Manufacturing & Supply Chain in Vietnam Industry Report

Navigating Through Trade Crosswinds.

2025 - 2026

vietnam.acclime.com

ACCLIME. BW INDUSTRIAL

PREFACE.

In a world increasingly shaped by economic fragmentation, shifting trade alliances, and rising geopolitical tensions, global manufacturers are under growing pressure to reconsider where and how they operate. Tariff tensions, export restrictions, and supply chain disruptions challenge long-standing assumptions about cost efficiency, scale, and operational stability. The global manufacturing map is being redrawn with unprecedented speed and complexity.

Vietnam has emerged as one of the most notable beneficiaries of this realignment. Its strategic neutrality, diversified trade relationships, and openness to investment have enabled the country to capture significant production shifts, particularly from companies seeking alternatives to China. A competitive workforce, modern infrastructure, and expanding export capacity have helped Vietnam move beyond its legacy as an affordable production base to become a dynamic, potential manufacturing hub. 2025 marks a pivotal moment in Vietnam's industrial development with many notable events such as the landmark governance reform that merged Vietnam's 63 provinces into 34 provinces in July 2025, many important laws being passed, and most recently the trade agreement between Vietnam and the United States.

Amid the backdrop of global supply chain shifts, Acclime is pleased to collaborate with BW Industrial to release the industry report: "Vietnam's Manufacturing & Supply Chain Industry Report: Navigating Through Trade Crosswinds." This report is designed to support manufacturers and foreign investors in their strategic decision-making by providing a practical, research-based view of Vietnam's evolving industrial environment. With insights from sector experts and on-the-ground practitioners, it goes beyond data to examine the structural shifts reshaping Vietnam's role in global manufacturing: tariff implications, localization trends, ESG compliance in manufacturing, high-value sector growth, and evolving regulatory frameworks.

Through nine chapters, the report explores core areas of investor interest, from infrastructure development to emerging supply chain strategies and regulatory frameworks. Lastly, it poses one central question for global businesses evaluating their manufacturing footprint: Why Vietnam?

What emerges throughout is a picture of a country not rising by accident, but by design through consistent policy direction, regulatory modernization, and long-term investment in competitiveness. At a time when diversification, transparency, and geopolitical risk mitigation matter as much as cost, Vietnam offers a rare combination of access, adaptability, and strategic balance.

Contents.

Tapping into Vietnam's Manufacturing ecosystem: The Next Growth Frontier.

As Vietnam continues to refine its business support policies and invest in cutting-edge industries, its trajectory as a regional manufacturing hub is unmistakable. No longer just an alternative to China, Vietnam is carving its own path, driving innovation and attracting the world's attention as a manufacturing powerhouse of the future.

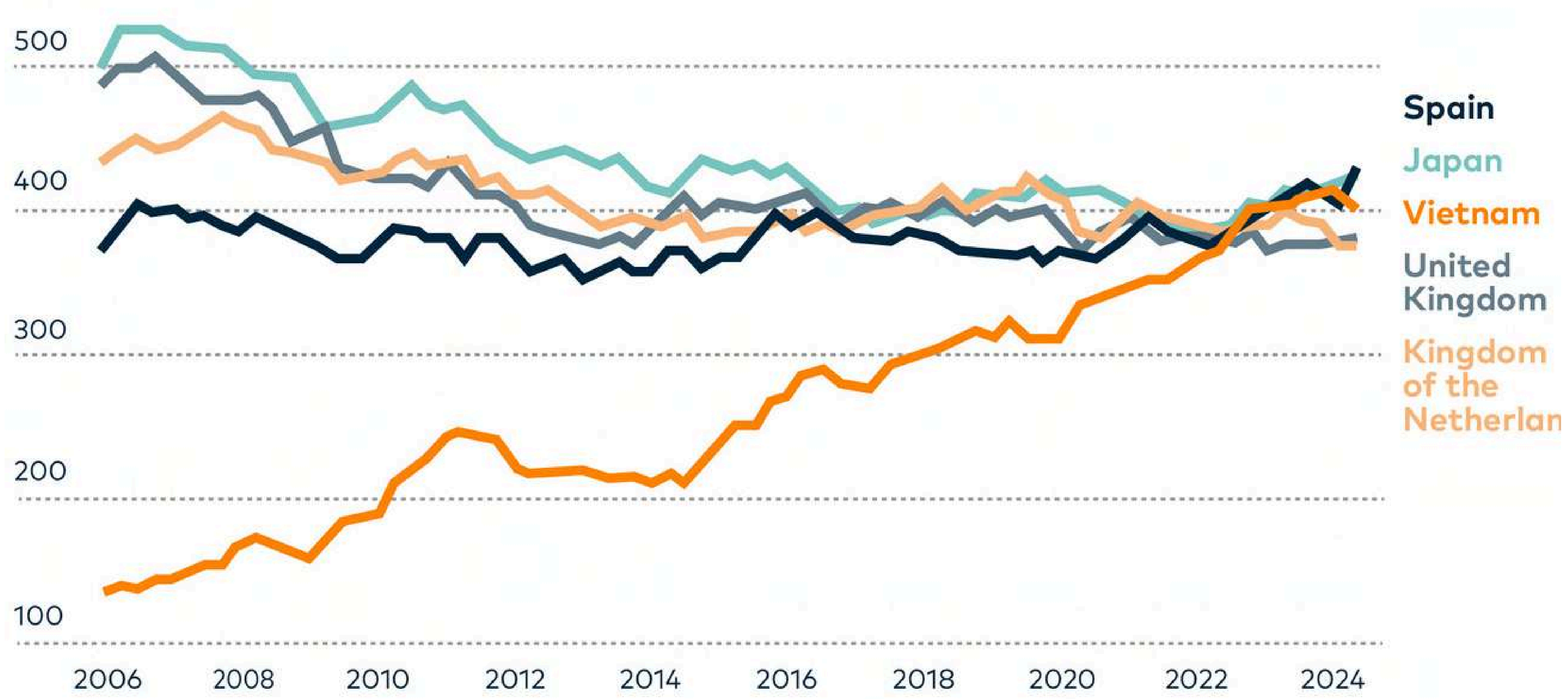
Vietnam. A strategic magnet for global manufacturers.

In recent decades, Vietnam has emerged as a dynamic force in global manufacturing, steadily positioning itself as a key regional hub. Since the first trade tension between the US and China, a wave of suppliers and multinational corporations have relocated production to Vietnam, drawn by its strategic advantages, cooperative international relations, robust economic growth, and progressive business policies. The country is no longer a hidden gem but a rising star in the global spotlight, with its government strategically steering the country toward high-value manufacturing industries.

One of Vietnam's most compelling assets for investors is its strategic geographic location. Positioned at the heart of Southeast Asia and sharing a long border with China, the world's leading manufacturing hub. This prime position allows companies to integrate seamlessly into Asia's supply chains while benefiting from cost-effective logistics. Vietnam's coastal access, with major ports like Hai Phong and Da Nang, further enhances its appeal as a hub for exporting goods worldwide.

According to the Liner Shipping Connectivity Index (LSCI), a global benchmark measuring integration into the container shipping network. Since 2006, Vietnam has recorded a remarkable 199% increase in connectivity, outpacing China (66%) and the Republic of Korea (50%). This demonstrates not only the country's commitment to infrastructure investment but also its growing capability to support large-scale manufacturing and export operations.

Figure 1: Top 6-10 economies in the Liner Shipping Connectivity Index

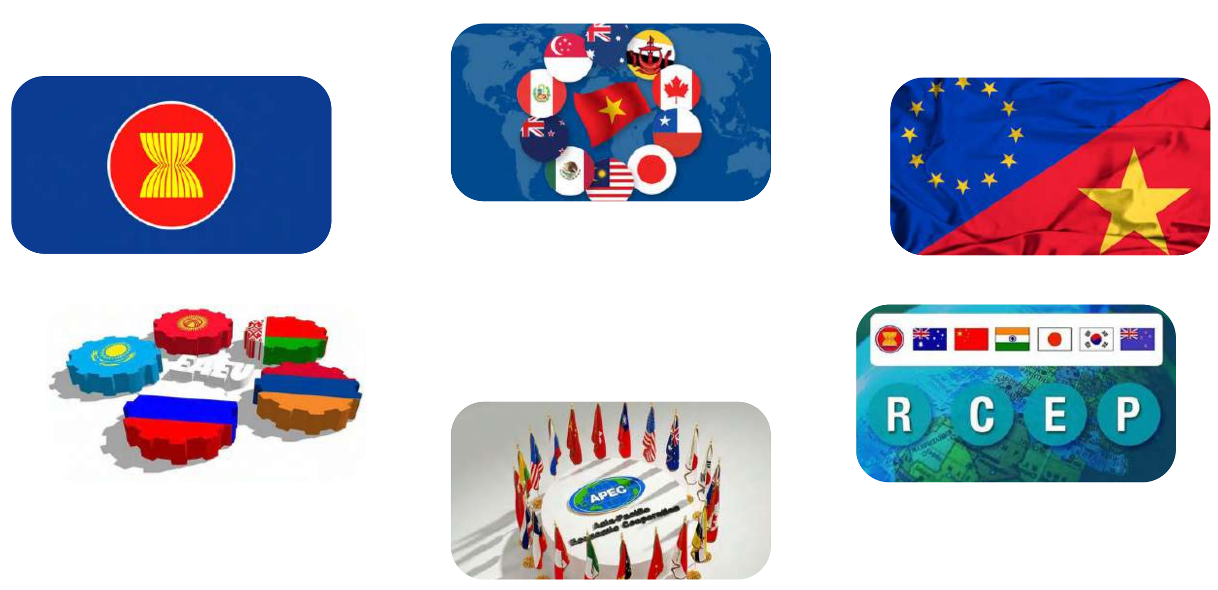


Source: Top 10 economies in the Liner Shipping Connectivity Index. | UNCTAD calculations, based on data provided by MDS Transmodal

*Note: Index is set at 100 for the average value of country connectivity in the first quarter of 2023

This strategic location has made Vietnam an ideal destination for companies diversifying their production bases away from China, particularly amid global supply chain disruptions and trade tensions.

Vietnam's cooperative relations with numerous countries have also played a pivotal role in its rise. The country has signed 17 FTAs, with additional agreements currently under negotiation, including those with major economies such as the European Union, the United States, and members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). These agreements reduce trade barriers, making Vietnam an attractive destination for foreign direct investment (FDI).



During the first six months of 2025, Vietnam attracted over US$21.5 billion in FDI, **marking a 32.6% increase** YoY. This diplomatic openness fosters a welcoming environment for global businesses seeking stable and cooperative partners.

Perhaps most crucially, the growing network of eco-industrial parks (EIPs) and economic zones, which are increasingly designed to meet global standards of sustainability, efficiency, and circular production. These zones - especially in industrial hubs like Ho Chi Minh City, Hanoi, Bac Ninh offer ready-built infrastructure, streamlined administrative procedures, and targeted government incentives tailored for foreign investors.

Additionally, Vietnam is transitioning from low-cost manufacturing to high-value industries. The government's focus on sectors like electronics, technology, and semiconductors is evident in its support for companies like Samsung, Intel, and LG, which have established major production facilities in the country. In 2024, Vietnam's electronics exports reached record highs with US$126.5 billion, underscoring its growing expertise in these fields.

> What's most exciting about Vietnam's manufacturing potential today is the convergence of two forces: the acceleration of supply chain diversification and the increasing shift away from transshipment strategies. As tariffs reshape global trade routes, more Chinese-linked supply chains are moving directly to Vietnam over the next decade.
>
> **Lance Li**
> CEO
> BW INDUSTRIAL

How is Vietnam's manufacturing sector weathering the storm?

Vietnam's manufacturing sector is well-positioned to weather the storm of global trade tariffs due to the government's proactive focus on industrial development and economic resilience. The Vietnamese government has prioritized manufacturing as a cornerstone of its economic strategy, introducing policies that foster a business-friendly environment.

Additionally, the government's commitment to free trade agreements has diversified Vietnam's export markets, reducing reliance on any single economy and mitigating the impact of tariffs. By fostering technological upgrades and workforce training, Vietnam is also transitioning toward higher-value manufacturing which strengthens its global competitiveness and cushions the blow of trade disruptions.

International investors remain optimistic about Vietnam's manufacturing potential, further bolstering its ability to navigate tariff challenges. Despite global uncertainties, Vietnam continues to attract significant FDI.

The positive attitude of international investors, coupled with Vietnam's proactive trade policies, creates a robust ecosystem that helps manufacturers adapt to tariff pressures by enhancing efficiency, exploring new markets, and leveraging Vietnam's growing reputation as a reliable global supplier.

> Despite the latest challenges, Vietnam's manufacturing remains a window of opportunity for investors. For example, FTAs provide Vietnam with preferential trade access to markets encompassing over 3.5 billion people, accounting for nearly half of the global population. This expansive reach significantly enhances Vietnam's export potential and attractiveness to foreign investors.
>
> With Vietnam's impressive growth rate and evolving development policies, we believe that the country's manufacturing sector will make significant strides in the future, reinforcing its vital position in the global supply chain.

Vlad Savin
Partner
ACCLIME

Vietnam's Economic Overview. A path to consistent growth.

Vietnam's multi-faceted strengths - rapid industrial growth, expansive trade access, resilient FDI inflows, rising innovation capacity, and improving productivity - form a compelling competitive edge in Southeast Asia.
As global investors and multinationals recalibrate supply chains and seek stable, high-growth environments, Vietnam is increasingly the destination of choice.

Macroeconomic performance and trends.

Amid the global headwinds, Vietnam's economy has shown resilience and balance, with growth expected to accelerate over the next five years. Its GDP is projected to grow at least 5.8% in 2025 by World Bank, propelled by domestic tailwinds. Despite the twin challenges of increased trade policy uncertainty and heightened financial volatility, Vietnam's economy is likely to continue growing at a stable growth.

Figure 2: Southeast Asia country forecasts
(Real GDP growth at market prices in percent, unless indicated otherwise)

Country	2025F
	4%
	4.7%
	3.5%
	3.9%
	5.3%
	1.8%
	5.8%

Source: The Global Economic Prospects 2025 | World Bank

Country profile.

