

an introduction to
Vietnam



STAR
Network

A focus on the garment sector

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STAR NETWORK

Leading Voice for the Garment Sector:

As the first inter-Asian network of producer associations, STAR is driving positive change and innovation in the sector. Created through the FABRIC project by GIZ, STAR connects industry players, fostering dialogue, trust-building, and the exchange of best practices. Together, we can make textile and garment production more sustainable, overcoming challenges and shaping a brighter future. To learn more, visit our website and discover how you can contribute

to a greener, fairer, and more responsible industry. Together, let's make a difference!

Size & Impact:

STAR comprises 9 leading garment producing associations from 6 nations, representing 35,000 manufacturers, employing 30m+, and contributing around \$422 billion in export value in 2022 (Source: STAR Network). The Sustainable Terms of Trade Initiative (STTI) is a flagship program started via the STAR network.

Figure 1. STAR Member Associations, Their Member Numbers, and the Number of Workers Their Members Employ

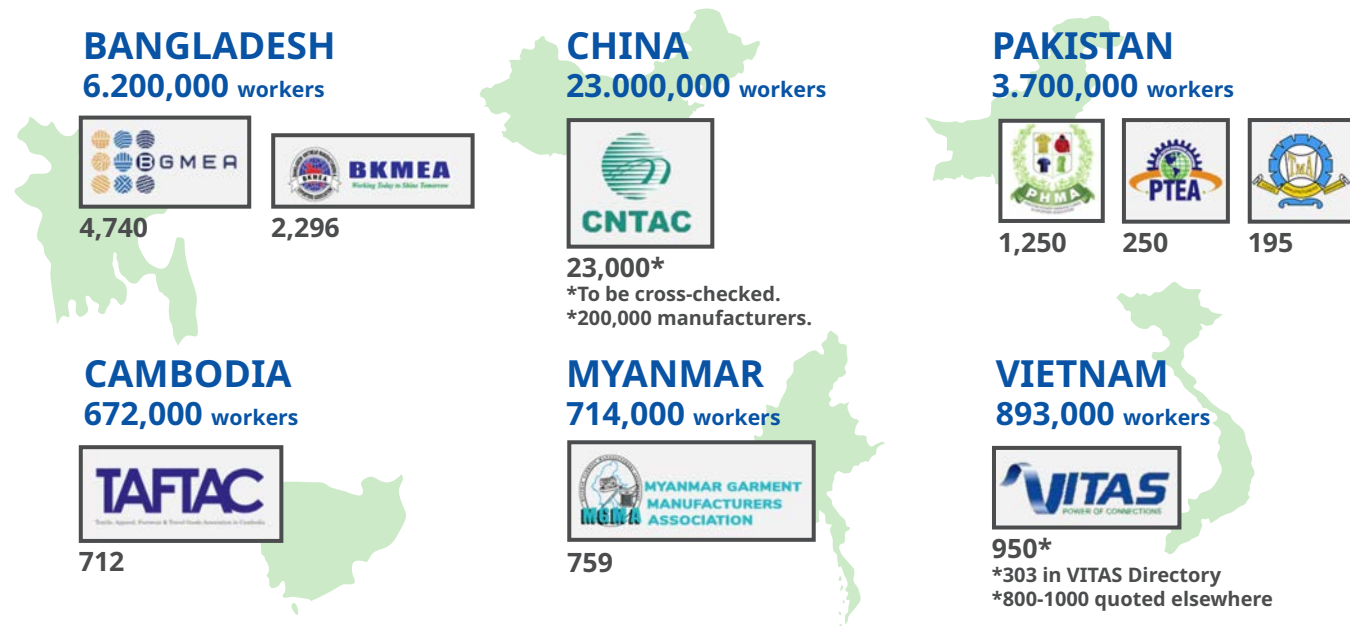
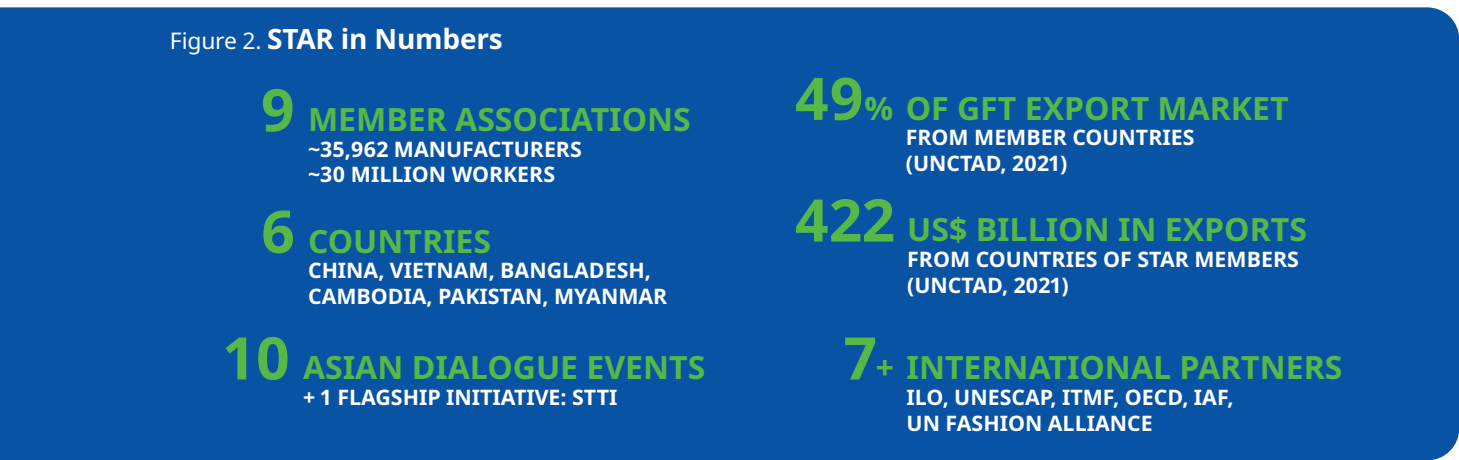


Figure 2. STAR in Numbers



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VITAS

The Vietnam Textile and Apparel Association (VITAS) is a founding member of the STAR Network.

Vietnam's Leading Industry Association:

The Vietnam Textile and Apparel Association (VITAS) stands as a pivotal entity in Vietnam's textile sector. Collaborating effectively with various ministries, VITAS champions export markets, addresses trade barriers, and spearheads international trade initiatives, all while fostering the global image of Vietnamese textiles as quality-driven, socially responsible, and environmentally friendly.

Embracing the motto "The Power of Connection," VITAS emphasizes the growth potential of Vietnam's textile industry, highlighting its skilled workforce and commitment to Green Textile Production. Envisioned as a hub for sustainable textile production, VITAS facilitates knowledge exchange among experts, industry, and government, ardently advocating for the sector's interests and steering it towards a sustainable future.



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VIETNAM INTRODUCTION

INTERESTING FACTS ABOUT VIETNAM

Ethnic Diversity: Vietnam is home to 54 ethnic groups, each with its own language, lifestyle, and cultural heritage. The Kinh (or Viet) people make up the majority of the population.

Coffee Production: Vietnam is the second-largest producer of coffee in the world. The country is known for its strong, robust coffee and a unique coffee drink called “egg coffee,” which includes egg yolks and condensed milk, offering a creamy, rich flavor

World’s Largest Cave: Vietnam is home to the world’s largest cave, Son Doong, which has its own river and even a jungle within it. Discovered only in 1991, it’s a relatively unexplored wonder that offers an adventurous exploration opportunity.

Egg Coffee: Vietnamese cuisine offers a unique beverage called “egg coffee,” which is a blend of coffee and egg yolks, creating a rich and creamy drink that is both a beverage and a dessert.

Ao Dai: The traditional Vietnamese dress, “Ao Dai,” is a symbol of Vietnamese culture and aesthetics. It is a long silk tunic with slits on either side, worn over trousers, representing the elegance and grace of Vietnamese people.

Motorbike Culture: Vietnam has a prominent motorbike culture, with more motorbikes than households. The bustling streets of cities like Hanoi and Ho Chi Minh City are a testament to the country’s reliance on motorbikes for daily transportation.

Water Puppetry: Vietnam has a unique traditional art form called “water puppetry,” where puppeteers stand in waist-deep water to manipulate wooden puppets, creating fascinat-

ing performances that narrate folk tales and legends.

Heritage Sites: Vietnam is home to several UNESCO World Heritage Sites, including Ha Long Bay, known for its emerald waters and thousands of towering limestone islands topped with rainforests, offering a breathtaking natural spectacle.

Rice Terraces: The stunning rice terraces of Sapa, sculpted by generations of farmers, are a sight to behold. These terraces, carved into the mountains, not only represent agricultural ingenuity but also offer mesmerizing landscapes, especially during the harvest season.

Reunification Express: The Reunification Express is a historic railway line connecting Hanoi and Ho Chi Minh City. A journey on this train offers a glimpse into the diverse landscapes and cultures of Vietnam, making it a popular choice for travelers seeking an authentic Vietnamese experience.

Tet Festival: The Tet Festival, or Vietnamese New Year, is the most important festival in Vietnam, celebrating the arrival of spring based on the Lunar calendar. It is a time of family reunions, vibrant parades, and a variety of traditional foods and games.

Historical Tunnels: The Cu Chi Tunnels near Ho Chi Minh City are a network of underground tunnels used by Viet Cong soldiers during the Vietnam War. Visitors can explore these tunnels and learn about the ingenious strategies employed by the soldiers, including hidden trap doors and underground hospitals.

HISTORY

Prehistoric Period (500,000–2879 BCE):

Early human settlements were established in the northern region of Vietnam.

Hong Bang Dynasty (2879–258 BCE):

The first Vietnamese state was founded, marking the beginning of the Vietnamese civilization.

Chinese Domination (111 BCE – 938 AD):

Vietnam was under Chinese rule for over a thousand years, profoundly influencing Vietnamese culture, language, and government.

Ngo Dynasty (939–965): After gaining independence from China, the Ngo dynasty was established, signifying the start of self-rule.

Ly Dynasty (1009–1225): This period saw the establishment of Vietnam’s capital in Hanoi and the adoption of Confucianism.

Tran Dynasty (1225–1400): The Tran dynasty successfully repelled three Mongol invasions, preserving Vietnam’s sovereignty.

Ho Dynasty (1400–1407): A short-lived dynasty that ended with the Chinese Ming dynasty’s invasion.

Le Dynasty (1428–1789): The Le dynasty marked a period of economic and cultural flourishing, with the notable introduction of laws and educational reforms.

Tay Son Rebellion (1771–1802): A massive peasant uprising that led to the end of the Le dynasty and the brief rule of the Tay Son.

Nguyen Dynasty (1802–1887): The last Vietnamese dynasty, which unified the country and expanded its territory.

French Colonial Period (1887–1954): Vietnam became part of French Indochina, experiencing economic exploitation and cultural assimilation.

World War II (1939–1945): During WWII, Japan occupied Vietnam, but French colonial rule was restored after Japan’s defeat.

First Indochina War (1946–1954): A conflict between the French forces and Viet Minh, ending with the Geneva Accords that temporarily divided Vietnam at the 17th parallel.

Vietnam War (1955–1975): A devastating conflict between North Vietnam, supported by its communist allies, and South Vietnam, supported by the United States and other anti-communist nations.

Reunification (1976): Following the end of the Vietnam War, North and South Vietnam were officially unified under communist control, forming the Socialist Republic of Vietnam.

Doi Moi Reforms (1986): The Vietnamese government initiated economic reforms to transition from a centralized economy to a socialist-oriented market economy.

Normalization of US-Vietnam Relations (1995): Vietnam and the United States restored diplomatic relations, opening a new chapter in their bilateral relationship.

WTO Membership (2007): Vietnam became the 150th member of the World Trade Organization, integrating more fully into the global economy.

Modern Economic Growth (2000s–Present): Vietnam has experienced rapid economic growth, becoming a middle-income country with a focus on manufacturing and exporting.

COVID-19 Pandemic (2020–Present): Like many other countries, Vietnam grappled with the challenges posed by the COVID-19 pandemic, implementing strict measures to control the virus’s spread.

DEMOGRAPHICS

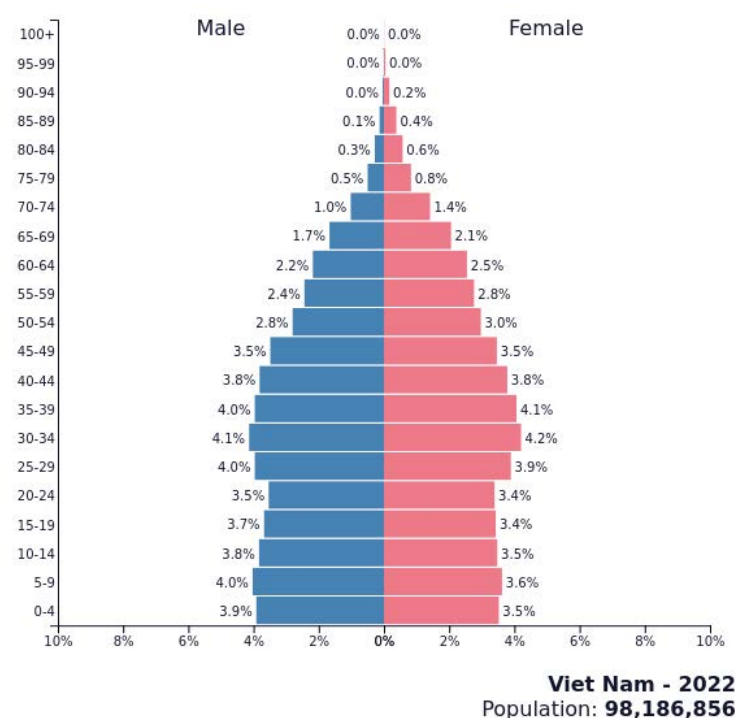
Population: As of 2023, Vietnam has a population of approximately 98 million people, making it the 15th most populous country globally.

Population Growth Rate: Vietnam has a moderate population growth rate, estimated to be around 0.9% annually, indicating a steady increase in population size.

Urbanization: Urbanization in Vietnam has been increasing over the years. As of 2021, around 37% of the population resides in urban areas, a figure that is expected to continue rising due to economic development and industrialization. One government action plan targets a 50% urbanization rate by 2030. (Source: Vietnam Plus)

Age Structure: The median age in Vietnam is approximately 32.5 years, showcasing a relatively young population. A significant portion of the population is under the age of 25, representing a substantial workforce and consumer base for the country.

Figure 3. Population Pyramid of Vietnam 2022 (Source: PopulationPyramid.net)



Life Expectancy: The average life expectancy in Vietnam is around 75 years, with females having a slightly higher life expectancy compared to males. This figure has been gradually increasing due to improvements in healthcare and living standards.

Literacy Rate: Vietnam boasts a high literacy rate, with over 96% of the population aged 15 and above being literate as of 2019 (Source: World Bank) The government's focus on education has played a crucial role in achieving this high literacy rate. This compares favourably to its regional peers, such as Cambodia with a 79% literacy rate.

Gender Ratio: The gender ratio in Vietnam is balanced, with a slight predominance of females. As of 2021, there are approximately 99 males for every 100 females.

Ethnic Diversity: Vietnam is home to 54 ethnic groups, with the Kinh (or Viet) group being the largest, constituting about 86% of the population. Other significant ethnic groups include the Tay, Thai, Muong, and Khmer, among others.

Religion: Vietnam has a diverse religious landscape, with much of the population practicing folk religions or identifying as non-religious. Buddhism is the largest organized religion, followed by Catholicism, Protestantism, and Hoa Hao, among others.

Population Density: Vietnam has a high population density, with an average of over 300 people per square kilometer as of 2021. For comparison, Cambodia's has a population density of 90 people per square kilometer.

GEOGRAPHY

Geographical Location: Vietnam, covering an area of approximately 331,210 square kilometers, is in Southeast Asia, sharing borders with China to the north, Laos to the northwest, and Cambodia to the southwest. Its eastern coastline is bathed by the South China Sea, granting it a strategic position for maritime routes and trade.

S-Shaped Configuration: Vietnam has a distinctive S-shaped configuration, stretching over 1,650 kilometers from north to south. This elongated shape creates a variety of climates and landscapes, ranging from mountainous regions in the north to the fertile Mekong Delta in the south.

Diverse Topography: Vietnam's topography is incredibly diverse, with 75% of the land being mountainous or hilly. The country is home to several high mountain ranges, including the Hoàng Liên Sơn range, which houses Fansipan, the highest peak in Vietnam and Indochina, standing at 3,147.3 meters.

Rich River Systems: Vietnam is endowed with rich river systems, including the Red River in the north and the Mekong River in the south. These rivers play a vital role in agriculture, providing fertile delta regions that are the rice bowls of the country.

Coastline and Beaches: Vietnam boasts a long coastline stretching over 3,260 kilometers, dotted with beautiful beaches and vibrant marine ecosystems. Some famous beaches include Mỹ Khê, Nha Trang, and Phú Quốc, which are popular tourist destinations.

Climate Diversity: Due to its elongated shape, Vietnam experiences a diverse climate. The north has a humid subtropical climate with four distinct seasons, while the south has a tropical monsoon climate, characterized by a wet and dry season.

Monsoon Influence: The climate in Vietnam is significantly influenced by the monsoon,

with the southwest monsoon bringing wet and humid weather from May to October, and the northeast monsoon bringing cooler and drier weather from November to April.

Biodiversity Hotspot: Vietnam is recognized as one of the 25 biodiversity hotspots globally, housing a rich variety of flora and fauna, including several endemic species such as the Tonkin snub-nosed monkey, the Vietnamese pheasant, and the Siamese crocodile. The country's diverse ecosystems provide habitats for a rich biodiversity.

Natural Reserves and National Parks: Vietnam has numerous natural reserves and national parks aimed at conserving its rich biodiversity. Some notable ones include Cát Tiên National Park, which houses an impressive variety of mammals, birds, and reptiles, and Bái Tử Long National Park, known for its rich marine biodiversity and coral reefs. Phong Nha-Kẻ Bàng National Park, a UNESCO World Heritage Site, is renowned for its cave systems, including the world's largest cave, Sơn Đoòng.

Agricultural Land: Despite its mountainous terrain, Vietnam has substantial agricultural land, primarily in the delta regions. The country is one of the world's largest exporters of rice, coffee, and pepper, thanks to its fertile lands and favorable climatic conditions.

MAJOR CITIES

Ho Chi Minh City (Saigon): As the largest city in Vietnam, Ho Chi Minh City, formerly known as Saigon, serves as the economic and commercial hub of the country. It is home to approximately 9 million people and was established in 1698, boasting a rich history and vibrant culture.

Hanoi: Hanoi, the capital of Vietnam, is the second-largest city in the country, known for its centuries-old architecture and a rich culture

with Southeast Asian, Chinese and French influences. Established in 1010, it has a population of around 8 million people.

Hai Phong: Hai Phong is a major port city in northern Vietnam, established in 1888. It is known for its maritime economy and beautiful coastal scenery, housing approximately 2.03 million people.

