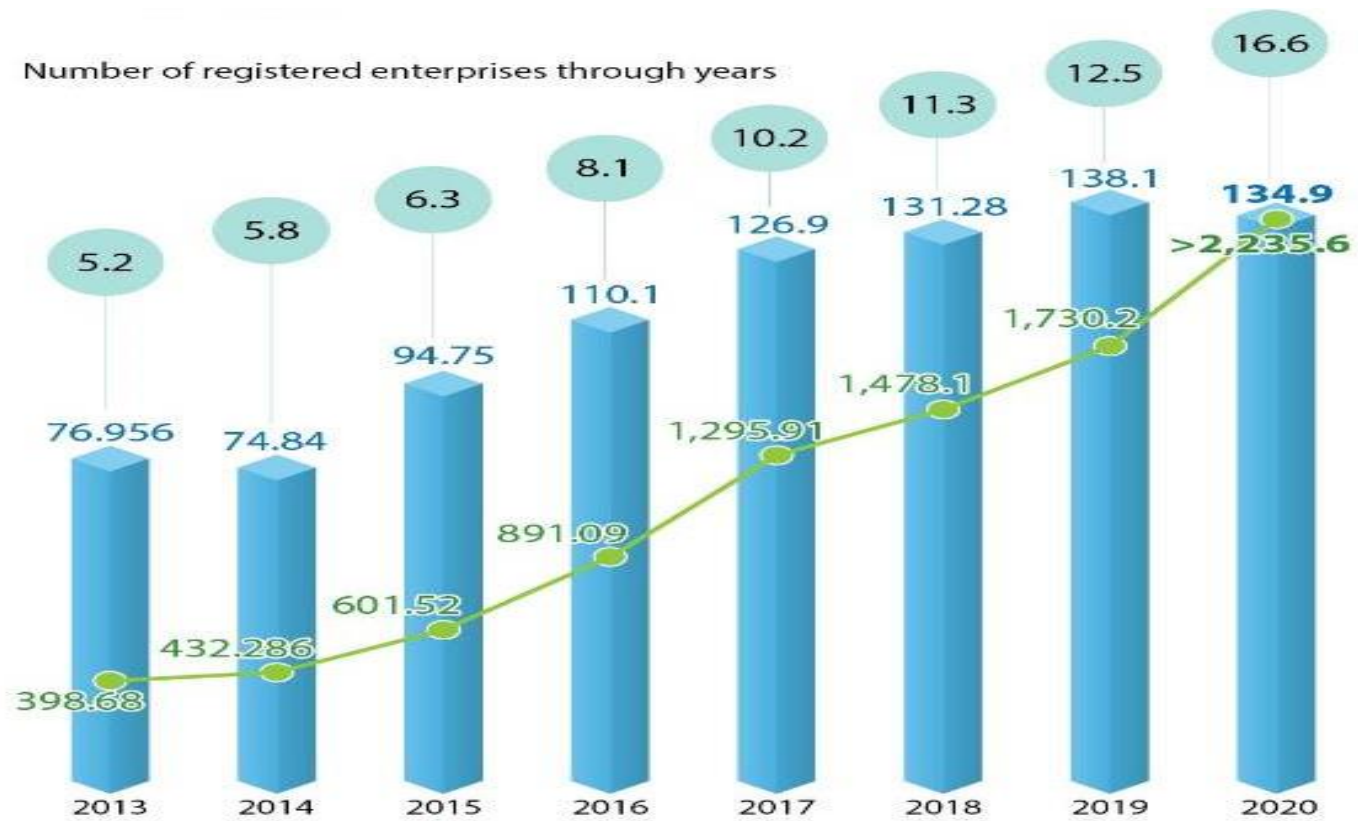
NEARLY 135,000 NEW ENTERPRISES REGISTERED



- Number of newly registered enterprises (thousands)
- Total registered capital (trillion VND)
- Average registered capital/enterprise (billion VND)

