

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

**NEW BUSINESS OPPORTUNITIES FOR EUROPEAN COMPANIES IN ASIA
WITHIN THE INFRASTRUCTURE SECTOR -
C) Energy**

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Abstract

This report aims to identify expansion opportunities for European companies within a selected country that promises the best growth and investment potential. After careful analyses, Vietnam emerges as the most appropriate country to study. Furthermore, the energy sector is promising and offers a lot of potential. It appears that the Vietnamese Energy sector needs experienced partners as its side to further develop. European companies offer the expertise to close existing gaps and boost Vietnam's Energy industry, particularly within the Wind power energy market.

Keywords: International Business; Entrepreneurship; Competitive Advantage;
Strategy and International Business; Business Development; EU

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Executive Summary



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This report aims to identify expansion opportunities for European companies within a selected country that promises the best growth and investment potential

PROJECT OBJECTIVES



OVERALL OBJECTIVES

01

Market screening

Identification of the most profitable and promising country for European foreign direct investments

02

Focus industry determination

Definition of the focus industry, and sub-industries that promise the best investment potential

03

Sub-industry analysis

Detailed analysis of the identified sub-sectors; concluding with concrete opportunities for EU companies

04

Review of findings

Evaluation and summary of the presented findings; outlook and next steps

The research methodology is divided into five steps and makes use of qualitative but also quantitative approaches to facilitate high-quality findings

RESEARCH METHODOLOGY

Identification of Vietnam from 12 potential markets

- Qualitative filtering
- Quantitative ranking and selection of the highest ranked country

Analysis of concrete FDI¹ opportunities

- Primary data: qualitative expert interviews
- Secondary data: journal articles, governmental publications, case studies, reports

Country ranking

Sub-industry analysis

01

02

03

04

05

Preliminary screening

Selection of twelve promising markets as initial starting point

- Ogilvy's Velocity 12 Markets report as solid source of information
- "Doing Business in China" Nova class as inspiration

Industry selection

Selection of three key sectors within Vietnam for in-depth analysis

- Qualitative filtering
- Expert interviews supporting the industry selection

Final review

Review of findings

- Own evaluation
- Outreach to identified EU firms

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Market and Industry Selection Process

Market and Industry Selection

1	Market Selection	8
2	Vietnam in Detail	12
3	Industry Selection	16

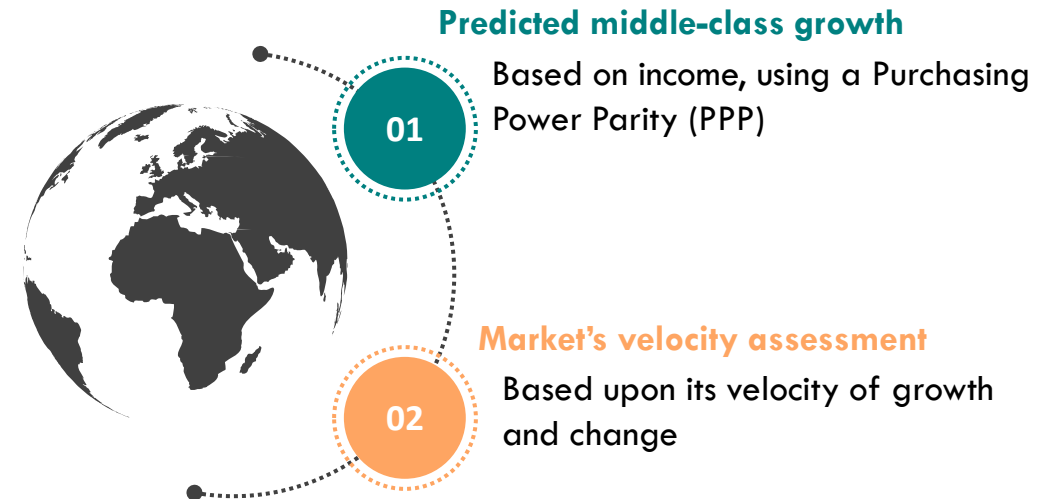
The Velocity 12 Markets (V12) are home to one billion people globally ascending to middle class by 2025, compared to 2015

DEFINITION OF THE V12 MARKETS

V12 markets and their middle-class population growth

 India (+397 m)	 Egypt (+25 m)
 China (+187 m)	 Philippines (+21 m)
 Pakistan (+59 m)	 Vietnam (+19 m)
 Indonesia (+50 m)	 Brazil (+19 m)
 Bangladesh (+37 m)	 Mexico (+13 m)
 Nigeria (+28 m)	 Myanmar (+13 m)

Identification criteria for V12 markets



“For emerging markets, e.g., Vietnam, we discovered that a growing (young) middle class is key to growth”

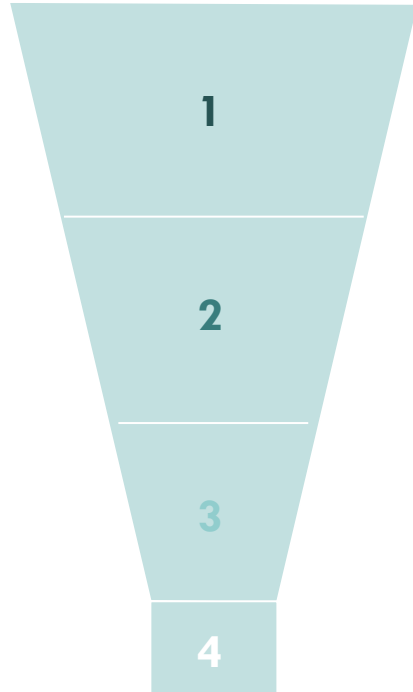
Linh Nguyen, Ogilvy



- The new **middle class creates immense potential** for foreign firms which needs to be served in the future
- Therefore, **cautious preparations** and market analyses to meet the demands **are indispensable**

Narrowing the V12 markets down outlines that Vietnam, Indonesia, Bangladesh and Philippines represent the most promising countries for inward investment

ADVANTAGES OF VIETNAM, INDONESIA, BANGLADESH & PHILIPPINES TO OTHER V12 COUNTRIES



Asia as center of middle-class growth (Out: Nigeria, Egypt, Brazil & Mexico)

- **8 of all V12 markets are Asian**, which indicates a geographic center of growth within the next years
- **Asia** is expected to **accumulate 50% of global GDP** by 2040

India and China as well-established players with strong EU partnerships (Out: India, China)

- **Goal** of this research is to explore markets with **rising global importance in 2040, compared to now**
- Both are already considered **major economic forces today** and have **well-established partnerships**

Political situation hinders growth opportunities in some markets (Out: Pakistan, Myanmar)

- **Pakistan's political** situation expected to remain **unstable** over the next years
- **Myanmar** with **military junta** since **coup d'état** in February 2021 shows **no positive outlook**

 **Vietnam, Indonesia, Bangladesh** and **Philippines** as further research target

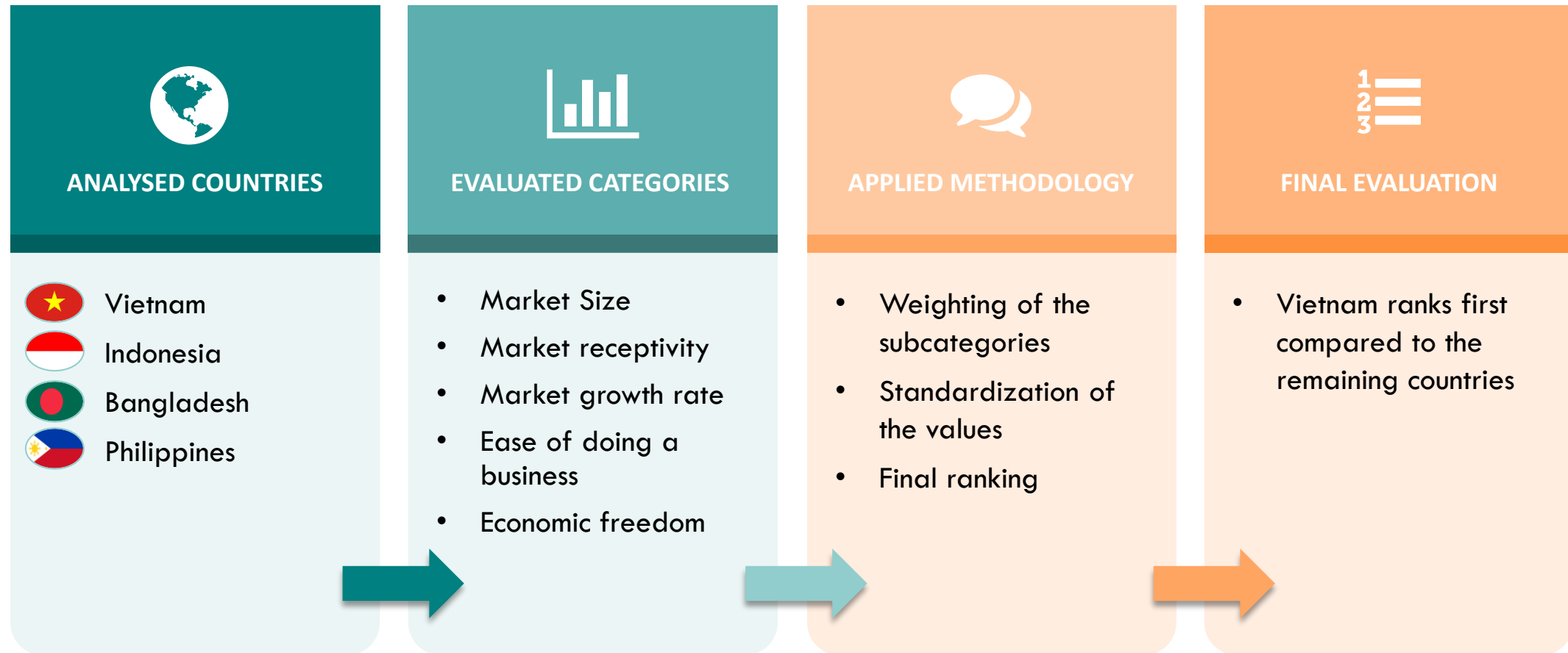


- **Vietnam, Indonesia, Bangladesh and Philippines** outweigh other V12 markets and remain **as further research target**
- **These countries are in Asia**, are not as developed as India and China, and **have high political stability**