Can Tho: Situated in the Mekong Delta region, Can Tho is known for its canal network and nearby floating markets. Established in 1789, it has a population of around 1.28 million people,

offering a glimpse into the vibrant river culture of Vietnam.

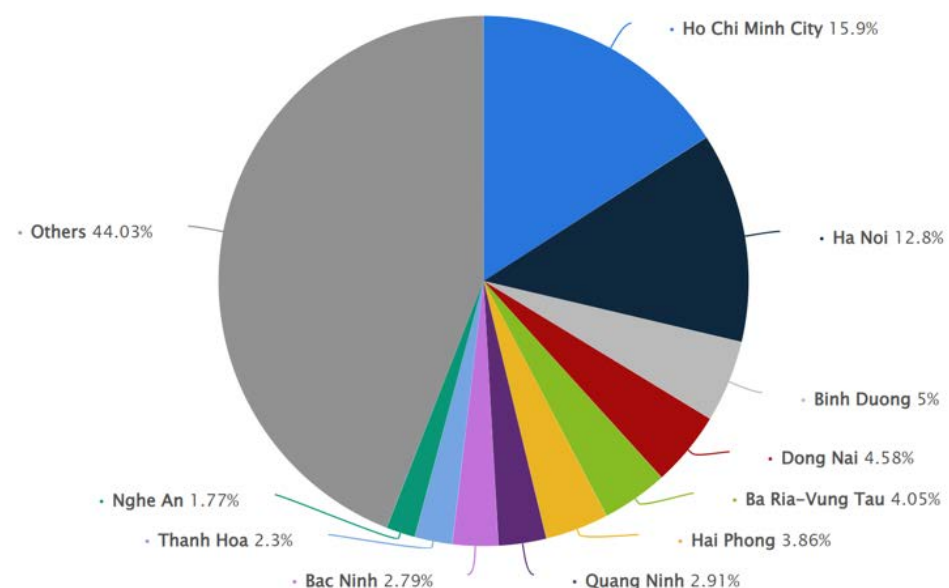
Da Nang: Da Nang, established officially as a city in 1888, is known for its sandy beaches and history as a French colonial port. It has a population of approximately 1.23 million people and offers a blend of natural beauty and historical landmarks.

Bien Hoa: Bien Hoa is a prominent city with a history tracing back to the 17th century. It has a population of around 1.1 million people and is known for its industrial zones and urban development.

Figure 4. Comparison of Vietnam's Cities

Category	Hanoi	Ho Chi Minh City (Saigon)	Hai Phong	Da Nang
Population	8 million	9 million	2.03 million	1.23 million
Establishment Year	1010	1698	1888	1888 (as a city)
Key Sectors	Government, Education, IT	Finance, Trade, Services	Maritime Economy, Industry	Tourism, Services, Real Estate
Tourist Sites	Hoan Kiem Lake, Old Quarter, The Imperial Citadel of Thang Long	Ben Thanh Market, War Remnants Museum, Notre-Dame Cathedral Basilica of Saigon	Cat Ba Island, Lan Ha Bay, Do Son Beach	Marble Mountains, My Khe Beach, Son Tra Peninsula
Approx. GDP (USD Bn)	50.0 (2020)	63.3 (2020)	not available	6.3 (2020)
Province	Hanoi	Ho Chi Minh City	Hai Phong	Da Nang
Area (sq. km)	3,358.6	2,061	1,520.7	1,283

Figure 5. Approximate GDP Per Province in Vietnam 2021. (Source: Statista)



Nha Trang: Nha Trang, known since the 17th century, is a coastal city famous for its beaches, diving sites, and offshore islands. It has a population of approximately 602,000 people, offering a perfect blend of beach life and urban charm.

Hue: Hue, with a history dating back to 1306, is known for its historic imperial city and rich cultural heritage. It has a population of around 346,000 people and offers a journey through Vietnam's historic past.

Vinh: Vinh is a city with historical significance dating back to the 13th century. It has a population of approximately 490,000 people and is known for its educational institutions and historical landmarks.

Quy Nhon: Quy Nhon, known since the 11th century, is a coastal city known for its beautiful beaches and historical sites. It has a population of around 284,000 people, offering a serene environment with a rich history.

MAJOR TOURIST DESTINATIONS

Vietnam is a country with diverse landscapes, rich cultural heritage, and historical landmarks, offering numerous tourist hotspots. Some of the most famous tourist attractions in Vietnam include:

Ha Long Bay: Located in the north of Vietnam, Ha Long Bay is known for its emerald waters and thousands of towering limestone islands topped with rainforests. It is a UNESCO World Heritage site and a popular destination for cruise trips.

Hanoi: The capital city of Vietnam, Hanoi, is home to centuries-old architecture and a rich culture with Southeast Asian, Chinese, and French influences. Key attractions include the Old Quarter, the Hoan Kiem Lake, and the Ho Chi Minh Mausoleum.

Hue: This ancient city was the capital of Vietnam for 143 years and it houses the ruins of the Imperial City, a vast complex of palaces, temples, walls, and gates.

Hoi An: This beautiful town is known for its well-preserved Ancient Town, crisscrossed with winding canals. The former port city has various historic architecture, traditional wooden houses, and hundreds of tailor shops.

Phong Nha-Ke Bang National Park: A UNESCO World Heritage site, it is home to the largest cave in the world, Son Doong. The park has impressive karst landscapes and extensive cave systems.

Sa Pa: Located in the northern region, it is known for its terraced rice fields and the highest mountain in Vietnam, Fansipan. The area is also home to many ethnic minority groups, such as the Hmong, each with its own unique culture.

Nha Trang: A coastal resort city known for its beaches, diving sites, and offshore islands. The city also has a giant Buddha statue, and the Po Nagar Cham towers, which are remnants of the Cham civilization.

Mekong Delta: Often referred to as the "Rice Bowl" of Vietnam, it is characterized by flat delta plains and a system of inter-connecting rivers and swamps. Tourists often take boat tours to explore the vibrant life along the rivers.

Ho Chi Minh City (Saigon): The largest city in Vietnam, it is known for its French colonial landmarks including Ho Chi Minh City Hall, Notre-Dame Cathedral Basilica of Saigon, and the 19th-century Central Post Office. Ben Thanh Market is a central market where tourists can buy a variety of goods.

Phu Quoc Island: Located in the Gulf of Thailand, it offers pristine beaches, clear waters, and a serene atmosphere. The Vinpearl Safari and VinWonders Phu Quoc are popular attractions on the island.

In Vietnam, the primary level of administrative division consists of fifty-eight provinces, referred to as "tỉnh" in Vietnamese. In addition to these provinces, there are five municipalities that are directly governed by the central government.

Figure 6. Map of Vietnam (Source: Geology.com)



Figure 7. Provinces of Vietnam



LEADERSHIP

Government Type: Vietnam is a socialist republic operating under a one-party system. The Communist Party of Vietnam is the only legal party in the country, which centralizes power and oversees all government functions and political organizations.

Head of State: The President of Vietnam serves as the head of state, representing the unity of the country. The president is elected by the National Assembly from among its members for a term of five years. The current president is Vo Van Thuong, who assumed office on March 2, 2023.

- **Description:** Vo Van Thuong, born on February 14, 1970, became the President of Vietnam on March 2, 2023, making him the youngest individual to assume this role in the country's history at the age of 53. The president's role is largely ceremonial, representing the nation at the highest level and showcasing the unity and solidarity of the Vietnamese people. Vo Van Thuong is known for his dynamic leadership style and his focus on modernization and development.
- **Brief History:** Vo Van Thuong's political journey is marked by a rapid rise through the ranks of the Communist Party of Vietnam. Before becoming president, he served as the head of the party's Central Propaganda Department, a position that allowed him to shape the narrative and policies of the government significantly. His tenure saw a focus on promoting Vietnam's image positively both nationally and internationally. He was appointed president following the resignation of his predecessor, Nguyễn Xuân Phúc, in January 2023. Since taking office, he has emphasized strengthening Vietnam's relations with other countries and fostering a sense of national unity. His leadership is seen as a breath of fresh air, bringing in youthful energy and a modern perspective to the Vietnamese political landscape.

Head of Government: The Prime Minister of Vietnam is the head of government, overseeing the operations of the government and its various agencies. The Prime Minister is appointed by the president and approved by the National Assembly. The current Prime Minister is Phạm Minh Chính, who took office on April 5, 2021.

- **Description:** Pham Minh Chinh, born on December 10, 1958, is a Vietnamese politician serving as the Prime Minister of Vietnam since April 5, 2021. He is a member of the 13th Politburo, where he holds the position of the 5th ranked member. Before becoming Prime Minister, he was the head of the Communist Party of Vietnam's Central Organization Commission, responsible for vetting and appointing officials across the government apparatus.
- **Brief History:** Pham Minh Chinh's political career began in the 1980s when he worked in Vietnam's security sector. He has held various significant positions, including Deputy Minister of Public Security. His career saw a substantial rise when he became a member of the 12th Politburo in 2016. As the head of the Central Organization Commission, he played a crucial role in the anti-corruption campaign that the government initiated. His leadership style is known for being disciplined and well-organized. He is also known for his efforts to manage the COVID-19 pandemic effectively, putting forward strategies that prioritize the safety and well-being of the Vietnamese people.

Legislature: The National Assembly is the highest legislative body in Vietnam, consisting of 500 members who are elected through direct elections for a term of five years. It is responsible for making laws, deciding on important national issues, and overseeing the work of other government institutions.

Political Parties: The political landscape in Vietnam is dominated by the Communist Party of Vietnam. While other political groups and individuals can participate in the political process, they must operate within the framework established by the Communist Party.

Election System: General elections in Vietnam are held every five years to elect members to the National Assembly and the People's Councils at various administrative levels. The elections are organized by the Vietnam Fatherland Front, an umbrella organization that promotes political participation and unity.

Judiciary: The judiciary in Vietnam is independent in its operations but is under the administrative control of the Communist Party. The highest judicial body is the Supreme People's Court, which oversees the judicial system and ensures the uniform interpretation of the law across the country.

Local Government: Vietnam is divided into 58 different administrative levels, including provinces and centrally controlled cities. These

divisions have their own People's Councils and People's Committees, which are responsible for local governance and implementing policies at the local level.

Constitution: The Constitution of Vietnam serves as the supreme law of the land, outlining the structure of the government, the economic system, and the fundamental rights and duties of citizens. The current constitution was adopted in 2013.

Political Stability: Vietnam has maintained a considerable degree of political stability, with the Communist Party being in power since the country's reunification in 1975. The government has focused on economic development and reforms to improve the living standards of its citizens while maintaining a one-party system.

ECONOMY

KEY STATISTICS

GDP GROWTH: averaged 7.1% between 2016 & 2019. Despite Covid-19, Vietnam managed 2.87% (2020), 2.56% (2021), 8% (2022), and is expected to grow at 6.2% in 2023 (Source: World Bank)

GDP PER CAPITA: 4,320 USD, 14,290 USD Purchasing power parity; international dollars per capita 2023. (Source: IMF)

GDP: \$449.09 billion USD in 2023. (Source: IMF)

GDP COMPOSITION: In 2022, Agriculture: 11.88%, Industry: 38.26%, Services: 41.33%, Product Tax minus Product Subsidies: 8.53%. (Source: GSO Vietnam)

FDI: Vietnam attracted a total of 27.72 billion USD in foreign direct investment in 2022. (Source: VIR)

EXPORT PERFORMANCE: In 2022, total exports reached 371.3 billion USD. (Source: GSO Vietnam)

REMITTANCES: With many emigrants employed in the US and the UK, Vietnam received over \$19 billion in remittances in 2022, ranking it 10th in the world. (Source: Hanoi Times)

POVERTY RATE: The Lower Middle-Income Country (LMIC) poverty rate dropped from 16.8 to 5 percent between 2010 and 2020, with over 10 million people lifted out of poverty. (Source: World Bank)

INFLATION RATE: In August 2023, the inflation rate was a moderate 2.96% (Source: GSO Vietnam)

FOREIGN RESERVES: Stood at 85.8 billion USD in July 2023 (Source: CEIC)

FINANCIAL INCLUSION: The government aims for at least 80% of adults to have a bank account by 2025 (Source: Vietnam News). 51% currently have an account at a formal financial institute in 2021, up from 31% in 2017. (Source: World Bank Findex Database).

EXPORTS: \$371.3 billion in 2022. Telephones, Computers, Electronics, Garments, Textiles & Footwear.

IMPORTS: \$358.9 billion in 2022. Electronic Parts, Textile Fabrics, Plastics.

HDI: In 2021, Vietnam recorded an HDI value of 0.703. This placed Vietnam at 115th out of 191 countries in the 2022 Human Development Index (Source: UNDP).

EASE OF DOING BUSINESS: Vietnam ranked 70th among 190 economies in the World Bank's Ease of Doing Business Index in 2020, with a score of 69.8. (Source: World Bank).

TOURISM: Pre-Pandemic, 18 million tourists visited in 2019, in H1 2023 numbers are recovering to 5.6 million, with a target of 8 million by the end of the year. (Source: Vietnam National Authority of Tourism)

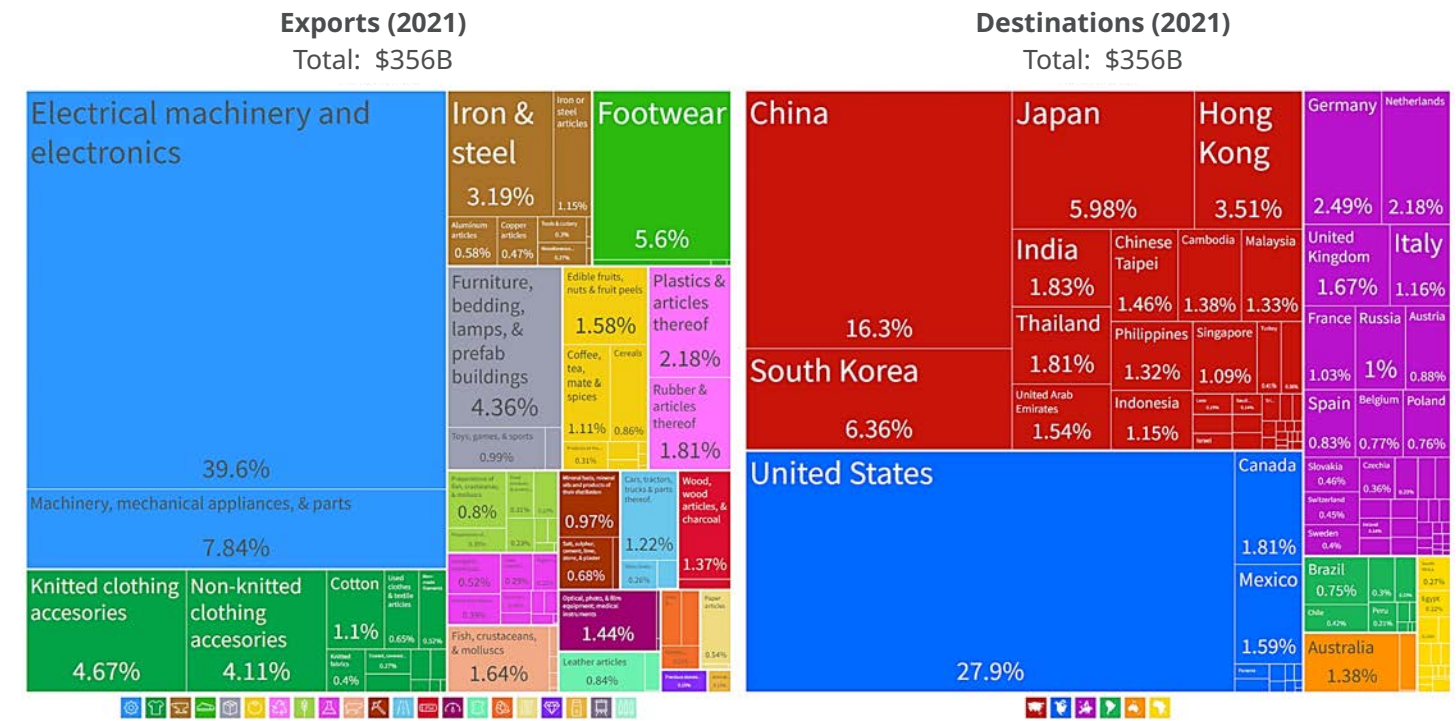
Figure 8. Vietnam Economic Statistics (Source: World Bank Economic Update March 2023)

INDICATOR	2020	2021e	2022e	2023f	2024f	2025f
GDP growth (%)	2.9	2.6	8.0	6.3	6.5	6.5
Growth of expenditure components:						
Consumption: Public	1.2	4.7	3.6	6.3	5.2	5.1
Consumption: Private	0.4	2.0	7.8	6.5	6.8	6.8
Investment	4.1	3.7	6.0	7.2	4.9	5.9
Exports	4.1	13.9	4.9	4.5	6.6	7.0
Imports	3.3	15.8	2.2	5.0	6.2	6.9
Consumer Price Index (average, %)	3.2	1.8	3.1	4.5	3.5	3.0
Current account balance (% of GDP)	4.3	-1.0	-1.7	-0.3	0.1	0.1
Fiscal balance (% of GDP)	-2.9	-3.4	1.4	-0.3	0.8	1.4
Public debt (% of GDP): MOF a/	43.7	42.7	38.0	39.0	---	---
Public debt (% of GFS): MOF b/	41.3	39.3	35.7	35.0	33.2	31.0

Sources: GSO; MOF; SBV; IMF; and World Bank staff calculations
 Note: The revised GDP is used in all calculations unless otherwise started. e = estimate; f = forecast
 a/ As reported by the MOF
 b/ Following GFS – World Bank staff calculations 2022–2025

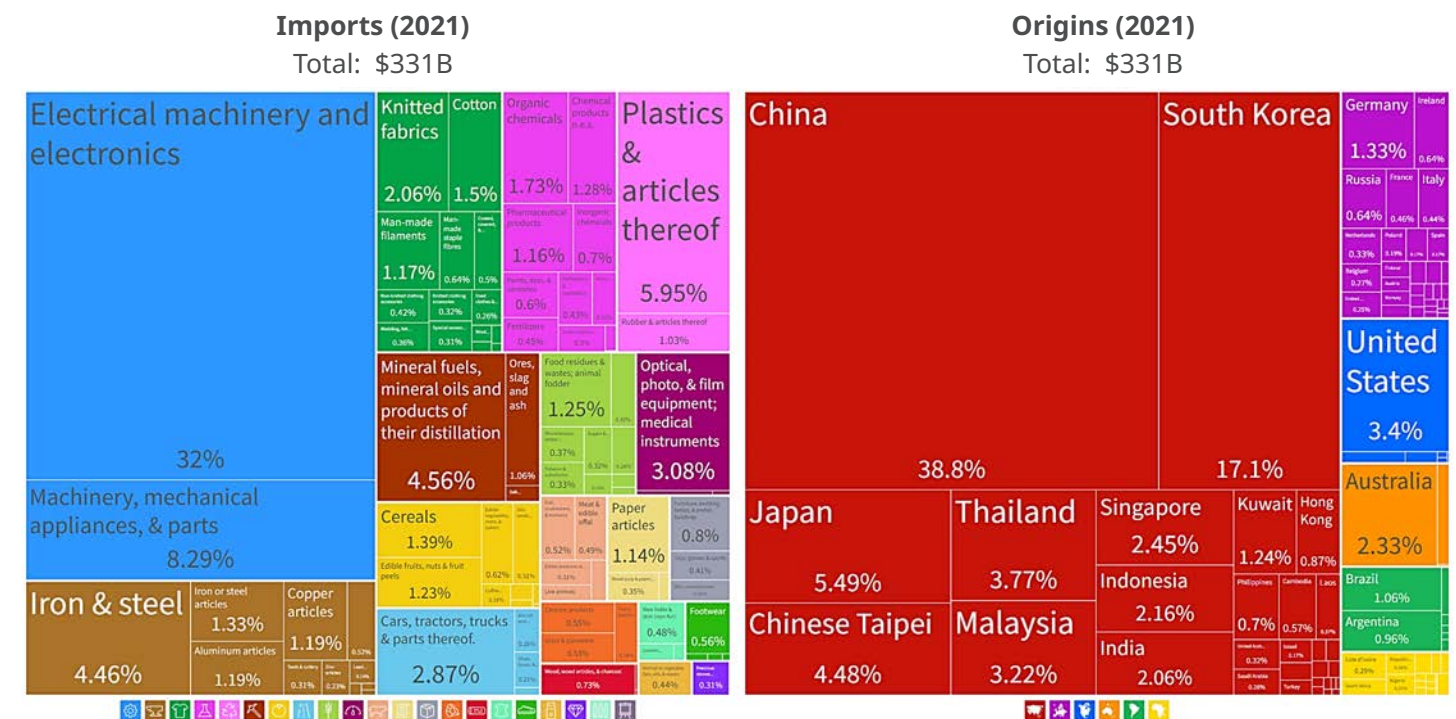
EXPORTS

Figure 9. Export Value & Destinations 2021 (Source: OEC)



IMPORTS

Figure 10. Import Value & Destinations 2021 (Source: OEC)



NARRATIVE

GDP Growth and Total GDP: Vietnam’s economy has shown great resilience over the years, growing even during the pandemic. In 2022, the GDP growth rate rebounded to around 8%, following a slowdown due to

the COVID-19 pandemic in 2020 and 2021. The total GDP was estimated to be \$449.09 billion USD in 2023 (Source: IMF, World Bank). The informal economy’s size is estimated at around 20.5% of GDP, potentially adding a further \$92 billion USD. (Source: World Economics London).