© Vietnam News Agency

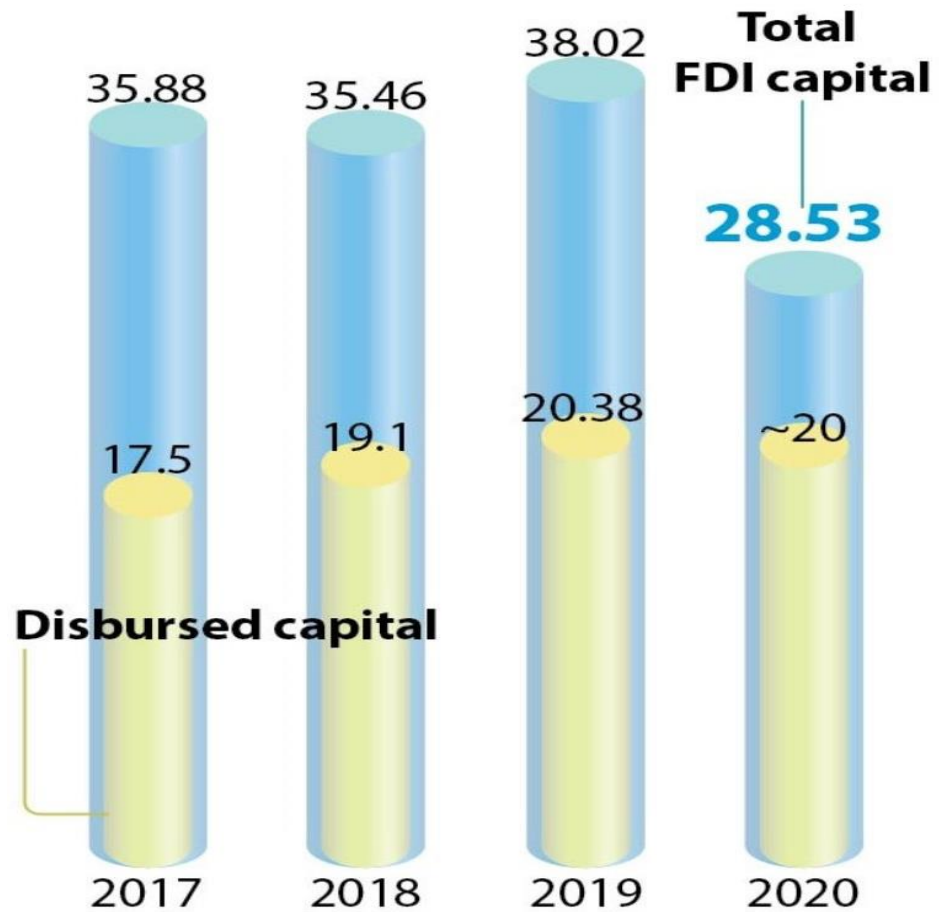
Number of registered enterprises through years



2020 FDI ATTRACTION HITS 28.53 BILLION USD

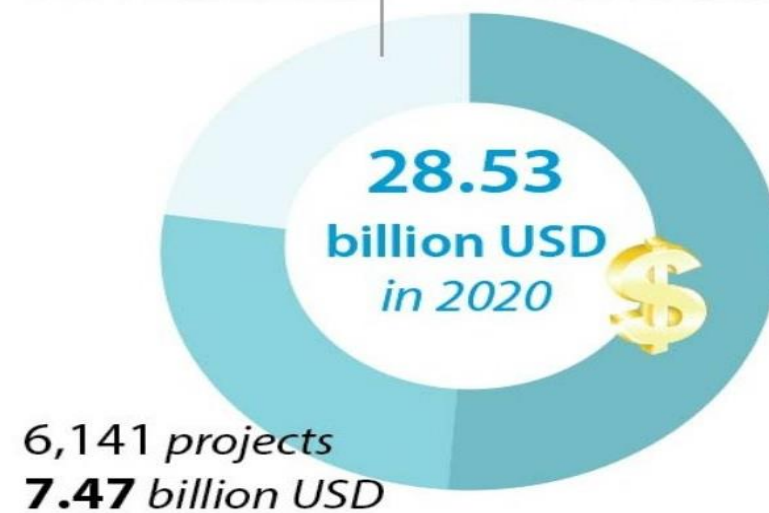
FDI: Total value of newly registered capital, adjusted capital and capital contribution or share purchase by foreign investors

FDI attraction over years (billion USD)