Country ranking application, which consists of various weighted economical variables, identifies Vietnam as most promising country for future investments

COUNTRY RANKING METHODOLOGY

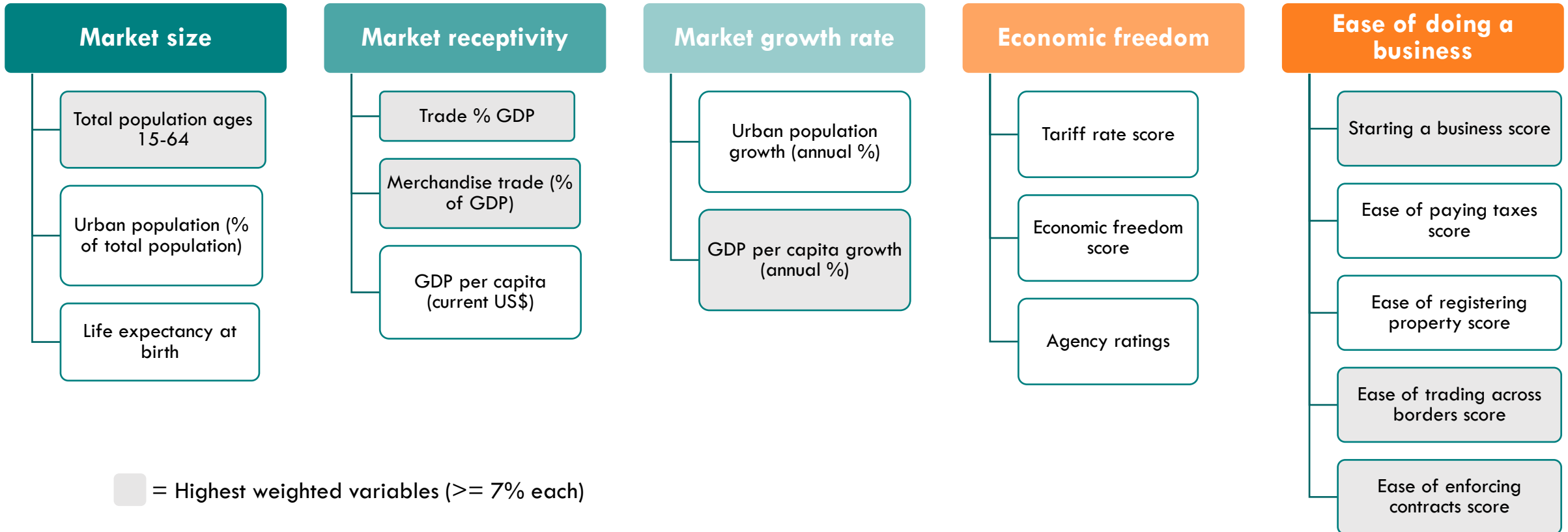
[SEE APPENDIX 1 & 2](#)



16 variables within five broader categories were ranked in terms of importance for European investment evaluations and weighted accordingly

VARIABLES FOR RANKING

SEE APPENDIX 1 & 2

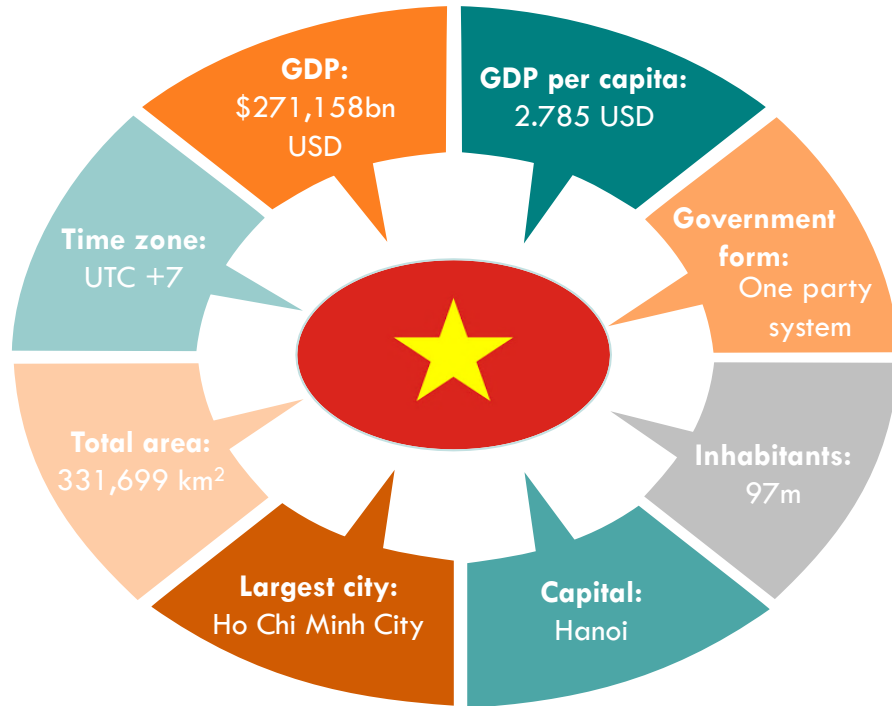


» • **Vietnam results as the most promising country** due to geographical positioning as well as economical prerequisites

Vietnam is one of the dominating powers in SEA regarding economic figures and geographic positioning close to the South China Sea


KEY FIGURES FROM ECONOMICS AND POLITICS

Most important economical and political information



Positioning within Asia



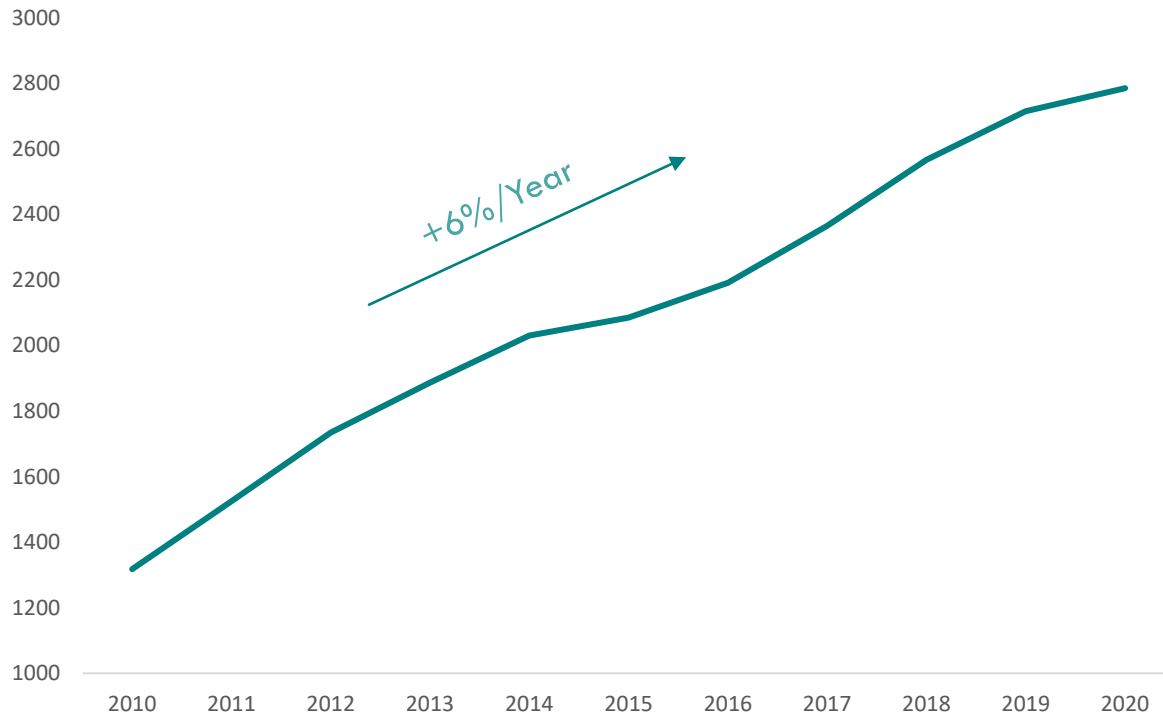
 **Despite Vietnam being officially a communist country, it is very open for foreign business”**
Thomas Yip, NAPA