Figure 11. Vietnam GDP Growth 1985 to 2023. f = forecast. (Source: World Bank)

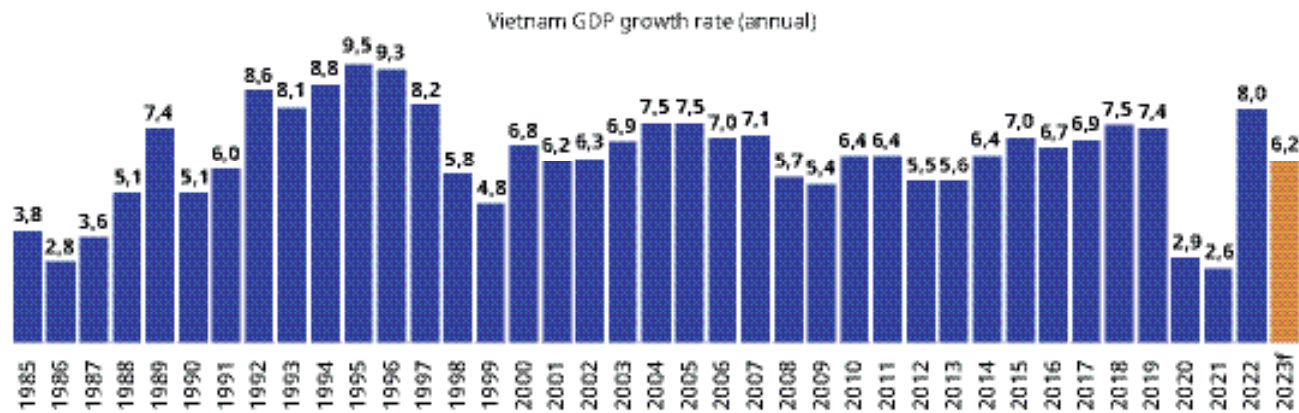
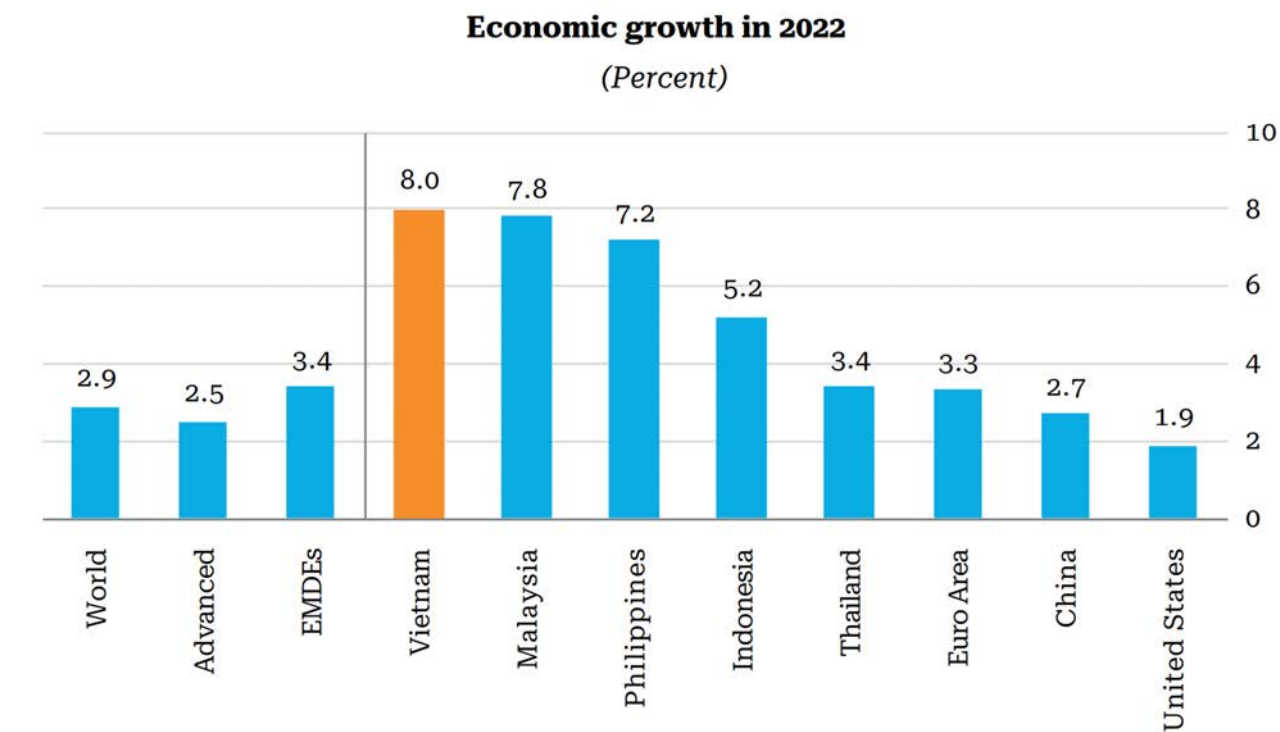


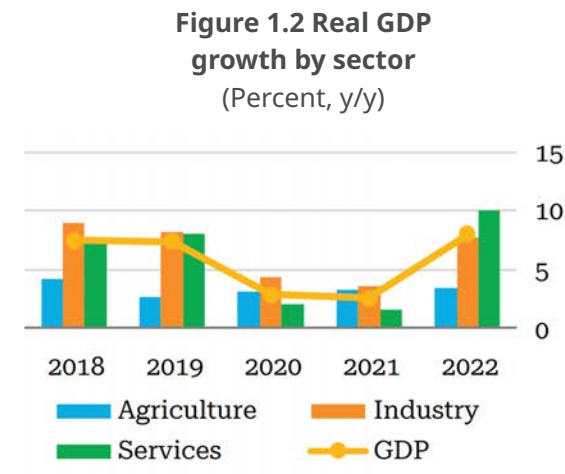
Figure 12. Comparison of Economic Growth (GDP) in 2022 (Source: World Bank Economic Update March 2023)



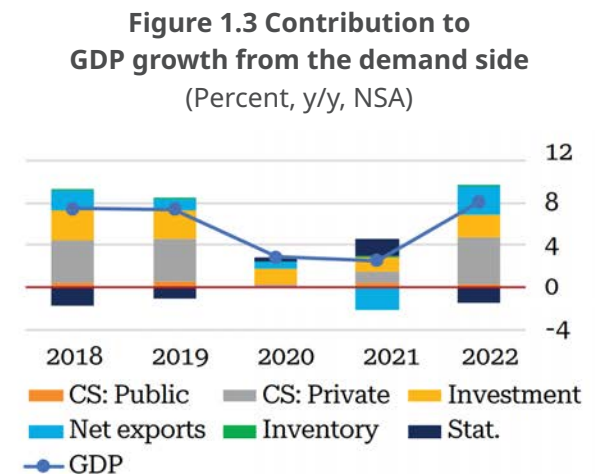
Garment Industry: The garment industry is a key pillar of Cambodia’s economy, contributing 56% of its 2022 export earnings. Garment exports reached approximately \$15.39 billion

in 2022, and the sector employed 855,000 people, playing a crucial role in boosting the country’s economy. (Source: World Bank)

Figure 13. GDP Growth by Sector & Contribution to GDP Growth (Source: World Bank Economic Update March 2023)



Source: GSO and World Bank staff calculations
Note: Industry includes construction



Source: GSO and World Bank staff calculations
Note: ‘CS’ is consumption; ‘Stat’ is statistical error

Industry: The manufacturing and processing industry is a cornerstone of Vietnam’s economy, contributing significantly to its export earnings, notably from electronics and textiles. In 2022, “Industry” played a pivotal role in the country’s economic recovery, with a growth rate of around 7%. (Source: GSO Vietnam)

Garment & Footwear: Vietnam’s garment industry is also a powerhouse. In 2022, the sector rebounded to pre-covid highs, with exports valued at approximately 37.5 billion USD. This sector, which employs 2.5 to 3.5 million people, is navigating challenges such as rising production costs and fierce global competition. However, it is leveraging opportunities through the adoption of modern (often greener) technologies, new trade deals (such as the EU-Vietnam FTA) and on producing higher-value products to maintain its competitive edge. Vietnam is also a world-leading footwear manufacturer, with exports reaching \$23.9 billion in 2022.

Electronics: Vietnam has emerged as a vital hub in global electronics manufacturing, hosting giants like Samsung, which alone accounted for about \$65 billion (~17%) of Vietnam’s total export turnover in 2022 (Source: VN Express). The list of major brands manufacturing in Vietnam includes LG, Intel, Canon, and Panasonic. In 2022, the industry saw a surge in export turnover, with exports of “Telephones and their parts” reaching 57 billion USD, and “Computers, Electronical products & parts” amassing 55 billion USD (Source: GSO Vietnam). Despite facing challenges such as a shortage of skilled labor, the sector continues to grow.

Figure 14. Export Value of Vietnam's Garment Exports 2018 to 2022

YEAR	EXPORT VALUE (USD BILLION)	SOURCE
2022	37.5 billion	Source: Fibre2Fashion
2021	32.75 billion	Source: Fibre2Fashion
2020	29.8 billion	Source: Fibre2Fashion
2019	39 billion	Source: Statista
2018	36 billion	Source: Vinatex

Agriculture: Agriculture accounted for 11.88% of Vietnam's GDP in 2022, showcasing a steady but declining contribution to the economy. The sector produces abundant seafood, forestry products, processed fruit & vegetables, coffee, rice, cassava, rubber, and cashew nut. Seafood is one of the Vietnam's most important export products, worth \$10.9 billion USD in 2022, and the country is the 2nd largest exporter of coffee in the world, exporting 1.8 m tones (worth \$4.05 billion USD) in 2022. (Source: GSO Vietnam)

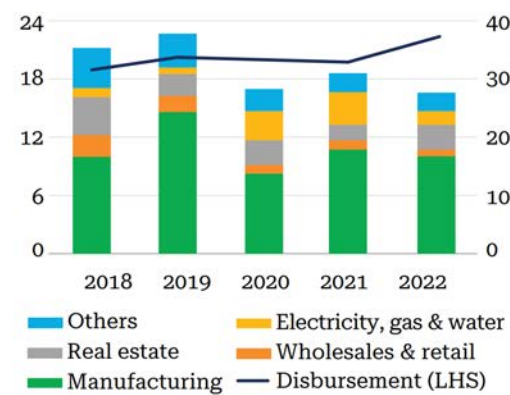
Remittances: Vietnam witnessed a 5.5% year-on-year increase in remittances in 2022, receiving a total of \$19 billion and moving up to the 10th position globally, according to the Global Knowledge Partnership on Migration and Development (KNOMAD). The growth is partially attributed to wage hikes and labor shortages in the US and the UK, where

a significant percentage of Vietnamese emigrants are employed. The funds represent around 4.6% of the nation's GDP, and play a crucial role in Vietnam's socio-economic development, with recipients investing in businesses, real estate or depositing in banks, aiding the stability of the VND-US dollar exchange rate (Source: Hanoi Times). KNOMAD reported that remittances grew globally in 2022. The Asia-Pacific region, where Vietnam is the third-largest recipient, saw remittances rising to \$134 billion, a 0.75% rise from the previous year. Globally, remittances reached \$794 billion in 2022, a 1.7% on-year growth.

Foreign Direct Investment (FDI): Vietnam has been very successful in attracting FDI, as demonstrated by its expansive high-value-add manufacturing sector. In 2022, the country attracted \$27.72 billion USD in FDI (Source: VIR).

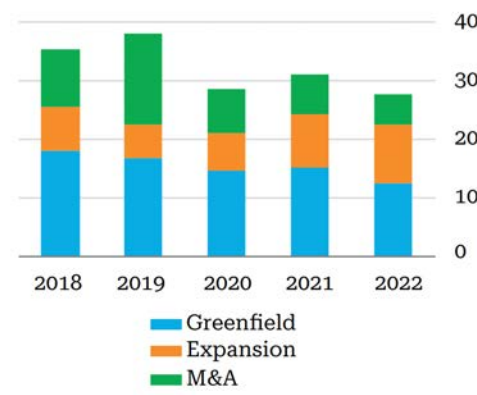
Figure 15. GFDI Trend into Vietnam (Source: World Bank Economic Update March 2023)

Figure 1.16. FDI Commitment by sector (US\$ billion)



Source: MPI, Haver Analytics, and World Bank staff calculations

Figure 1.17. FDI Commitment by tipe (US\$ billion)



Source: MPI, Haver Analytics, and World Bank staff calculations

Despite the high number, the \$27.7 billion in 2022 was a five-year low for Vietnam and represented an 11% decrease compared to 2021. The downturn was due to reduced investments in manufacturing and power supply, which decreased by 7.3% and 60.4%, respectively. (Source: World Bank Economic Update March 2023)

Inflation Rate: Vietnam has managed to maintain a moderate inflation rate over the years. In 2022, the average inflation rate was 3.16%, much lower than the EU and USA, as well as other production hubs such as Cambodia and Pakistan.)

Figure 16. Inflation Data (Source: World Data, 09-2023)

YEAR	VIETNAM	CAMBODIA	Ø EU	Ø USA	Ø WORLD
2022	3.16 %	5.34 %	8.83 %	8.00 %	8.27 %
2021	1.83 %	2.92 %	2.55 %	4.70 %	3.48 %
2020	3.22 %	2.94 %	0.48 %	1.23 %	1.93 %
2019	2.80 %	1.94 %	1.63 %	1.81 %	2.21 %
2018	3.54 %	2.46 %	1.74 %	2.44 %	2.44 %

Stock Market: Vietnam has two primary stock exchanges: the Ho Chi Minh City Stock Exchange (HOSE) and the Hanoi Stock Exchange (HNX). As of 2023, the HOSE is the largest exchange, with 404 companies and a market capitalization of over 256 billion USD, and it predominantly lists the large-cap companies. The HNX generally lists smaller firms and additionally handles bond trans-

actions. It has 345 listed companies and a market capitalization of over 22.4 billion USD. Both exchanges are overseen by the State Securities Commission. Investors keen on Vietnamese equities keep a close eye on the VN-Index and the HNX-Index, which are the benchmark indices for these exchanges. (Source: Sustainable Stock Exchanges Initiative).

