



Hanoi, 29.9.2021

## VIETNAM Business & Innovation News (July-Sept. 2021)

### General information for foreign investors and businesspeople interested in Vietnam

Among all the investment incentives being offered, **tax incentives** are considered to be the most prominent feature of the Vietnamese business landscape.

<https://news.bloombergtax.com/daily-tax-report-international/incentives-for-foreign-investors-in-vietnam>

Source: *Bloombergtax* 30.7.2021

Tax Implications Applied To the Foreign Contractor Carrying Out the **Engineering, Procurement and Construction Contract (EPC Contract) in Vietnam**

[https://www.lexology.com/library/detail.aspx?g=0ba10d6b-1528-4d3d-bf22-e0502fb7793b&utm\\_source=Lexology+Daily+Newsfeed&utm\\_medium=HTML+email+-+Body+-+General+section&utm\\_campaign=Lexology+subscriber+daily+feed&utm\\_content=Lexology+Daily+Newsfeed+2021-08-13&utm\\_term=](https://www.lexology.com/library/detail.aspx?g=0ba10d6b-1528-4d3d-bf22-e0502fb7793b&utm_source=Lexology+Daily+Newsfeed&utm_medium=HTML+email+-+Body+-+General+section&utm_campaign=Lexology+subscriber+daily+feed&utm_content=Lexology+Daily+Newsfeed+2021-08-13&utm_term=)

Source: *Lexology* 10.8.2021

### **Overview of foreign contractor tax in Vietnam**

[https://www.lexology.com/library/detail.aspx?g=b8a6e062-20b9-45e5-9224-b5fc37e0dfe6&utm\\_source=Lexology+Daily+Newsfeed&utm\\_medium=HTML+email&utm\\_campaign=Lexology+subscriber+daily+feed&utm\\_content=Lexology+Daily+Newsfeed+2021-09-09&utm\\_term=](https://www.lexology.com/library/detail.aspx?g=b8a6e062-20b9-45e5-9224-b5fc37e0dfe6&utm_source=Lexology+Daily+Newsfeed&utm_medium=HTML+email&utm_campaign=Lexology+subscriber+daily+feed&utm_content=Lexology+Daily+Newsfeed+2021-09-09&utm_term=)

Source: *Lexology* 3.9.2021

Importing and exporting products can be a challenge for businesses in Vietnam. Here is a general **guide for import and export procedures in Vietnam**, including registration, license permit requirements, customs procedures, and duties applied

<https://www.vietnam-briefing.com/news/a-guide-to-import-and-export-procedures-vietnam.html/>

Source: *Vietnam Briefing* 9.9.2021

The Asian Development Bank (ADB) has adjusted down its **forecast of Vietnam's gross domestic product (GDP) growth in 2021** to 3.8 per cent from the previous estimate of 5.8 per cent in July. Vietnam's economic growth picked up in the first half of 2021 largely because of higher trade volumes, but a resurgence of the Covid-19 pandemic that started in late April has tightened the country's labor market, lowered industrial output, and disrupted its agricultural value chains

[https://www.thestar.com.my/aseanplus/aseanplus-news/2021/09/22/adb-lowers-vietnam039s-economic-growth-forecast-to-38-in-2021#:~:text=HANOI%20\(Xinhua\)%3A%20The%20Asian,5.8%20per%20cent%20in%20July.&text=A%20target%20of%20around%206.by%20the%20country%27s%20top%20legislature.](https://www.thestar.com.my/aseanplus/aseanplus-news/2021/09/22/adb-lowers-vietnam039s-economic-growth-forecast-to-38-in-2021#:~:text=HANOI%20(Xinhua)%3A%20The%20Asian,5.8%20per%20cent%20in%20July.&text=A%20target%20of%20around%206.by%20the%20country%27s%20top%20legislature.)

Source: *The star* 22.9.2021

### New legislation

The Ministry of Public Security's **draft decree on personal data protection** is expected to impact the free flow of data once it takes effect in December. Foreign firms need to prepare accordingly.

<https://vir.com.vn/planning-crucial-for-personal-data-protection-overhaul-87699.html>

Source: *Vietnam Investment Review* 19.9.2021

Resolution 105/NQ-CP was issued on September 9. Immediately in effect, it aims at **supporting businesses affected by COVID-19**. One significant development is the easing of regulations for issuing, extending and certification of **work permits for foreign workers in Vietnam**.

<https://www.vietnam-briefing.com/news/vietnam-issues-resolution-supporting-businesses-affected-by-covid-19-resolution-105.html/>

Source: Vietnam Briefing 21.9.2021

### Manufacturing Industry

Vietnam's **electronics** industry, an increasingly important sector of the country's economy, continues to grow despite the negative impact of the COVID-19 pandemic.