- » One of the **largest economies in Southeast Asia**, with almost **100m citizens**
- » **Strategically relevant geographic positioning** sets strong foundation for international trade through the South China Sea

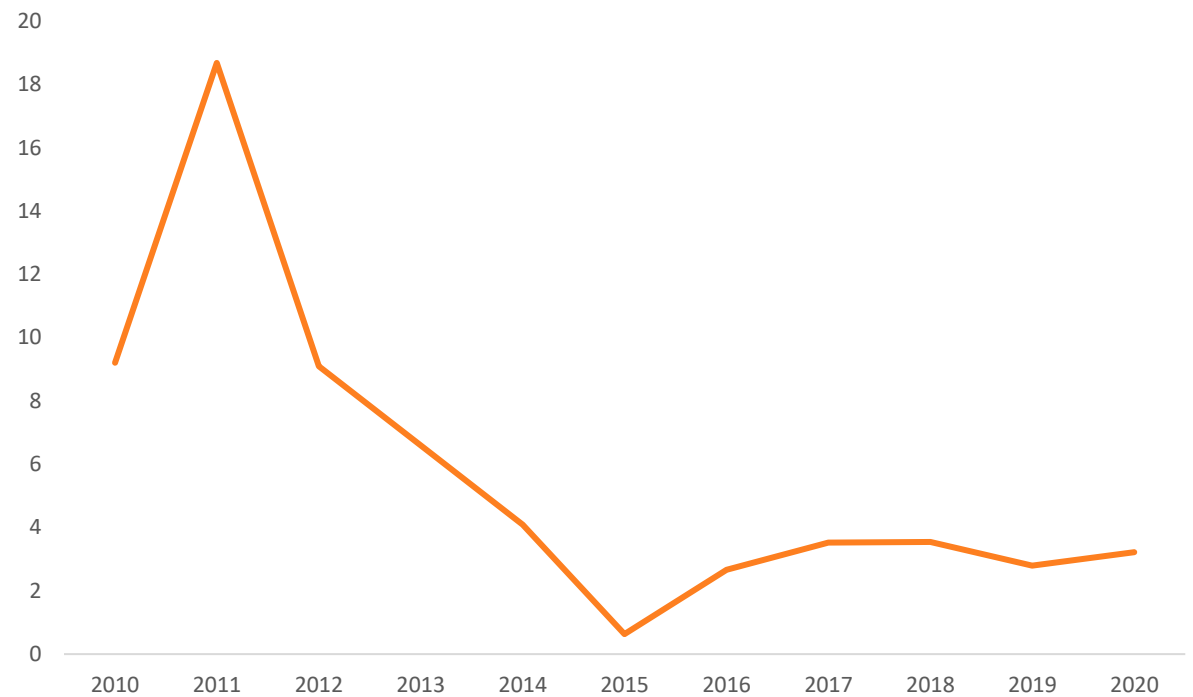
Vietnam shows favorable economic conditions; its GDP steadily increased in the last 10 years by about 6% per year and its inflation rate remained rather stable since 2016


VIETNAM'S MACROECONOMIC CONTEXT

Vietnam GDP per capita (current USD)



Inflation, consumer prices (annual %)



 The **steady increase of around 6% of GDP per year** and its rather stable inflation rate since 2016, indicate a strong economic growth, even despite the outbreak of Covid-19 in 2020

Vietnam is facilitating trading with European companies through a newly signed Trade Agreement and Investment Protection Agreement

IMPORTS AND EXPORTS ANALYSIS

TOP 5 EXPORT PRODUCTS		TOP 5 IMPORT PRODUCTS	
1	Mobile & spare parts	1	PCs & electronic items
2	PCs & electronic items	2	Machinery & equipment
3	Machinery & equipment	3	Mobile & spare parts
4	Textiles & garments	4	Fabrics
5	Footwear	5	Plastics
TOP 5 EXPORT DESTINATION		TOP 5 IMPORT COUNTRIES	
1	United States	1	China
2	China	2	South Korea
3	EU	3	Japan
4	South Korea	4	Taiwan
5	Japan	5	EU



TRADE ANALYSIS

- The European Union and Vietnam signed a **Trade Agreement** and an **Investment Protection Agreement** that took effect in 2020; it offers more opportunities for companies on both sides:
- No more **tariffs**
- Less **regulatory barriers**
- Easier access to **public services** and **public procurement markets**



“Willingness to work on/invest in its deficits, makes Vietnam a quality trading partner ”

Thorsten Orth, Ogilvy

Considering all six macroeconomic categories Vietnam convinces as a very promising investment opportunity for foreign investors, with rather low potential risks

VIETNAM MACRO PICTURE

[SEE APPENDIX 3](#)

P

- **Diplomatic relations with over 178 countries** in the world (e.g., WTO, APEC forum, ASEAN, UN)
- Outstanding Covid crisis handling with lowest case numbers among whole Asia

E

- **Ranked as most desired M&A destination in 2021**
- Represents the fourth-biggest economy in South-East Asia based on GDP

S

- **Exponential growth of the middle class**, predicted to reach 26% by 2026
- With a literacy rate of 95% among the countries with the highest rate in Asia Pacific

T

- **Development of tech workforce & low-cost policies to attract FI** and start-up culture
- Issued "National Digital Transformation Program" supporting their digital economy which already accounts for 20% of GDP

L

- **Ranks at 68 for enforcing contracts** and 122 at resolving insolvencies from a total of 190 countries
- National Assembly of Vietnam introduced new labor in 2019

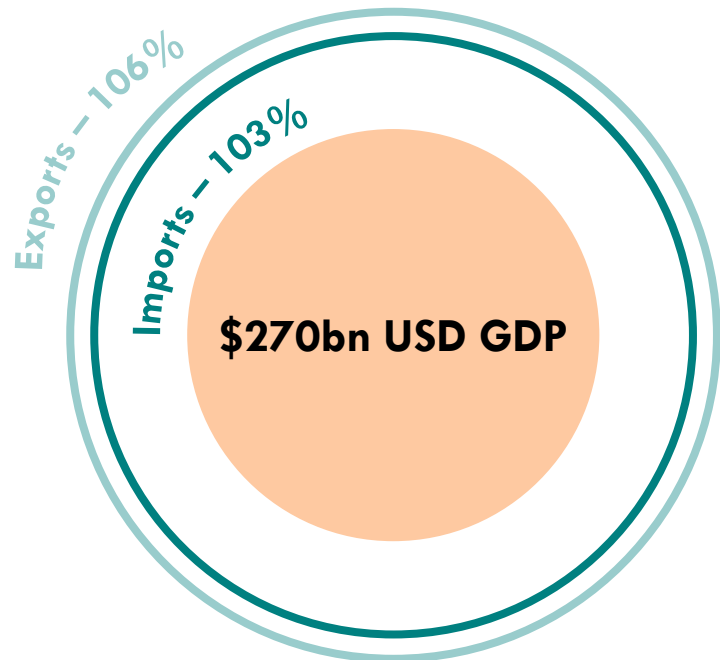
E

- **Active integration of a 2030 sustainability agenda and SDGs in Vietnam**
- Highly attractive for tourism playing a significant role in shifting the country from an agrar a service industry

Vietnam as trade-dependent country relies on its infrastructure; to further develop its infrastructure, it needs to welcome foreign direct reinvestments

VIETNAM'S DEPENDENCY ON TRADE AND INFRASTRUCTURE

Vietnam's trade-to-GDP ratio



Debt-to-GDP ratios among comparable countries¹



ANALYSIS

- **Highest percentual debt** among comparable countries in SEA shows openness to take money from (EU) investors
- **Infrastructure sector relies on high capital investment** and debt financing

