



Vietnam and the World

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One of the largest exporters of café, pepper, wood, fishery products, clothes, electronic device, and rice

Most worthy ASEAN

investment place in

Golden population structure

Asia's leading destination in 2018, 2019, 2021, 2022, 2023 by *World Travel Awards*

Most dynamic cities



Vietnam Economy at a glance



- Nominal GDP: US\$430 billion
- GDP per capita: US\$4,284
- GDP Growth in 2023 increased by 5.05%
- Inflation: 3.25%
- Population: About 98.9 million (as of late 2023)
- Labor force aged 15 and above: 59.1%
- Regional Minimum wage (Region I): VND 4,680,000 (US\$ 201.7) per month (effective from July 2022)
- Vietnam's median age: 32.8 years old

Welcome to the most dynamic country on this planet: Vietnam!

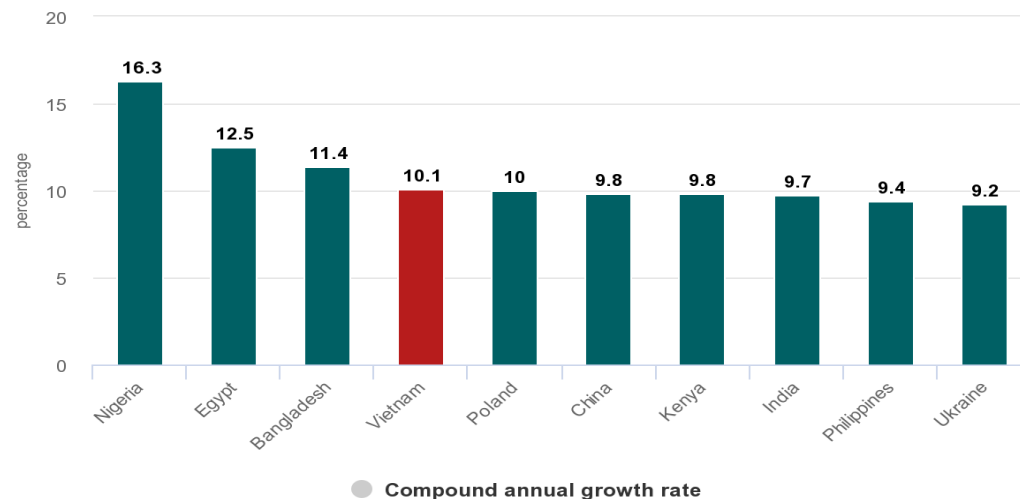
JLL City Momentum Index The World's Top 20 Most Dynamic Cities



Source: JLL 2015

The 4th fastest-growing high net worth country

Top 10 fastest-growing high net worth countries
(2018-2023)



Wealth-X (2019)

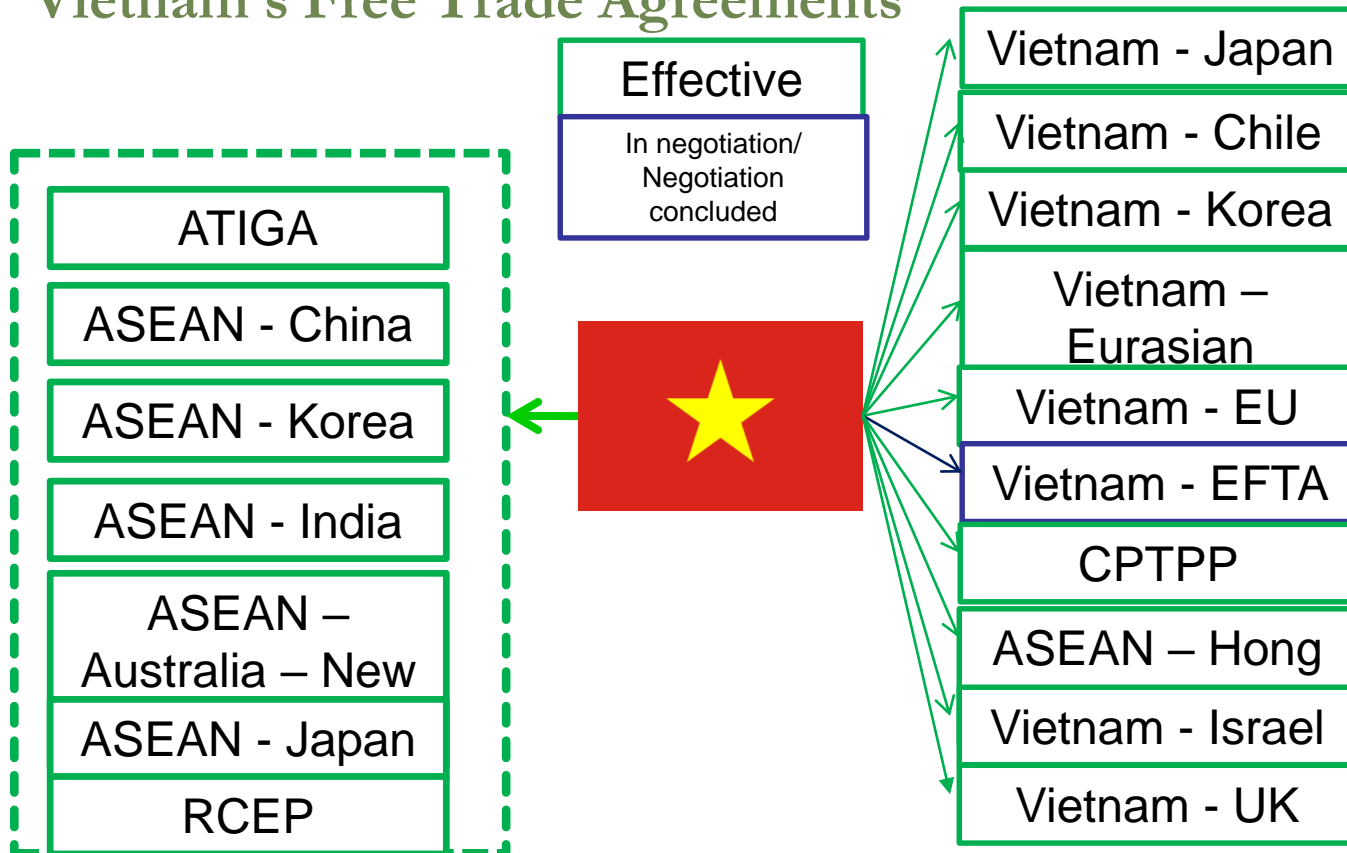
Source: High Net Worth Handbook 2019, Wealth-X