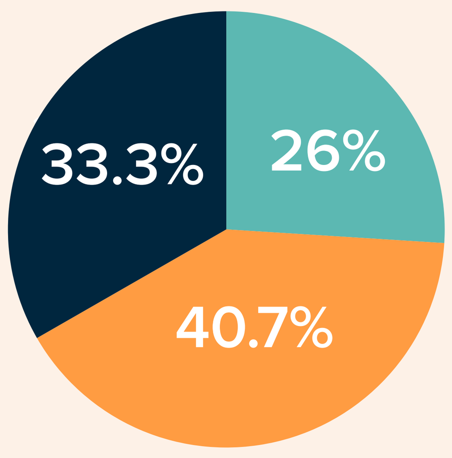
POPULATION (2025)

101.5 million people

♂ 49.9% ♀ 50.1%

52.9 million people is working force

LABOR DISTRIBUTION BY SECTORS (Q1, 2025)



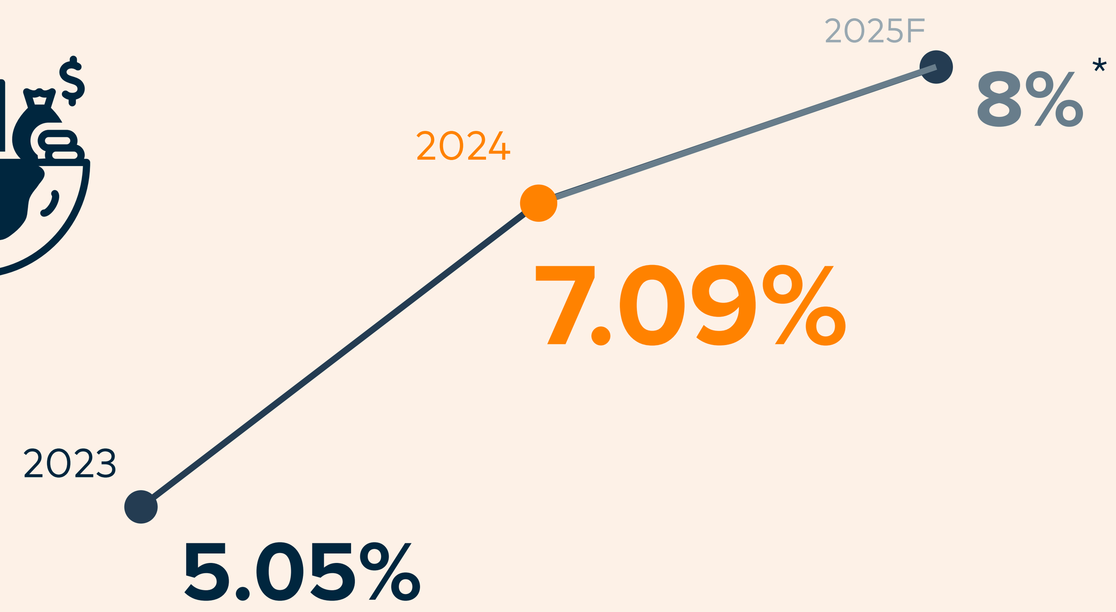
- The agriculture, forestry, and fishery sectors
- Services
- Industry & Construction

THE AVERAGE MONTHLY WAGE (Q1, 2025)

VND **8.3M** ≈ US$ **324.7**

*at the price rate of Mar, 31 2025

GDP GROWTH



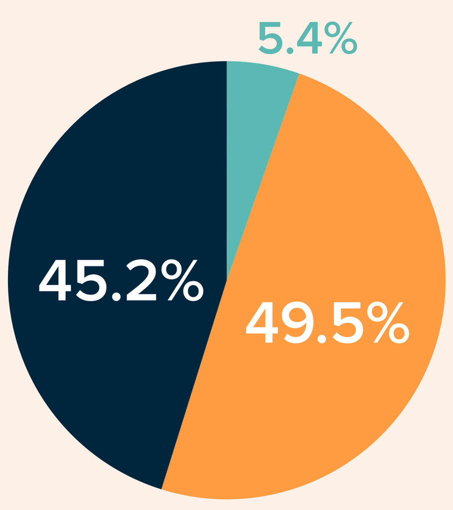
*Vietnam sets bold 8% GDP growth target for 2025

GDP PER CAPITA

US$ **4,700** in 2024

US$ **7,000 - 7,500** by 2030

GDP BY SECTOR



- The agriculture, forestry, and fishery sectors
- Services
- Industry & Construction

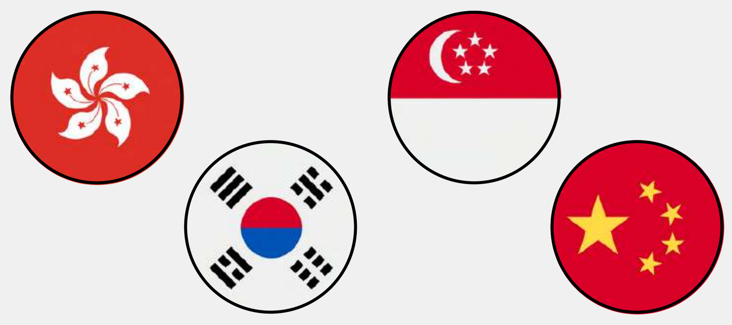
Note: All values are actual for 2024.
Source from Ministry Planning and Investment.

US$38.23 billion is total registered FDI in 2024, marking a 3% increase YoY

3,375 licenced projects ↑ 1.8% in number ↓ 7.6% in capital

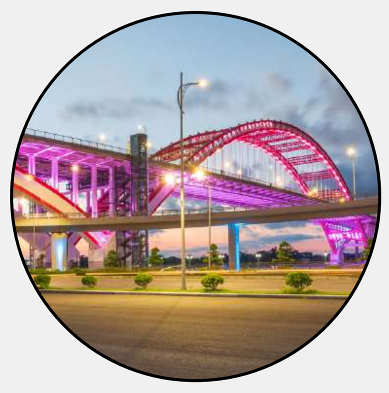
3 Key sectors
- Processing & Manufacturing
- Real Estate
- Power Production & Distribution

Leading investor countries



Top FDI destinations in Vietnam


Bac Ninh


Hai Phong


Ho Chi Minh City

Note: All values are actual for 2024. Source from Ministry Planning and Investment.

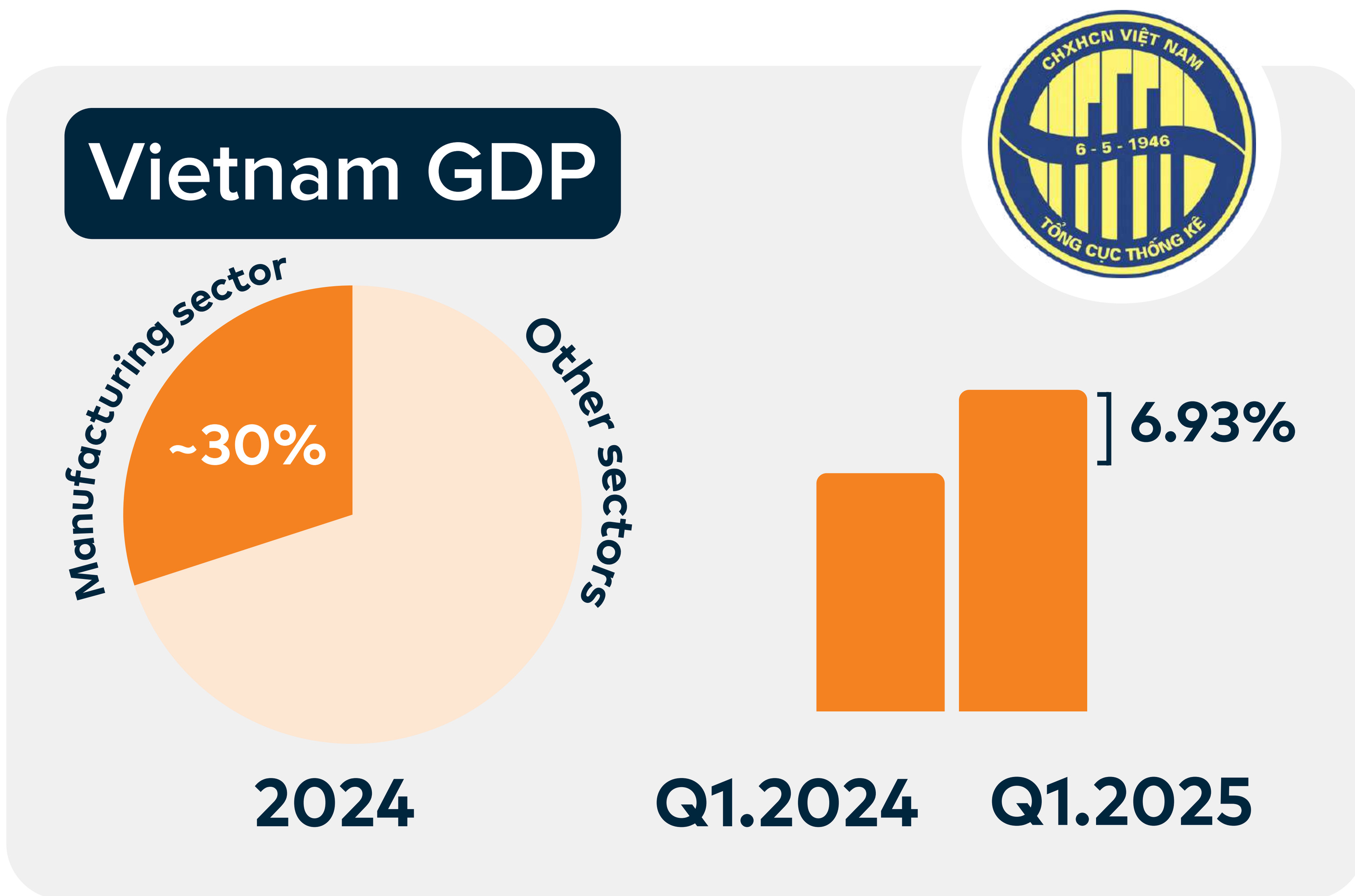
Vietnam's pathway to a high-income economy by 2045.

At the dawn of the 21st century, Vietnam was among the world's least affluent nations, with a per capita GDP of approximately US$499 in 2000, less than half of the Philippines' US$1,090 at the time. Over the subsequent decades, Vietnam has undergone remarkable economic advancement, achieving lower-middle-income status by 2009 as its real GDP per capita nearly doubled. By 2024, Vietnam's per capita GDP is estimated to reach US$4,700, surpassing Philippines' US$4,150. The nation has sustained an impressive average annual real GDP per capita growth rate of 6.52%, driven by sustained structural reforms, robust export performance, significant foreign investment, and resilience amid global economic challenges. The country's economy expanded nearly 106 times in size-from US$4.5 billion in 1986 to US$476.3 billion in 2024, ranking 33rd globally, with an average annual growth rate of approximately 6.67%, placing it among the fastest-growing economies worldwide.

> Vietnam's goal to become a high-income economy by 2045 is more than just a long-term ambition, it's a strategic roadmap for national development. It reflects a commitment to deep reforms, faster digital transformation, and building a skilled workforce. To seize this opportunity, businesses should focus on boosting competitiveness, investing in innovation, and strengthening partnerships between the public and private sectors to ensure sustainable growth.
>
> **Thao Do**
> Partner
> ACCLIME.

Manufacturing. The backbone of Vietnam's economic growth.

Vietnam's manufacturing sector remains a cornerstone of the national economy, significantly contributing to nearly 30% of GDP in 2024 and expanding rapidly in the next few years. With an increasingly solid position in global supply chains, the sector's performance in the first quarter of 2025 demonstrates strong potential and resilience despite global economic uncertainties, with an impressive 6.93% YoY - the highest first-quarter growth rate in five years, according to the GSO.



Despite ongoing global economic challenges, Vietnam's industrial production has maintained strong momentum, it surged 9.2% in the first half of 2025, marking its strongest growth since 2020.

Transitioning into higher value-added manufacturing.

As Vietnam strengthened its integration into global value chains (GVCs), its export composition evolved significantly. Initially focused on agricultural and commodity exports in the 1990s, the country transitioned to low-tech light manufacturing in the 2000s. Over the past decade, Vietnam has progressively shifted toward more advanced high-tech exports, reflecting its growing economic sophistication and global market engagement.

> Total trade turnover surged to US$786.29 billion in 2024, more than 267 times the 1986 figure, underscoring Vietnam's deepening integration into the global economy and its rising status as a key manufacturing and export powerhouse in the region.

According to the GSO, the total export turnover of the electronics, computers, and components sector reached approximately US$126.5 billion, accounting for nearly 32% of the country's total exports (around US$405 billion) in 2024.

Despite challenges like U.S. tariffs, Vietnam's export sector remains robust, with processed industrial goods reaching US$194.28 billion, accounting for 88.4%. Total trade turnover in the six months of 2025 reached US$432.03 billion, up 16.1% YoY.

To boost resilience amid geopolitical headwinds and shifting trade policies, Vietnam is moving up the value chain—investing in digital infrastructure, high-tech sectors, and diversifying its trade partnerships.

This shift also reflects rising expectations from foreign investors. As Vietnam climbs the value ladder, cost alone is no longer the key driver of competitiveness.

> Many still carry the stereotype that Vietnam is "cheaper than China, but the reality is quite different". A number of companies, after setting up operations, have come to realize that Vietnam is not a "low-cost heaven," particularly when it comes to hardware expenses, labor efficiency, and supporting infrastructure. Nevertheless, for businesses prioritizing long-term supply chain resilience and market access over short-term costs, the strategic opportunity is unparalleled.
>
> **Lance Li**
> CEO
> BW INDUSTRIAL

Instead of relying solely on price, Vietnam is building a value-based manufacturing ecosystem. Smart industrial parks, workforce development, logistics upgrades, and targeted government incentives are laying the foundation for growth in electronics, green manufacturing, and semiconductors, positioning Vietnam as a standalone industrial hub with long-term potential.

Vietnam's competitive edge in Southeast Asia.

Vietnam has emerged as one of Southeast Asia's most dynamic economies, outperforming its regional peers across multiple dimensions including industrial growth, trade integration, and innovation.