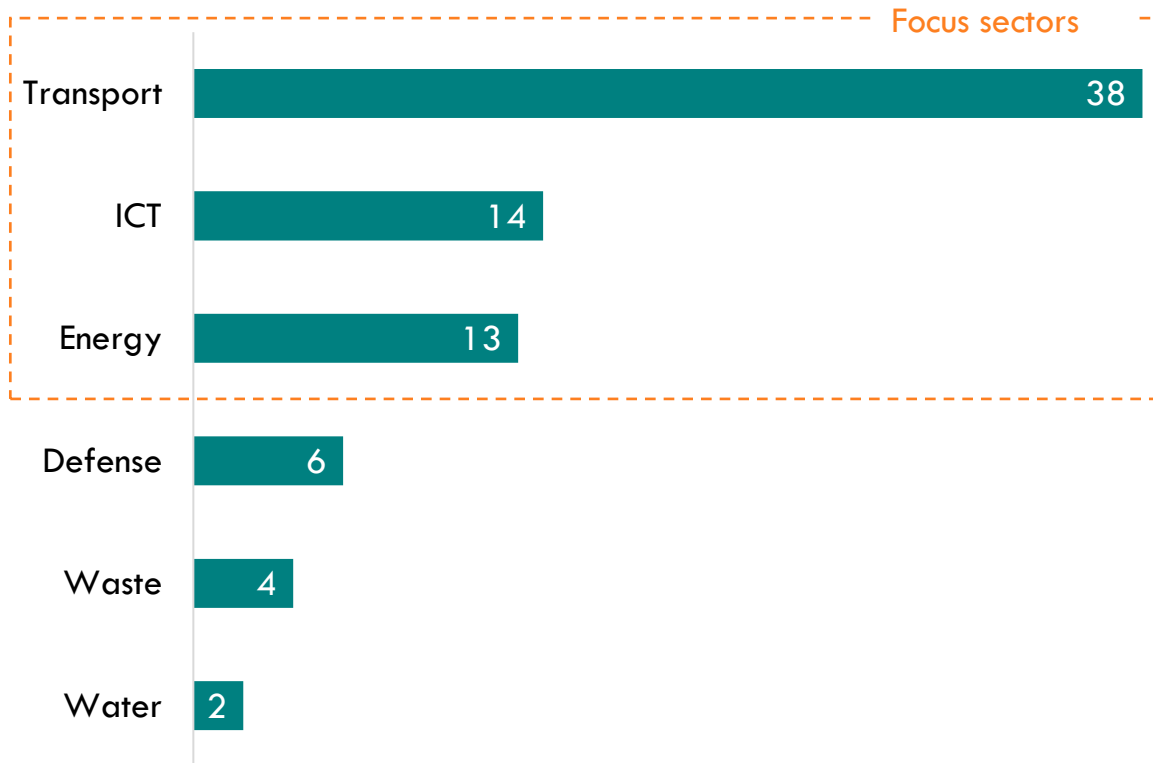


Vietnam's **highest trade-to-GDP ratio worldwide²** indicates high importance of infrastructure to further facilitate trading efficiency

Out of six identified key infrastructures, transport, ICT and energy were chosen for closer sector deep-dives due to highest market volumes

VIETNAM'S KEY INFRASTRUCTURE SECTORS

Market size of main Vietnamese infrastructure sectors in 2020



(Market sizes in \$bn USD)

QUALITATIVE REASONING



Energy need as rising production factor for several years



Transport capacities running at **over-capacity** and in **need of investments**



Information and communication technology (ICT) infrastructure as key element for **Industry 4.0**

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Sector Deep Dive: Energy Sector

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3	Vietnam Sector Opportunities	59
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The Vietnamese energy sector shows considerable opportunities for wind investors and developers as it needs to increase its energy capacity to develop its economy



1.0 ENERGY KEY FINDINGS



KEY FINDINGS WITHIN THE ENERGY SECTOR

01

EU as sector expert

European companies are highly qualified to support wind projects around the world using the latest technology

02

Vietnam's renewables focus

The country aims to multiply its wind capacity by 18, reducing the share of coal from 50% to 18% by 2030

03

Vietnam is open for business

Vietnam is increasingly looking for foreign company investment and cooperation in the energy sector

04

Promising market

European companies should consolidate their presence in the Vietnamese market for offshore wind manufacturing

European wind energy sector is booming; two large European players stand out in the global market, namely Vestas and Siemens Gamesa



2.0 KEY FINDINGS



EUROPEAN ENERGY SECTOR EXPERTISE

01

Wind energy sector as focus

Europe wants to harness the potential of offshore renewable energy

02

Europe's first-mover advantage

Europe has established players in the renewable power manufacturing industry

03

China as threat to Europe

China dominates global rankings for new wind capacity but mainly operates in its own country

04

Europe has superior quality

The share of European turbine manufacturers (OEM) in the global market is much higher than Chinese ones



Vietnam's energy sector is grouped and classified into four sub-sectors; the wind sector will act as the focus sub-sector for identified business opportunities between EU and Vietnam

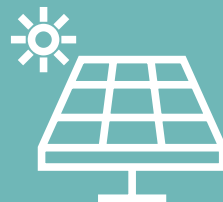
2.1 DEFINITION

Sub-sector focus



Wind power

Vietnam's wind market is at a crossroads



Solar energy

Top 10 countries with the highest capacity of solar energy installed



Hydropower

Vietnam is one of the most promising hydropower markets in the world



Fossil fuel

Vital source for Vietnam's economic growth



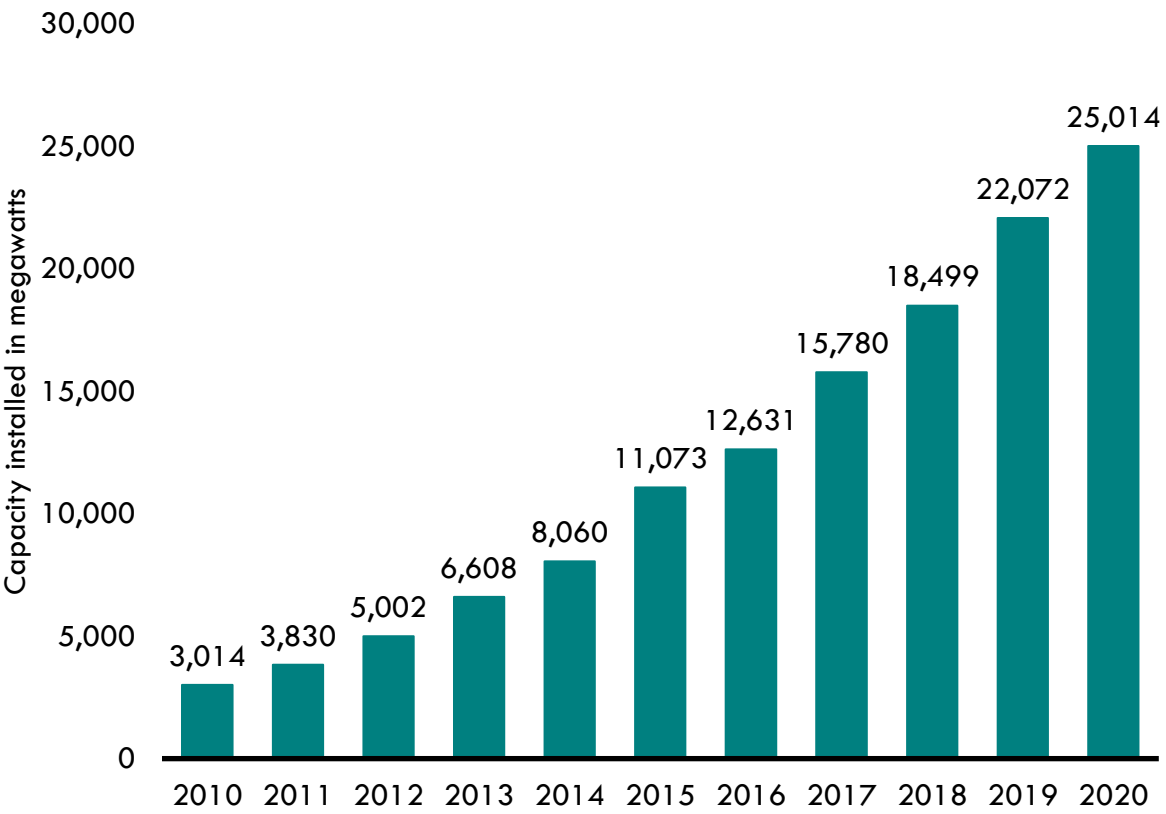
- The energy sector has been an **important growth driver for the Vietnamese economy**
- The **renewable energy sector** and more specifically the **wind sector** represents the **most relevant sub-sector for the EU and Vietnam** relationship and will therefore act as the focus sector within the report



From 2010 to 2020 the offshore wind sector experienced tremendous growth in Europe and is projected to continue increasing in the following years

2.2 WIND ENERGY SECTOR EVOLUTION

 Cumulative offshore wind power capacity in Europe 2010-2020



Europe's offshore wind energy reached more than **25 gigawatts of accumulated capacity** at the end of 2020



The **Netherlands** have the **most connected offshore wind turbines** in Europe



Siemens Gamesa is the **leading offshore wind turbine manufacturer** in Europe with 68% of all cumulative installation in 2020