Most investment worthy place in ASEAN

- Economic recovery and stable development: Steady growth even in the middle of COVID-19 pandemic.
- International integration: implemented bilateral and multi-lateral FTAs with almost all the big economies in the world.
- Relaxed foreign ownership: 100% of foreign ownership in a wide range of cases for both private and public companies.



Vietnam's Free Trade Agreements



Vietnam's Free Trade Agreements

- Viet Nam has negotiated, signed and put into effect a number of bilateral and multi-lateral FTAs with almost all the big economies in the world.
- Of the figure, 16 FTAs involving more than 60 partners have become effective, covering all continents with a combined GDP accounting for nearly 90 percent of global GDP, making Viet Nam one of the countries in the region taking the lead joining bilateral and multilateral economic cooperation frameworks.
- Via signed FTAs, Vietnam's role in the global supply chain is expected to be improved as a global manufacturing hub.

Vietnam - US

- On 10 December 2001, the U.S and Vietnam signed the U.S.-Vietnam Bilateral Trade Agreement (BTA) – a major step forward in fully normalizing U.S. – Vietnam commercial relations.
- Total bilateral trade turnover has increased 1,200% from \$1.5 billion in 2001 to over \$20 billion in 2011. The bilateral trade relations further developed after the U.S. granted Vietnam permanent normal trade relations (PNTR) status as part of Vietnam's accession to the World Trade Organization (WTO) in 2007.
- On 10 September 2023, US President Joe Biden visited Vietnam and leaders from both countries officially elevated Vietnam-US relation to a Comprehensive Strategic Partnership. The economic aspect of the CSP comes in addition to the numerous other areas of strengthened cooperation, including diplomatic, scientific, cultural, and educational.

Comprehensive and Progressive Trans-Pacific Partnership (“CPTPP”)

- On 8 March 2018, the CPTPP was finally signed in Chile. The CPTPP accounts for 495 million people representing 13.5% of the world total economic output - worth a total of \$10 trillion.
- CPTPP will lead to an increase of 1.32% in Vietnam’s GDP
- Vietnam will have access to newer markets and can expand their exports to countries such as Canada, Mexico, and Peru with whom it does not have a trade agreement.
- Opportunity for Vietnam to re-structure the export market portfolio, not rely too much on the United States.

EVFTA AND EVIPA

- The EVFTA is a new generation free trade agreement between Vietnam and 28 EU member countries
- On 2nd December 2015, both Vietnam and the EU concluded the negotiations.
- On 26 June 2018, the EVFTA was divided into 2 agreements in terms of trade and investment following the European Court of Justice's opinion on the EU – Singapore FTA
- The EVFTA covers trade issues while investment protection and investment-related dispute settlement are under the EVIPA.
- On 30th June, the EVFTA and the EVIPA were signed in Hanoi.
- EVFTA takes effect from 01 August 2020.
- Until end of 2023, there have been 17 EU countries having ratified the EVIPA.