Industry performance outpacing the region

In 2024, Vietnam's industry and construction sector grew by a robust 8.24%, contributing a significant 45.17% to national GDP. The manufacturing industry alone expanded by 9.83%, far exceeding the growth rates of Malaysia (4.2%) and Singapore (4.3%).

Figure 3: Growth Rate of Value Added in Industry, % per year

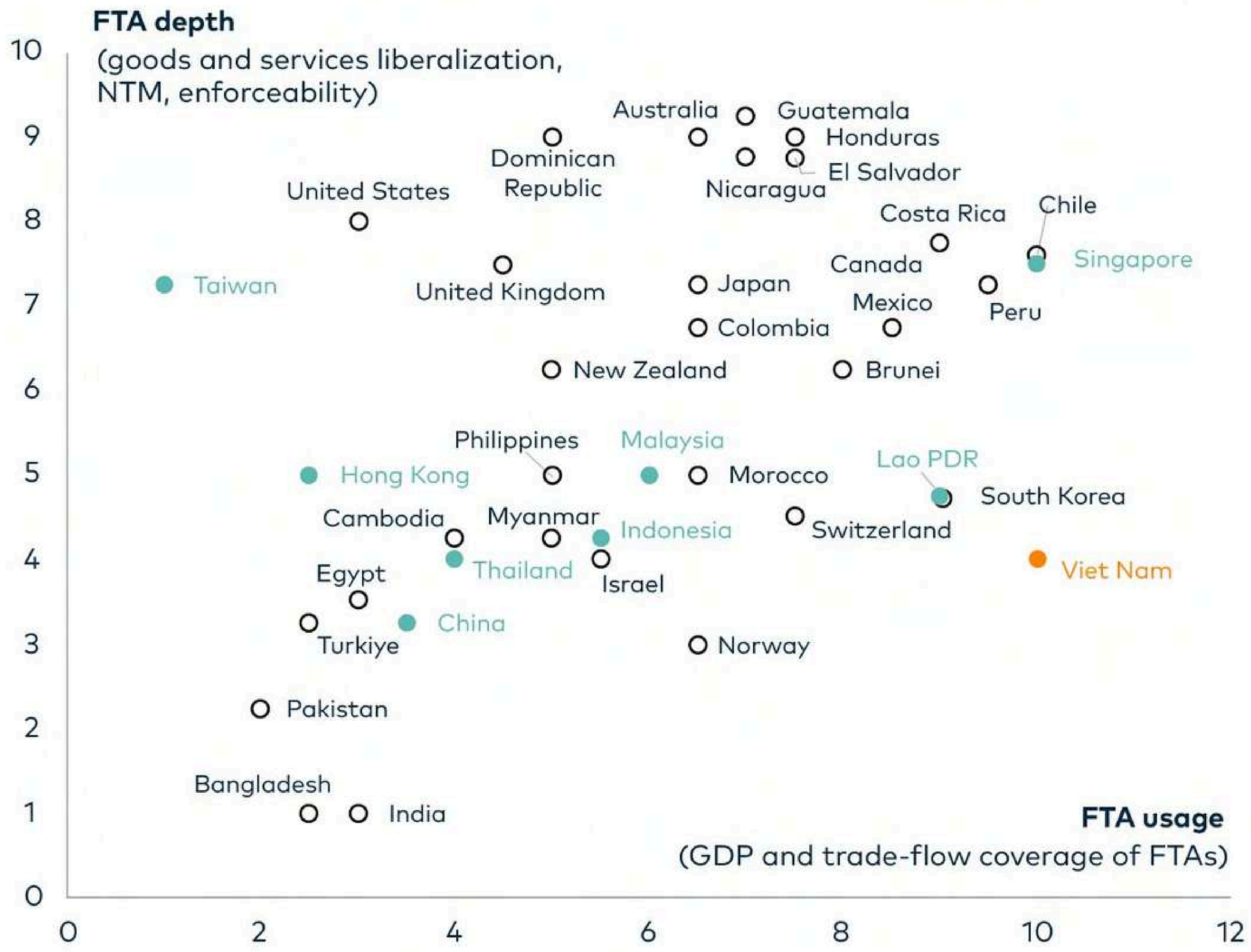
Southeast Asia	2020	2021	2022	2023	2024	Sector share, 2023 (%)
	2.9	-4.2	-4.9	-1.9	5.7	60.7
	-2.2	8.4	8.2	5.4	9.2	44.1
	-2.8	3.4	4.1	5	5.2	42.1
	6.2	4.6	4.1	2.4	3.5	36.1
	-6.5	6	6.9	1.2	5	35.6
	3.8	-9.6	5	2.2	-0.1	36.3
	-13.1	8.5	6.5	3.6	5.6	28.2
	-1.1	1.5	3.9	-2.7	4.2	26.7
	-5.2	3.6	0.4	-1.8	0.9	33
	4.4	3.6	7.8	3.7	8.2	40.5

Source: ADB (Asian development outlook trade uncertainty challenges, resilience in Asia and the pacific report)

Strategic trade integration

Vietnam's trade policy emphasizes breadth, leveraging 17 FTAs, second only to Singapore in ASEAN to secure access to nearly 90% of global GDP. This wide network underpins Vietnam's record-breaking export growth.

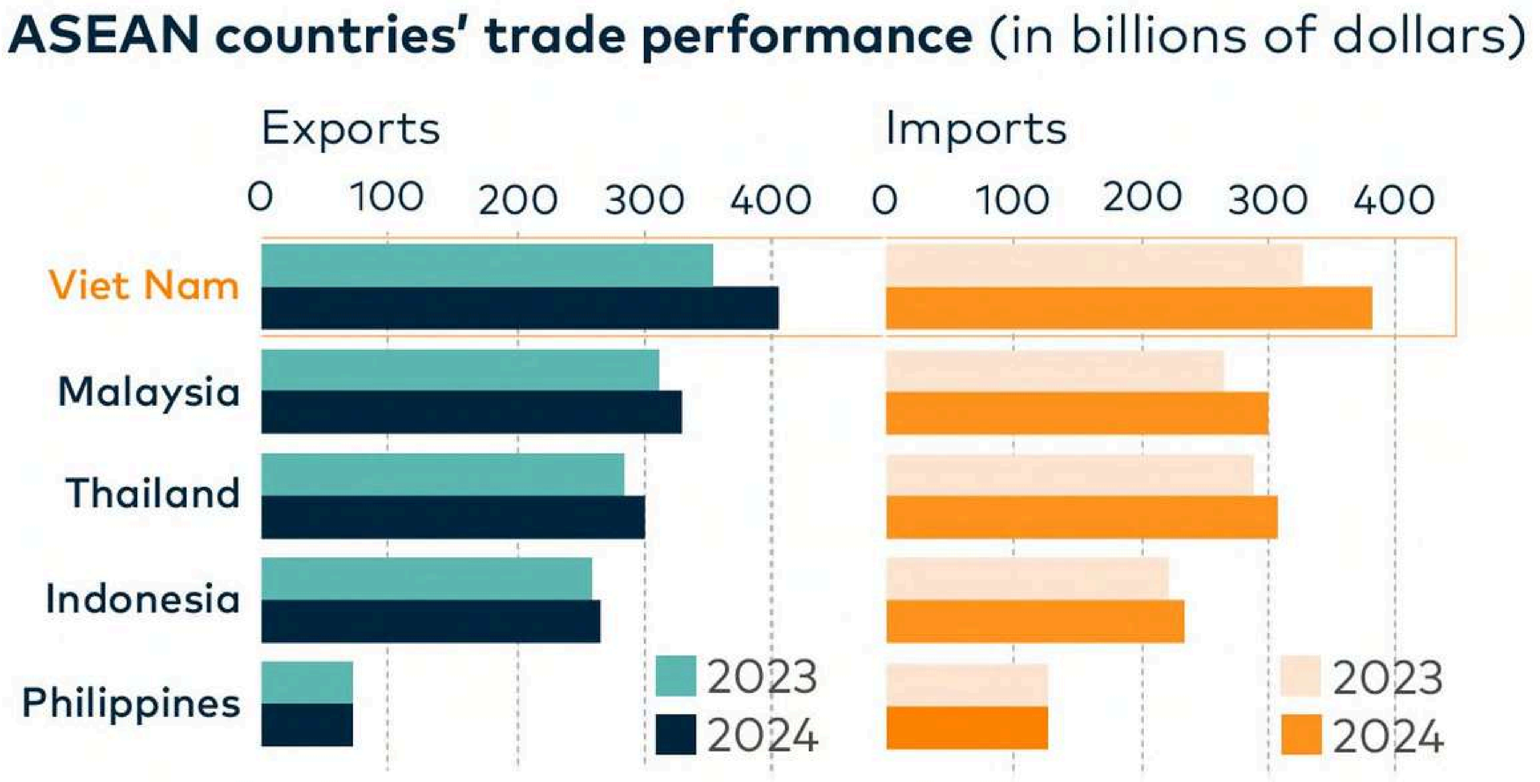
Figure 4: Viet Nam's FTA strategy has focused on breadth over depth



Source: World Bank (Viet Nam 2045 - Trading Up In A Changing World)

In 2024, exports surged by 13.8% to US$403 billion, outperforming ASEAN peers like Malaysia (5.6%) and Indonesia (2.3%). Exports to the U.S. alone rose by 23.4%, affirming Vietnam's growing role in global supply chains.

Figure 5: ASEAN countries' trade performance

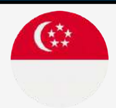
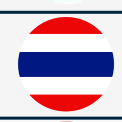
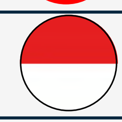


Source: Vietstock

Digital and innovation

Vietnam ranks 44th globally in the Global Innovation Index 2024 and stands fourth in ASEAN. The country is also the region's second-largest AI hub after Singapore, raising US$780 million for AI startups and accounting for 27% of Southeast Asia's generative AI startups.

Figure 6: Vietnam's Position in the Global Innovation Index 2024 among SEA Peers

Country	GII 2024 ranking
	4
	33
	41
	44
	53
	54
Vietnam's ranking in SEA	**4th**

Source: Global Innovation Index 2024

Labor cost

Figure 7: Average monthly manufacturing wages across five key countries of interest (COIs) within ASEAN as of 2024

Labour Cost					
Average Monthly Manufacturing Wages (USD)	196	803	1,309	425	226

Source: Navigating into Southeast Asia | NUS and Cambridge Adviser

Labor productivity and long-term growth prospects

Vietnam's labor productivity reached US$9,182 per worker in 2024. Among the ASEAN-4 economies (Indonesia, Malaysia, Thailand, and the Philippines), Vietnam stands out—alongside Malaysia as one of the few countries on track to achieve high-income status by 2050, provided it maintains a productivity growth rate of 4.5%. Unlike its peers, which still require further acceleration, Vietnam has already exceeded this threshold in the past decade and now holds a productivity growth surplus.

> "Roughly after three months of training, local Vietnamese workers can reach up to 80% or even higher of the productivity level of their Chinese counterparts, while their wages remain below 80% of those in China."
>
> **Lance Li, CEO of BW Industrial**

Vietnam's infrastructure and logistics hub development.

Vietnam's goal to become a logistics hub in Asia is steadily advancing. With its strategic location, growing multimodal connectivity, digital adoption, and regional integration, the country is building a competitive logistics ecosystem. Success will hinge not just on infrastructure, but on aligning people, technology, institutions, and trade. If achieved, Vietnam won't just move goods - it will help move global supply chains.

Vietnam. The gateway to diverse markets.

With a coastline stretching over 3,260 kilometers along the South China Sea, Vietnam is strategically positioned on one of the world's most critical maritime corridors. The South China Sea handles about 30% of global shipping, with an estimated USD 5.3 trillion in trade passing through it annually. This unparalleled connectivity has attracted high-tech manufacturers from South Korea, Taiwan, and China—not only to diversify operations, but also to gain proximity to key markets and logistics hubs.

Figure 9: **Vietnam's position at the global trade route map**

Source: Ministry of Trade and Industry

Further amplifying this advantage is Vietnam's geographic location at the heart of Southeast Asia, sharing land borders with China, Laos, and Cambodia. This rare dual positioning, bridging both the land-based Mekong subregion and the maritime Indo-Pacific routes enables Vietnam to serve as a natural transshipment and value-added logistics gateway linking China, Northeast Asia, South Asia, and the Pacific Rim.

Ho Chi Minh City exemplifies this advantage - a city where land, sea, and air logistics intersect to connect production zones in the Mekong Delta, Cambodia, and the Southeast economic corridor to global markets.

"If you look to build more resilient and diversified supply chains, Vietnam emerges as a strategic choice for establishing a secondary production base. Its geographic proximity to China, seamless access to ASEAN markets, and strong connectivity through regional trade hubs like Singapore make it an attractive location. Beyond these logistical advantages, **Vietnam is positioned at the heart of one of the world's most dynamic economic regions, driven by a fast-growing middle class.**

Vietnam has strategically developed specialized zones, including Free Economic Zones (FEZs) and Export Processing Zones (EPZs), to attract investment and promote industrial growth. Most recently, the country established its first free trade zone in Da Nang, positioning the city as a key regional economic hub and a strategic driver in Vietnam's evolving development landscape. To further support these zones, the government offers a range of competitive investment incentives - such as corporate income tax rates as low as 17% for up to 10 years, import duty exemptions on production-related goods, and VAT exemptions for goods and services consumed within the zones. For manufacturing investors seeking not just efficiency but long-term regional integration, Vietnam offers a compelling, future-ready platform.

Rizwan Khan
Managing Partner
ACCLIME.

Quality of existing infrastructure

Vietnam excels in the quantity of Industrial Estates and Parks, coupled with above-average public transport quality and strong port activity Infrastructure expansion as the engine of logistics growth.

Figure 10: Quality of existing infrastructure as of 2024

Metric	Indonesia	Malaysia	Singapore	Thailand	Vietnam
Public Transit Index Ranking	37th	23rd	3rd	42th	26th
Container Port Performance Index	23rd (Tanjung Priok)	28th (Klang)	17rd (Singapore)	45rd (Laem Chabang)	132rd (Saigon)
Quantity of Industrial Estates/Parks	103	>500	111	64	563
Digital Quality of Life Index	67th	37th	10th	51th	56th

Source: Navigating into Southeast Asia | NUS and Cambridge Adviser

Vietnam shows a mixed performance in infrastructure quality compared to its regional peers. It ranks moderately in Public Transit (26th) and Digital Quality of Life (56th), ahead of Indonesia and Thailand in some aspects, but lags behind leaders like Singapore and Malaysia. Vietnam also has a large number of industrial parks (563) among the 4 countries. This suggests that while Vietnam is investing heavily in industrial capacity, infrastructure quality.