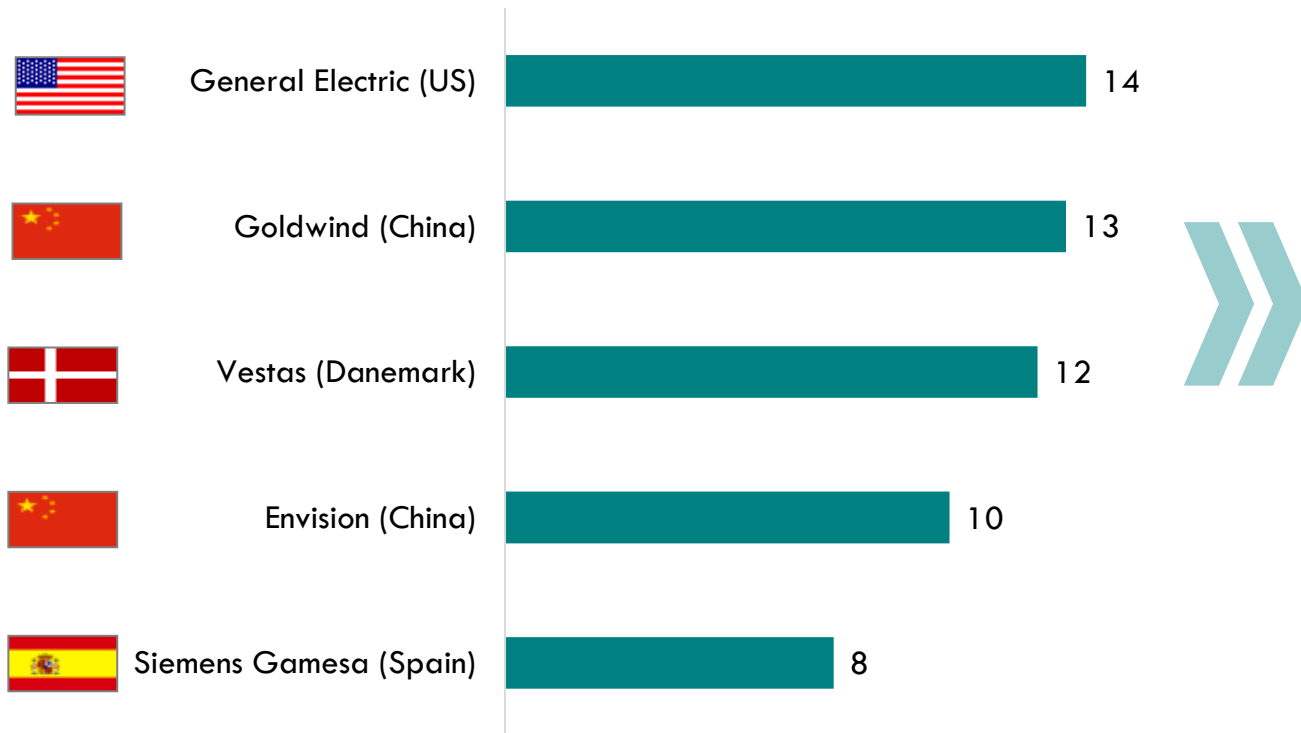
SOURCES: (EUROPEAN COMMISSION 2020); (WINDEUROPE 2020)



European companies dominated the market as they reach more countries than their competitors;
 Vestas engaged with 34 individual markets

2.3 GLOBAL INDUSTRY PLAYERS

Top 5 wind turbine makers in added gigawatts in 2020



MARKET ANALYSIS

- 2020 saw a **53% growth compared to 2019** in global new wind power installations
- **Vestas has a strong global reach** as it operates in 34 individual country markets
- With the ambition to **lead the offshore wind industry**, Vestas acquired MHI Vestas Offshore Wind at the end of 2020

- **Chinese wind turbine companies** mostly operate on a **national level**
- Despite the Chinese firms **two of the top five by market share are Europeans, namely Vestas and Siemens Gamesa**

Favorable government policies and strong offshore potential could make wind energy an excellent alternative for Vietnam's growing energy needs



3.0 KEY FINDINGS



VIETNAM ENERGY SECTOR OPPORTUNITIES

01

Increasing electricity demand

The country's rapid growth resulted in strong electricity demand and is predicted to continue increasing

02

Vietnam's energy forecasts

Vietnam has ambitious goals for renewables capacity increase from 2021 to 2030 in its recent energy plan

03

Legislation stability

Extension of Feed-in Tariff (FiT) toward late 2023 to sustain wind growth

04

Offshore opportunity

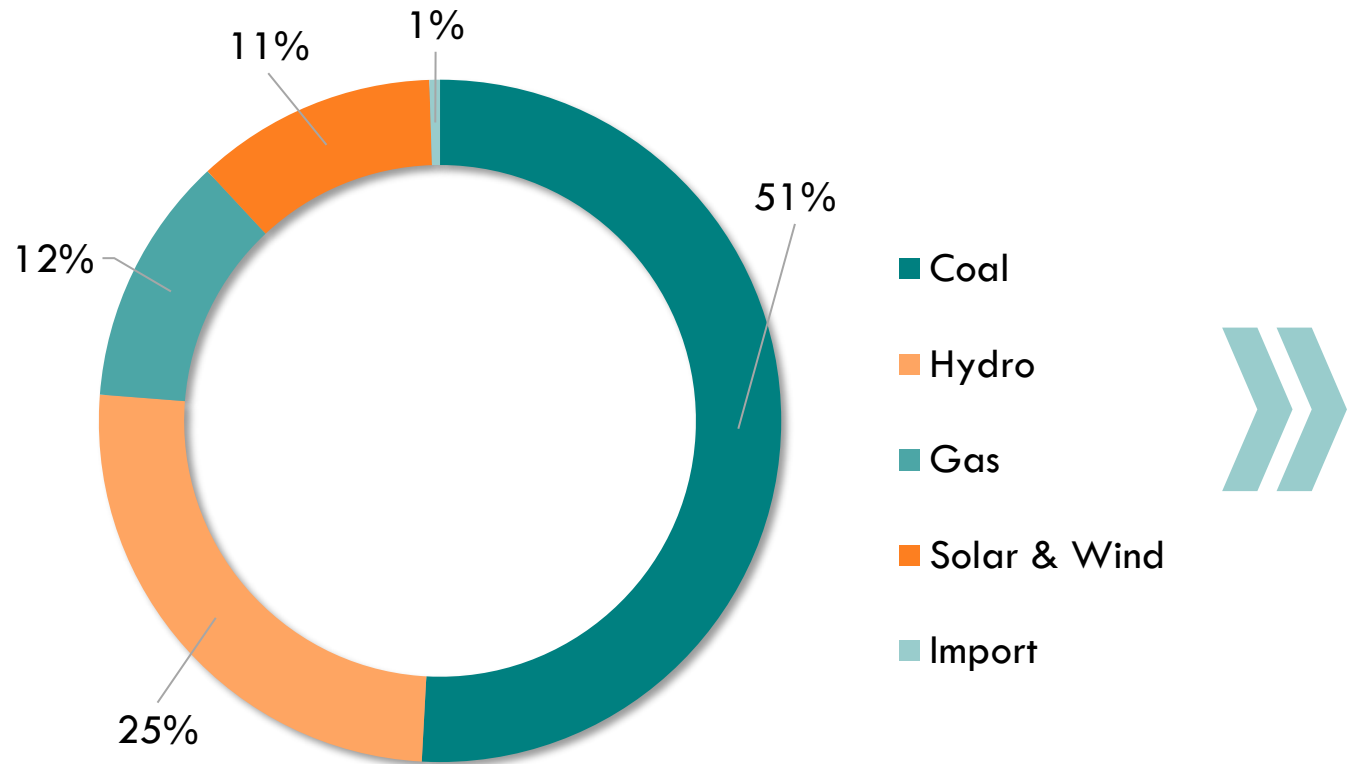
Wind offers Vietnam a scalable, clean, and affordable electricity source



Since 2018, solar has been supporting Vietnam's energy development; Wind energy has a lot of room to grow

3.1 VIETNAM'S PRESENT ENERGY SITUATION

 Share of power production and purchase as of the first 7 months into 2021



SECTOR ANALYSIS

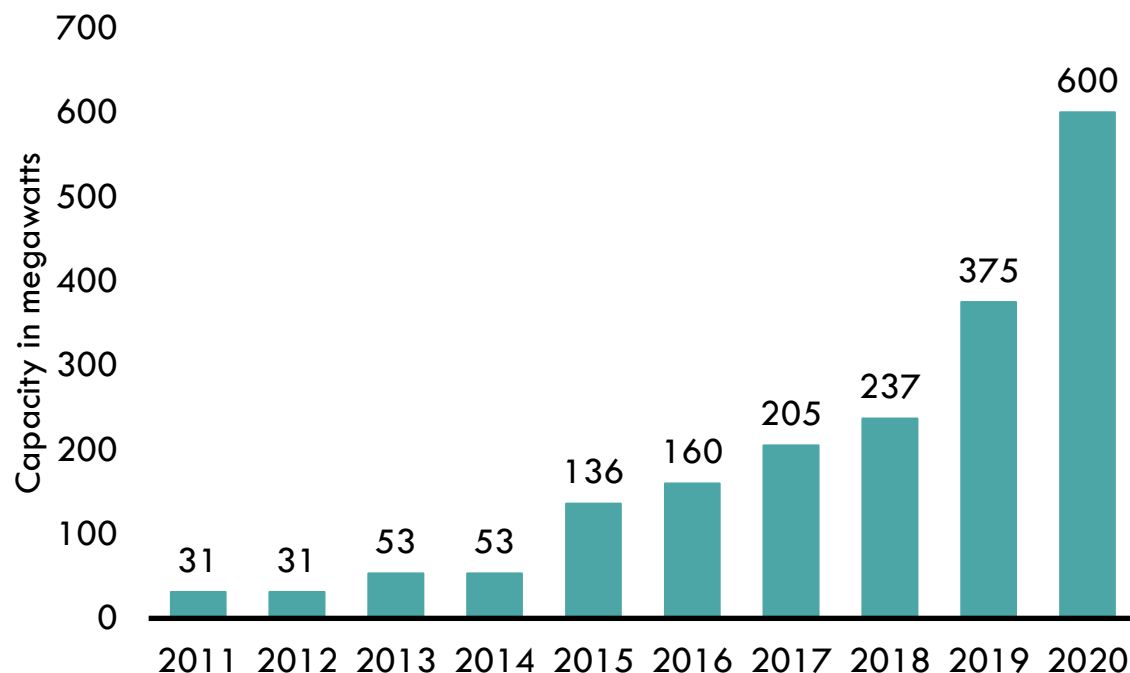
- Total **energy consumption** has increased at the rate of **10% per year** since 2010
- Vietnam has drastically **increased its renewables energy capacity** since 2018
- FDI accounted for 35% of this growth, often in **cooperation with Vietnamese companies**
- In the same period, more than **10 gigawatts of renewable capacity** was added
- Today, most of Vietnam's renewable capacity comes from solar and hydropower; **wind power adds up to 1% of the total energy capacity**