<https://thediplomat.com/2021/08/despite-covid-19-vietnams-electronics-industry-has-room-to-grow/>

Source: The Diplomat 20.8.2021

Vietnam is a major producer of Robusta, the bitter tasting bean used in instant coffee and some espresso blends. The lockdown in Ho Chi Minh City and neighboring provinces due to covid-19 outbreak has added to concerns over global supplies of **coffee**.

<https://www.bbc.com/news/business-58380797>

Source: BBC 30.8.2021

Nike said that global supply chain congestion is hurting the business more than it previously anticipated. The sneaker giant lowered its fiscal 2022 outlook to account for longer transit times, labor shortages and prolonged production shutdowns in Vietnam.

<https://www.cnbc.com/2021/09/23/nike-nke-q1-2022-earnings.html>

Source: CNBC 23.9.2021

Vietnam plans to ease coronavirus curbs and allow businesses to restart production by end of September to prop up an economy which has suffered under lengthy lockdowns, Prime Minister Pham Minh Chinh said on Saturday.

<https://www.reuters.com/world/asia-pacific/vietnam-relax-covid-19-restrictions-revive-pandemic-hit-economy-2021-09-25/>

Source: Reuters 25.9.2021

### Infrastructure

Vietnamese Government's efforts to De-carbonize the Country are visible in the **new national Power Development Planning VIII** ("PDP8"). The focus continues to be on investments in transmission grid and generation sources (including RE sources) to meet the growing demand on energy.

[https://www.lexology.com/library/detail.aspx?q=bc1e7825-807e-4a23-b7bf-a3429e350f26&utm\\_source=Lexology+Daily+Newsfeed&utm\\_medium=HTML+email+-+Body+-+General+section&utm\\_campaign=Lexology+subscriber+daily+feed&utm\\_content=Lexology+Daily+Newsfeed+2021-09-07&utm\\_term=](https://www.lexology.com/library/detail.aspx?q=bc1e7825-807e-4a23-b7bf-a3429e350f26&utm_source=Lexology+Daily+Newsfeed&utm_medium=HTML+email+-+Body+-+General+section&utm_campaign=Lexology+subscriber+daily+feed&utm_content=Lexology+Daily+Newsfeed+2021-09-07&utm_term=)

Source: Lexology 6.9.2021

### Banking and e-economy

Vietnam pledges not to devalue currency in **agreement with U.S. Treasury**

<https://www.investing.com/news/forex-news/us-vietnam-reach-agreement-on-currency-treasury-2561594>

Source: Investing 19.7.2021

### Swiss companies in Vietnam

**Swiss Post Solutions (SPS) Vietnam Ltd**, part of the Swiss Post Group headquartered in Bern, Switzerland, with over 1,600 employees mostly working from home at present, has been maintaining data processing services for its clients in Europe and the U.S. It has got three new projects regardless of COVID-19, raising its total current projects to 42.

Source: Bao Chinh Phu Jul 29

### **DKSH Helps Vietnamese Consumers Approach More Int'l Products**

With its broad networks and long experience, DKSH Pharma Vietnam has helped Vietnamese consumers get access to more products of international brands, local media reported.

DKSH has cooperated with Japan's FUMAKILLA Limited to promote FUMAKILLA products in Vietnam since 2005. It has offered business solutions to U.S. pet care provider Mars Petcare, which helped put products of the U.S. company on shelves at over 3,200 pet care stores across Vietnam. Over the past 30 years, DKSH Vietnam has opened 18 representative offices, and six distribution centers. It currently houses 4,700 employees and 325 brands and serves over 190,000 businesses in Vietnam.

*Source: VietnamNet Jul 21*

### **Nestlé to Invest Additional \$130M in Vietnam in Next 2 Years**

Swiss multinational food and beverage company Nestlé will pour an additional \$130 million in Vietnam in the next two years, raising its total investment in the Southeast Asian nation to \$730 million, said Chief Executive Officer and Managing Director Binu Jacob at Nestlé Vietnam on September 9.

The fresh investment will be used to double the production capacity of instant coffee for export and expand its decaffeinated coffee plant in southern Dong Nai province, with a view to making it the biggest of its kind run by Nestlé in the world, the executive informed.

In addition, the firm sets a goal of turning its facility of Maggi liquid sauces products into a dedicated center for the manufacturing of liquid cooking products in Asia and Australia. It will invest in producing super-premium freeze-dried coffee for export to Japan.

Within the next two years, Nestlé will ramp up production at its Nescafé Dolce Gusto capsules plant for worldwide export.

Nestlé has six plants in Vietnam with a total investment of over \$600 million.

*Source: Kinh Te Chung Khoan Sep 9*