Figure 11: Development expenditure across COIs in 2023 and 2024

Development Expenditure	Indonesia	Malaysia	Singapore	Thailand	Vietnam
2023	25.24 (Projected)	22.91	16.06	20.72	27.52
2024	27.23	20.83	17.83	23.42	26.80
Average	26.26	21.87	16.95	22.07	27.16

Source: Navigating into Southeast Asia | NUS and Cambridge Adviser

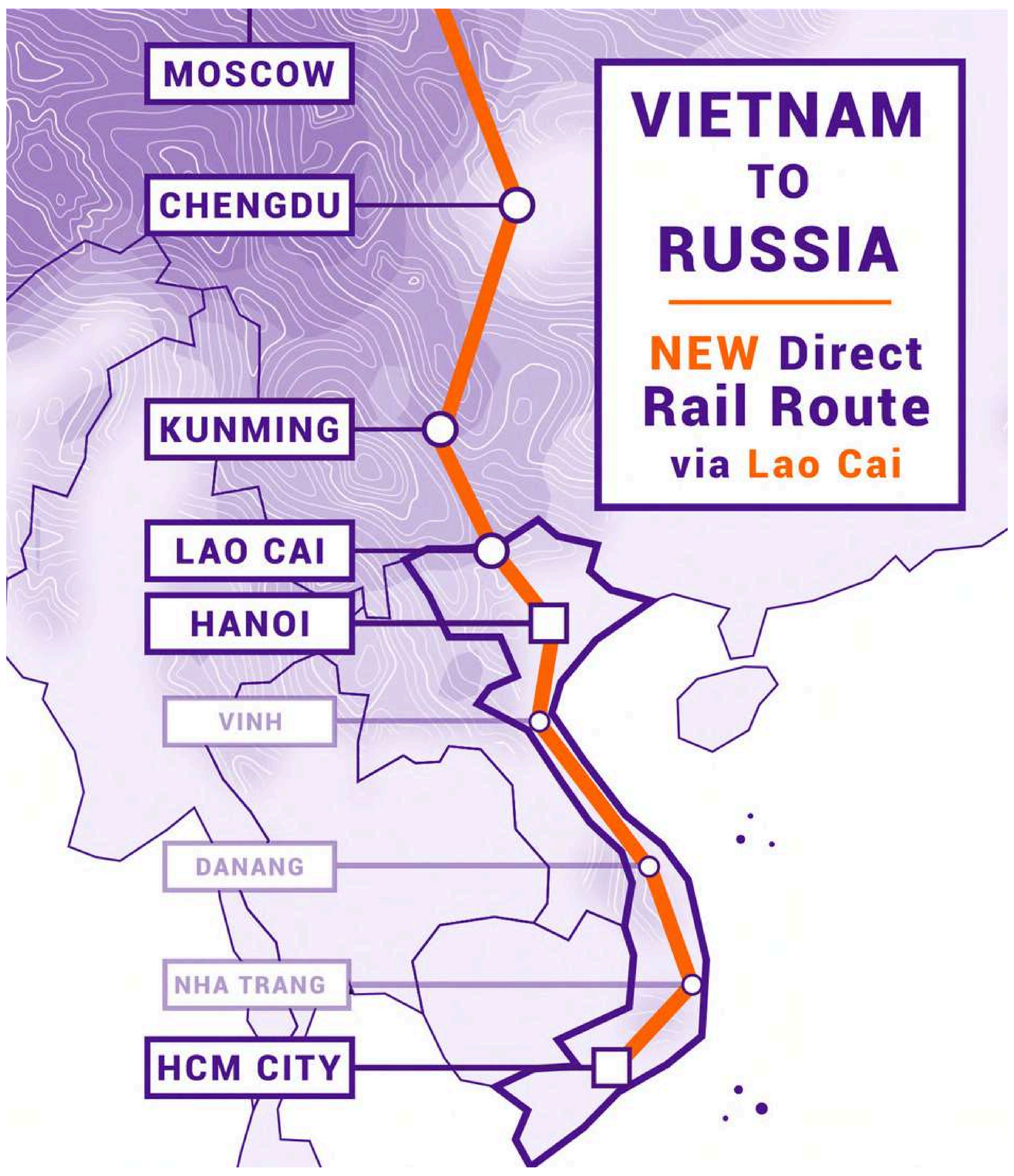
Vietnam recorded the highest average infrastructure investment between 2023 and 2024, reaching US$27.16 billion. It was followed by Indonesia with US$26.24 billion, Thailand at US$22.07 billion, Malaysia at US$21.87 billion, while Singapore ranked last with US$16.06 billion.

The Ministry of Transport of Vietnam has unveiled a strategy to modernize the transportation infrastructure network by 2030, with a vision extending to 2050, planning an investment of approximately US$ 200 billion to promote economic growth and enhance nationwide connectivity. In 2025, the government increase infrastructure spending to 7% of GDP, equivalent to US$36 billion - the highest rate in Southeast Asia, focusing on the development of transport and energy sectors. This reflects a combination of long-term planning and short-term economic stabilization measures, with priorities on improving logistics efficiency, expanding electricity access, and strengthening Vietnam's position in the global supply chain, aiming to become a leading production and export hub in the region.

Railway

The railway industry plays a crucial role in strengthening Vietnam's trade with neighboring countries. A notable development is the upgrade and designation of Song Than and Cao Xa stations as international transit hubs. These stations now facilitate a broader range of international freight services between Vietnam and China, and further transit through China to third countries such as Russia, European nations, Mongolia, and countries in Central Asia. This expansion has significantly supported the growth of Vietnam's agricultural exports to high-potential markets.

Figure 12: Railway transport route connecting Vietnam - Russian Federation with transit time of 30 - 35 days



Source: Trustana Logistics

In a strategic move to enhance regional connectivity, the Prime Minister signed Decision No. 999/QD-TTg on September 18, 2024, establishing a Working Group to oversee major railway investment projects. These projects include rail links with China (estimated investment of US$10 - 11 billion) and Laos (approximately US$6.3 billion).

Road network

Vietnam's road transport sector is experiencing rapid growth, driven by expanding infrastructure and rising freight demand. The total length of the road network is about 595,125km while national highways and expressways are 26,484km.

The expansion of the North-South Expressway, running from northern Lang Son province to the Mekong Delta's Ca Mau province, is a key project.

Figure 13: Vietnam's expressway network

May-2025	By the end of 2025	By the end of 2030
2242 km	3000 km	5000 km

This expansion aims to reduce logistics costs from 16–20% of GDP to below 15%.

Figure 14: Road network in Vietnam

Source: VnExpress

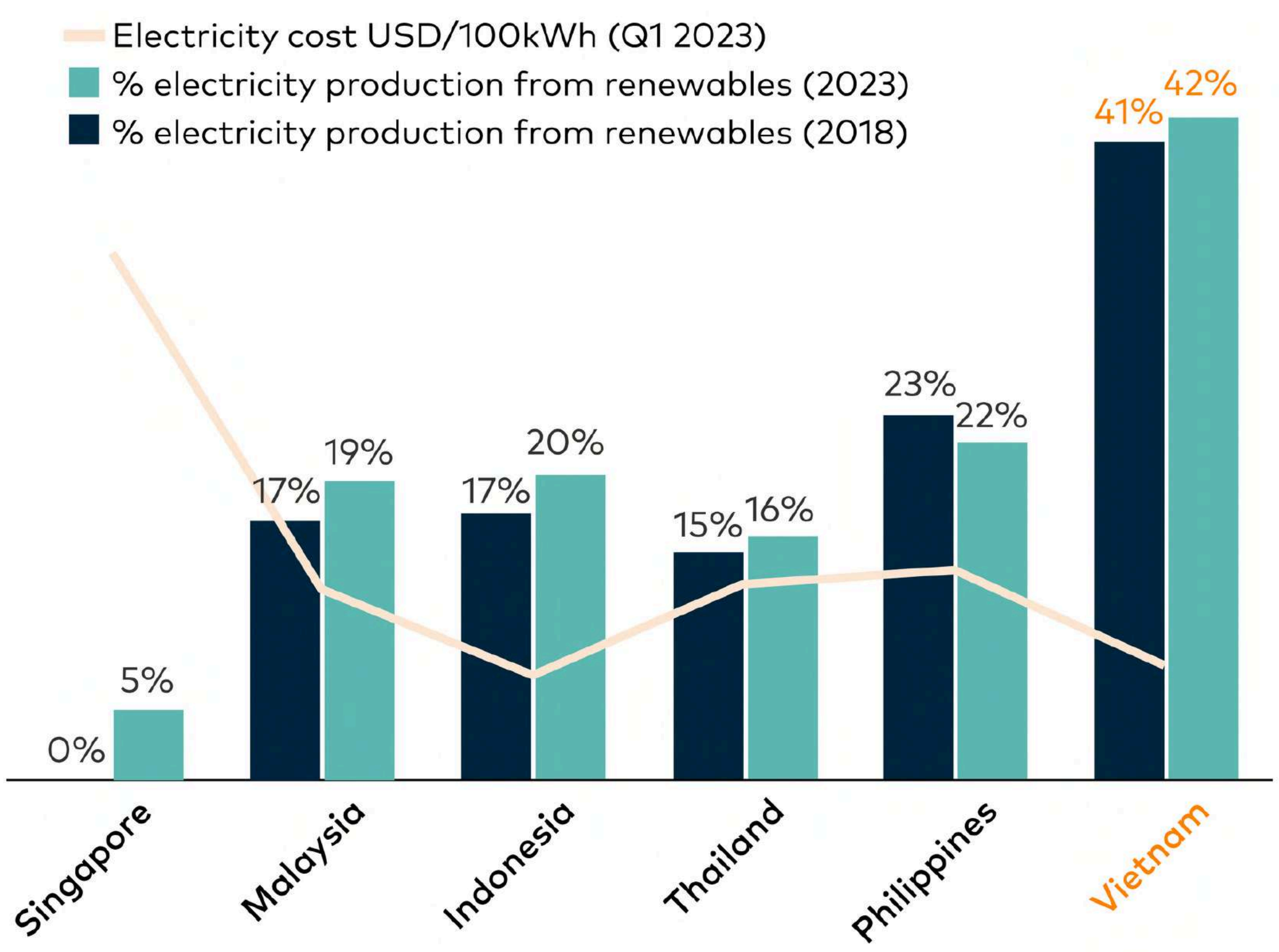
Electricity

Electricity is a key component of operational expenses, particularly for the energy-intensive manufacturing industry. The government's National Power Development Plan VIII (PDP8), revised in 2025, sets an ambitious target to increase installed power capacity by 2.5 times by 2030, supporting an expected annual electricity demand growth of 12%.

To achieve this, Vietnam plans to mobilize around US$ 135 billion in investment by 2030. The energy mix will focus on LNG and domestic gas (37%), renewable energy like solar and wind (27%), and coal-fired power (19%), while hydropower will play a limited role. Notably, nuclear power is reintroduced with plans for 4,000–6,400 MW capacity by 2035, potentially expanding to 8,000 MW by 2050, marking a major shift in energy strategy.

Vietnam has emerged as Southeast Asia's front-runner in renewable energy, outperforming its regional peers in both the share of green electricity and affordability of power.

Figure 17: Electricity costs (in kWh) and % of electricity production from renewables

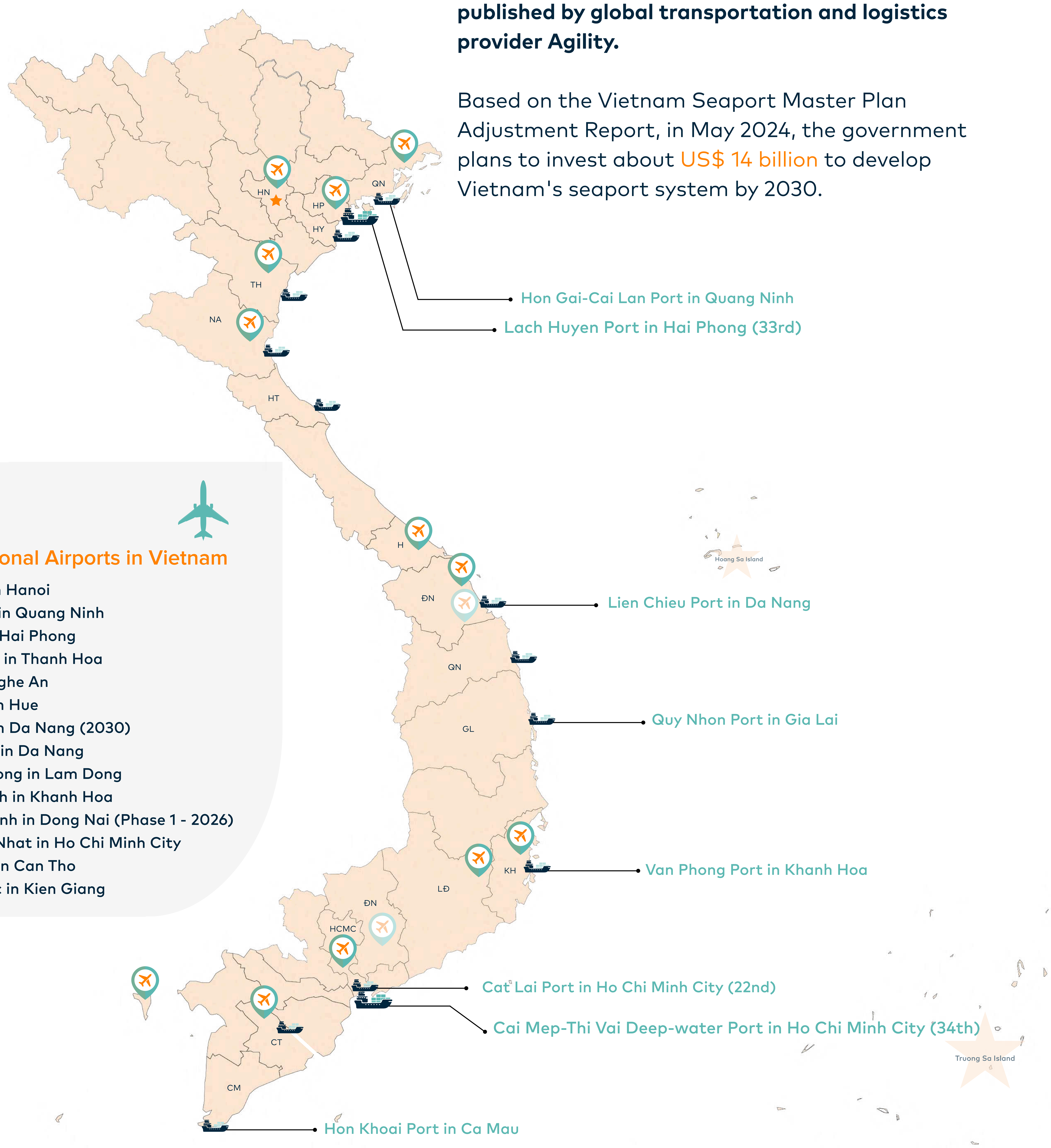


Source: Southeast Asia Outlook 2024 – 2034 by Angsana Council, Bain & Company and DBS

Airports

According to Boeing's 2025 Commercial Market Outlook (CMO) report, **Vietnam is poised to become the fastest-growing aviation market in Southeast Asia from 2025 to 2030**, with annual passenger traffic projected to rise by 8.1%. Vietnam currently has 22 airports, including 14 international airports in operation or development.