Wind energy production has radically been increasing in recent years and is set to continue this way as the government incentivizes investors and cost of production keeps going down

3.2 HISTORY OF THE WIND ENERGY SUB-SECTOR IN VIETNAM

 Total wind energy capacity in Vietnam 2011-2020



SECTOR ANALYSIS

- Vietnam's government created new opportunities for **private and foreign investment by allowing public-private partnerships (PPP)** in since January 2021
- Vietnam benefits from 3,000 kilometers of coastline
- A **shift towards renewables** was confirmed by the recent release of the Power Development Plan VIII (PDP8)

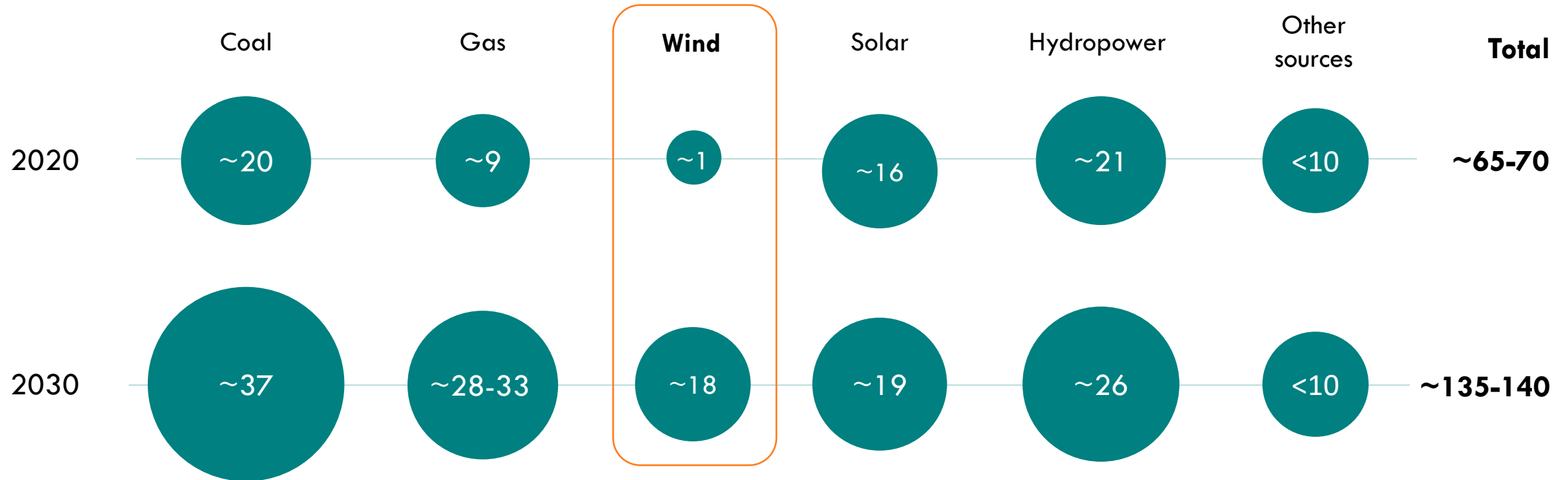
 The **costs for using wind power keeps going down** and is expected to decline by 17% to 35% by 2035

With Vietnam aiming to develop up to 18 gigawatts of wind power by 2030, wind producers should consider Vietnam as a viable option



3.3 VIETNAM'S PRESENT AND FUTURE OF THE ENERGY SECTOR

Power capacity 2020 to 2030 in gigawatts



- More and more **projects** are **demonstrating viability** as legislation support is increasing
- Public and private banks are quite determined to **finance renewables projects** with reasonable interests



Vietnam's latest power development plan focuses on expanding renewable sources and aims at improving grid infrastructures

3.4 PROPOSED GOVERNMENT STRATEGIES

Grid infrastructure investments for the period from 2021 to 2030

Resolution 55

25-30% renewables ratio by 2045 prioritizing the development of the offshore wind sector

Electricity distribution

EVN (state-owned) currently has a monopoly over transmission, storage and distribution

Grid investment

By 2030, Vietnam seeks to attract up to \$32bn USD in grid infrastructure investments



Vietnam's government policies allow for **greater foreign company investment** and collaboration in the energy sector

Vietnam's recent power development plan



Recent legislation

- Prioritizes grid development
- Aim at reducing grid congestion and integrate renewables



Power mix

- The government aims at a reduction to 18% for the share of coal in the power mix by 2045



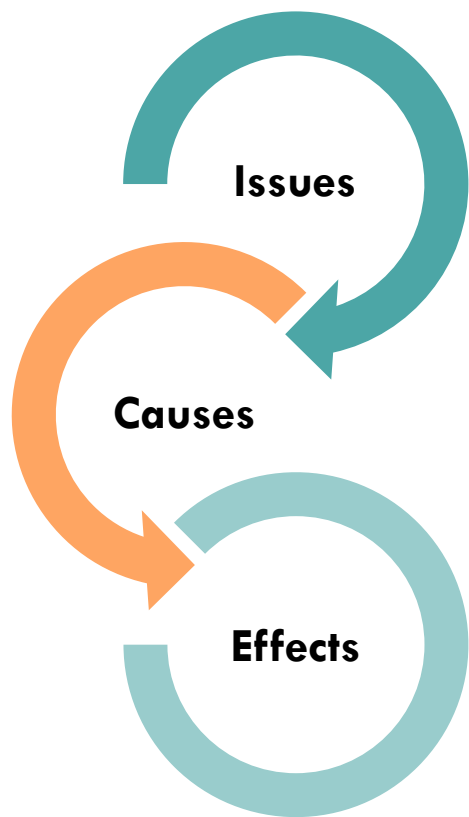
Wind-power development

- Feed-in Tariff (FiT) that offers various tax exemptions to reduce investment risks



The country needs new distribution infrastructure, more government incentives and fewer administrative obstacles to accommodate additional power capacity

3.5 ISSUES, CAUSES AND EFFECTS



1. Poor energy resources management

- Inadequate infrastructure
- Underdeveloped supporting industries

2. Lack of funding

- Private and government funding
- Lack of qualified people to work in the sector

3. Projects are delayed as a result a complex regulatory environment

- Uncertainty about future energy prices
- Poor supporting industry



Bureaucracy is complicated in Vietnam, and you need good relationships to get things done”
Linh Nguyen, Ogilvy

» Vietnam needs to take care of its internal energy infrastructures before solely focusing on the production of wind turbines

European companies should consolidate their partnerships and leverage Vietnamese firms to benefit from the country's advantageous renewable energy opportunity



4.0 KEY FINDINGS



FINAL RECOMMENDATIONS

01

Vietnam's wind ambitions

Vietnam plans to focus on renewables and has a large underutilized natural coastline

02

EU's technological advantage

European companies enjoys distinctive technological abilities in wind power technology

03

Europe's market leadership

Global offshore wind market is dominated by EU players that have a technological advantage