1,140 projects
6.41 billion USD

2,523 new projects
14.65 billion USD



- Newly registered capital
- Capital contribution or share purchase
- Adjusted capital

ORIENTATION OF FDI ATTRACTION

- Projects with high added value, using modern technology, environmental friendly
- Large-scale projects with highly competitive products, adding to the global value chain
- Industrial projects shifting from outsourcing to production
- Infrastructure development projects (PPP), training of high quality human resource, R&D, modern services projects
- Projects of information technology and biotechnology supporting agriculture and modern agriculture



INDUSTRIAL PARKS, ECONOMIC ZONES

- 324 Industrial parks (220 existing Industrial Parks; 43 FDI Industrial Parks)
- * VSIP has 8 IZ in Vietnam, attracted 7 bil USD of FDI from 22 nations
- 17 Coastal Economic zones
- 03 High Tech Park (06 High Tech Parks by 2030)



POTENTIAL PARTNERS

VIETNAM IS THE BIGGEST TRADING PARTNER OF **CANADA** IN ASEAN REGION



CANADA IS THE SECOND BIGGEST TRADING PARTNER OF **VIETNAM**
IN THE AMERICAS

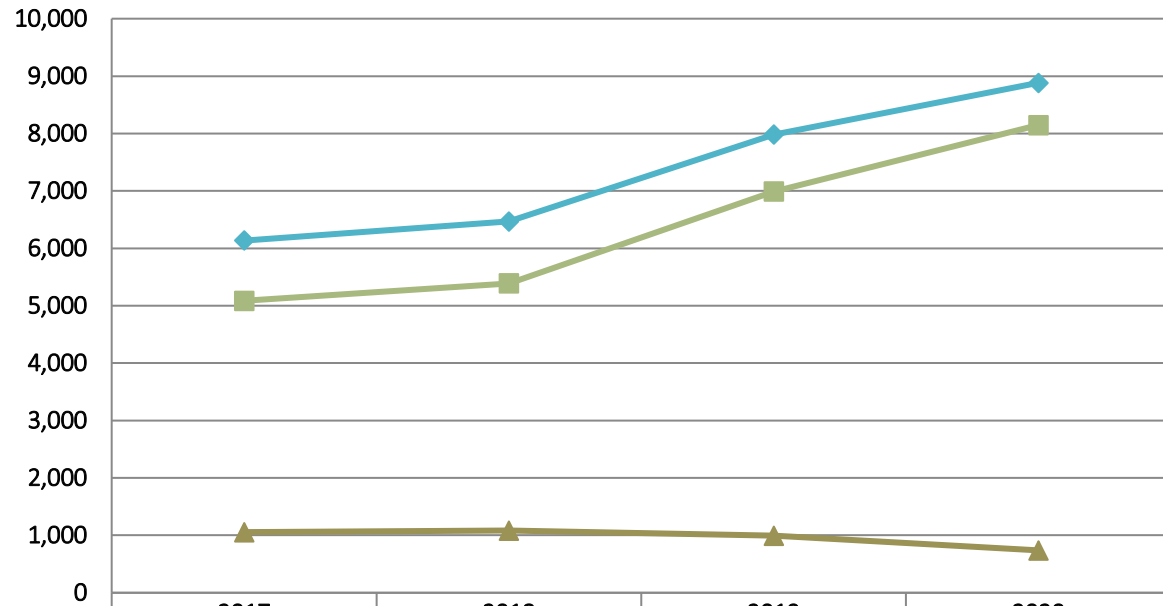
POTENTIAL PARTNERS



- Substitute commodities structure
- Trade balance harmonization policy
- Diverse population/ market size
- Small scale, easy to meet # from The U.S.
- CPTPP preferentials on trade and investment
- Bridge to the ASEAN/Asia region as well as to the Americas through the CPTPP.