Figure 15: Main Airports And seaports in Vietnam



International Airports in Vietnam

- Noi Bai in Hanoi
- Van Don in Quang Ninh
- Cat Bi in Hai Phong
- Tho Xuan in Thanh Hoa
- Vinh in Nghe An
- Phu Bai in Hue
- Chu Lai in Da Nang (2030)
- Da Nang in Da Nang
- Lien Khuong in Lam Dong
- Cam Ranh in Khanh Hoa
- Long Thanh in Dong Nai (Phase 1 - 2026)
- Tan Son Nhat in Ho Chi Minh City
- Can Tho in Can Tho
- Phu Quoc in Kien Giang

Source: VnExpress, Vietnam Maritime Administration

Seaports

According to Lloyd's List's 2024 statistics, Vietnam has 03 seaports in the top 50 seaports with the largest container throughput in the world, namely Ho Chi Minh City seaport ranked 25th; Hai Phong seaport ranked 33rd; Cai Mep - Thi Vai seaport ranked 34th.

In 2023, Vietnam was ranked among the top 10 out of 50 emerging logistics markets worldwide, according to the latest Emerging Markets Index published by global transportation and logistics provider Agility.

Based on the Vietnam Seaport Master Plan Adjustment Report, in May 2024, the government plans to invest about US$ 14 billion to develop Vietnam's seaport system by 2030.

Land

Vietnam offers some of the most competitive industrial land lease rates in Southeast Asia, ranging from **US$50 to US$260 per sqm for the remaining lease term** making it highly attractive for cost-sensitive manufacturing and supply chain operations.

Vietnam's industrial real estate market is entering a transformative phase, driven by favorable policy reforms and infrastructure expansion.

- The ongoing merger of administrative units has empowered provinces to plan larger-scale industrial parks without being constrained by previous district boundaries. This not only allows for greater land availability but also enables enterprises to tap into broader labor pools from neighboring localities, thereby reducing operational costs and improving workforce flexibility.
- Major infrastructure projects such as Ring Roads in Hanoi and Ho Chi Minh City, the Bien Hoa–Vung Tau Expressway, and Long Thanh Airport are set to enhance connectivity and unlock new development zones nationwide.

Digital-driven logistics: Accelerating Vietnam's Manufacturing Supply Chain

Vietnam's emergence as a manufacturing hub is closely tied to the transformation of its logistics infrastructure. Modern logistics in the country is increasingly inseparable from digital innovation. The adoption of technologies such as blockchain, AI, and IoT is optimizing route planning, inventory control, customs processes, and real-time shipment tracking. Automation in warehousing and transportation is further contributing to efficiency, cutting operational costs by up to 35%, according to recent sector analyses.

CEA Project Logistics exemplifies this shift. As a regional leader in project cargo and specialized transport solutions across Southeast Asia, CEA has proactively invested in digital transformation. Their suite of tools includes GPS-tracked fleet monitoring, transport management systems (TMS), and tailored reporting dashboards that enhance transparency and real-time coordination for clients.

> CEA Project Logistics has not experienced significant direct impacts from recent U.S. tariff policy changes, as our business is not heavily exposed to those trade flows. In fact, we've observed a positive trend — an increase in enquiries from companies in various countries that are now seeking new, tariff-resilient markets. Vietnam continues to benefit as an attractive alternative for manufacturing and export due to its expanding industrial capabilities and favorable trade agreements.

Sam Conroy
Managing Director
CEA Project Logistics

CEA's position also highlights a broader strategic shift: companies are increasingly diversifying away from traditional, tariff-burdened markets, and Vietnam's ability to manufacture to global standards makes it a highly competitive alternative. The long sales cycles typical in CEA's infrastructure project space often extending beyond 12 months provide some insulation from short-term market disruptions, such as those experienced by retail or B2C sectors.

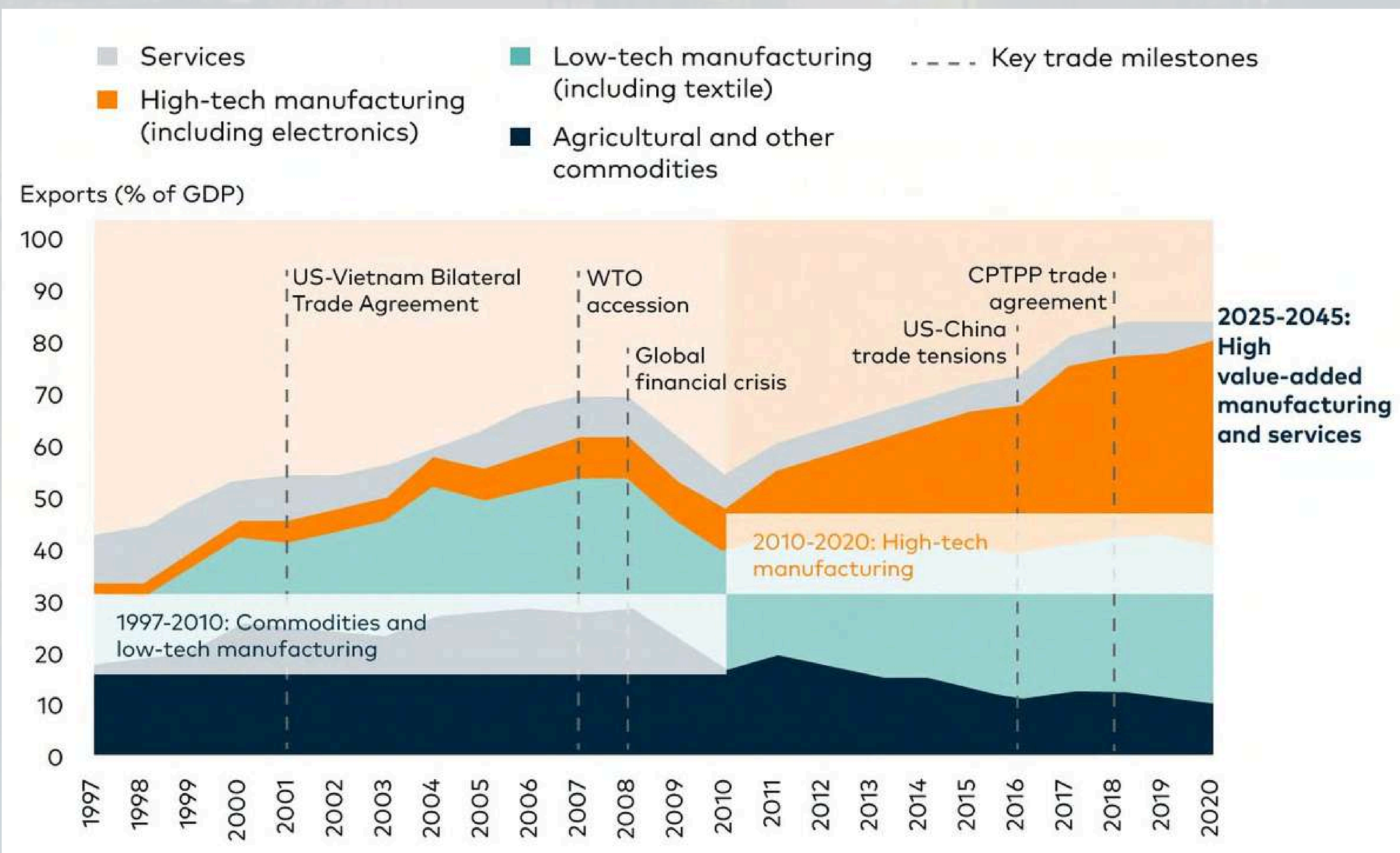
Despite these advancements, the logistics sector in Vietnam faces a critical challenge: uneven digital adoption between larger providers and SMEs. To maintain momentum and global competitiveness, Vietnam must scale digital infrastructure across all logistics tiers and develop "smart logistics" ecosystems, especially around its key industrial zones and free trade areas. Closing this digital divide will be essential in supporting the country's growing role in global manufacturing supply chains.

Vietnam's Manufacturing Outlook. Riding the hi-tech wave.

Vietnam has moved from labor-intensive production to high-tech, high-value manufacturing, fueled by FDI, export diversification, and rising productivity. Key sectors like electronics, textiles, and machinery now lead exports. With strategic policies, strong infrastructure, and global trade integration, Vietnam is emerging as a resilient manufacturing hub, despite challenges like green compliance and geopolitical risks.

Vietnam’s manufacturing evolution: from labor-intensive to high value.

Figure 18: An evolving export growth model to reach Vietnam’s 2045 ambitious of becoming a high income country



Source: World Bank staff calculations based on WDI

Starting in 1986, thanks to the Đổi Mới (Renovation) reforms, Vietnam transitioned to a multi-sector market economy, promoting industrialization and modernization with an industrial growth rate exceeding 11% per year from 1986 to 2000. The processing and manufacturing sector developed strongly. The sector's share of GDP increased from 10.38% in 1991 to 17.63% in 2000, with key industries such as electronics, textiles, footwear, and wood processing growing rapidly.

Since 2001, Vietnam has actively integrated into the global economy through key international agreements, fueling the transformation of its economic structure. The processing and manufacturing industry has emerged as the main driver of growth, with its share rising from 18.69% in 2011 to 24.43% in 2024.

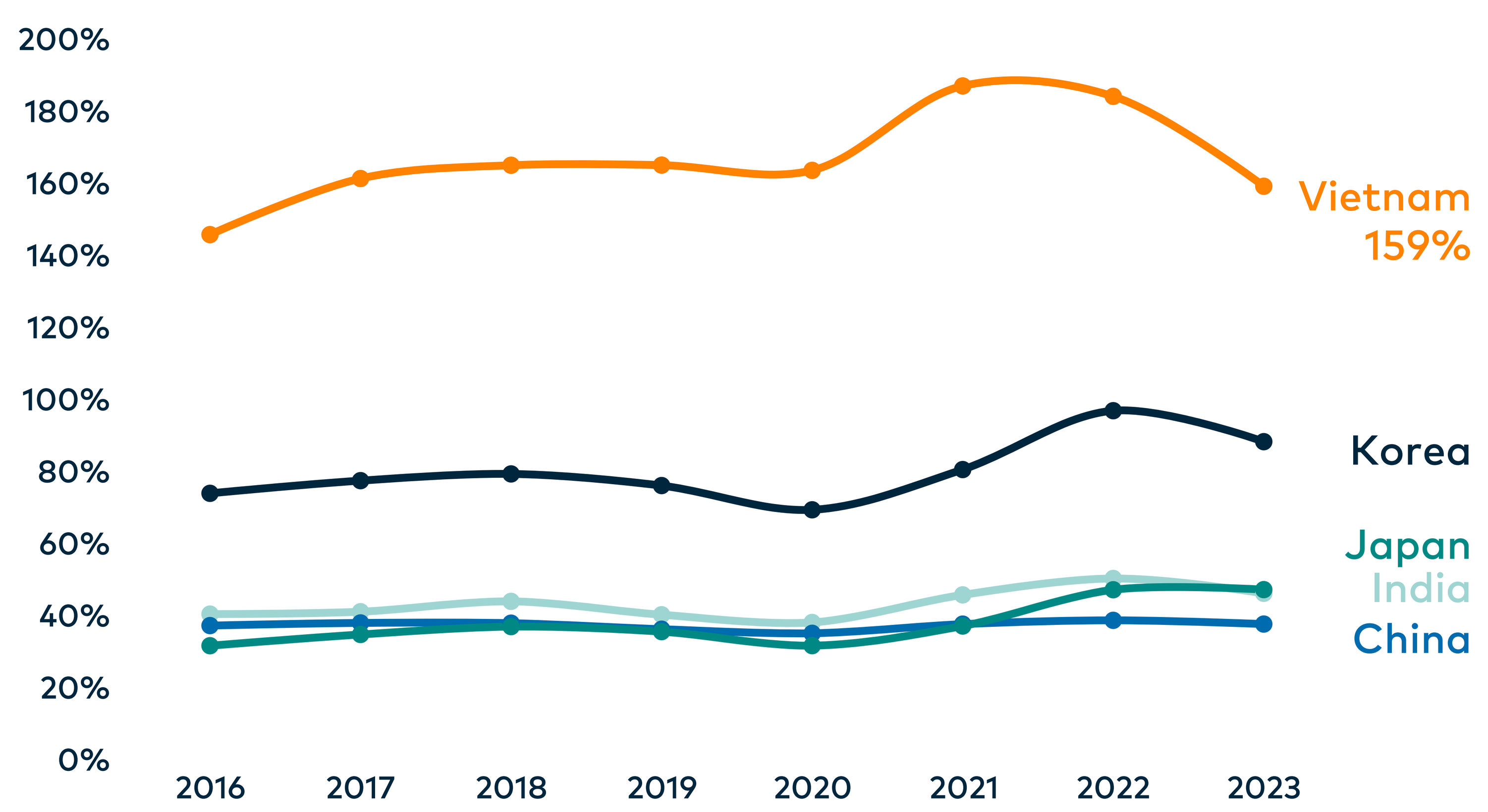
As the country prioritizes the development of competitive industries, it continues to attract high-tech, environmentally friendly FDI and strengthen linkages with domestic enterprises. In parallel, Vietnam's export profile has diversified beyond traditional agricultural goods to include higher-value products such as phones, computers, textiles, and footwear. Notably, technology-driven exports, particularly electronics and machinery, have taken the lead, growing at a CAGR of 14.1% between 2016 and 2023. This shift underscores the sector's vital role in enhancing national competitiveness and reducing reliance on low-margin manufacturing.