Figure 17. The Top 15 Largest Companies Listed on the HOSE in September 2023 (Source: Trading View)

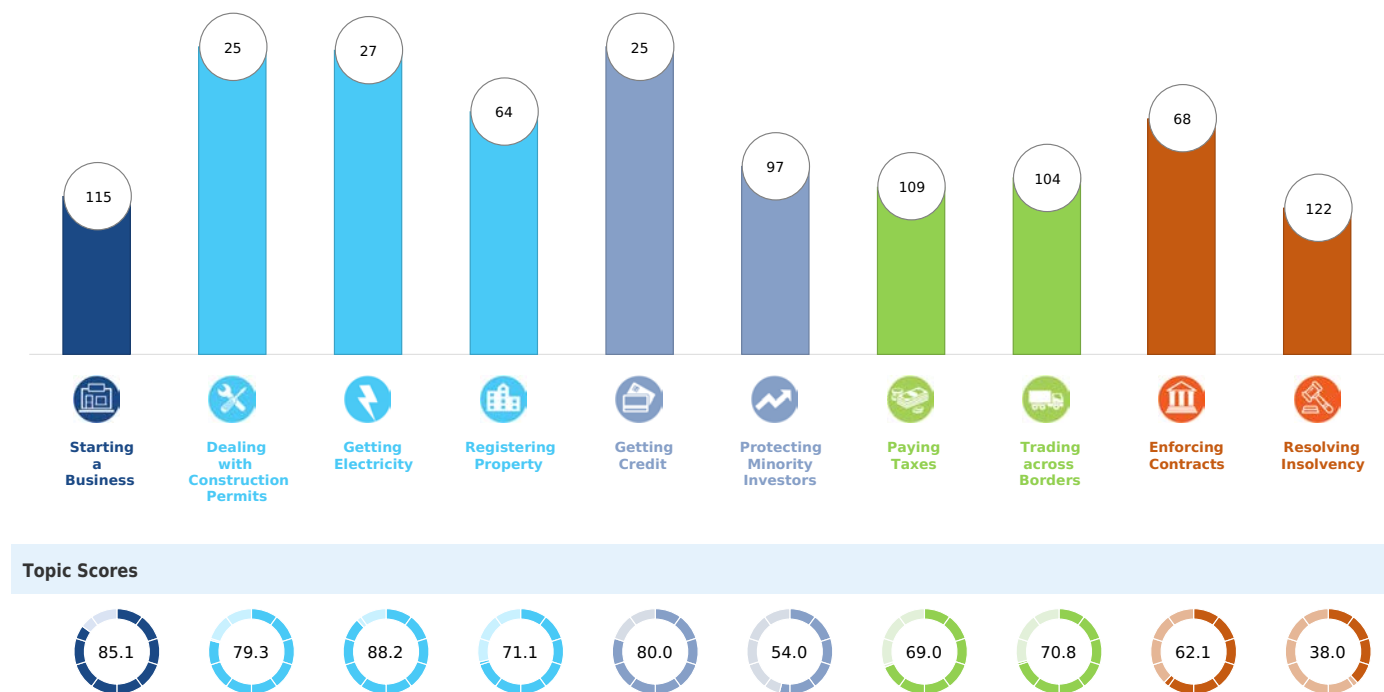
No.	Name	Market cap	Sector	Analyst Rating
1	VCB JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM	497.988 TVND	Finance	Buy
2	BIDJOINT STOCK COMMERCIAL BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM	237.751 TVND	Finance	Neutral
3	VHM VINHOMES JOINT STOCK COMPANY	226.863 TVND	Finance	Strong Buy
4	VIC VINGROUP JOINT STOCK COMPANY	216.859 TVND	Finance	Buy
5	GASPETROVIETNAM GAS JOINT STOCK CORPORATION	202.113 TVND	Utilities	Buy
6	VNM VIET NAM DAIRY PRODUCTS JOINT STOCK COMPANY	165.315 TVND	Consumer Goods	Buy
7	HPG HOA PHAT GROUP JOINT STOCK COMPANY	165.14 TVND	Non-Energy Minerals	Buy
8	CTGVJET NAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE	156.427 TVND	Finance	Strong Buy
9	VPBVIETNAM PROSPERITY JOINT STOCK COMMERCIAL BANK	150.711 TVND	Finance	Buy

No.	Name	Market cap	Sector	Analyst Rating
10	FPTFPT CORPORATION	123.946 TVND	Technology Services	Strong Buy
11	TCBNH TMCP KY THUONG VN	123.103 TVND	Finance	Buy
12	MSNMASAN GROUP CORPORATION	114.611 TVND	Consumer Goods	Strong Buy
13	SAB SAIGON BEER - ALCOHOL - BEVERAGE CORPORATION	106.966 TVND	Consumer Goods	Buy
14	MBB MILITARY COMMERCIAL JOINT STOCK BANK	99.328 TVND	Finance	Strong Buy
15	GVRTD CN CAO SU VN - CTCP	89.2 TVND	Process Industries	Neutral

Ease of Doing Business: Vietnam ranked 70th among 190 economies in the World Bank's Ease of Doing Business Index in 2020, with a score of 69.8. (Source: World Bank).

Vietnam ranks highest in getting electricity and credit but records its lowest ranking in the "Resolving Insolvency".

Figure 18. World Bank Ease of Doing Business Scores Rankings (Bar Chart) and Scores (Below) (Source: World Bank)



Tourism: Vietnam has a burgeoning tourism market that is beginning to recover from pandemic-induced lows. Pre-pandemic, the sector welcomed 18m visitors in 2019, and, according to the Economist, contributed 9.2% of Vietnam's GDP. The first 8 months of 2023 have seen Vietnam begin to recover to these pre-pandemic highs, with 7.8m visitors. (Source: Econo-

mist EIU). South Korea consistently tops the list as the country with the most visitors to Vietnam, recording over 2.27 million visitors as of August 2023. China follows closely with nearly 950,000 visitors during the same period. Other countries with substantial visitor numbers include the United States, Taiwan, and Japan. (Source: The Outbox)

Figure 19. Trend of Tourist Arrivals (Source: Vietnam Tourism)



FOREIGN DIRECT INVESTMENT

SECTORS ATTRACTING FOREIGN INVESTMENT

The Ministry of Planning & Investment of Vietnam compiles detailed statistics on FDI inflows, both yearly and accumulatively. As of December 20, 2022, there were an accumulated 36,278 valid projects with a total registered

capital amounting to 438.69 billion USD. The manufacturing and processing sector attracted the lion's share of investments with 15,947 projects valued at 260.12 billion USD. This was followed by the real estate sector and the energy sector (No. 3), with capital investments of 66.27 billion USD and 38.32 billion USD, respectively.

Figure 20. FDI ATTRACTION IN VIETNAM BY SECTOR (Source: Ministry of Planning & Investment)

No.	Sector	Number of Projects	Total Registered Capital (Mil. USD)
1	Manufacturing, processing	15,947	260,117.55
2	Real estate sector	1,072	66,267.55
3	Production and distribution of electricity, gas, steam, and air conditioning supply	185	38,317.63
4	Accommodation and food service activities	928	12,679.18
5	Construction	1,785	10,899.62
6	Wholesale and retail trade; repair of motor vehicles	6,140	10,260.41
7	Transportation and storage	986	6,170.57
8	Information and communication	2,689	4,919.06
9	Mining and quarrying	108	4,894.57
10	Professional, scientific, and technical activities	4,109	4,799.01
11	Education and training	625	4,590.52
12	Agriculture, forestry, and fishery	525	3,850.11
13	Arts, entertainment, and recreation	140	3,418.60
14	Water supply, sewerage, waste management	83	3,035.78
15	Public health and social work activities	153	1,752.98
16	Administrative and support service activities	563	1,038.92
17	Financial, banking and insurance activities	88	945.05
18	Other service activities	145	724.12
19	Household's chores employment activities	7	11.07
TOTAL		36,278	438,692.29

COUNTRIES INVESTING IN VIETNAM

Vietnam has attracted 36,278 projects with a total registered capital of 438.69 billion USD. The Republic of Korea leads with 9,534 projects and an investment of 80.97 billion USD, followed

closely by Singapore and Japan with investments amounting to 70.85 and 68.90 billion USD respectively. The collected data encompasses investments from 141 countries in total. Only those with over \$1 billion USD of FDI are named below.

Figure 21. FDI ATTRACTION IN VIETNAM BY COUNTERPART (Source: Ministry of Planning & Investment)

No.	Counterpart	Number of Projects	Total Registered Investment Capital (Bil. USD)
1	Republic of Korea	9,534	80.97
2	Singapore	3,097	70.85
3	Japan	4,978	68.9
4	Taiwan (China)	2,905	36.43
5	Hong Kong (China)	2,164	29.49
6	China	3,567	23.35
7	British Virgin Islands	888	22.38
8	Netherlands	410	13.71
9	Thailand	677	13.1
10	Malaysia	702	13.06
11	USA	1,216	11.42
12	Samoa	425	9.41
13	Cayman Islands	129	6.75
14	Canada	244	4.82
15	United Kingdom	507	4.19
16	France	660	3.76
17	Luxembourg	61	2.62
18	Germany	441	2.37
19	Seychelles	287	2.01
20	Australia	583	1.98
21	Switzerland	198	1.89
22	Denmark	155	1.79
23	Belgium	82	1.1
24	India	349	1.01
25	Others	2,019	11.34
TOTAL		36,278	438.69

INFRASTRUCTURE DEVELOPMENT

Vietnam has embarked on several substantial infrastructure projects. 10 particularly important ones are detailed below:

Long Thanh International Airport: The ground-breaking ceremony for the construction of the new airport took place on August 31, 2023. The airport is in Dong Nai, near Ho Chi Minh. Phase I of the project is anticipated by 2026. The airport will eventually have the capacity to handle 100 million passengers and 5 million tons of cargo annually (Source: PR Newswire, Future Southeast Asia).

North-South Expressway: The North-South Expressway project is advancing. At the end of June 2023, 1,756 km of the expressway had commenced construction. Seven component projects, spanning nearly 412 km, are anticipated to be completed and operational within 2023. (Source: Viettonkin Consulting, Vietnam Insider).

Ho Chi Minh City Metro: The first metro line in Ho Chi Minh City, known as Line 1, is set for completion by the end of 2023. The metro line, which is part of a \$13 billion mass transit program to alleviate congestion, spans 19.7 km with 2.6 km underground and encompasses 11 stations. (Source: Tuoi Tre News, International Railway Journal).

Vung Ang Seaport: The Vung Ang Seaport project is seeing developments not just in port expansion but also in connectivity enhancements. A significant update is the construction of a railway linking Vientiane (Lao PDR) with the Vung Ang seaport in Ha Tinh province (starting in 2023). There are also plans to develop breakwaters at the port, planned for completion by 2030 (Source: Jclao, The Star, Fibre2Fashion).

Lach Huyen International Gateway Port: The Lach Huyen International Gateway Port project is progressing. The investor, HATECO, has plans

to complete all construction by the end of 2024. The new terminal is expected to enhance the port's capacity to host 18,000 TEU Vessels (Source: APM Terminals, Maritime Gateway).

Mekong Delta Infrastructure Development: The Vietnamese government have approved a plan to borrow \$2.53 billion from six foreign partners to develop 16 infrastructure projects in the region. These projects are aimed at sustainable development and adapting to climate change. (Source: Tuoi Tre News, VnExpress International, USAID).

Ho Chi Minh City-Can Tho Expressway: The 23-kilometer expressway had an investment of VND4.83 trillion (\$205.67 million). It is set to link with the Trung Luong-My Thuan Expressway and the My Thuan 2 Bridge, connecting Ho Chi Minh and Can Tho. The project is expected to be completed by the end of 2023. (Source: The Investor).

Thu Thiem 2 Bridge: The Thu Thiem 2 Bridge, which connects District 1 and District 2 in Ho Chi Minh City, officially opened to traffic on April 28, 2022. (Source: Huttons VN).

Hanoi Smart City: The Hanoi People's Committee approved the construction of a \$4.2 billion smart city in the Dong Anh district, focusing on green and harmonious development. Japanese Sumitomo is the contractor and BRG Group the main investor. (Source: VTV, Construction & Property News, Hanoi Times).

Hanoi-Hai Phong Expressway: The Hanoi-Hai Phong Expressway, which spans 105.5 km, began construction in May 2008 with an investment of VND45.5tn (\$2bn) Completed in 2015, there are now plans to upgrade and expand its B49 overpass. (Source: Verdict Traffic, Seetao).

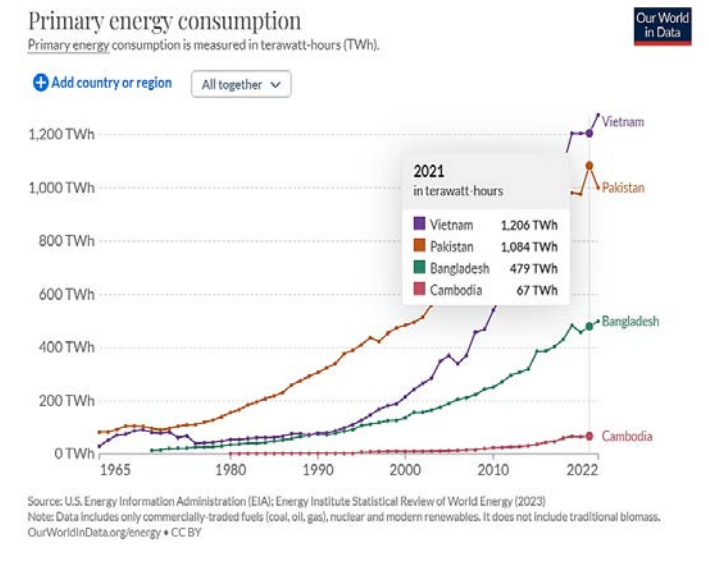
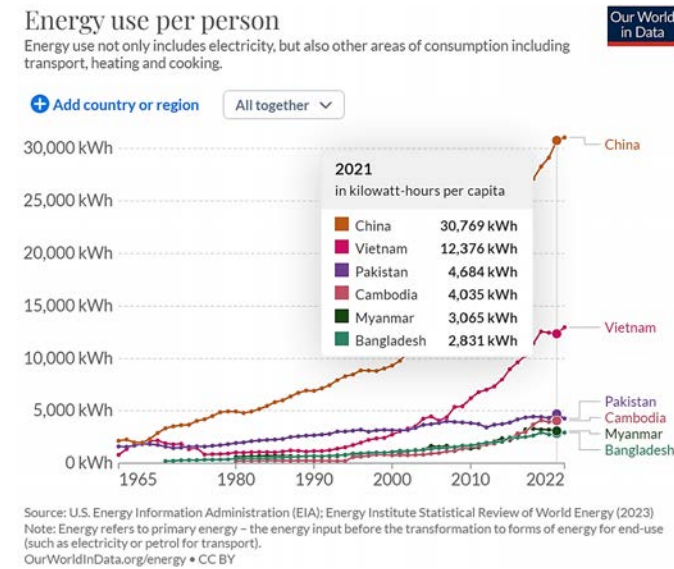
ENERGY MIX

ENERGY CONSUMPTION

As of 2021, Vietnam consumes around 1,206 TWh of electricity per year (2021). For comparison,

Pakistan consumes a total of 1000.55 TWh per year and Bangladesh 499 TWh. Per capita, the average consumption per Vietnamese resident is 12,376 kWh per year.

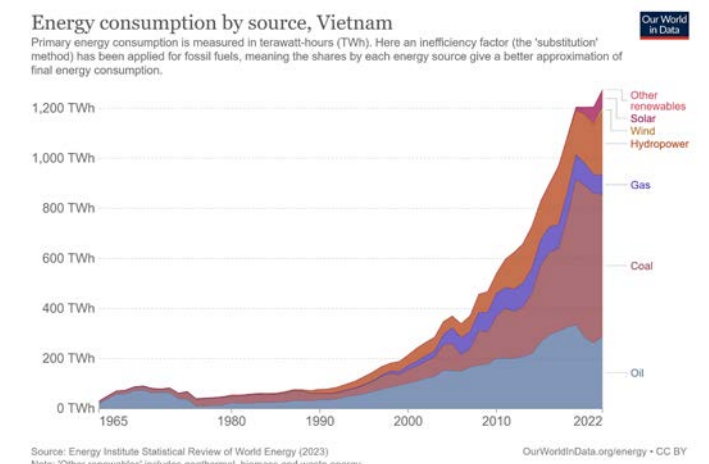
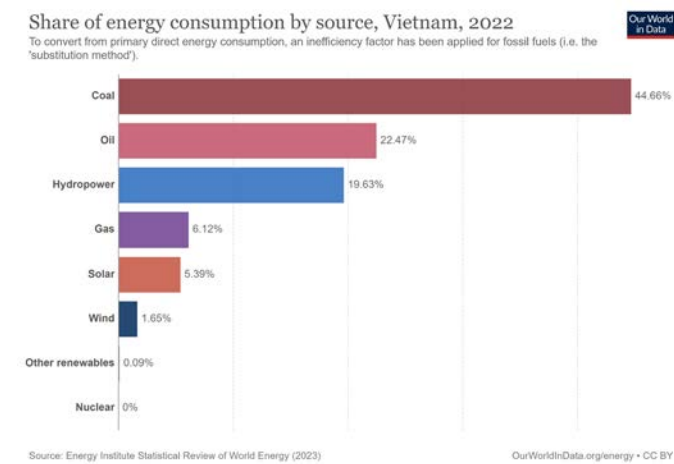
Figure 22. Energy Consumption (Source: Our World in Data)



Traditionally, the country heavily relied on fossil fuels, mainly coal and oil for its energy needs, but there has been a growing and

sincere emphasis on the integration of renewable energy sources, particularly solar and wind. For now, coal is still dominant, however.

Figure 23. Energy Consumption (Source: Our World in Data)



ELECTRICITY PRODUCTION

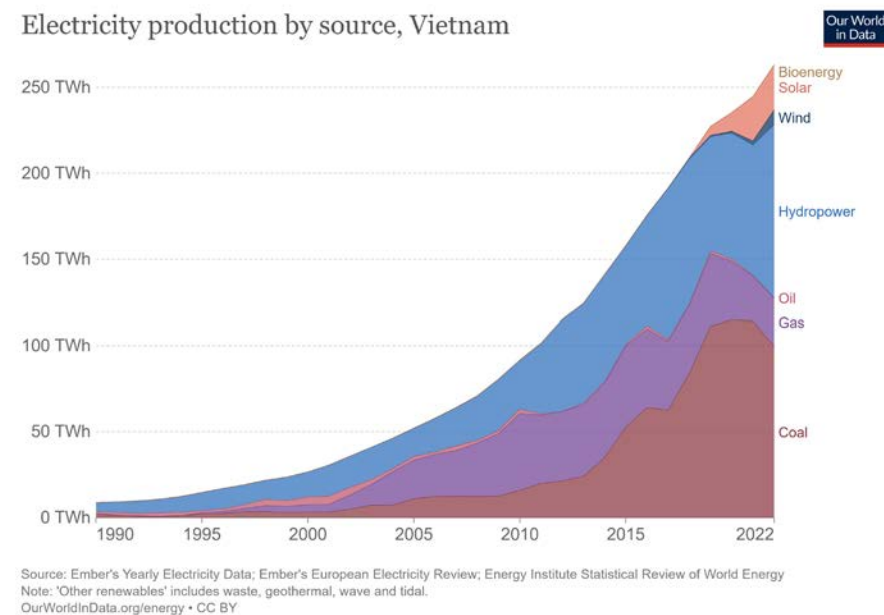
As of the end of 2021, Vietnam had a total installed power generation capacity

of 76.9 GW (76,900 MW). Since the 1990's, Vietnam has been increasingly developing its wind, solar and hydropower capacities.

Figure 24. Installed Capacity by Type (Source: Vietnam 8th Power Development Plan)

ENERGY SOURCE	INSTALLED CAPACITY 2021 (GW)	PERCENTAGE OF TOTAL CAPACITY (%)
Coal	25.9	33.7%
Natural Gas	7.4	9.6%
Hydro	22.0	28.6%
Renewable Energy	20.7	26.9%
- Solar	8.9	11.6%
- Wind	4.1	5.3%
- Rooftop Solar	7.7	10.0%
Total	76.9	100%

Figure 25. Trend of Installed Capacity (Source: Our World in Data)



During COP26, the Government of Vietnam has committed to net zero emissions by 2050. To move towards this target, the 'National Electricity Development Plan For 2021 – 2030, with a Vision To 2050' was approved in May 2023. It outlines ambitious plans to upgrade grid infrastructure and power generation facilities. From 2021 to 2030, approximately US\$134.7 billion will be needed, with

US\$119.8 billion allocated for power generation and US\$14.9 billion for grid infrastructure. From 2031 to 2050, between US\$399.2 billion to US\$523.1 billion worth of investment is required. Of that, between US\$364.4 billion and US\$511.2 billion is needed for power generation and the remaining US\$34.8 billion to US\$38.6 billion will be needed to develop Vietnam's grid infrastructure.