EVIPA

- Applies to covered investment and its investors
- Investment protection
- **Investor-to-State dispute settlement mechanism** (“ISDS”) whereby investors can claim in case that an investor protection obligation has been breached and domestic courts cannot question the legal validity of the decisions.
- EVIPA will replace all bilateral investment agreements between Vietnam and other EU members

WTO Liberalization

WTO analysis of liberalization of market access

Country	Limitation of market access*	Country	Limitation of market access*
Malaysia	medium	Myanmar	high
Indonesia	medium	Cambodia	medium
Philippines	medium	Laos	medium
Singapore	low	India	high
Thailand	medium	China	medium
Brunei	high	Vietnam	low

* Typical restrictions: number of opened sectors, JV requirement, limits on foreign-owned shares, permission requirement

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The Power Sector of Vietnam

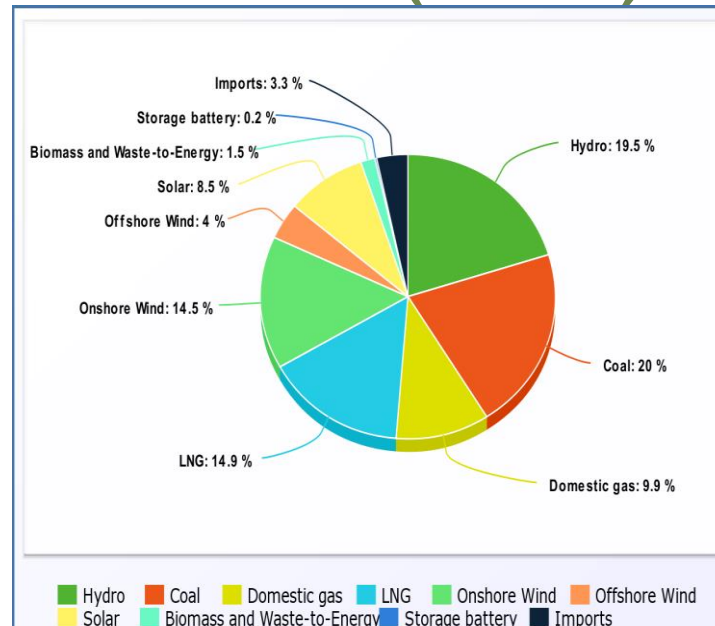
Power Development Plan 8

- The Power Development Plan 8 was approved on 15 May 2023 under Decision No. 500/QĐ-TTg.
- PDP8 sets out the goal of ensuring national energy security for Vietnam by 2050 to meet the target of socio-economic development with an average GDP growth rate of about 7%/year in the period of 2021-2030; 6.5%-7.5%/year for the period 2031-2050.
- The goal is to achieve a renewable energy ratio of 47% according to the commitment on equitable energy transition with Vietnam (JETP). With an orientation to 2050, the ratio of renewable energy is expected to be up to 67.5 - 71.5%. The goals are in line with Vietnam's commitments in (i) the Paris Agreement on climate change and (ii) COP26.



Power Development Plan 8 (cont.)

- According to the PDP8, by 2030, the planned energy resource for local consumption shall reach 150,489 MW consisting of: (i) Hydro energy: 29,346MW; (ii) Coal-fired power: 30,127MW, (iii) Domestic gas: 14,930MW; (iv) LNG: 22,400MW; (v) onshore wind power: 21,880MW; (vi) offshore wind power: 6,000MW; (vii) solar power: 12,836MW; (viii) biomass and WTE 2,270MW, (ix) storage battery energy around 300MW and (x) foreign imported power 5,000MW. Meanwhile, the capacity for exporting is 5,000 – 10,000 MW.



Power Development Plan 8 (cont.)

- From 2021 to 2030, investment for power generation and transmission systems is estimated to be \$134.7 billion, including \$119.8 billion for power generation and \$14.9 billion for transmission systems.
- By 2030, two inter-regional renewable hubs will be set up for electricity generation, transmission and consumption, and manufacturing and services of renewable energy equipment
- It is the aim of the PDP8 to have 50% of residential houses and offices to have rooftop solar system for on-site consumption.
- The pilot program for the Direct Power Purchase Agreement (DPPA) mechanism is encouraged and urged by the Prime Minister to be implemented.

Power Development Plan 8 (cont.)

- The main instruments for bringing the PDP8 into life being the amended Electricity Law and the Law on Renewable Energy will be prepared by MOIT and it is expected that the draft for the mentioned laws will be submitted for the National Assembly's approval by 2024. Regarding the DPPA mechanism to be in line with PDP8, the regulations on DPPA will be finalized by MOIT and submitted to the Government for approval.
- Following the issuance of the PDP 8, on 31 August 2023, the Deputy Prime Minister Tran Hong Ha passed the Decision No. 1009/QD-TTg on the Approval for the Implementation Plan of the Political Declaration on establishing the Just Energy Transition Partnership (Decision 1009). The main goals of the implementation plan under Decision 1009 are to implement the Just Energy Transition Partnership (JETP Declaration), to promote the development of renewable energy to achieve net zero greenhouse gas emissions by 2050, and to ensure the efficient use of energy. It is expected that the implementation plan will be finalized and issued soon.

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Thank you very much!

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