04

Energy sector's opportunities

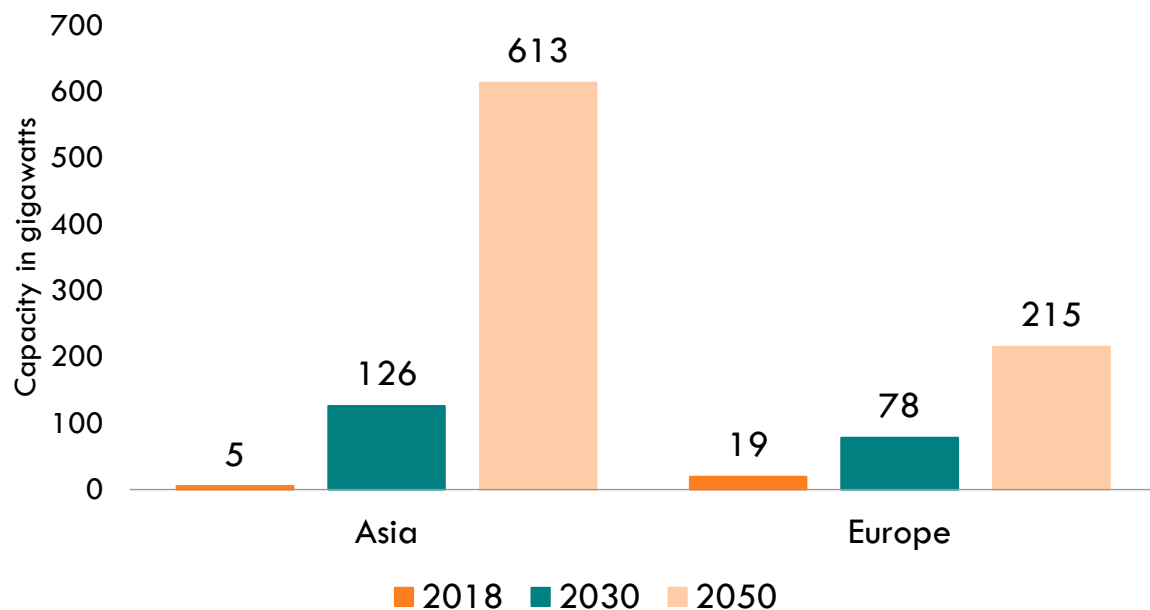
European presence should be consolidated and expanded to answer Vietnam's growing energy need



Europe has the advantage of being market leader in offshore wind capacity installed in terms of market shares; tremendous growth is forecasted in Asia

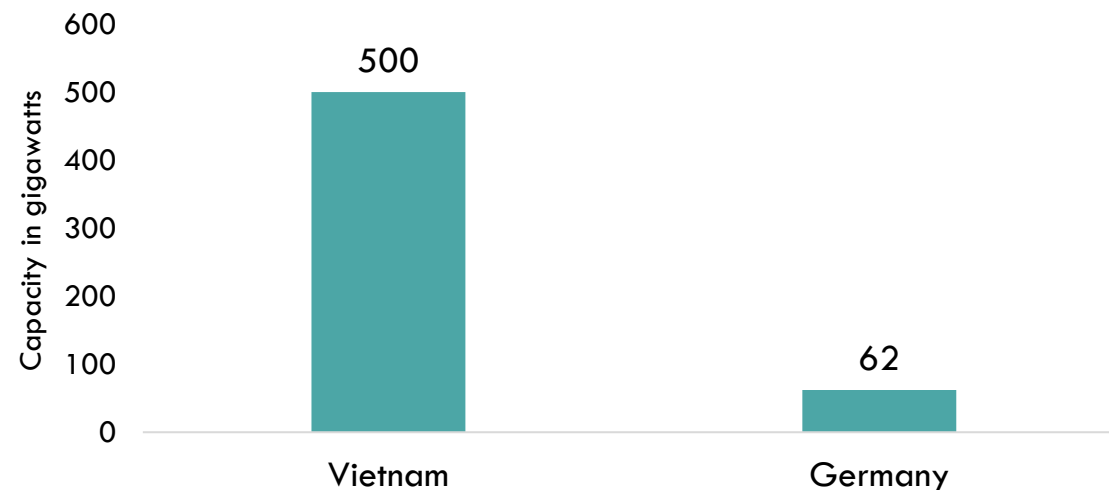
4.1 GLOBAL OPPORTUNITIES AND EUROPE'S MARKET LEADERSHIP

Global offshore wind installed capacity forecast by region 2050



Europe is currently the leading region in offshore wind capacity worldwide, however, **Asia is expected to greatly surpass Europe in the upcoming decades**

Germany's current wind capacity compared to Vietnam's offshore potential



"Vietnam's new plan for the future of energy aims towards more sustainable developments"
Linh Nguyen, Ogilvy



The EU is a global leader in offshore renewable energy with a rich internal market, superior technology and great manufacturing abilities

4.2 EUROPE'S TECHNOLOGICAL ADVANTAGE

First-mover advantage

- Bottom-fixed wind turbines
- In 2019, Europe produced 93% of the installed offshore capacity in the world



Emerging technology

- Floating wind turbine technology
- Ocean technology savvy
- Study of wave and tide



EU27 offshore wind market

- Accounts for 42% (12 GW) of the global market



Cost of maintenance

- Owners tend to opt for technology with a track record of reliability



- The European offshore renewable energy production sector is a **technological leader** with significant potential to support the growth of clean energy production around the world
- European manufacturers need to focus on **technological innovation, particularly in offshore wind where they maintain a clear lead**



Vietnam’s plan to focus on renewable energy capacity and promising economical situation creates valuable opportunities for wind investors and developers

4.3 POTENTIAL EU INVESTORS



1st in installed offshore wind turbines in Europe in 2020:

- Taiwan’s first locally-assembled offshore wind turbine nacelle, August 2021
- Siemens Gamesa could partner with TRUNGNAM Group

2nd installed offshore wind turbines in Europe in 2020:

- Hoa Binh Wind Farm (OFFSHORE) – strengthen partnership with PHUONG Group
- Vestas could supply more projects for the Phuong Group



KEY TAKE AWAYS FOR INVESTORS

- European companies should establish **partnerships with local entities**
- **Local Vietnamese companies** have specific knowledge in the energy market
- EU companies should **consolidate their presence** in the Vietnamese market for offshore wind manufacturing

“Local partners are key elements in a good market strategy”

Tan Nguyen, TBWA group



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Valuable opportunities which positively contribute towards SDGs were identified within all three sectors; in order to generate profit, it is crucial to validate the findings and to act

CONCLUSION AND OUTLOOK



CONCLUSION AND OUTLOOK

01

Potential identified

“Green light” for investments within all three sectors

02

Promising EU investors

Several potential EU investors are existent to strengthen Vietnam’s sectors

03

Next steps planned

Concrete actions e.g., talking to further sector experts need to be taken to realize the potential

04

Positive impact on SDGs

The proposed initiatives help to work on several SDGs

All analyzed infrastructure sectors within Vietnam offer promising investment or expansion opportunities for European companies

CONCLUSIONS PER SECTOR

Transport



Opportunity evaluation



- Vietnam is open for FDI and foreign support within its transport infrastructure sector
- EU companies as international sector leaders can act as perfect partners

Identified EU partners



ICT



- The ICT sector is one of Vietnam's key priorities; however, its development is hampered by insufficient technical capabilities
- European solutions can be the perfect match, especially in the enterprise software market



Energy



- Vietnam encourages projects and partnerships in the energy sector, particularly for renewables
- Europe's technological advantage and sector expertise can make for excellent business relationships



The proposed initiatives mainly help to work on SDGs #7, #8 and #9, but moreover also touch #1, #4, #11 and #17

IMPACT ON SUSTAINABLE DEVELOPMENT GOALS



#7 – “Ensure access to affordable, reliable, sustainable and modern energy for all”

- Increase of share of sustainable energy production through increased use of wind turbines
- Higher independence, autonomy and reliability due to locally produced energy



#8 – “Promote sustained, inclusive and sustainable economic growth, full and productive employment”

- Long-term increase in work opportunities in several sectors with high growth potential
- Recreation of GDP after the pandemic



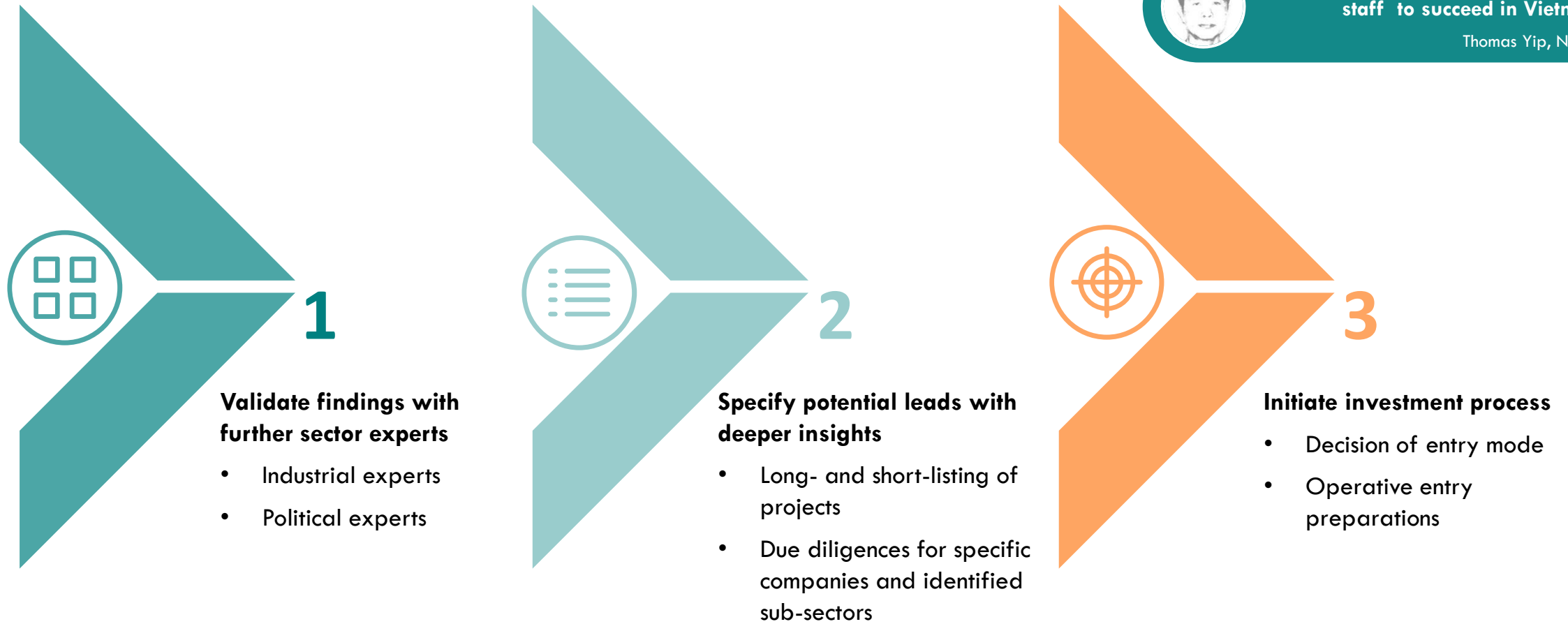
#9 – “Build resilient infrastructure, promote inclusive and sustainable industrialization”