Figure 26. Installed Capacity Targets by Type (Source: Vietnam 8th Power Development Plan)

DESCRIPTION	BY 2030		BY 2050	
	MW	%	MW	%
Onshore wind power	21,880	14.5	60,050–77,050	12.2–13.4
Offshore wind power	6,000	4	70,000–91,500	14.3–16
Solar power	12,836	8.5	168,594–189,294	33.0–34.4
Biomass	2,270	1.5	6,015	1.0–1.2
Hydropower	29,346	19.5	36,016	6.3–7.3
Stored Power	2,700	1.8	30,650–45,550	6.2–7.9
Cogeneration	2,700	1.8	4,500	0.8–0.9
Coal	30,127	20	0	0
Converted coal*	0	0	25,635–32,432	4.5–6.6
Gas	37,630	15	14,930	2.6–3
Hydrogen	0	0	20,900–29,900	4.1–5.4
Imports	5,000	3.4	11,042	1.9–2.3
Flexible power sources	0	0	30,900–46,200	6.3–8.1
Totals	250,489	100	490,529–573,129	-

ENERGY SOURCES

Coal Dominance: Vietnam's energy mix is significantly influenced by coal, which constitutes a substantial part of the energy production, holding a 33.7% share of the total installed capacity, amounting to 25.9 GW. The country is heavily reliant on coal to meet its energy demands, a trend seen in many developing nations prioritizing economic growth. Vietnam primarily sources its coal domestically from regions such as Quang Ninh and Red River Delta coal basins, while also importing from countries like Indonesia, Australia, and Russia to meet the increasing demand.

Hydroelectric Presence: Hydroelectric power plays a pivotal role in Vietnam's energy landscape, accounting for 28.6% of the total installed capacity, which is equivalent to 22 GW. The 2,400 MW Son La Hydropower Plant is one of the largest hydropower projects in Southeast Asia and a significant contributor to Vietnam's hydroelectric energy production.

Solar Proliferation: Vietnam is actively investing to enhance its renewable energy infrastructure, with a notable focus on solar energy. As of 2021, solar energy, including rooftop solar, represented a combined installed capacity of 16.6 GW. The largest solar project in Vietnam, and indeed Southeast Asia, is the 600MW Dau Tieng Solar Power Complex, located in Tay Ninh Province.

Emerging Wind: Alongside solar, wind energy is another renewable source Vietnam is tapping into. The wind energy sector had an installed capacity of 4.1 GW at the end of 2021. Vietnam's has grand ambitions for wind. In 2023, Ho Chi Minh City's Department of Industry and Trade has proposed adding the 6,000 MW Can Gio offshore wind power project, which will contribute to the 2050 target of between 70,000 and 90,000 of installed capacity in offshore wind.

Natural Gas Transition: Natural gas forms a part of Vietnam's energy mix, with an installed

capacity of 7.4 GW, making up 9.6% of the total capacity. Vietnam's stated strategy is to leverage natural gas as a transition fuel towards a more renewable energy-centric future, while ensuring energy security and meeting the growing energy demand.

NOTABLE RENEWABLE ENERGY PROJECTS

Son La Hydropower Plant: The largest dam in Southeast Asia, the Son La Hydropower Plant in Vietnam's Son La province has a capacity of 2,400 MW. Operational since 2012, it significantly contributes to the national grid, has reduced dependency of coal, while aiding in flood control and irrigation.

Dau Tieng Solar Power Complex: Situated in Tay Ninh province, the Dau Tieng Solar Power Complex holds a substantial capacity of 600 MW, making it one of Vietnam's largest solar initiatives. Operational since September 2019, it plays a vital role in the country's renewable energy landscape. (Source: ITA)

Trung Nam Solar PV Park I: Located in Ninh Thuan province, the Trung Nam Solar PV Park I has been functional since April 2019, with a 258 MW capacity. Of note, the plant reduced its utilization rate from 450 MW to 278 MW due to the lack of pricing mechanism (approved feed-in-tariff), for the additional capacity. (Source: Reuters) Siemens provided the inverters for the facility.

The BIM 2 Solar Power Plant: located in Ninh Thuan, and managed by Vu Phong Energy Group, the 250 MW facility was part of a VND 12,000 billion project by BIM Group. It has been operational since April 2019 and was one of Vietnam's first and largest solar installations. (Source: Vuphong Group)

Hai Phong Wind Project: Situated in northern Hai Phong province, this 3,900 MW project is a core part of Vietnam's strategy to increase its wind energy production by 2050. Danish company Ørsted Group was one of the key proposers of the project, which has an estimated investment cost of \$13.6 billion. (Source: Scandasia)



La Gan Offshore Wind Project: Backed by Danish investment, the La Gan Offshore Wind Project off the Binh Thuan province coast (the far south) plans a massive 3,500-3,900 MW capacity. With an estimated investment value of \$10.5 billion, once fully operational in 2030, it will form a cornerstone in Vietnam's efforts to reduce carbon emissions. The La Gan Wind Power Development Corporation is developing the project on behalf of Copenhagen Infrastructure Partners (CIP), Asiapetro, and Novasia Energy. (Source: Offshore Wind)

These projects demonstrate Vietnam's commitment to increasing its renewable energy capacity, reducing carbon emissions, and achieving sustainable development.

TOP GENERAL TRENDS FOR VIETNAM IN 2023:

Economic Resilience and Growth: In 2023, Vietnam is demonstrating economic resilience, recovering steadily from the pandemic's impacts. The government's business-friendly policies have attracted substantial foreign investments, particularly in the manufacturing and export sectors, including electronics and textiles. These sectors remain robust, steering the nation towards a promising economic outlook as it aims to achieve higher income status by 2045.

Technological Advancements and Digital Transformation: Vietnam is rapidly advancing in the digital sphere, with a surge in e-commerce and fintech platforms such as Shopee, Tiki, and Lazada (for e-commerce), and an impressive array of startups such as MoMo, VNPAY, and ZaloPay offering a variety of financial services including mobile payments. Government policies aim to promote a thriving digital ecosystem, encouraging startups and technological innovations.

Urbanization and Infrastructure Development: Urbanization is a prevailing trend in Vietnam, with many migrating to cities for better opportunities. The rate was 37% in 2021, is expected to reach 45% by 2025 and 50% by 2030. (Source: Vietnam Plus) This shift necessitates substantial infrastructure projects, including improved transportation and housing facilities.

Renewable Energy Transition: Vietnam is transitioning to renewable energy, investing in solar, wind, and hydropower projects to meet growing energy demands and reduce environmental impacts. Large-scale projects like the La Gan Offshore Wind Project and Dau Tieng Solar Power Complex are pivotal in fostering the green energy landscape targeted by the 8th Power Development Plan.

Climate Change and Environmental Conservation: Vietnam is initiating programs for climate resilience, including afforestation and sustainable urban planning. Efforts are underway to reduce carbon emissions through policy reforms and public awareness campaigns. Vietnam ranks as the 13th most vulnerable country to climate change. (Source: World Bank)

Education and Skill Development: Vietnam is reforming its education sector to nurture a skilled workforce for its evolving economy. On July 30, Vietnam sanctioned Decision No.1373/QĐ-TTg, endorsing the new Strategy for Advancement of Education Society from 2021 to 2030, with the objective of enhancing human resource quality and preparing them for a digital transition. (Source: VIR)

Healthcare System Enhancement: Vietnam is enhancing its healthcare system post-pandemic, investing in new hospitals, and upgrading existing facilities. The promotion of telemedicine and digital health platforms aims to ensure accessible and quality healthcare services for all.

Tourism Recovery: Vietnam reviving its tourism sector, a significant economic contributor. The government is formulating new policies to promote the nation as a safe and attractive destination.

Agricultural Modernization: Already an agro-processing powerhouse, the government is encouraging the modernization of agriculture through the adoption of smart techniques, aiming to increase productivity and ensure food security.

Regional Diplomacy and Security: Vietnam is developing relations with neighboring countries and playing a vital role in ASEAN, focusing on maintaining regional stability and security through balanced and pragmatic diplomatic approaches. This is particularly important for topics such as the contested South China Sea.

VIETNAM SWOT

STRENGTHS

Strategic Geographical Location: Vietnam's location in Southeast Asia offers strategic access to regional and international markets, enhancing trade and economic opportunities.

Young and Growing Workforce: With a population of over 97 million, Vietnam boasts a youthful demographic, providing a sizable labor force and a potential competitive advantage in industries requiring skilled and low-cost labor.

Expanding Manufacturing Base: Vietnam has become a manufacturing hub, attracting foreign investment, and serving as a key player in global supply chains, particularly in electronics, textiles, and footwear.

Agricultural Potential: The agriculture sector plays a significant role in Vietnam's economy, contributing to exports and domestic food supply. The country is a major exporter of rice, coffee, seafood, and processed foods.

Renewable Energy: From a baseline of coal reliance, Vietnam is actively investing in renewable energy sources. This shift reduces reliance on fossil fuels, enhances energy security, and supports sustainable development. It also helps the nation attract manufacturing investment.

WEAKNESSES

Education Quality and Skill Gap: Vietnam has made strides in expanding education access, but there are concerns about education quality and a mismatch between graduates' skills and labor market demands.

Environmental Issues: Rapid industrialization and urbanization have resulted in environmental challenges, such as pollution, deforestation, and habitat loss, impacting public health and ecosystems.

Bureaucratic Red Tape: Complex administrative procedures and bureaucratic inefficiencies can occasionally hinder business operations, affecting both local and foreign investors.

Income Disparities: Income inequality persists in Vietnam, with variations between urban and rural areas, posing social and economic challenges.

OPPORTUNITIES

Trade Agreements: Vietnam's participation in regional and international trade agreements, including the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA), opens doors to new markets and increased exports.

Renewable Energy Expansion: Vietnam's commitment to renewable energy development presents opportunities for investment, technology transfer, and sustainable energy solutions.

Digital Transformation: The rapid adoption of digital technologies, e-commerce, and fintech offers growth potential for the tech sector and innovation-driven industries.

Tourism Growth: Vietnam's natural beauty, cultural heritage, and diverse landscapes continue to attract tourists, creating opportunities for the tourism and hospitality industries.

Urban Development: Investment in smart cities and urban infrastructure projects can enhance living standards and create business opportunities in construction, real estate, and related sectors.

THREATS

Climate Vulnerability: Vietnam is highly susceptible to the impacts of climate change, including sea-level rise, extreme weather events, and water scarcity.

Global Economic Uncertainty: External factors such as global economic downturns, trade tensions, and supply chain disruptions can affect Vietnam's export-dependent economy.

Regional Geopolitical Tensions: Regional geopolitical tensions and disputes may affect stability and international relations, potentially impacting trade, and investment.

VIETNAM 2050:

From the perspective of a futurist, Vietnam in 2050 could have achieved the following:

• **Economic Prosperity:** Vietnam has achieved higher income country status. Its economy has flourished, establishing itself as a dynamic economic powerhouse in Southeast Asia. The country's sustained economic growth and diversification of industries have attracted substantial foreign investment, making it one of the leading emerging markets globally. With a robust manufacturing sector, thriving technology startups, and a well-developed service industry, Vietnam's GDP has significantly expanded.

• **Green Energy Leader:** Vietnam has made remarkable strides in sustainable energy development. By 2050, the nation has transitioned to a predominantly renewable energy-powered economy and achieved its net zero targets. Extensive investments in solar, wind, and hydroelectric projects have not only reduced carbon emissions but also made Vietnam a global leader in clean energy production.

• **Technological Innovation Hub:** Vietnam has become a global center for technology and innovation. With a highly educated and skilled workforce, the country has fostered a culture of entrepreneurship and research. Leading in areas such as artificial intelligence, biotechnology, and space exploration, Vietnam has attracted top tech companies and visionary startups, contributing to groundbreaking advancements.

• **Education Excellence:** Vietnam's education system is renowned for its quality and innovation. The nation has invested significantly in

education, creating a world-class ecosystem of universities, research institutions, and vocational training centers. Emphasizing STEM education, Vietnam has produced a talented pool of scientists, engineers, and innovators who are driving progress across various fields.

• **Environmental Stewardship:** Vietnam has made substantial efforts to combat climate change and protect its natural environment. The country's comprehensive environmental policies have led to the preservation of its biodiversity and ecosystems. Innovative solutions for wind, solar, waste management, water conservation, and sustainable agriculture have made Vietnam a global model for sustainability.

• **Premium Tourism Destination:** Vietnam's stunning landscapes, cultural heritage, and warm hospitality have made it a premier global tourism hub. By 2050, the country welcomes millions of high value travelers annually who seek to explore its diverse geography, well maintained historical sites, and vibrant culture.

• **Regional Stability and Diplomacy:** Vietnam plays a pivotal role in promoting regional stability and cooperation. Its adept diplomacy and commitment to peaceful resolutions have contributed to a harmonious and economically powerful Southeast Asia and ASEAN.

It's important to note that this vision for Vietnam in 2050 is speculative, shaped by the aspiration for progress, innovation, and sustainability. The nation's actual path will be influenced by various factors, including domestic policies, international relations, technological breakthroughs, and the collective efforts of its people.



A DEEP DIVE INTO VIETNAM'S GARMENT SECTOR

HISTORY

Early Beginnings (19th Century): The industry traces its roots to the 19th century when French colonialists introduced textile manufacturing. However, it remained largely artisanal in nature.

Post-Independence Growth (1950s-1970s): After gaining independence from French colonial rule, Vietnam's government shifted focus to industrialization. During this period, the sector began to grow, primarily serving domestic demand. Notable factories like Weaving 8-3, Vinh Phu Textile, and others were established with the support of friendly nations. Craft production groups and cooperatives emerged to meet domestic consumption needs.

Market Transition (1986-1997): Vietnam primarily traded textile products domestically and to Eastern European countries. However, the collapse of socialist markets and the shift to a market economy posed challenges for state-owned enterprises, resulting in losses and bankruptcy.

Economic Liberalization (1986-Present): Đổi Mới reforms in 1986 ushered in market-driven growth and encouraged foreign investment, creating an environment for textile and garment enterprises to thrive.

Global Integration (1998-Present): Vietnam embraced global market expansion, joining APEC in 1998 and establishing vital trade agreements. Vietnam's WTO accession in 2006 accelerated sector growth, with the number of enterprises increasing from 1,031 in 2001 to about 8,000 by 2016, boasting an impressive 17% annual growth rate. (Source: Viethongtextile)

Foreign Investment and Innovation (1990s-Present): Foreign direct investment modernized the industry, introducing advanced technologies and management practices. Diplomatic and trade diversification allowed

Vietnam to expand into major buying markets while enjoying trade preferences, and exports increased to markets like the European Union, United States and Japan.

Moving up the Value Chain (1990s-Present): Vietnam emerged as a global manufacturing hub, attracting major international brands and retailers. The sector successfully diversified from basics to higher-value products through increasingly vertical integration, solidifying its position in global supply chains.

Trade Agreements (2019-2020): Participation in trade agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on 14 January 2019, the EU-Vietnam Free Trade Agreement (EVFTA) on 01 August 2020, and the Regional Comprehensive Economic Partnership (RCEP) on 1 January 2022 further strengthened Vietnam's garment sector. These agreements provided favorable tariffs and enhanced competitiveness.

Covid-19 Resilience: Vietnam's garment sector demonstrated remarkable resilience (relatively) during the COVID-19 pandemic, effectively managing outbreaks and maintaining exports of essential goods like personal protective equipment (PPE). Along with the electronics sector, the garment sector helped prop up Vietnam's economy during the global slowdown.

Post-Pandemic Recovery: Today, the garment sector boasts over 8,000 factories (6,000+ textile, 2180 in footwear), employing around 3.5 million workers (2.5 million in garments, ~1 million in footwear), making a substantial contribution to the nation's economy. With a 9.6% market share, it is the third largest garment producer in the world, behind only China and Bangladesh (Source: ITC). 2022 garment exports reached \$37.5 billion, with an additional \$23.9 billion of footwear exports. In 2024, garment exports are expected to exceed the 2019 record high of \$39 billion. (Source: Globe News Wire, Anti-Slavery International).



KEY PIONEERS OF THE INDUSTRY

Major associations include:

- **Vietnam Textile and Apparel Association (VITAS):** With around 1,000 members, VITAS is a non-governmental organization that represents all textile and apparel enterprises in Vietnam, both foreign and domestic, to the Vietnamese government and international organizations. Its key roles include promoting Vietnamese textile and garment products throughout the world and advising the government on industry integration into the global economy.
- **Vietnam Leather, Footwear, and Handbag Association (LEFASO):** LEFASO focuses on the leather, footwear, and handbag segments of Vietnam's textile and apparel industry. It works to enhance the competitiveness of these sectors and represents their interests in the global market.
- **The Association of Garments, Textiles, Embroidery and Knitting (AGTEK):** Founded in 1993, AGTEK is the Association of Garments, Textiles, Embroidery, and Knitting in Ho Chi Minh City. With approximately 170 members from HCM City and nearby provinces, AGTEK contributes to about 20% of Vietnam's apparel exports. The association plays a vital role in the garments and textiles industry, offering technological updates, export-import guidance, and training to its members.

Vietnam Credit produced a good article on the largest public textile companies in Vietnam. (Source: Vietnam Credit) Three large, publicly listed companies include:

- **Vietnam National Textile and Garment Group (VINATEX):** VINATEX is one of the largest state-owned enterprises in Vietnam's textile and garment sector. It encompasses a wide range of textile and garment companies and contributes significantly to the industry's development and exports.
- **Thanh Cong Textile Garment Investment Trading Joint Stock Company:** Thanh Cong, established in 1967, is recognized as one of Vietnam's leading textile companies. It operates a closed production process, designing, manufacturing, and trading yarns, fabrics, and sewn products. In 2020, the company reported an estimated revenue of 146 million USD (equivalent to 3,355 billion VND) and a profit after tax of 11.2 million USD (equivalent to 257 billion VND).
- **Century Synthetic Fiber Corporation:** Century Synthetic Fiber Corporation (STK), founded in 2000, specializes in producing drawn textured yarn from imported partially oriented yarn. In the first half of 2021, STK achieved a net revenue of 1,077 billion VND, up 24% compared to the same period in the previous year, with a profit after tax reaching 140.9 billion VND. Notably, the company's recycled yarn segment saw significant growth, accounting for 56% of its revenue structure in the second quarter of 2021 and contributing to a gross profit margin of 19.4%.

SUCCESS FACTORS

Competitive Labor Costs: Vietnam offers competitive labor costs in the garment sector, which attract cost-conscious buyers and manufacturers. The minimum wage for garment

workers is comparatively lower than many other countries such as China, Thailand, and Malaysia. The minimum wage for garment workers is currently between \$137 and \$198 per month.