Figure 19: Vietnam manufacturing upgrade, from high-speed to high-value

By shifting to high-value manufactured goods, Vietnam reshapes its economy from "high-speed" to "high-quality"

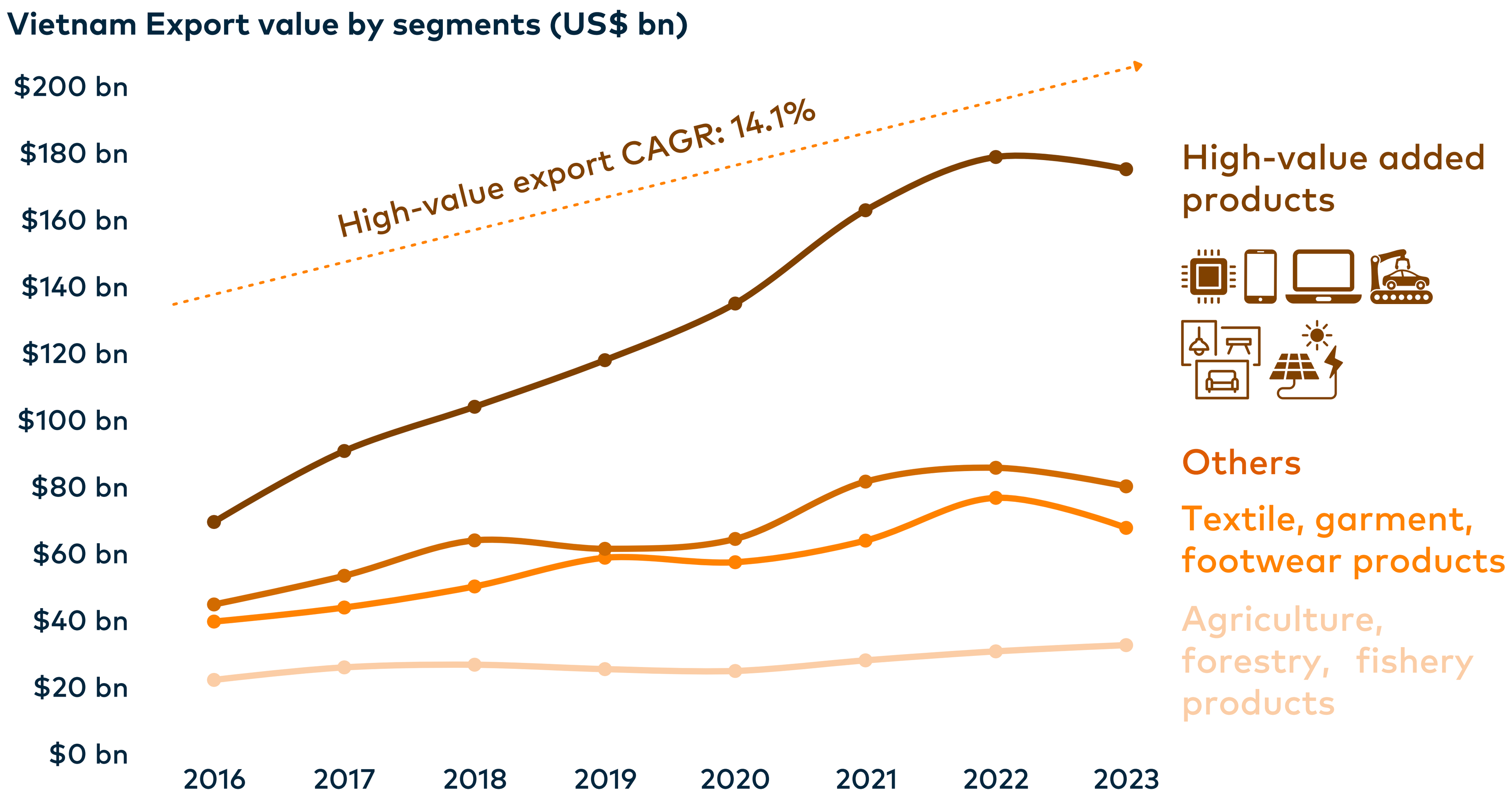
Vietnam established itself as an export-driven economy

Trade value (% of GDP)



...transform from labour-intensive production to high-value added

Vietnam Export value by segments (US$ bn)

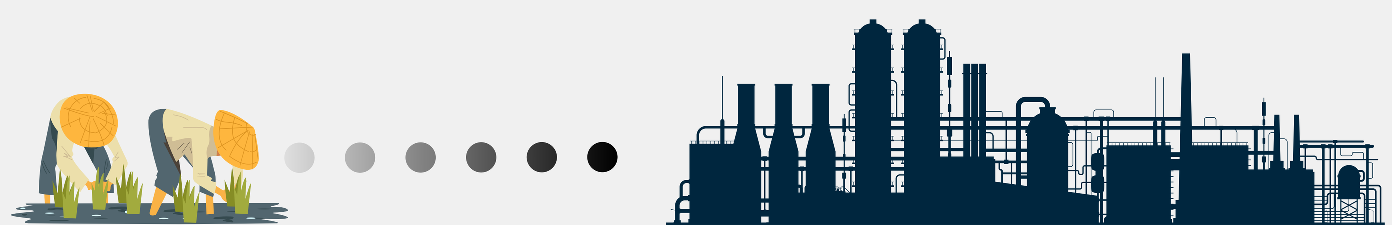


Source: Bridging the gap: Vietnam's FDI-driven industrial revolution | BW Industrial

> Amid ongoing global tariff tensions and shifting geopolitical dynamics, companies are increasingly reassessing supply chain strategies across Asia to prioritise diversification, cost efficiency, and operational resilience. Vietnam has rapidly positioned itself as a credible manufacturing alternative, benefiting from competitive labour costs, improving infrastructure, and a strong network of free trade agreements. Its proximity to major markets, along with an improving political and regulatory environment, enables global companies to mitigate risks associated with single-market dependencies. For many, Vietnam now plays a central role in a broader "China+N" strategy to future-proof supply chains in the region.

Izzy Silva
CEO
Acclime

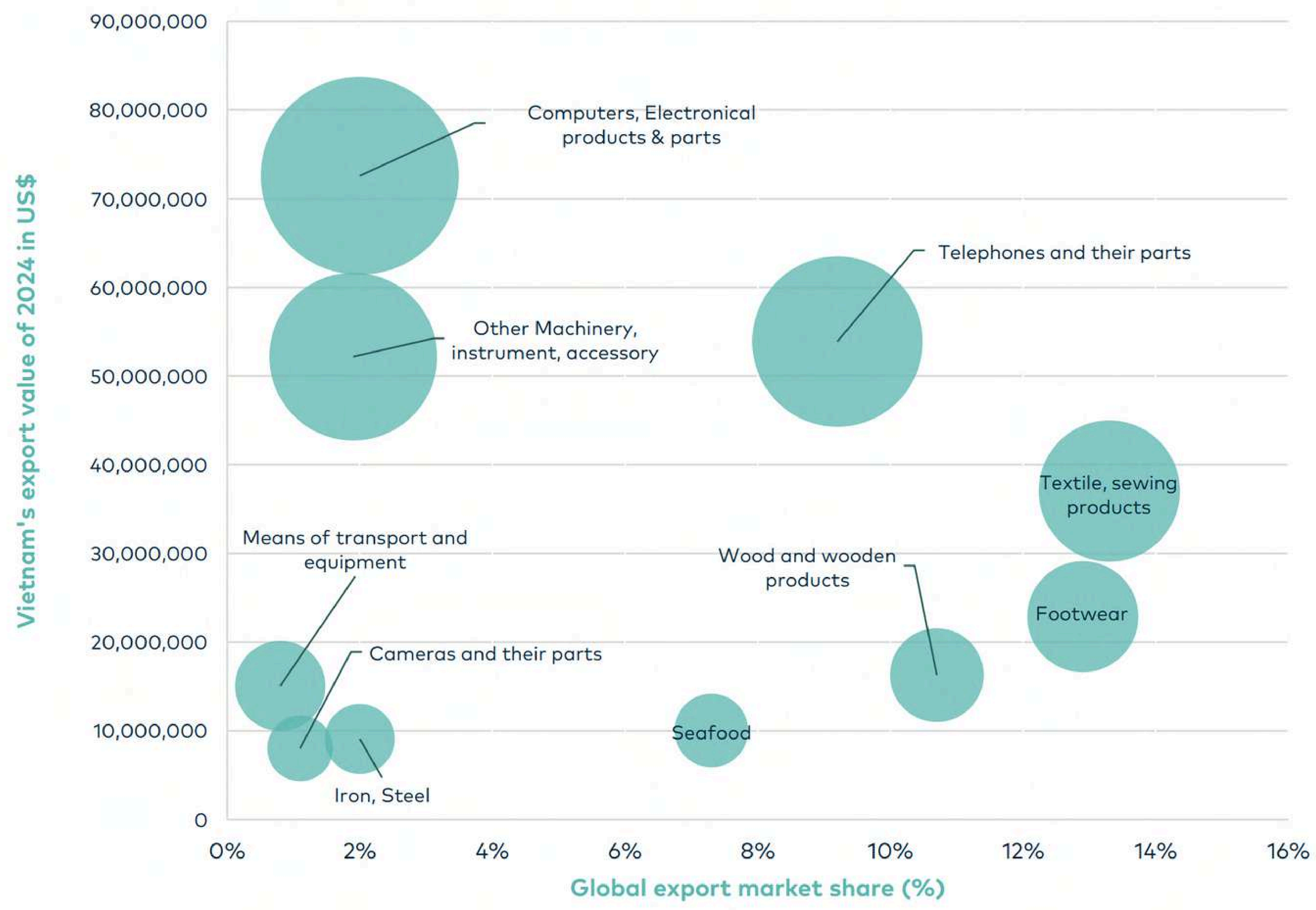
Thanks to innovation and deep integration, Vietnam has transformed from a purely agricultural country into a modern industrial economy with a scale of US$476.3 billion ranking 33rd in the world and among the top 20 economies globally in attracting foreign investment and trade volume.



Major manufacturing sectors.

Vietnam has stronger comparative advantages and capabilities in traditional export sectors, such as garments and footwear, and high-tech products.

Figure 20: Export opportunity analysis
10 products with current export strength in 2024



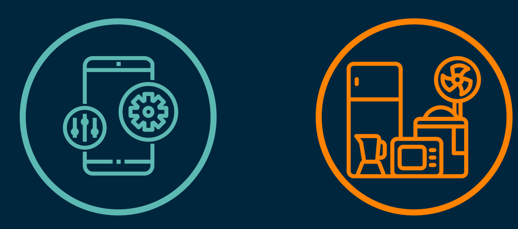
Source: Acclime staff calculations using trade data from International Trade Centre. Note: All metrics are for 2024

Vietnam's export performance in 2024 highlights its growing strength in both traditional labor-intensive industries and high-tech manufacturing. The country's top export products include computers and electronic parts, telephones, textiles, and footwear. Notably, computers and telephones lead in export value, reaching around US$ 72.5 billion and US$ 53.9 billion, respectively, while footwear and textile products maintain significant global market shares of approximately 12.9% - 13.3%.

Vietnam's export performance in 2024 and early 2025 highlights its growing strength across a diversified manufacturing base.

Vietnam top export products sectors

Sectors' export value in Q1.2025

SECTOR	EXPORT VALUE
	US$ 21.1 billion
	US$ 14.0 billion
Other machinery, instrument & accessory	US$ 12.4 billion
	US$ 8.7 billion
	US$ 5.4 billion

This data reflects Vietnam's dual advantage: its established low-cost manufacturing base and increasing capability in high-value electronics and ICT production. These advantages create a strategic opportunity to move beyond basic manufacturing.

Workforce and productivity insights.

Vietnam stands out as a leading manufacturing destination in Southeast Asia due to its significant labor cost advantages and abundant workforce. With a minimum wage of just US$197, Vietnam offers one of the region's most cost-effective labor markets, considerably lower than those of Thailand, Indonesia, and far below Singapore. The country's labor force of 57.1 million is not only large and scalable but also increasingly productive, with labor productivity reaching US$ 12.4 in GDP per hour worked in 2025, a 5.3% year-on-year improvement. This blend of affordability, growing efficiency, and a young, rapidly developing workforce makes Vietnam highly attractive for labor-intensive industries such as textiles, footwear, and electronics assembly.