- Enhancement of intra-country connectivity helps to reduce poverty and inequality
- Industrialization in ICT sector leads away from production sector to potential for service sector

Following SDGs are also touched by the proposed initiatives: #1, #4, #11 and #17

The presented findings need to be further validated, leads must be qualified and after this the remaining investment targets can be specifically analyzed for entry opportunities

NEXT STEPS



The presented findings might be affected by various limitations due to existing data and methodology constraints

RESEARCH LIMITATIONS



Market and Industry Selection

Decision of **choosing Vietnam as target country might be biased** by:

- Limiting the number of variables analyzed
- Potentially poor weighting



Sector Deep-Dive: Transport

- The overall focus on **transport infrastructure in general, limited** more detailed **deep-dives on most promising transportation modes**, e.g., roads
- To date, **little empirical data** on utilization and legal interpretation of **PPP legislation**, which is an **important legal framework** for potential EU investors



Sector Deep-Dive: ICT

- The **size of the ICT sector forced to focus on a specific sub-sector**, potentially eliminating other high potential investment fields
- **Data limitation** enabled the **analysis on Vietnam's ICT growth rates only until 2016**; however, based on conducted expert interviews and governmental papers the implications are still valid today



Sector Deep-Dive: Energy

- The **numerous subsectors of the energy sector** drove us to **aim attention at only one specific sub-sector**, therefore eliminating other potential investment areas
- Proposed investment opportunities are **mostly dependent on the Vietnam's own responsibility** to go forward with its **forecasted energy mix transformation**

APPENDICES

A photograph of a person from behind, wearing a traditional conical hat and a checkered shirt, carrying a tray on their head. They are walking on a busy street in Vietnam, with many motorbikes and a Vietnamese flag visible in the background. A semi-transparent teal overlay covers the top half of the image, containing the word 'APPENDICES' in white capital letters.

Appendix 2: Variables justification

Market size

- Total population ages 15-64
- Urban population (% of total population)
- Life expectancy at birth

➤ Predicting middle-class growth and understanding how fast demographic changes are happening is done through the investigation of the actual state of the population

Market receptivity

- Trade % GDP
- Merchandise trade (% of GDP)
- GDP per capita (current US\$)

➤ Countries' abilities to trade are important to understand purchasing power and countries' wealth; furthermore GDP per capita is an important indicator to evaluate a country's wealth

Market growth rate

- Urban population growth (annual %)
- GDP per capita growth (annual %)

➤ These variables are based upon velocity of growth and change; helps to understand to what extent and how fast countries are growing and predict future purchasing power

Economic freedom

- Economic freedom
- Tariff rate

➤ To be able to operate in a foreign country and easily enter a new market, risks of economic drawbacks need to be avoided; tariff rates indicate how open to foreign investments a country really is

Ease of doing business

- Starting a business score
- Ease of paying taxes score
- Ease of registering property score
- Ease of trading across borders score
- Ease of enforcing contracts score

➤ These criteria indicate how friendly countries are regarding regulations and regulatory performance for doing business; ease of doing business is the annual ranking measuring business regulations issued by the World Bank

Appendix 3: In-depth PESTEL-analysis

P Political	E Economic	S Social	T Technological	L Legal	E Environmental
<ul style="list-style-type: none"> • One-party system led by the Socialist Communist party • President Nguyen Xuân Phúc serves as head of the party and state since April 2021 • Execution of a socialist philosophy for political matters & a capital ideology for economical ones • OECD ranks Vietnam as medium political risk (4/7) • Outstanding Covid crisis handling with lowest case numbers among whole Asia • Diplomatic relations with over 178 countries in the world (e.g., WTO, APEC forum, ASEAN, UN) • Signed the BTA with the US in 2000 despite their conflicting history • Ranked 104/180 by the Corruption Perception Index indicating severe corruption problems • Communist party controls social media platforms, journalist and media 	<ul style="list-style-type: none"> • GDP (current USD, 2020) \$271.158bn USD, 43rd world's highest • Represents the fourth-biggest economy in South-East Asia based on GDP • Per capita income (current USD, 2020) 2.785, ranked 115th in the world • Corporate tax rate of 25%, for oil and gas companies ranges from 32% to 50% • Tax incentives, subsidies for electricity & priority access to critical infrastructure • From 2009-2019: jump among 50 countries ranked by the WTO per merchandise volume, climbing 16 rungs up to #23 • Ranked as most desired M&A destination in 2021 • Attractive for FDI due to low unit labor costs, strategic location & political stability 	<ul style="list-style-type: none"> • 97 million inhabitants (26 million more than Thailand) • Urban population ~30%, rural population ~70% • Majority (73%) does not believe in any religion • Vietnamese as official language • Exponential growth of the middle class, predicted to reach 26% by 2026 • Increasingly aging population, by 2050 more people over 60, than between 15-59 years • With a literacy rate of 95% among the countries with the highest rate in Asia Pacific • Social life is marked by the principles of Confucianism and Collectivism • Hierarchical structures based on age and status • Strong national pride and demand for local products • Gini Index of 35,7 indicates a fair distribution of income 	<ul style="list-style-type: none"> • Households with internet access (2020): 70,29% • Development of tech workforce & low-cost policies to attract FI and start-up culture • 58,000 digital technology enterprises in operation, in 2020 foundation of 13,000 new technology companies • Hosts on of the world's fastest growing telecommunication markets • Technological advancement as key priority of Vietnam to climb up the value chain • Lack of skilled professional workforce • Issued "National Digital Transformation Program" supporting their digital economy which already accounts for 20% of GDP 	<ul style="list-style-type: none"> • The legal landscape underlies a socialist legality • National Assembly of Vietnam introduced new labor laws in 2019 • Ranks at 64 for registering property, 68 for enforcing contracts and 122 at resolving insolvencies from a total of 190 countries • Allows and encourages FDI (e.g., limited liability company foundation) • Legal framework for investment is comprised of the Law on Enterprises and the Law on Investment, collectively regulating both domestic & foreign investment 	<ul style="list-style-type: none"> • Environmental problems: air and water pollution, high risk of natural disasters such as floods or typhoons, volcanic eruptions • Active integration of a 2030 sustainability Agenda and SDGs in Vietnam: e.g., foundation of a legal system on natural resource management & environmental protection • 8th world's heritage sites of UNESCO • Highly attractive for tourism (18m annual visitors) playing a significant role in shifting the country from an agrarian to a service industry • Blessed by great ecological & hydrological diversity • Comprises equatorial flatlands, temperate uplands, and cooler alpine areas • Stretches over 1600km

Appendix 4: Interview partner overview



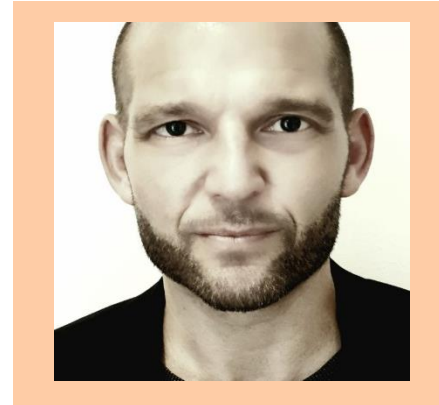
Tan Nguyen
CEO
at TBWA Group



Thomas Yip
Area Director
at NAPA



Kaia Ostonen
Head of Global Business
Development at Nokia
Networks



Thorsten Orth
Managing Partner at
Ogilvy



Linh Nguyen
Managing Director at
Ogilvy



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A photograph of a person from behind, wearing a traditional conical hat and a checkered shirt, carrying a tray on their head. They are walking on a busy street with many people and motorcycles. A semi-transparent teal overlay is on the left side of the image, containing the word 'REFERENCES' in white capital letters.

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