Figure 27. Minimum Wage of Selected Countries (Source: MoLVT of Cambodia)

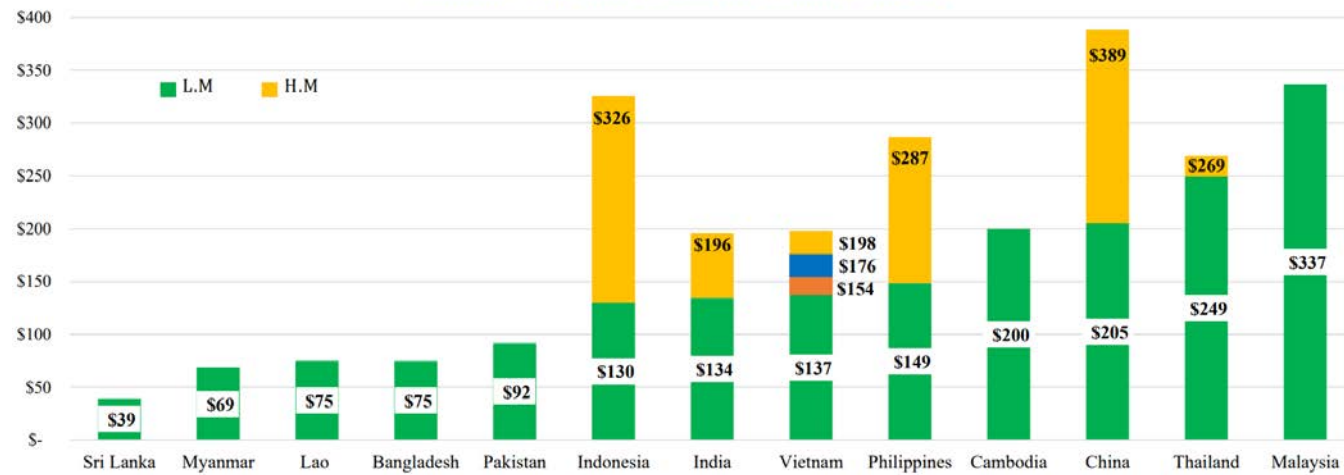


Figure 28. Minimum Wage Depending on Geographic Region (Source: Dezan Shira & Associates)

Vietnam Minimum Wage 2023			
Region	2022 monthly minimum wage	Hike	2020 monthly minimum wage
I	VND 4,680,000 (US\$202)	VND 260,000	VND 4,420,000 (US\$190)
II	VND 4,160,000 (US\$179)	VND 240,000	VND 3,920,000 (US\$169)
III	VND 3,640,000 (US\$157)	VND 210,000	VND 3,430,000 (US\$148)
IV	VND 3,250,000 (US\$140)	VND 180,000	VND 3,070,000 (US\$132)

*Region I covers urban Hanoi and Ho Chi Minh City
 *Region II covers rural Hanoi and Ho Chi Minh City along with Da Nang
 *Region III includes provincial cities and districts of Bac Ninh, Bac Giang, Hai Duong, Phu Tho, Binh Phuc and other provinces not listed in Region I and Region II
 *Region IV covers remaining localities

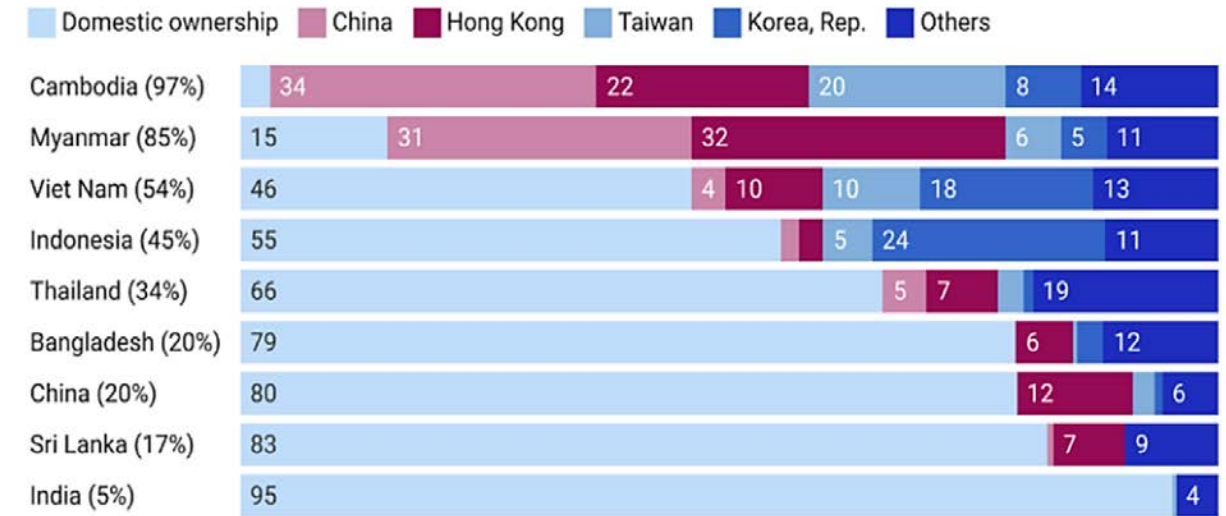
Note: there are slight differences in the currency rate used by the MoLVT of Cambodia, and Dezan Shira and Associates, hence the differing Minimum Wage figure when converted from VND to USD. For this guide, we have used the \$137 and \$198 figure.

Diversity of Ownership:

With 54% of factories owned by Vietnamese, the industry benefits from diverse ownership

and international expertise, encouraging longer-term investment strategies and stability.

Figure 29. Ownership of large supplier factories by country, 2017-18 (Source: ILO)



Large, Young Workforce:

Vietnam has developed a skilled workforce with expertise in garment production. The industry has trained workers in various aspects, including sewing, cutting, quality control, and management. This skilled labor force contributes to the efficiency and productivity of the sector.

Low Logistics Costs:

Vietnam benefits from relatively low logistics costs, including transportation and warehousing, and a strong World Bank Logistics Index Score of 3.3. This cost-efficiency contributes to the success of Vietnam's garment sector by reducing overall production and distribution expenses. This has helped Vietnamese textile and garment products become more cost-effective for international buyers.

Figure 30. Logistics Index Score of Selected Countries in 2023 (Score 1=Lowest to 5=Highest) (Source: World Bank, Connecting to Compete: Trade Logistics in an Uncertain Global Economy, April 2023)

Country	Overall LPI score	Customs score	Infra-structure score	International shipments score	Logistics competence and qualities score	Timelines score	tracking and tracing score
Cambodia	2.4	2.2	2.1	2.3	2.4	2.7	2.8
Bangladesh	2.6	2.3	2.3	2.6	2.7	3.0	2.4
Sri Lanka	2.8	2.5	2.4	2.8	2.7	3.3	3.0
Indonesia	3.0	2.8	2.9	3.0	2.9	3.3	3.0
Philippines	3.3	2.8	3.2	3.1	3.3	3.9	3.3
Vietnam	3.3	3.1	3.2	3.3	3.2	3.3	3.4
India	3.4	3.0	3.2	3.5	3.5	3.6	3.4
Thailand	3.5	3.3	3.7	3.5	3.5	3.5	3.6
Malaysia	3.6	3.3	3.6	3.7	3.7	3.7	3.7
China	3.7	3.3	4.0	3.6	3.8	3.7	3.8

Favorable Trade Agreements: Vietnam's participation in various trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam Free Trade Agreement (EVFTA), and the Regional Comprehensive Economic Partnership (RCEP), has provided preferential access to key markets. This is at a time when many of its competitors are soon to graduate from Least Developed Country (LDC) status, and thus lose some of their preferences.

Supply Chain Integration: The garment industry in Vietnam has developed a robust supply chain network. It has established strong linkages with suppliers of raw materials, such as fabric, yarn, and accessories. This integration helps streamline production processes, reduce lead times, and ensure the availability of necessary inputs.

Infrastructure Development: Vietnam has made significant investments in infrastructure to support the garment sector. The country has developed industrial zones and dedicated facilities for garment manufacturing, providing necessary infrastructure, utilities, transportation, and logistics support.

Proactive Government Support: The government of Vietnam has been proactive in supporting the garment industry's growth. It has implemented policies and initiatives to attract foreign investment, promote exports, and create a favorable business environment. The government has also established regulatory bodies and compliance mechanisms to ensure workplace safety, labor rights, and environmental sustainability.

Market Diversification: Vietnam has diversified its export markets beyond traditional destinations. The country has expanded its presence in emerging markets, exploring new opportunities, and reducing reliance on a few key markets.

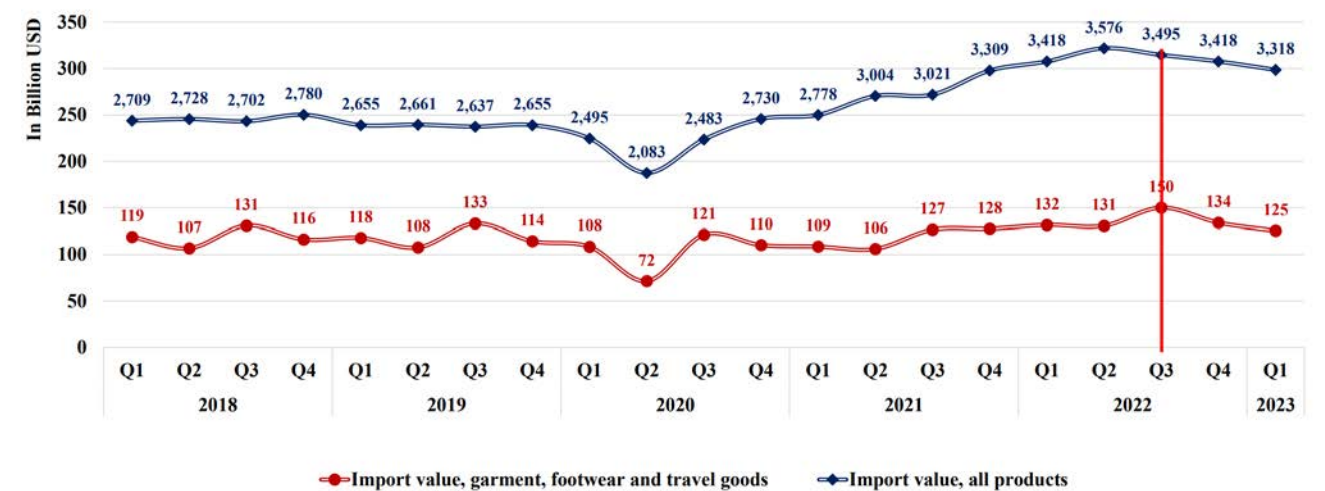
Sustainability and Compliance: Vietnam has made efforts to address sustainability and compliance issues in the garment industry. It has implemented safety measures, improved building standards, and enhanced worker rights and welfare. The industry is now striving to ensure compliance with international standards and improve sustainability practices.

VIETNAM GARMENT SECTOR: MAJOR CHALLENGES

Impact of the COVID-19 Pandemic: The COVID-19 pandemic and the post pandemic recovery continues to pose challenges for the garment sector. Supply chain disruptions, reduced demand, and factory closures have affected production and export capabilities. 2020, and now also in 2023, have seen the sector grapple with decreased orders, delayed payments, and financial constraints.



Figure 31. Global Consumer Goods Imports 2018 to Q1 2023 (Source: ITC, MoLVT of Cambodia)



Rising Production Costs: Vietnam has been experiencing an increase in production costs, primarily driven by factors such as rising wages, inflation, and the implementation of safety and compliance measures. This puts pressure on profit margins for garment manufacturers amidst fierce global competition.

Compliance and Safety Standards: While significant progress has been made in addressing safety and compliance issues in the garment sector, there will be further challenges adapting to new HREDD legislation. Sustainability and social and environmental due diligence are gaining importance in global supply chains. Germany passed the Act on Corporate Due Diligence Obligations for the Prevention of

Human Rights Violations in Supply Chains in 2021. The EU, the US and the UK are planning to introduce similar regulations, for example, the EU Draft Corporate Sustainability Due Diligence Directive (CSDDD) currently underway (Source: Asia Garment Hub).

Labor Rights and Worker Welfare: Ensuring labor rights and worker welfare remains an ongoing challenge. Issues such as fair wages, working hours, workers' representation, and gender equality need to be addressed to improve the overall well-being of workers in the garment sector. Upholding workers' rights and creating a conducive working environment are critical aspects that require sustained attention.



Environmental Sustainability: With growing concerns over environmental sustainability, the garment sector faces pressure to adopt eco-friendly practices. Industry's heavy reliance on water, energy, and chemicals, coupled with waste generation, poses environmental challenges. Embracing sustainable practices and adopting green technologies is essential to reduce the sector's ecological footprint.

Skill Development and Innovation: As global fashion trends evolve, the garment sector in Vietnam needs to adapt to changing consumer preferences and market demands. Investing in skill development and fostering innovation in design, product development, and technology adoption is crucial to enhance competitiveness and maintain market relevance.

Market Diversification: Overreliance on a few key export markets, such as the United States (46% of 2022 garment & textile exports),

the European Union (11.8%), Japan (10.8%), leaves the sector vulnerable to market fluctuations. Expanding into new markets (such as China and its ASEAN neighbors) and diversifying export destinations can help mitigate such risks. (Source: Fibre2Fashion)

Infrastructure Development: Adequate infrastructure, including reliable power supply, transportation networks, and logistics facilities, is essential for the smooth functioning of the garment sector. As labor costs rise in line with Vietnam's economic development, Investments into infrastructure will be needed to support the industry's cost competitiveness.

Addressing these challenges requires collaboration among stakeholders, including the government, industry players, international buyers, and civil society organizations. By tackling these issues, the Vietnam garment sector can sustain its growth trajectory for many decades to come.



20 KEY STATISTICS

1. **2006:** The year Vietnam acceded to the WTO, kickstarting a period of rapid growth for Vietnam's garment industry.
2. **#3:** The ranking of Vietnam in the world's largest garment exporters, behind China and Bangladesh. (Source: ITC).
3. **9.6%:** the percentage of 2022 global garment exports contributed by Vietnam. (Source: ITC).
4. **\$37.57 billion:** The value of Vietnams' apparel exports in 2022. (Source: Fibre2Fashion)
5. **\$32.75 billion:** The value of Vietnams' apparel exports in 2021. (Source: Fibre2Fashion)
6. **\$39 billion:** The value of Vietnams' apparel exports in 2019, Vietnam's record year before the Covid-19 pandemic. (Source: Statista)
7. **~2,500,000:** the number of workers employed by the garment sector in Vietnam.
8. **800,000- 1 million:** the number of workers employed by the footwear sector in Vietnam.
9. **10%:** The percentage of total exports from Vietnam contributed by the garment sector.
10. **75%:** the percentage of the garment workforce represented by women.
11. **54%:** the percentage of Vietnamese garment factories owned by Vietnamese nationals.
12. **6,000+:** The number of garment factories in Vietnam.
13. **2,180:** The number of footwear factories in Vietnam.
14. **\$137-\$198:** The minimum wage in Vietnam for a garment worker, depending on the province. Minimum wage is highest in Region I, covering the urban centres of Ho Chi Minh and Hanoi. For comparison, the minimum wage in Cambodia is \$200 per month,
15. **46%:** The percentage of Vietnam's garment exports destined for the US, by far the nations largest export market.
16. **12%:** The percentage of Vietnam's garment exports destined for the EU, hoped to increase with the enactment of the EU-Vietnam FTA.
17. **11%:** The percentage of Vietnam's garment exports destined for Japan.
18. **9%:** The percentage of Vietnam's garment exports destined for South Korea. With Japan, these represent two large, geographically close export destinations.
19. **2022:** The year the EU-Vietnam FTA was enacted, a significant milestone for Vietnam that places it in a strong position to continue to compete with other large garment producing nations such as Bangladesh for EU market share.
20. **\$1.55 billion:** The amount of FDI directed towards Vietnam's garment & textile sector in 2019, the year before the pandemic.



WHERE ARE THE FACTORIES?

Vietnam's garment factories are primarily concentrated in key industrial zones and cities across the country. Some of the major locations include:

Ho Chi Minh City (HCMC): Ho Chi Minh City, formerly known as Saigon, is the economic hub of Vietnam and home to a significant number of garment factories. Districts like District 12 and District 7 have notable industrial zones.

Hanoi: The capital city, Hanoi, also hosts a considerable share of garment manufacturing units. Industrial zones like Thang Long and Quang Minh are in the vicinity.

Dong Nai Province: This province, adjacent to HCMC, is a hotspot for textile and garment manufacturing. Bien Hoa, Long Khanh, and Nhon Trach are some of the prominent areas.

Binh Duong Province: Binh Duong, another province near HCMC, boasts a robust textile and garment industry, particularly in areas like Di An and Thuan An.

Quang Nam Province: Quang Nam in central Vietnam has been developing as an emerging textile and garment manufacturing hub, with the Dung Quat Economic Zone being a notable location.

Tay Ninh Province: Tay Ninh, bordering Cambodia, is home to several industrial zones with a focus on garment production.

Haiphong: The northern port city of Haiphong has a growing textile and garment industry, with its Dinh Vu – Cat Hai Economic Zone attracting investments.

Can Tho: Located in the Mekong Delta region, Can Tho has seen increased textile and garment manufacturing activities.

These locations are chosen strategically based on factors like proximity to major ports, transportation infrastructure, labor availability, and local government support. While these areas host a significant number of garment factories, textile and apparel manufacturing can be found throughout Vietnam.

MAIN MARKET DESTINATIONS

Vietnam is heavily reliant on the United States. With a new Vietnam-EU FTA, exports to the EU have already started to rise and this upward trend looks likely to continue.

Figure 32. Main Market Destinations 2022 (Source: Fibre2Fashion, ChinaTexNet)

DESTINATION	2022		2021	
	%	USD \$ B	%	USD \$ B
United States	46%	17.4	49%	16.0
Japan	11%	4.1	10%	3.3
South Korea	9%	3.4	9%	2.9
China	4%	1.5	4%	1.3
Canada	4%	1.5	3%	1.0
EU	12%	4.5	10%	3.3
Other	14%	5.3	15%	4.9
Total	100%	37.57	100%	32.75

SWOT

STRENGTHS

Cost-Efficiency: Vietnam maintains a competitive edge with affordable labor costs in the garment and textile industry.

Expert Workforce: The sector employs over 3.5 million skilled workers, providing a strong foundation for the industry.

End-to-End Production: Vietnam boasts an increasingly vertically integrated industry, overseeing every process from spinning to garment manufacturing.

Robust Infrastructure: The country has established specialized industrial zones and textile parks, promoting a conducive environment for industry.

Strategic Trade Agreements: Vietnam has secured preferential trade agreements with major global players, including the EU-Vietnam FTA and the 2021 UK-Vietnam FTA. It also enjoys GSP status with the US.

Renewable Energy Initiatives: The nation is actively working towards incorporating renewable energy solutions in its garment sector and broader energy mix, a move poised to attract environmentally conscious investments and reduce its carbon footprint.

WEAKNESSES

Regulatory Compliance: The industry must grapple with meeting new international environmental and labor standards necessitating continuous efforts to adhere to compliance norms.

Infrastructure Bottlenecks: Despite having a robust infrastructure, the industry faces challenges with inconsistent power supply and transportation facilities, which can hinder operations.

Technological Lag: The sector is yet to fully embrace advanced technologies and digitalization, a step that could significantly enhance productivity and innovation. It is poised to do so, however.

OPPORTUNITIES

Market Expansion: Vietnam has a growing domestic market and is well placed next to South Asian powerhouses such as Japan, Singapore, Australia, China and South Korea.