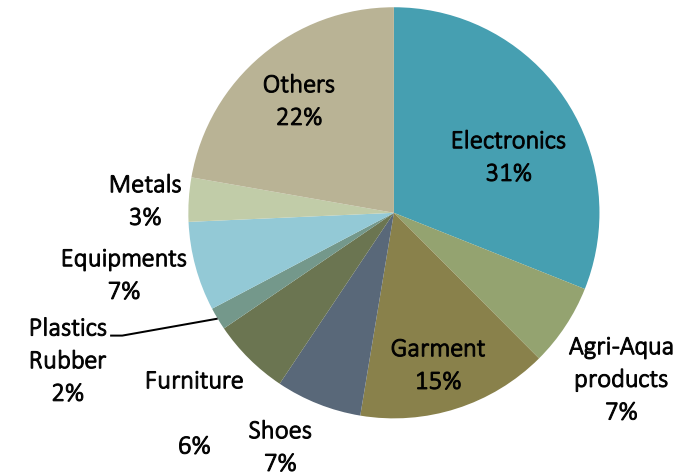
VIETNAM – CANADA ECONOMIC RELATION

Vietnam – Canada trade exchanges 2017 - 2020

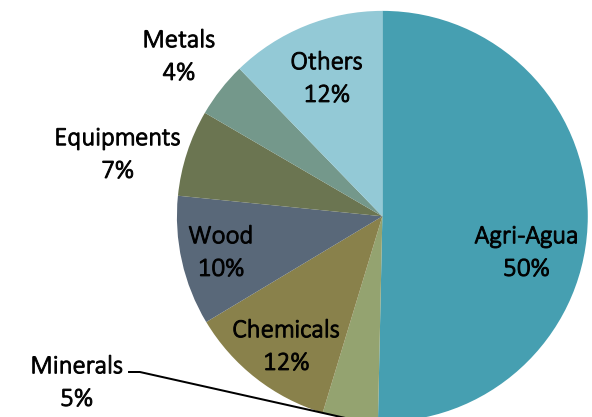


	2017	2018	2019	2020
Tổng XNK	6,136	6,469	7,981	8,881
VN XK sang CA	5,084	5,389	6,988	8,146
CA XK sang VN	1,052	1,080	993	735

Viet Nam export commodities to Canada



Import commodities from Canada



CPTPP TARIFF ENGAGEMENT OF CANADA

- **94.5%** of tariff lines will be eliminated as soon as the Agreement comes into effect (*77.9% of import turnover from Vietnam*)
- **96.3%** of tariff lines are eliminated in the 4th year (*93.4% of import turnover from Vietnam*)