Figure 21: Labor force assessment

Country	GDP/hour worked (*)	Minimum Wage (USD/month)	Labor Force (mm)
	12.4 ↑ 5.3 YoY	197	57.1
	18.5 ↑ 3.3%	302	40.6
	15.7 ↑ 3.8%	126	143.1
	12.1 ↑ 4.7%	190	50.9
	30.4 ↑ 2.6%	337	18.3
	96.9 ↑ 1.1%	~5,000	3.7

(*) GDP constant 2021 international $ at PPP (Purchasing Power Parity) in 2025

Source: Knight Frank

Figure 22: Skill levels across COIs

Skill Level					
Workforce with advanced education (%)	81.42 (As of 2023)	77.92 (As of 2022)	85.55 (As of 2022)	81.35 (As of 2023)	87.26 (As of 2023)

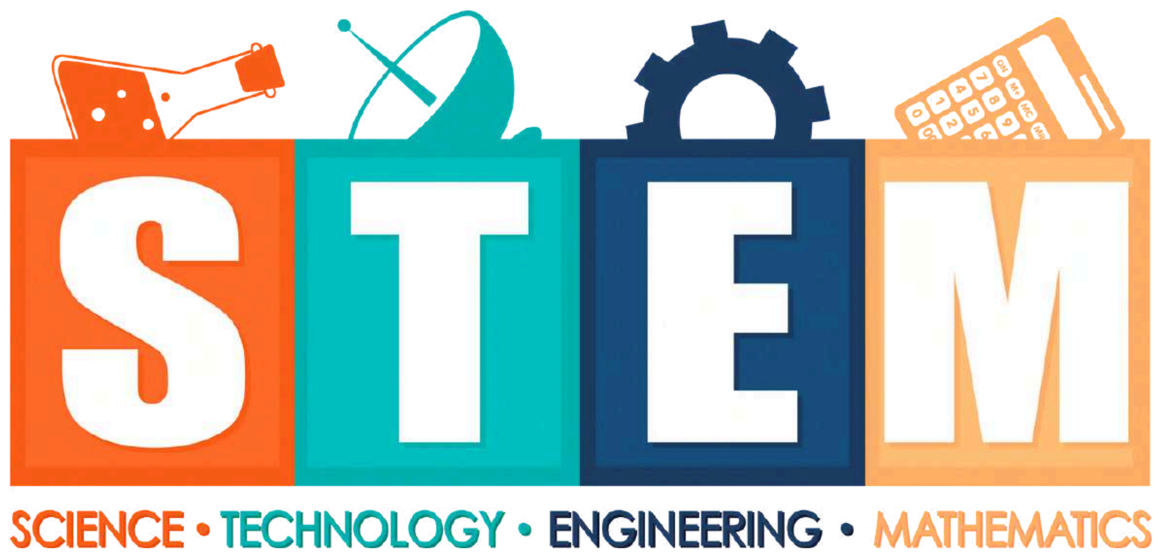
Source: Navigating into Southeast Asia | NUS and Cambridge Adviser

Furthermore, according to the APO Productivity Database 2024, Vietnam's labor productivity growth reached 5.6% during 2015–2022 - the highest among ASEAN countries - marking a sharp acceleration from the previous period and outperforming regional peers such as Malaysia, Indonesia, and Thailand. Its total factor productivity (TFP) growth also doubled, from 0.9% to 1.8%, reflecting deeper integration into global value chains and export diversification.

Skill development challenges and training initiatives

Vietnam faces certain challenges in aligning workforce skills with the demands of rapidly evolving industries. Many companies struggle to find qualified technical and managerial staff, while the education system is still adapting to equip workers with advanced skills needed for high-tech and innovation-driven sectors. Nevertheless, emerging technologies like AI and Industry 4.0 require continuous upskilling.

To address these issues, Vietnam has launched targeted training initiatives focused on developing high-quality human resources, particularly in strategic sectors like semiconductors and digital technology. The government aims to train 50,000 semiconductor engineers by 2030 through national programs that include partnerships with global tech leaders such as Samsung, Google, NVDIA and Intel. These collaborations provide scholarships, advanced training centers, and practical courses in AI, big data, and IoT. Vietnam is also investing in upgrading STEM education, expanding on-the-job training, and fostering stronger links between industry and academia.



Private sector efforts are also playing a crucial role. Chervon Vietnam, a global manufacturer of power tools and outdoor equipment, is focusing on building the necessary skills through on-the-job training and gradual upskilling, ensuring employees can meet the requirements of their operations. As production requirements evolve, the company continuously adapts its training programs to align with operational goals and quality standards.

Together, these public and private efforts are helping to build a resilient, future-ready workforce capable of supporting Vietnam's transition to a high-tech, innovation-driven economy.

Fueling the Total Factor Productivity (TFP)

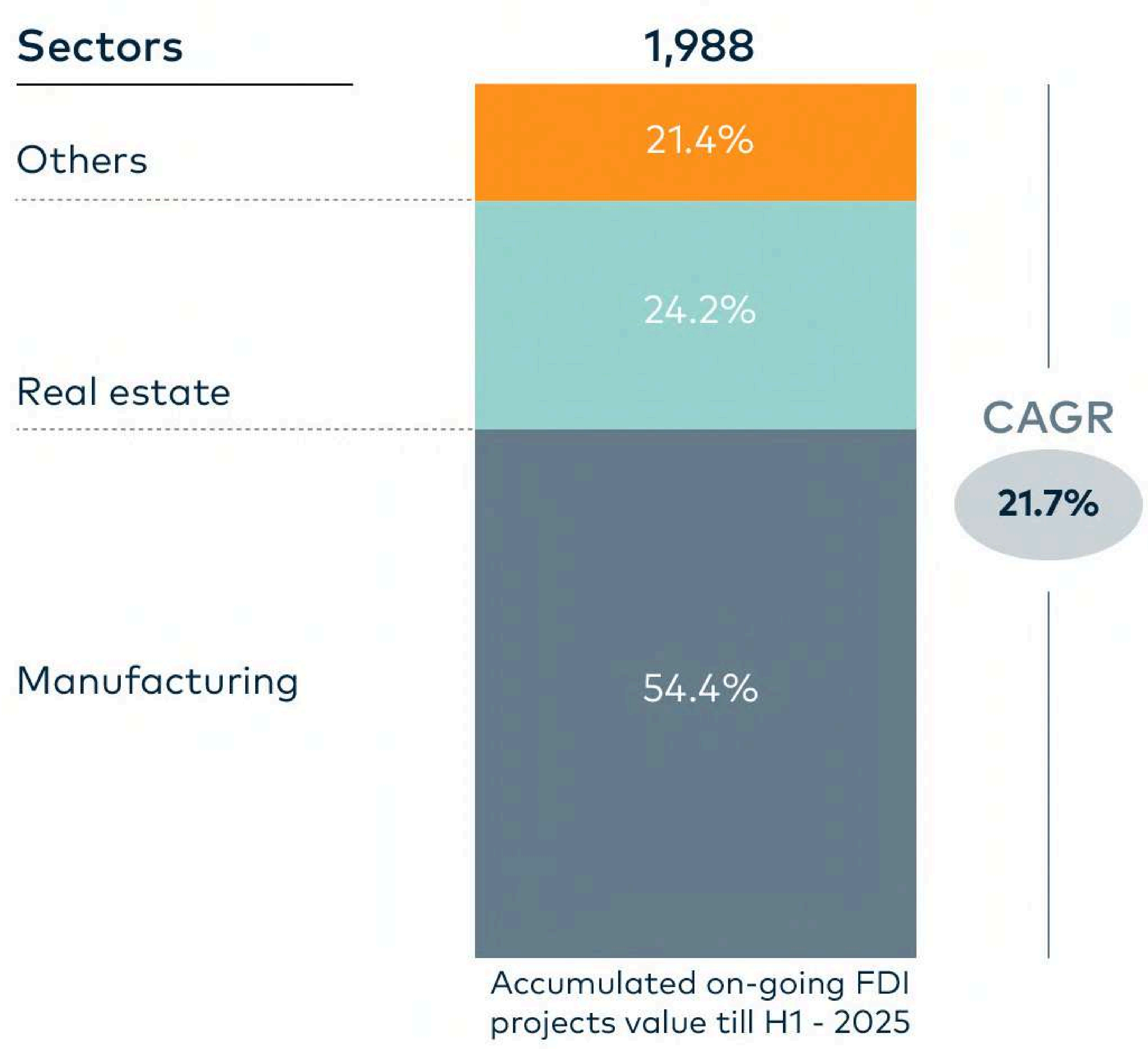
The advent of industry 4.0 has transformed the manufacturing sector, enabling producers to increase their output by leveraging innovative technologies, and upskilling their workforce. FDI investments in manufacturing and exports are a great example of TFP. Close to 70% of all exports going out of Vietnam are driven by FDI. What that says is that foreign investors manage to capture a significant amount of output, by enabling technology and best practices to make the input much more efficient, when compared with their domestic counterparts. Therefore, there is still room to improve in this space, because if the domestic economy leverages this economy of scale regarding TFP, the results can be quite telling.

Foreign Direct Investment in Manufacturing.

Trends in FDI inflows

The processing and manufacturing industry is emerging as a key pillar in Vietnam's strategy to attract foreign direct investment (FDI), thanks to its superior capital scale and number of projects compared to other sectors. In the first quarter of 2025, this sector attracted 318 new projects with a total registered capital of approximately US$ 2.62 billion, accounting for over 60% of total new FDI, which is a clear dominance compared to real estate or wholesale and retail sectors.

Figure 23: Accumulated on going FDI projects value in the first six months of 2025



Source: Ministry of Investment and Planning

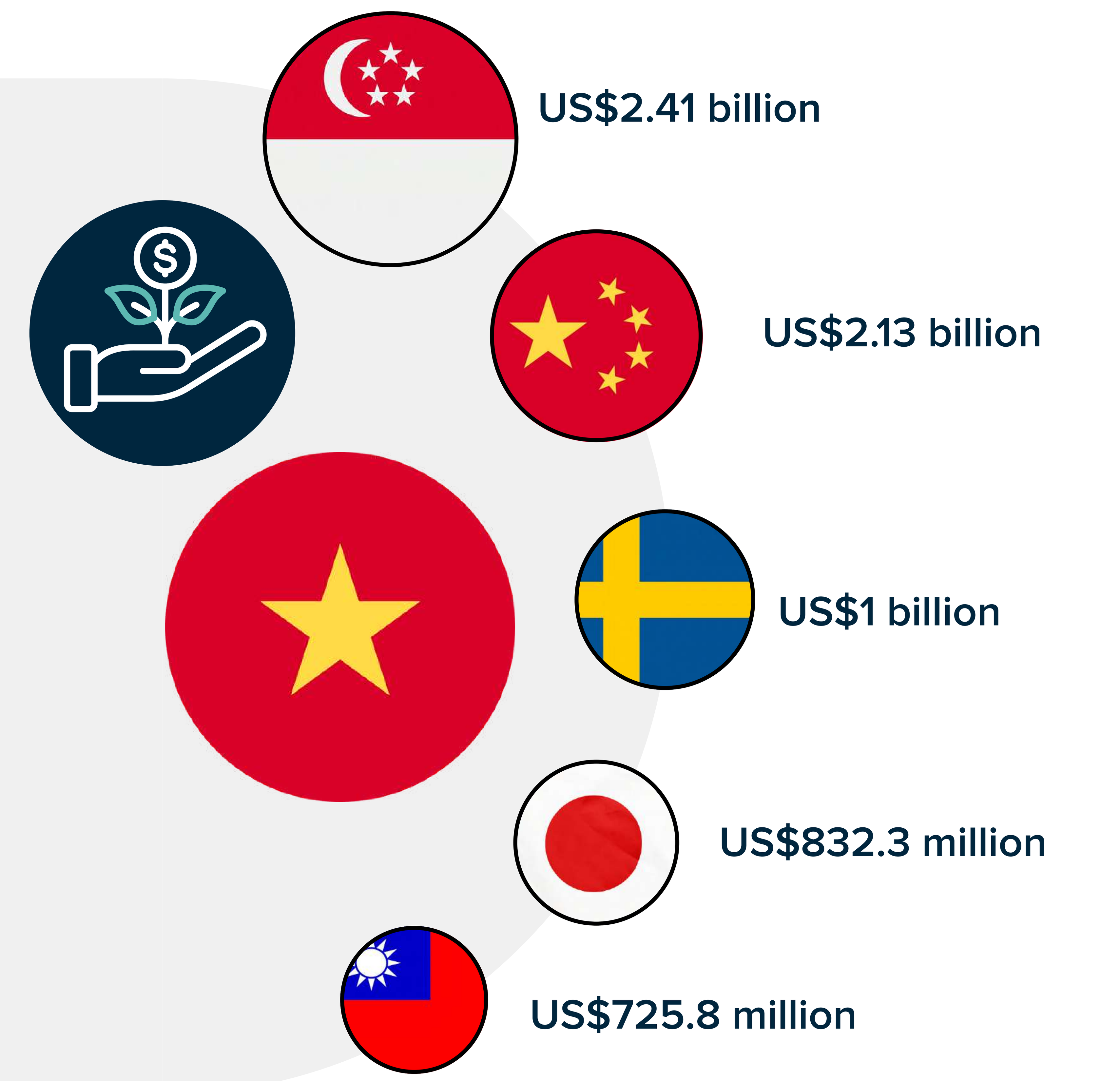
FDI in Vietnam's manufacturing sector is surging, led by global technology giants such as Samsung, Canon, Intel, Foxconn, LG, and Panasonic, Coherent in key industrial localities like Bac Ninh, Bac Giang, Hai Phong, Binh Duong, and Ho Chi Minh City. Beyond technology, new FDI flows into sectors like textiles, with Sweden's SYRE investing nearly US$1 billion in a high-tech, green-energy garment complex in Binh Dinh, and healthcare, exemplified by the VNVC vaccine plant in Long An, designed by German experts and using Sanofi technology to produce up to 100 million doses annually. These leading global brands serve as nuclei forming satellite manufacturing ecosystems, creating a ripple effect within global supply chains and enhancing Vietnam's strategic position on the regional industrial map.

> Vietnam's steady rise as a regional FDI magnet reflects strong confidence from neighboring economies led by Singapore, South Korea, and Japan. From my standpoint, this regionally driven capital influx underscores Vietnam's transformation into a high-potential hub for advanced manufacturing, green growth, and digital innovation. For international investors, the time to act is now: identify value-chain opportunities, build local partnerships, and align with Vietnam's long-term development agenda.

Thomas Chan
Regional Managing Director
ACCLIME.

The share of FDI in manufacturing has steadily increased in recent years, reflecting sustained confidence from international investors, especially amid the growing global supply chain trends of "friendshoring" and "nearshoring." Within this trend, Singapore leads new investment into Vietnam with US$2.41 billion (25.9%), followed by China (US$2.13 billion, 22.9%), Sweden, Taiwan, Japan, Hong Kong, and the British Virgin Islands. Additionally, large-scale investments in high technology — particularly in semiconductors and electronics — not only generate high added value but also promote technology transfer, positively contributing to Vietnam's industrial modernization goals.

The latest survey by the General Statistics Office shows that 87% of FDI enterprises in the processing and manufacturing sector are optimistic about their business prospects in Q2/2025, demonstrating strong confidence in the investment environment and the long-term growth potential of Vietnam's economy.