Premium Product Lines: Developing high-value products, including designer wear and technical textiles, can cater to premium market segments, enhancing profitability.

Digital Transition: Leveraging e-commerce and digital platforms, and investing in increased mechanisation of the garment sector can augment market accessibility and operational efficiency, opening doors to a global clientele.

THREATS

International Competition: Vietnam stands in a competitive landscape with countries like China and Bangladesh, necessitating strategies to maintain its market position.

Volatile Raw Material Prices: The industry is susceptible to fluctuations in raw material costs, posing a risk to production budgets and profit margins.

Geopolitical and Security Risks: Political instability, security concerns, and regional tensions can disrupt business operations, affect supply chains, and impact investor confidence. As countries begin to “near shore” and “friend shore”, Vietnam’s exports to the US and EU markets could be impacted.

COMPARING COUNTRIES

Vietnam & Bangladesh

Industry Size and Employment: Bangladesh recently overtook Vietnam (in 2022) to become the second-largest exporter of garments globally, with exports valued at \$42 billion. The industry employs over 4 million workers, making it one of the largest employers and the most important export sector. In comparison, Vietnam’s garment and textile exports were valued at \$32.75 billion in 2021 and \$37.5 billion in 2022, contributing significantly to the country’s exports (but not being the largest contributor) and providing employment to a significant number of workers (3.5M). Both have very large populations: Bangladesh with 179m people and Vietnam 97m.

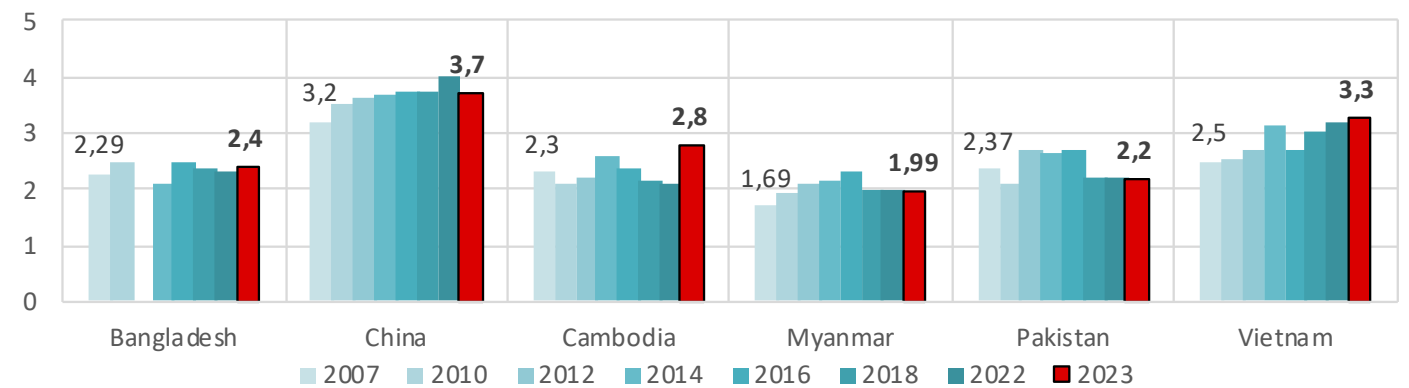
Minimum Wage: In Bangladesh, the minimum wage for garment workers is around \$75 to \$95 per month (though this fluctuates with the

USD to BDT exchange rate). In Vietnam, the minimum wage varies by province and ranges from approximately \$137 to \$198 per month. Both countries set their minimum wage in local currency, unlike Cambodia which sets the minimum wage in USD.

Compliance and Safety Standards: Bangladesh made significant progress after the Rana Plaza collapse in 2013, notably with the Accord program. Vietnam in general, has had fewer incidents and a strong track record on safety.

Infrastructure and Logistics: Bangladesh and Vietnam have seen notable improvements in their logistics performance. Bangladesh leaped 12 positions in the World Bank’s Logistics Performance Index (LPI) 2023 with an index score of 2.4. Vietnam outperforms Bangladesh on the LPI, increasing from 2.5 in 2007 to 3.3 in 2023. Both countries are on an upward trajectory in the LPI rankings, crucial for their flourishing garment sectors. They are both investing heavily in infrastructure to support their key export industries.

Figure 33. LPI Score for STAR Member Countries (Source: World Bank). Maximum Index Score =5.



Trade Agreements and Preferential Treatments: Bangladesh benefits from trade agreements such as the UK’s Developing Country Trade Scheme (DCTS), and EBA trade preferences with the EU, though these will change in 2029 due to its graduation from LDC status. Both agreements grant duty-free and quota-free access to the EU and UK markets. The US Generalized System of Preferences (GSP) has been

suspended for Bangladesh since 2013 (due to Rana Plaza). Efforts are underway to reinstate this agreement. Vietnam is in a strong position. It also enjoys preferential trade agreements, notably including the EU-Vietnam FTA. As a developing country by WTO standards, Vietnam still enjoys the Generalized System of Preferences (GSP) with countries such as the US and is a beneficiary of the 2021 UK-Vietnam FTA.



MULTI COUNTRY COMPARISON

Figure 34. Country Comparison (Source: Various).

Factor	Cambodia	Bangladesh	Vietnam	Pakistan
Population (2022)	16.72 million	179 million	97.34 million	231 million
Total GDP (2022)	\$30.63bn	\$460.2bn	\$343.8bn	\$376bn
Garment Exports (2021)	\$11.2bn	\$31.4bn	\$32.75bn	\$15.39bn
Garment Exports (2022)	\$12.8bn	\$42.6bn	\$37.5bn	\$19.2bn
Growth Rate of Garment Exports (2021 to 2022)	14.29%	35.67%	14.50%	24.76%
Total Exports (2022)	\$22.4bn	\$59.28bn	\$371bn	\$39.42bn
Garments as % of Exports (2022)	57.14%	71.82%	10.11%	48.70%
Share of Global Garment Exports (2022) \$950bn Total, Source: ITC	1.3%	4.5%	3.9%	2%
Total Garment Factories (~)	1,321	7,000+	6,000+	6,300
Garment Sector Contribution to (% GDP) (2022)	~11%	~12%	8.30%	8.70%
Female Workforce Participation (%)	75.90%	60%+	70%+	25%+
Min. Wage for Garment Workers (2022)	\$200	\$75	\$137-198	\$92
Trade Union Density	Low	Moderate	Restricted	Low
Domestic Factory Ownership	3%	80%	54%	~80%+
EU Trade Preferences	EBA*	EBA	EU-Vietnam FTA	GSP+
Economic Impact of Garment Industry	Critical	Critical	Large Contributor	Critical Export Sector
Annual Energy Consumption TWh (2021)	67 TWh	479 TWh	1,206 TWh	1,084 TWh
Average Cost for Electricity (US\$/kWh) (2021)	\$0.14	\$0.09	\$0.09	\$0.6
World Bank LPI (Logistics) Index 2023	2.8	2.4	3.3	2.2
Freshwater Consumption (2019) (billion m ³)	2.18	35.87	81.86	177
Garment & Textile Workers (2022)	855,000	4.5M	3.5M	4.6m
Export Value per Worker (2022)	\$14,970	\$9,466	\$10,714	\$4,174
Export Market Diversification (%)	26% (EU)	66% (EU)	41% (EU)	11% (EU)
Government Initiatives	Supportive	Proactive	Supportive	Supportive

Note: Export Value per Worker (2022) is an indicative estimate, derived by dividing the total 2022 garment export value by the number of workers. It should not be confused with and does not reflect value added per worker.

*EBA was partially removed in Cambodia in 2020, affecting around 20% of its GFT exports.

SUSTAINABILITY STORIES

VITAS is proud to promote social and environmental sustainability amongst its membership, reflecting a growing global focus on ethical and environmentally responsible practices in the fashion industry. Several VITAS supported

initiatives and developments have aimed to address this:

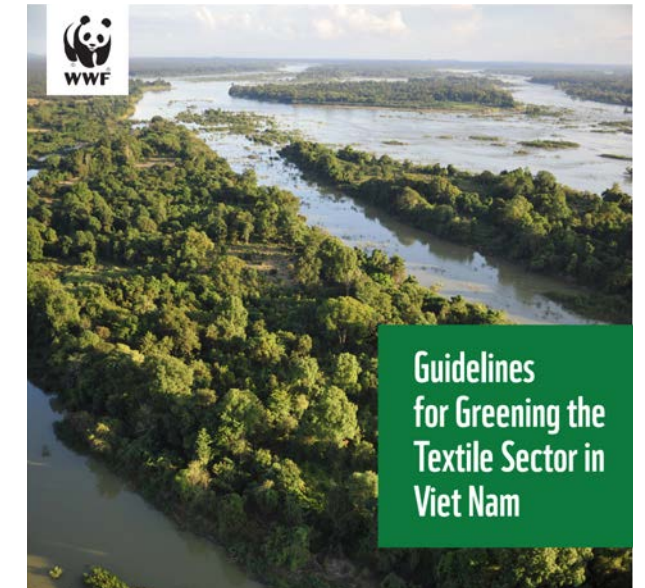
Better Work Vietnam (BWV): Since its inception in July 2009, Better Work Vietnam has been pivotal in enhancing the working conditions and global competitiveness of Viet Nam's garment and footwear sector. Collaborating with around 400 factories and impacting nearly 700,000 employees, of which 78% are women, the initiative

has fostered substantial improvements. Through over 4,200 advisory visits, and according to research by Tufts University, BWV has facilitated increased pay and greater contract stability for workers, thereby promoting a healthier work environment and contributing significantly to the sector's sustainable growth. Many of VITAS' members are part of the Better Work program. (Source: Better Work Vietnam)



Vietnam's 2022 Environmental Protection Law: In alignment with its commitment to achieve carbon neutrality by 2050 (made at COP26), Vietnam introduced a robust Environmental Protection Law in 2022. This legislation, a cornerstone in Vietnam's decarbonization pathway, mandates stringent audits for high-energy consuming factories in the garment sector, which contributes significantly to the nation's GDP and workforce. The law synergizes with VITAS' own industry's goal to diminish energy and water consumption by 15% and 20% respectively by the end of the year, steering it towards adherence with global environmental, social, and governance (ESG) standards. Along with the 8th Power Development Plan, Vietnam has set impressive and ambitious plans for the decarbonization of the entire nation. (Source: Better Work Vietnam)

WWF Vietnam and VITAS: Guidelines for Greening the Textile Sector in Vietnam 2020: With financial support from HSBC, the Swiss Agency for Development and Cooperation, and Tommy Hilfiger, WWF Vietnam and VITAS published detailed guidelines for greening Vietnam's textile sector. The document is a roadmap for greening Vietnam's textile sector and demonstrates VITAS's commitment to doing so. It highlights best practices and technologies for energy efficiency, waste management, and



responsible chemical usage. The roadmap emphasizes the need for public-private partnerships and policy advocacy, urging stakeholders to adhere to sustainability guidelines. (Source: WWF: Guidelines for Greening the Textile Sector in Viet Nam).

National Action Plan on Business and Human Rights: Vietnam (led by the Ministry of Justice) released its long-awaited National Action Plan (NAP) on Business and Human Rights on 14 July 2023. The NAP, developed with the support of the UNDP, aims to enhance responsible business practices in areas such as environmental protection, labor rights, and the rights of vulnerable groups. (Source: GlobalNAPS.org)

Crystal Martin Vietnam Company Ltd: Established in 2004, Crystal Martin is a division of Crystal International Group Limited, specializing in lingerie and swimwear products. In Vietnam, the company spans an area of 132,967 square meters and employs over 10,000 individuals. Crystal Martin installed a rooftop solar energy system in 2019. Comprising 1,800 PV panels, this initiative is projected to conserve approximately 550,000 kWh annually, reducing factory emissions by around 500 tCO₂e. The factory also adopted the Higg Facility Environmental Module, achieving a self-assessment score surpassing industry standards. (Source: WWF: Guidelines for Greening the Textile Sector in Viet Nam)

Saitex International Co., Ltd: Saitex, a sustainable denim manufacturer, operates at five locations in Vietnam, producing 16,000 pieces daily and employing 3,000 people. The company, which specializes in a range of denim products, embarked on a sustainable manufacturing journey in 2010. Leveraging innovative technologies such as laser cutting and ozone bleaching, and utilizing renewable energy sources including solar and biomass, Saitex has significantly reduced its energy consumption. Moreover, its closed water system and jet washing technology enable the company to save 252 million liters of water annually, limiting water use to 1.5 liters per pair of jeans, a stark contrast to the industry standard of 80 liters. (Source: WWF: Guidelines for Greening the Textile Sector in Viet Nam)

Thanh Cong Textile and Garment Joint Stock Company (TCM): In 2015, VITAS member TCM pioneered sustainability in Vietnam's garment sector by establishing the Research and Business Development Center (R&BD) and introducing three eco-friendly product lines utilizing materials such as recycled plastic bottles and sugarcane. This foresight proved beneficial during the 2020 COVID-19 crisis; while others faced cancellations, TCM secured numerous orders for antibacterial masks, maintaining stable revenue and profit through its sustainable product range. (Source: Apparel Resources)

IFC Vietnam Improvement Program (VIP): initiated in 2016, the VIP fosters sustainability in the nation's pivotal garment sector, targeting enhanced resource efficiency and reduced greenhouse gas emissions across local firms. Engaging over 70 factories supplying to renowned brands, the program has facilitated savings of \$24m in operational costs, foreseeing a reduction of 788,500 tons of annual greenhouse gas emissions upon full implementation of its recommendations. The VIP, pivotal in transitioning towards cleaner production, underscores Vietnam's commitment to environmental conservation, while promising economic stability through sustainable practices, thereby nurturing a healthier, more productive working environment. (Source: IFC Pressroom)

Phong Phu International (PPJ) in the IFC's Vietnam Improvement Program (VIP): PPJ, with its network of 20 factories and 14,000 employees undertook substantial sustainability measures under the VIP, notably reducing yearly energy and water consumption by nearly 7 million kWh and 200,000 cubic meters respectively, saving \$700,000 annually. PPJ modernized its facilities, incorporating high-efficiency boilers and ozone washing machines, and recycling 80% of wastewater. These initiatives not only decreased operating costs by 20% but also enhanced productivity by 30%, showcasing PPJ's commitment to environmental sustainability while boosting its economic performance. (Source: Just Style)



VISITING HANOI

Hanoi, located in northern Vietnam, is the country's capital, housing governmental and cultural landmarks. Ho Chi Minh City in the south is Vietnam's largest city, known for its economic and commercial vigor. While both cities are vital to Vietnam's identity, Hanoi is the official seat of government, hosting the presidency and other key institutions. The following sections will therefore spotlight the capital, Hanoi, emphasizing its central role in Vietnam's cultural and political landscape.

HISTORY OF HANOI

1000 BCE - 208 BCE: The area now known as Hanoi was initially inhabited by the Bronze-Age Dong Son culture. It later formed part of the Giao Chỉ region of Van Lang before being conquered by the Âu Việt under Shu Pan, who established Co Loa as the capital of the unified kingdom of Au Lac.

208 BCE - 863 CE: The region underwent numerous changes in rule, including control by the Qin Empire, the establishment of the independent kingdom of Nanyue, and periods of Han and Tang dynasty rule. During this time, the city saw the erection of Longbian and its renaming to Luocheng.

863 - 1010: The city was captured from the Tang dynasty by Nanzhao and later expanded and renamed Da Luocheng. In 1010, it was renamed Thang Long and became the capital of the Lý dynasty, marking the beginning of its time as a political and cultural center.

1010 - 1408: Thang Long flourished, with significant constructions including the Quán Thánh Temple, One Pillar Pagoda, and the Temple of Literature. However, it faced invasions from the Mongols.

1408 - 1802: The city underwent several name changes, including to Dongguan and Đông Kinh, and saw developments like the renaming of "Foggy Lake" to West Lake and the expansion of

the Perfume Pagoda. In 1802, the capital was relocated to Huế.

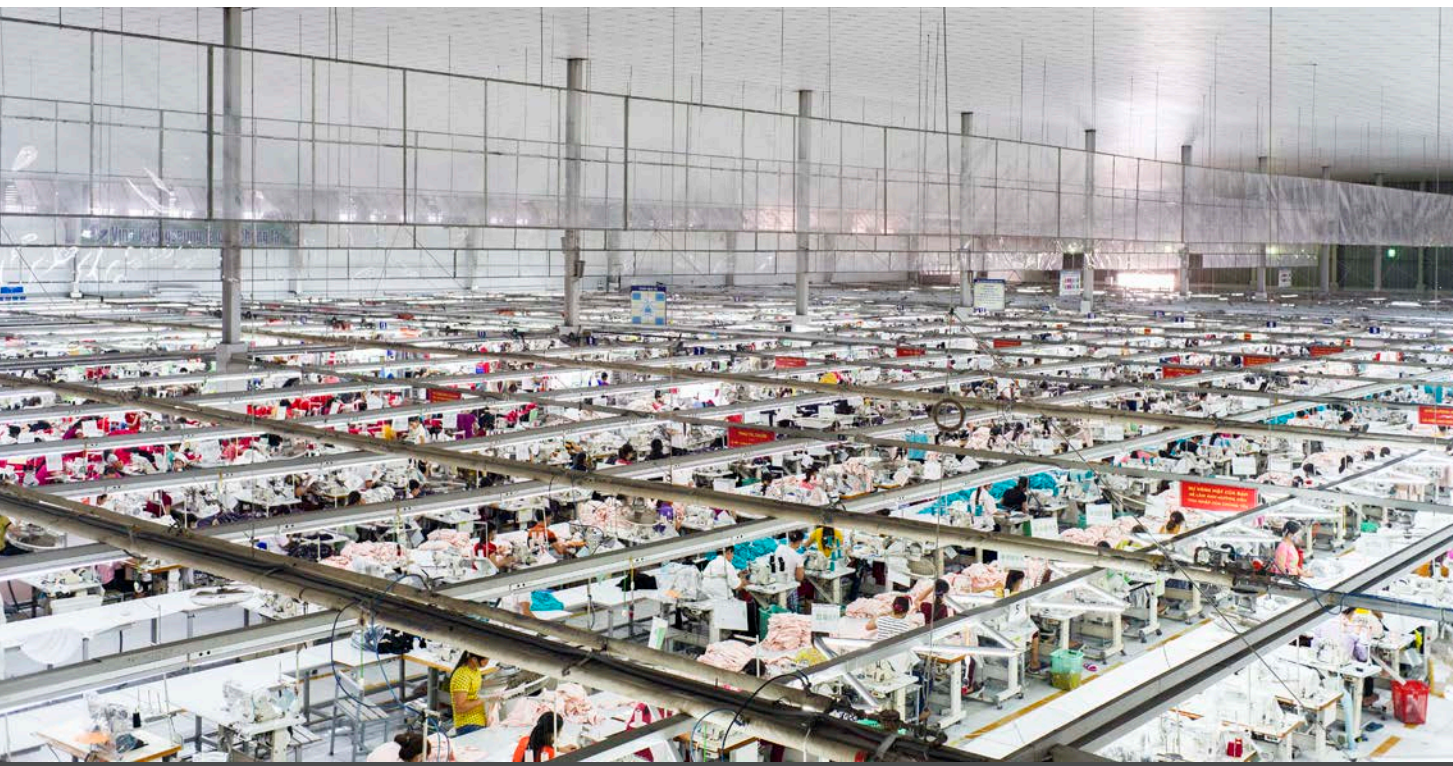
1802 - 1873: Despite not being the capital, the city continued to develop, with constructions like the Flag Tower and the renaming to Hà Nội in 1831. In 1873, French forces took the citadel, marking the beginning of French occupation.