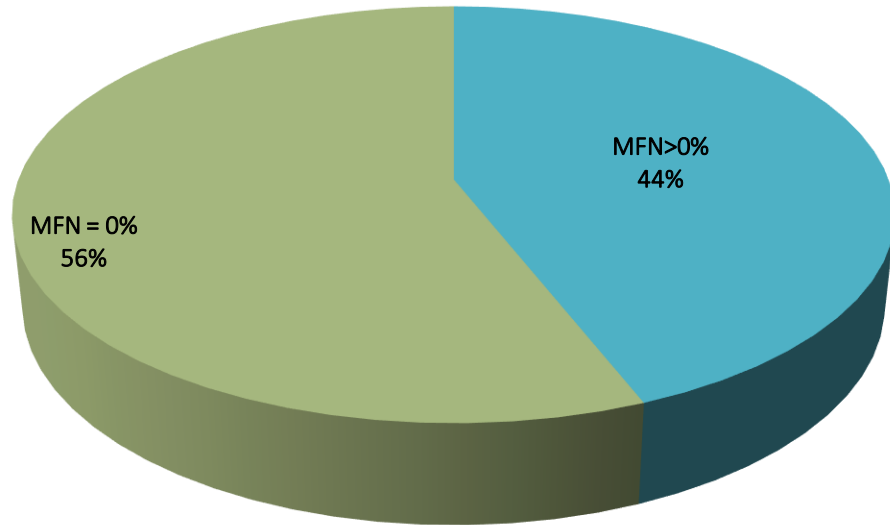


OPPORTUNITIES – CPTPP PREFERENTIAL TAX = 0%



TRADE VOLUME
MFN 0% AND > 0%

MFN = 0%



MFN > 0%



VIETNAM: ECONOMIC DEVELOPMENT DURING COVID-19

Việt Nam COVID-19 update

4,513 NEW CASES CONFIRMED

TOTAL: 836,134

17:00 on October 9, 2021

RECOVERED: 760,801

DEATHS: 20,442



NEW NORMAL

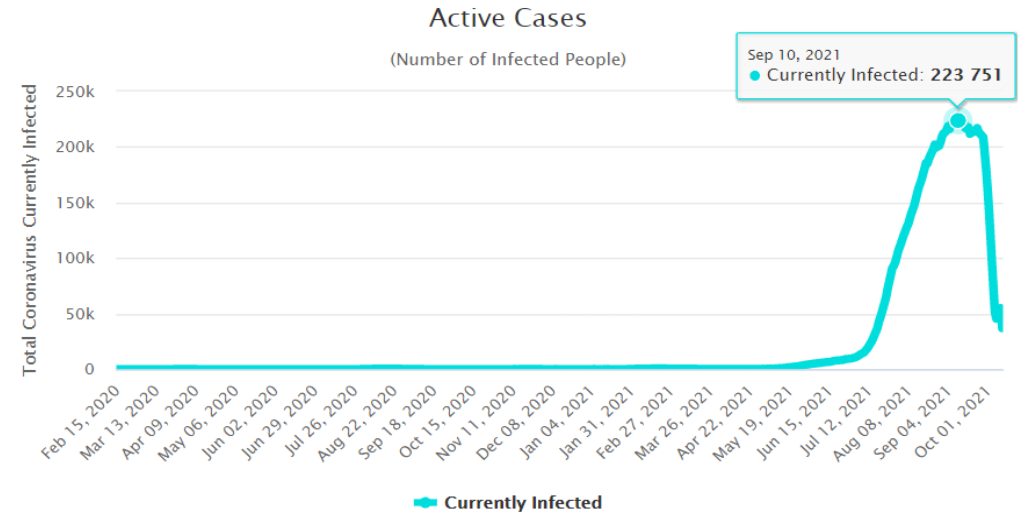
HOW TO SAFELY COEXIST WITH COVID-19



SUSTAINABLE MOVEMENT OF THE GLOBAL SUPPLY CHAIN



Active Cases in Vietnam



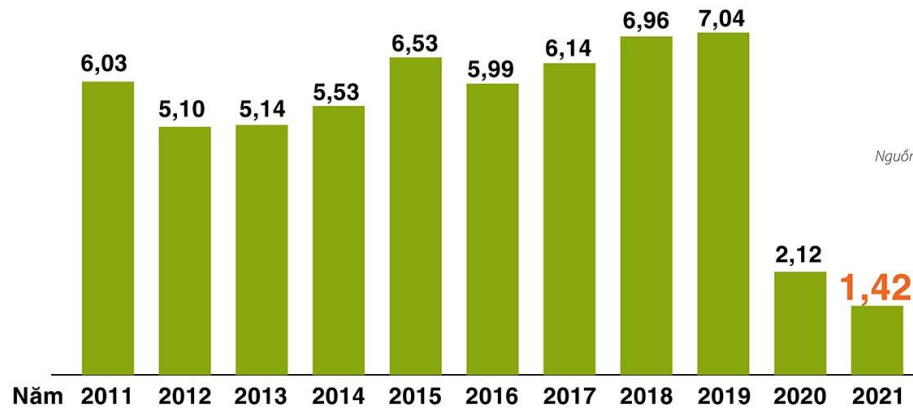
Zero covid to Safe adaptation target

Covid test and vaccination measures

Social-Economic support packages

VIETNAM ECONOMY DURING FIRST 9 MONTHS 2021

YEAR ON YEAR 9 MONTH GDP (%)



FDI ATTRACTION



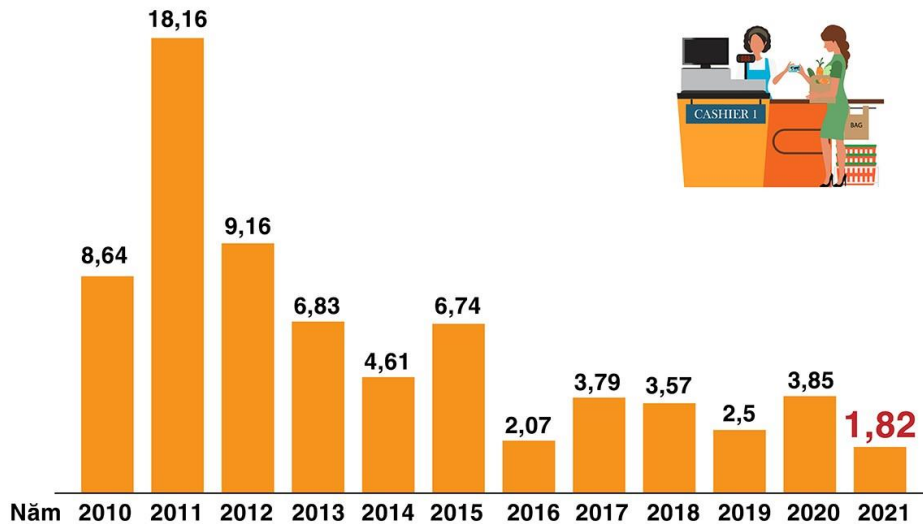
Nguồn: Tổng cục Thống kê

Kinh & Dolji Infographic

IMPORT & EXPORT VOLUMN

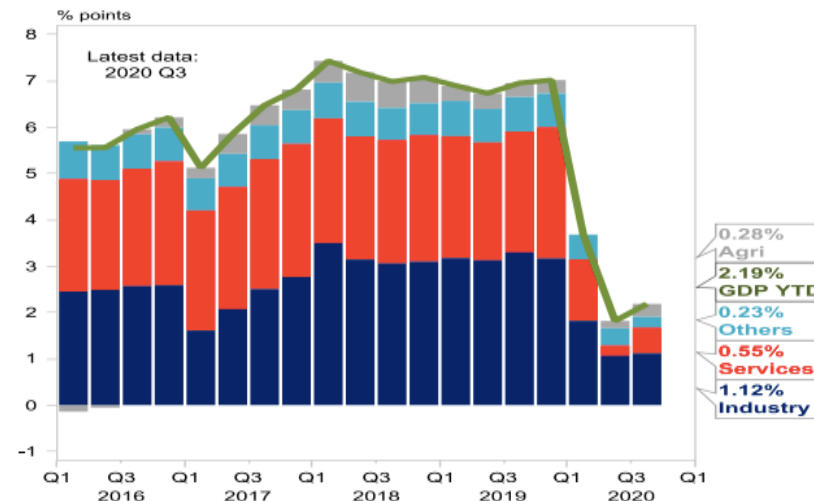


9 MONTH AVERAGE CPI COMPARED WITH LAST YEAR (%)



Vietnam: GDP YTD Growth Contributions By Main Sectors (% points)

Source: Macrobond, UOB Global Economics & Markets Research



SUSTAINABLE MOVEMENT OF THE GLOBAL SUPPLY CHAIN

Zero covid to Safe adaptation target

Covid test and vaccination measures

Social-Economic support packages

Digital economy

Vietnam
is still an attractive
destination for
investors in the
coming time
- HSBC -

USEFUL WEBSITES

No	Website	Agency
1	www.chinhphu.vn	Portal of the Government
2	www.mofa.gov.vn	Ministry of Foreign Affairs
3	www.moit.gov.vn	Ministry of Industry and Trade
4	www.mpi.gov.vn	Ministry of Planning and Investment
5	www.mof.gov.vn	Ministry of Finance
6	www.vietrade.gov.vn	Vietnam Trade Promotion Agency
7	fia.mpi.gov.vn	Foreign Investment Agency
8	dautunuocngoai.gov.vn	National portal on FDI
9	dangkykinhdoanh.gov.vn	Business Registration Management Agency
10	www.gso.gov.vn	General Statistics Office
11	www.khucongnghip.com.vn	Vietnam Industrial Zone
12	muasamcong.mpi.gov.vn	E-Procurement system



MINISTRY OF INDUSTRY AND TRADE OF VIETNAM

- European – American Market Department (MOIT)

Tel: +84.22202202

Email: hatt@moit.gov.vn

Add: 54 Hai Ba Trung St., Hoan Kiem Dist., Ha Noi, Viet Nam

- Viet Nam Trade Office in Canada (Ottawa)

Tel: +1.613.715.9683

Email: ca@moit.gov.vn / vinatrade@rogers.com

Add: 161 Sherwood Drive, Ottawa, Ontario, Canada