1873 - 1941: Under French rule, Hanoi saw rapid development, including the establishment of educational institutions, the construction of Long Biên Bridge, and becoming the capital of French Indochina in 1902. The period also marked the beginning of resistance movements.

1941 - 1954: During WWII, Hanoi experienced Japanese occupation and later French reoccupation. In 1945, Ho Chi Minh proclaimed the independence of Vietnam in Ba Đình Square. In 1954, following the end of the First Indochina War, Hanoi became the capital of independent North Vietnam.

1954 - 1976: The city underwent significant reconstruction and development, establishing numerous educational institutions and museums. Despite facing aerial bombings during the Vietnam War, Hanoi persisted and, in 1976, became the capital of the unified Socialist Republic of Vietnam.

1976 - Present: In recent decades, Hanoi has continued to grow, both in terms of infrastructure and population. Developments include the opening of Noi Bai International Airport in 2015, the construction of Chương Dương Bridge, and the establishment of various museums and cultural centers. In 2010, Hanoi expanded its administrative boundaries, becoming one of the 17 cities globally to have an area exceeding 3,300 km², enhancing its infrastructural and developmental scope. As of 2023, the city is home to just over 8 million people, standing as a testament to its resilience and vibrant culture, rich with history and tradition, and continuously evolving to meet the needs of its inhabitants.



HANOI IN NUMBERS

Population: As of 2023, Hanoi houses just over 8 million people, showcasing a vibrant blend of tradition and modernity that attracts both locals and expatriates alike.

Urban Area: The capital city spans an area of 3,358.6 square kilometers.

Foreign Direct Investment (FDI): In the first six months of 2023, Hanoi attracted \$2.265 billion USD of FDI, with 50 newly licensed projects, this was the largest of any administrative area in the country in H1 2023 (Source: Vietnam GSO). A large portion of this figure was Japanese firm Sumitomo buying up \$1.5 billion purchase of VPBank stock.

Green Spaces: Hanoi is adorned with numerous parks and lakes, offering residents and visitors a respite from the urban hustle and bustle. Notable green spaces include the historic Hoàn Kiếm Lake and the expansive Bách Thảo Botanical Gardens.

GDP Contribution: Hanoi is a significant economic hub in Vietnam, contributing substantially to the national GDP. In 2020, the city's GRDP per capita was approximately 6,037 USD. Hanoi is targeting an impressive 7% GRDP growth in 2023, per capita, this would equate to \$6,400. (Source: Hanoi Times).

Educational Institutions: The city is a center for education, hosting numerous prestigious universities and research institutions. There are 26 universities in Hanoi, including the prestigious Vietnam National University, Hanoi (Ranked #1 nationally), Hanoi University of Science and Technology (#3), and Hanoi University of Mining and Geology (#4).

Diplomatic Hub: Serving as the capital, Hanoi hosts embassies and diplomatic missions from around the world, facilitating international relations and cooperation. The city's diplomatic quarter is a testament to its significant role in global diplomacy.

Modern Infrastructure: Hanoi boasts increasingly modern infrastructure with a network of roads, bridges, and public transportation systems, including a metro system currently under development, aiming to ease traffic congestion and improve connectivity in the city.

Quality of Life: Hanoi offers a high quality of life with a rich cultural heritage, vibrant street life, and a range of modern amenities. The city is known for its unique blend of historical charm and modernity, offering residents a rich quality of life.

Tourism: Hanoi is a tourist magnet, functioning as the gateway both to the Northern mountains (Sapa), and the world-famous Ha Long Bay. It itself offers a rich history and vibrant culture. Attractions such as the Imperial Citadel of Thăng Long, the Old Quarter, and various museums narrate the city's thousand-year history, attracting millions of tourists annually. In the first 8 months of 2023, the city saw 16.9 million visitors (domestic & international), a 36.2% rise year on year (Source: Lao News Agency).

Development Plans: The city has ambitious development plans to support sustainable growth, including urban planning initiatives that prioritize green development and modern infrastructure (such as the Hanoi Metro). The government is focused on transforming Hanoi into a smart city by 2030.

THINGS TO DO IN HANOI

If you have just one day to explore Hanoi, here are some of the best things to see and do in the city:

Visit Ho Chi Minh Mausoleum: Begin your day with a visit to the Ho Chi Minh Mausoleum, a significant historical site where the revered leader Ho Chi Minh rests. Admire the grandiose architecture and learn about Vietnam's history.

Stroll around Hoàn Kiếm Lake: Next, head to the picturesque Hoàn Kiếm Lake located in the heart of the city. Enjoy a peaceful walk around the lake, and don't miss the iconic Turtle Tower situated on a small island in the lake.

Discover the Old Quarter: Immerse yourself in the vibrant atmosphere of Hanoi's Old Quarter. Wander through narrow streets lined with historic houses, explore local markets, and shop for unique souvenirs.

Visit the Temple of Literature: Experience the tranquility of the Temple of Literature, a well-preserved example of traditional Vietnamese architecture. It was Vietnam's first university, dedicated to Confucius and scholars.

Explore the Vietnam Museum of Ethnology: Gain insights into the diverse cultures of Vietnam at the Museum of Ethnology, which showcases the rich tapestry of Vietnam's 54 ethnic groups through a vast collection of artifacts and exhibits.

Enjoy a Traditional Water Puppet Show: Treat yourself to a unique cultural experience by attending a traditional Vietnamese water puppet show, a distinctive art form originating from northern Vietnam.

Dine at a Local Restaurant: Savor the flavors of Vietnamese cuisine at a local restaurant. Enjoy dishes such as pho, bun cha, and spring rolls, which are staples in Hanoi's culinary scene.

Shop at Dong Xuan Market: Experience the bustling atmosphere of Dong Xuan Market, Hanoi's largest indoor market. Shop for a variety of goods, including fresh produce, clothing, and souvenirs.

Relax at Bách Thảo Botanical Gardens: In the afternoon, visit the Bách Thảo Botanical Gardens to unwind amidst lush greenery and beautiful landscapes. It's a perfect spot for a leisurely stroll or a picnic.

Attend a Cultural Performance at the Hanoi Opera House: End your day with a visit to the Hanoi Opera House, a stunning architec-

tural landmark. If possible, catch a cultural performance or concert to experience the vibrant arts scene in Hanoi.

Remember to plan your day in advance, considering the opening hours of attractions and the traffic conditions in the city. Enjoy your day exploring the beauty and culture of Hanoi!

NEED TO KNOW BEFORE VISITING VIETNAM

Seasons: Vietnam experiences a tropical monsoon climate with two distinct seasons: the rainy season from May to October and the dry season from November to April. During the dry season, temperatures can range from 22°C to 28°C (71.6°F to 82.4°F) in the north, and 27°C to 33°C (80.6°F to 91.4°F) in the south. In the rainy season, the north experiences temperatures between 30°C to 36°C (86°F to 96.8°F), while the south has temperatures ranging from 25°C to 35°C (77°F to 95°F).

Rainfall: The rainy season sees a higher amount of rainfall, especially from July to September. Northern regions like Hanoi can experience up to 275mm of rainfall in August, the wettest month, while the southern region including Ho Chi Minh City can receive up to 325 of rainfall, experiencing its wettest month in September. You can plan your trip to Vietnam using the climate information below:

Attire: Vietnam has a tropical climate; light, breathable fabrics are advisable. The Vietnamese are accustomed to tourists, but dressing modestly is appreciated, especially in rural areas and while visiting religious sites.

Cultural Norms: Vietnamese people are warm and welcoming. A common greeting is a slight bow with hands clasped in front, although handshakes are also popular. It is customary to remove shoes when entering someone's home.

Figure 35. Temperate and Rainfall in the North (Hanoi) and South (Ho Chi Minh) of Vietnam
(Source: ClimatesToTravel)

Hanoi - Average temperatures (1991-2020)						
Month	Min (°C)	Max (°C)	Mean (°C)	Min (°F)	Max (°F)	Mean (°F)
January	14.1	20.1	17.1	57	68	62.8
February	15.8	21.5	18.6	60	71	65.6
March	18.3	23.7	21	65	75	69.8
April	21.7	28	24.9	71	82	76.8
May	24.4	32	28.2	76	90	82.8
June	26.1	34	30	79	93	86.1
July	26.2	33.6	29.9	79	92	85.8
August	25.8	32.9	29.3	78	91	84.8
September	24.8	32	28.4	77	90	83.1
October	22.2	29.8	26	72	86	78.8
November	18.8	26.4	22.6	66	80	72.6
December	15	22.2	18.6	59	72	65.4
Year	21.1	28.1	24.55	70	82.5	76

Ho Chi Minh - Average temperatures (1991-2020)						
Month	Min (°C)	Max (°C)	Mean (°C)	Min (°F)	Max (°F)	Mean (°F)
January	21.8	32.3	27.1	71	90	80.7
February	22.5	33.4	28	73	92	82.3
March	24.4	34.4	29.4	76	94	85
April	25.7	35.1	30.4	78	95	86.7
May	25.4	34.5	30	78	94	86
June	24.6	33.3	29	76	92	84.2
July	24.2	32.6	28.4	76	91	83.1
August	24.4	32.5	28.4	76	91	83.2
September	24.2	32.2	28.2	75	90	82.7
October	23.8	32	27.8	75	90	82.1
November	23.2	32.1	27.6	74	90	81.7
December	22.1	31.7	26.9	72	89	80.4
Year	23.9	33	28.35	74.9	91.4	83

Hanoi - Average precipitation			
Month	Millimeters	Inches	Days
January	20	0.8	10
February	20	0.8	12
March	35	1.4	16
April	105	4.1	14
May	165	6.5	14
June	265	10.4	15
July	255	10	16
August	275	10.8	17
September	245	9.6	14
October	155	6.1	11
November	60	2.4	8
December	20	0.8	5
Year	1610	63.4	152

Ho Chi Minh - Average precipitation			
Month	Millimeters	Inches	Days
January	15	0.6	2
February	5	0.2	1
March	10	0.4	2
April	50	2	5
May	220	8.7	18
June	310	12.2	19
July	295	11.6	23
August	270	10.6	22
September	325	12.8	23
October	265	10.4	21
November	115	4.5	12
December	50	2	7
Year	1930	76	156

Language: Vietnamese is the official language of Vietnam. English is widely spoken in tourist areas and by younger people but learning a few basic phrases in Vietnamese can be a great way to connect with locals.

Safety: Vietnam is a safe country for travelers. However, it is always advisable to follow local guidance, be aware of your surroundings, and take care of your belongings in crowded places, in taxis or tuk tuks.

Currency: The official currency is the Vietnamese Dong (VND). Credit cards are widely accepted in cities and tourist areas, but it's good to carry cash when traveling to remote areas.

1 USD is equivalent to 24,360 VND as of September 2023, though you can check the latest at XE.com (Source: XE.Com)

Health and Hygiene: It's recommended to be up to date with routine vaccinations. Drink bottled or boiled water and avoid ice in drinks when you are unsure of the water source.

Transportation: Vietnam has a well-developed transportation network including domestic flights, trains, and buses. Ride-hailing apps such as Grab are also popular and convenient for short distances.

Accommodation: Vietnam offers a wide range of accommodation options, from luxury hotels to budget hostels. It is advisable to book in advance, especially during peak tourist seasons, though there will always be a hotel or homestay willing to take you in. A mid-range budget traveler can expect to spend \$65 per day in Vietnam.

Local Cuisine: Vietnamese cuisine is renowned for its flavors and use of fresh ingredients. Do try the pho, noodle soup, and goi cuon, fresh spring rolls.

Photography: Vietnam offers breathtaking landscapes and architectural sites. However, always ask for permission before photographing people, especially in ethnic minority areas.

Festivals: Vietnam has a rich cultural calendar with festivals such as Tet (Lunar New Year) being the most significant, usually occurring in late January to early February; in 2023, it fell on January 22nd. Other major holidays include Reunification Day on April 30th, International Labor Day on May 1st, and National Day on September 2nd. In 2023, Vietnam has 11 public holidays, giving locals and visitors ample opportunities to celebrate.

Respect for Religion: Buddhism is the largest religion in Vietnam. When visiting religious sites, dress modestly and follow the local customs to show respect.

Connectivity: Vietnam has a good internet connectivity with widespread Wi-Fi access in cities and tourist areas. Buying a local SIM card for data is affordable and recommended.

Time Zone: Vietnam operates on Indochina Time Zone (ICT), which is 7 hours ahead of GMT (GMT+7).

Travel Insurance: It is advisable to have travel insurance that covers medical emergencies, trip cancellations, and lost belongings. Non-insured accidents can be crippling expensive.

Cultural Sensitivity: Be respectful of the local customs and traditions. Public displays of affection are frowned upon, and it is advis-

able to dress modestly to respect the local culture.

Visa: Ensure to check the visa requirements for your country before traveling to Vietnam. As of now, 158 countries are eligible for Visa on Arrival to Vietnam, a detailed list of which can be found on the Vietnam Visa Easy website.

Open-mindedness: Embrace the rich culture, diversity, and hospitality of Vietnam. Engage with locals, learn about their traditions, and appreciate the beauty and historical heritage the country has to offer.

By being mindful of these local customs, you'll demonstrate respect for the culture and create positive connections with the people you encounter during your visit to Vietnam.

KEY PHRASES

Here are some key phrases in Vietnamese (the official language of Vietnam)

Hello - "Chào bạn" (chow ban)

Thank you - "Cảm ơn" (kam uhn)

Please - "Làm ơn" (lam uhn)

Sorry / Excuse me - "Xin lỗi" (sin loy)

Yes - "Có" (koh);

No - "Không" (khawm)

Good morning - "Chào buổi sáng" (chow bwoy sang)

Good evening - "Chào buổi tối" (chow bwoy toy)

How are you? - "Bạn khỏe không?" (ban khwe khawm?)

• "Tôi khỏe, cảm ơn!" (toy khwe, kam uhn!) -

I'm good, thank you!

• "Tôi mệt mỏi." (toy met moy) - **I'm tired.**

• "Tôi đang buồn." (toy dang boon) -

I'm feeling sad.

- “Tôi vui!” (toy voeey) - **I’m happy!**
- “Tôi cảm thấy tuyệt vời!” (toy kam thay tuyet vohy) - **I feel great!**

My name is... - “Tôi tên là...” (toy ten la...)

Nice to meet you - “Rất vui được gặp bạn” (rat voeey dwook gap ban)

Can you help me? - “Bạn có thể giúp tôi không?” (ban koh teh zup toy khawm?)

Where is...? - “...ở đâu?” (aw doh?) (you say the place you are looking for before the “aw doh”)

How much does it cost? - “Cái này giá bao nhiêu?” (kai nay zia bao nyew?)

I am from England - “Tôi từ Anh” (toy too anh)

I am from Germany - “Tôi từ Đức” (toy too duk)

I am visiting for work - “Tôi đến vì công việc” (toy den vee cong vyek)

I am visiting for holiday - “Tôi đến để nghỉ dưỡng” (toy den dey nghi dwong)

I am 32 years old - “Tôi ba mươi hai (32) tuổi” (toy 32 twoy) In Vietnamese, the number 32 is pronounced “ba mươi hai” (ba mwoy hai), with “ba mươi” meaning “thirty” and “hai” meaning “two.”

NUMBERS

Here are the numbers from 1 to 10 in Khmer along with their English pronunciation:	And here are the words for 20, 30, 40, 50, 60, 70, 80, 90, 100, and 1000:
<p>One - “một” (pronounced as “mawt”)</p> <p>Two - “hai” (pronounced as “high”)</p> <p>Three - “ba” (pronounced as “bah”)</p> <p>Four - “bốn” (pronounced as “bawn”)</p> <p>Five - “năm” (pronounced as “nam”)</p> <p>Six - “sáu” (pronounced as “sow”)</p> <p>Seven - “bảy” (pronounced as “bay”)</p> <p>Eight - “tám” (pronounced as “tahn”)</p> <p>Nine - “chín” (pronounced as “cheen”)</p> <p>Ten - “mười” (pronounced as “moo-oy”)</p>	<p>20 - “hai mươi” (pronounced as “high mwooi”)</p> <p>30 - “ba mươi” (pronounced as “bah mwooi”)</p> <p>40 - “bốn mươi” (pronounced as “bone mwooi”)</p> <p>50 - “năm mươi” (pronounced as “nam mwooi”)</p> <p>60 - “sáu mươi” (pronounced as “sow mwooi”)</p> <p>70 - “bảy mươi” (pronounced as “bay mwooi”)</p> <p>80 - “tám mươi” (pronounced as “tam mwooi”)</p> <p>90 - “chín mươi” (pronounced as “chin mwooi”)</p> <p>100 - “một trăm” (pronounced as “moat cham”)</p> <p>1000 - “một nghìn” (pronounced as “moat n-yin”)</p>
Here are the colours in Khmer along with their English pronunciation:	Here are some key locations in Khmer along with their English pronunciation:
<p>“Black” - “đen” (pronounced as “den”)</p> <p>“White” - “trắng” (pronounced as “chang”)</p> <p>“Red” - “đỏ” (pronounced as “daw”)</p> <p>“Blue” - “xanh dương” (pronounced as “sang zang”)</p> <p>“Yellow” - “vàng” (pronounced as “vang”)</p> <p>“Green” - “xanh lục” (pronounced as “sang look”)</p> <p>“Orange” - “cam” (pronounced as “kam”)</p> <p>“Purple” - “tím” (pronounced as “tim”)</p> <p>“Pink” - “hồng” (pronounced as “hong”)</p> <p>“Brown” - “nâu” (pronounced as “now”)</p>	<p>Hotel - “khách sạn” (pronounced as “khak san”)</p> <p>Airport - “sân bay” (pronounced as “san bay”)</p> <p>Restaurant - “nhà hàng” (pronounced as “nya hang”)</p> <p>Bank - “ngân hàng” (pronounced as “ngan hang”)</p> <p>Hospital - “bệnh viện” (pronounced as “benh vyen”)</p> <p>Market - “chợ” (pronounced as “cho”)</p> <p>Bathroom - “phòng tắm” (pronounced as “fong tam”)</p> <p>Beach - “bãi biển” (pronounced as “bai byen”)</p> <p>Temple - “đền” or “chùa” (pronounced as “den” or “chooa” for Buddhist temples)</p> <p>Taxi - “taxi” (pronounced as “taxi”)</p>

Where is the bathroom? - “Nhà vệ sinh ở đâu?” (pronounced as “nya vay sinh aw doh?”)

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