Friendshoring & Nearshoring Trends

> **"Five years ago, FDI was driven mainly by major end-users like Samsung and LG, pulling their supply chains into Vietnam. Today, we're seeing a broader wave—electronics still lead, but industries like machinery, moldings, and packaging are accelerating. What's different now is that supply chain localization, driven by market demand and rules of origin requirements, is pushing even Tier 2 and Tier 3 players to set up in Vietnam."**
>
> **Lance Li, CEO of BW Industrial, shared.**

Balancing growth and risk: insights into FDI firms in manufacturing

Vietnam's manufacturing sector is facing significant challenges, including:

- Pressure to transition to green production to meet international environmental standards.
- Risks arising from global economic and geopolitical fluctuations.
- An unstable power supply also poses difficulties for businesses.
- Dependence on supply chains for components from China and policies requiring localization ratios in key export markets further increase the sector's vulnerability.

To address these challenges, Vietnam is actively reforming its legal framework on foreign investment.

- In June 2025, the National Assembly passed the Law on the Digital Technology Industry, introducing specific provisions to support research, production, and investment in areas such as AI and semiconductors. The law also facilitates the issuance of five-year temporary residence cards for qualified foreign professionals, in line with regulations on immigration and residency.
- Incentive policies focus on reducing corporate income tax (CIT) rates to levels below the global average, with special incentives for high-tech projects and disadvantaged areas; exemptions and reductions in import duties on raw materials and components not yet produced domestically; land rent incentives, especially in high-tech zones, with exemptions of up to 15 years; as well as depreciation and expense incentives under tax and accounting laws.
- Furthermore, the government has simplified administrative procedures by implementing "green lanes" for large-scale and high-tech projects and is proposing the establishment of investment support funds for innovation, semiconductors, artificial intelligence, and research and development (R&D) projects.

Manufacturer's story

Teclon Vietnam has established itself as a benchmark in the manufacture and distribution of fixings, specializing in high-quality anchors and fasteners. Strategically located in Vietnam, Teclon benefits from a comprehensive production line that spans from raw material sourcing to plating and finishing. This integration ensures reliability, efficiency, and exceptional product quality for customers worldwide. The decision to set up operations in Vietnam was a carefully considered strategic move.

> When evaluating expansion options in Southeast Asia, Vietnam stood out among strong contenders like Thailand and Malaysia. The country offered a straightforward, business-friendly environment and access to reliable outsourcing partners for critical processes such as heat treatment and zinc plating — both essential to maintaining product quality and compliance.
>
> Positive references from our network in China further reinforced our confidence in Vietnam as the ideal location. Ultimately, this decision was grounded in strategic alignment, trusted relationships, and long-term potential.

Gaizka Garcia Ariño
General Director
TECLON
Lontana group

Teclon conducted a thorough evaluation of operational models before establishing its presence, considering subcontracting, importing, and exporting. The company successfully built strong partnerships with reliable partners who operate in Vietnam with the same level of efficiency and professionalism as they do in China.

Given Vietnam's infrastructure, they assessed that it is sufficiently developed to meet current operational needs, with promising improvements anticipated, giving Teclon full confidence in its ability to operate effectively without infrastructure concerns.

In summary, Teclon Vietnam's manufacturing story is one of strategic foresight, leveraging Vietnam's business environment and reliable local partners to deliver high-quality fixing products globally.

Deep dive into Key Economic Regions and industrial zones in Vietnam.

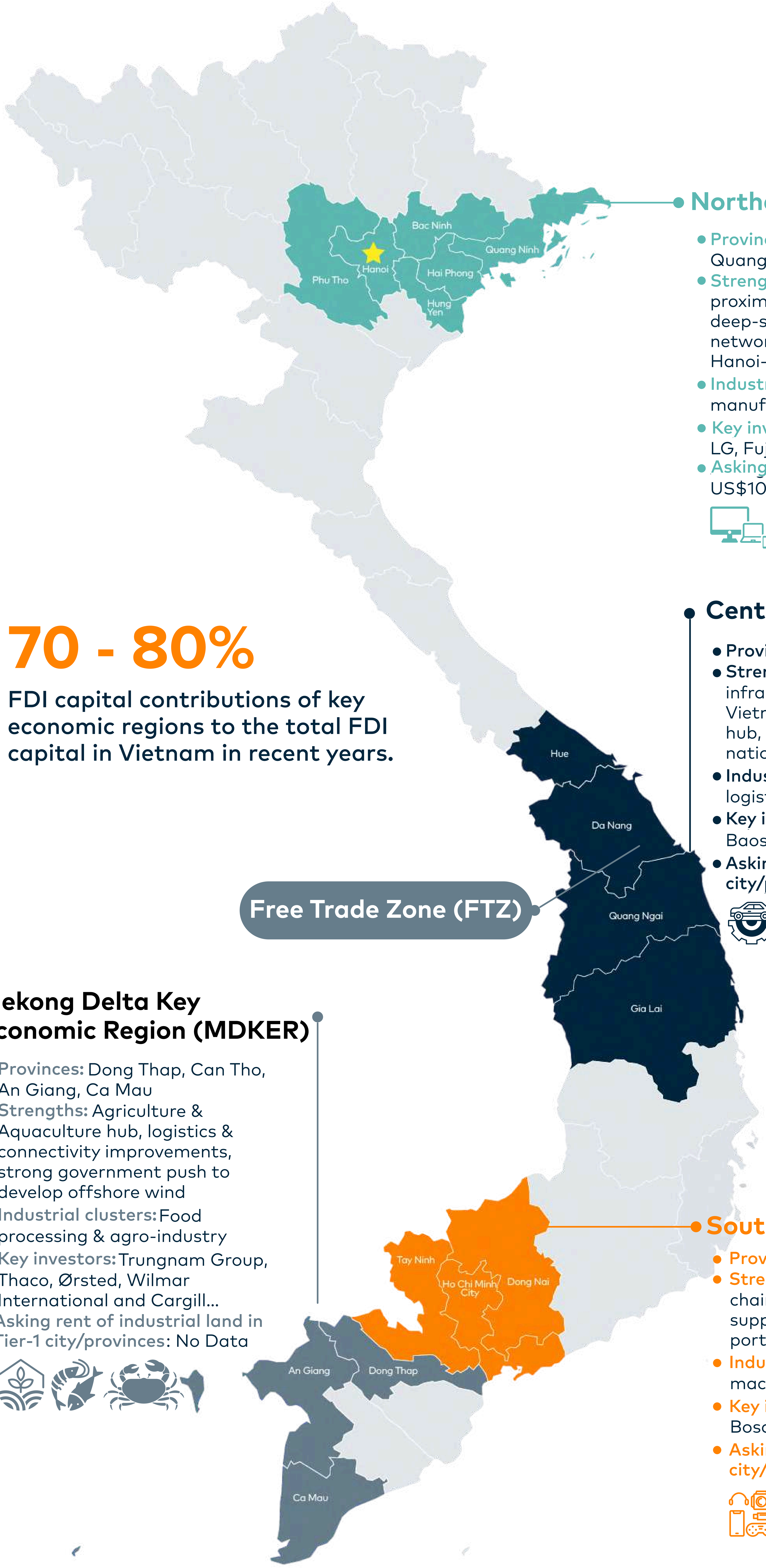
As manufacturers diversify across Southeast Asia, Vietnam stands out with its growing industrial base, supported by major projects like Long Thanh Airport and Lach Huyen Port. With over 435 industrial zones, the country has evolved into a high-tech manufacturing and logistics hub. Rising demand for ready-built facilities reflects a shift toward value-added and sustainable industries. Backed by reforms and global integration, Vietnam offers a competitive, future-ready base for investors.

Key economic regions of Vietnam: industrial landscape & investment highlights.

Vietnam's economic landscape is anchored by four major regions - the Northern (NKER), Central (CKER), Southern Key Economic Regions (SKER) and Mekong Key Economic Regions (MKER) - each playing a vital role in industrial development, foreign investment attraction, and global supply chain integration.

In the north, NKER serves as a vital economic hub, with its strategic proximity to China positioning it as a prime destination under the China+1 strategy. The CKER, though less developed, holds strong potential in maritime transport and tourism. Its growth prospects have recently been enhanced by the Government's decision to establish a Free Trade Zone (FTZ) in Da Nang, aimed at fostering high-tech industries, innovation, and digital transformation. The SKEZ has been the most significant contributor to national economic growth, driven by its robust industrial base and dynamic private sector. Lastly, the MDKER is focusing on advancing the digital economy, biotechnology, high-tech agriculture, and environmental sustainability, highlighting its importance in Vietnam's green and inclusive growth agenda.

Figure 23: Key economic regions of Vietnam



Northern Key Economic Region (NKER)

- Provinces: Hanoi, Hai Phong, Bac Ninh, Hung Yen, Quang Ninh, Phu Tho
- Strengths: The region's strategic advantages, proximity to China's southern industrial belt, access to deep-sea ports like Lach Huyen, and advanced road networks connecting to Kunming (China) via the Hanoi-Lao Cai Expressway
- Industrial clusters: Electronics, logistics, high-tech manufacturing
- Key investors: Samsung, Foxconn, LG, Hyundai, Skoda, LG, Fujifilm, Goertek...
- Asking rent of industrial land in Tier-1 city/provinces: US$108-149/sqm/term

Central Key Economic Region (CKER)

- **Provinces:** Hue, Da Nang, Quang Ngai, Gia Lai
- **Strengths:** Strong policy support and expanding infrastructure. Regional plans envision Central Vietnam as a high-output, export-focused seafood hub, driving rural development and enhancing national supply chains
- **Industrial clusters:** Automotive, garments, seaport logistics, petrochemicals, aquatic products
- **Key investors:** Foxlink, Carlsberg, Hanesbrands, Baosteel...
- **Asking rent of industrial land in Tier-1 city/provinces:** US$50-70/sqm/term

70 - 80%

FDI capital contributions of key economic regions to the total FDI capital in Vietnam in recent years.

Mekong Delta Key Economic Region (MDKER)

- Provinces: Dong Thap, Can Tho, An Giang, Ca Mau
- Strengths: Agriculture & Aquaculture hub, logistics & connectivity improvements, strong government push to develop offshore wind
- Industrial clusters: Food processing & agro-industry
- Key investors: Trungnam Group, Thaco, Ørsted, Wilmar International and Cargill...
- Asking rent of industrial land in Tier-1 city/provinces: No Data

Southern Key Economic Region (SKER)

- Provinces: Ho Chi Minh City, Dong Nai, Tay Ninh
- Strengths: A deep labor pool, integrated supply chains, and a well-developed network of supporting industries, strategic proximity to major ports and robust logistics infrastructure
- Industrial clusters: Electronics, furniture, machinery, textiles, and packaging
- Key investors: Intel, Nestlé, Coca-Cola, Hyosung, Bosch, Suzuki, Toshiba, Lego, Pandora...
- Asking rent of industrial land in Tier-1 city/provinces: US$131-260/sqm/term

Source: MPI, the Vietnam Investment Guide by Knight Frank, KTGIndustrial

We continue to see robust investor appetite in Vietnam's industrial sector, particularly in Tier-1 cities where occupancy levels remain high and rents both for land and ready-built facilities are rising at a steady, manageable, and sustainable pace. Demand is increasingly driven by more advanced manufacturing, which is seeking affordable labour and input costs, along with well-connected regional and global supply chains.

The quality of industrial parks, as well as the development and investment partners active in the sector, is evolving to reflect the needs of higher-value, more sophisticated manufacturing. In some segments, such as third-party logistics, the market has not yet returned to pre-COVID growth levels, leaving room for further local expansion.

These fundamentals, combined with Vietnam's well-known demographic advantages and the government's ongoing policy improvements, continue to position the country as one of Asia's most compelling industrial stories.

Alex Crane
Managing Director
Knight Frank

Understanding industrial parks and economic zones in Vietnam.

Vietnam's industrial landscape is undergoing a profound transformation, evolving from a low-cost production base into a sophisticated manufacturing hub. Across these regions, approximately 435 industrial zones and more than 18 economic zones have been established as of 2025, supporting a wide range of manufacturing sectors and contributing to Vietnam's position as a regional production hub.

Key insights on Vietnam's industrial parks

Vietnam's industrial parks (IPs) have become a cornerstone of the country's economic strategy, serving as key enablers of industrialization, export growth, and foreign direct investment (FDI) attraction.

There are many types of IPs:

- EXPORT PROCESSING ZONES
- HIGH-TECHNOLOGY ZONES
- ECO-INDUSTRIAL ZONES

These IPs provide ready-built infrastructure, streamlined investment procedures, and a range of incentives, making them an attractive destination for both foreign and domestic investors across diverse sectors.

According to Knight Frank Vietnam, as of 2024, the total supply of Vietnam's ready-built property market reached over 15 million sqm, equivalent to a 2018-2024 CAGR of 15% per annum. Of which, modern supply recorded robust growth, accounting for 48% of total warehouse stock. This has enhanced the Vietnam industrial landscape with high standard and flexible products. Since the US-China Trade War and the Covid-19 pandemic, Vietnam has witnessed a significant shift in investment from Chinese small and medium-sized enterprises (SMES), particularly in the electronics sector.

In 2024, 40% of total major transaction value recorded for ready- built factory/ warehouse came from electronics, followed by automobile/ vehicle components and 3PLs. As of H1 2025, ready-built facilities are priced around US$ 4.5–5.2 per square meter per month.

Additionally, Vietnam is transitioning to Eco-Industrial Park (EIP) models to promote inclusive and sustainable industrial development. This transition involves cleaner production, efficient resource use, industrial symbiosis, pollution control, social standards, shared infrastructure, and spatial planning. Supported by government policies like Decree 82/2018/ND-CP and Decree No. 35/2022/ND-CP, this shift establishes requirements and processes for converting IPs into EIPs. Pilot EIP projects in provinces like Ninh Binh, Da Nang, and Can Tho (2014-2019), supported by UNIDO, SECO, GEF, and UNDP, have shown economic, environmental, and social benefits and are expanding to other cities such as Hai Phong, Dong Nai, and Ho Chi Minh City.

In the nutshell, Vietnam's industrial parks continue to be a key engine for the country's economic future, increasingly geared toward value-added, sustainable, and innovation-driven industries.

Key insights on the first Free Trade Zone (FTZ) in Vietnam

On June 22, Da Nang authorities announced the prime minister's decision to establish the first FTZ in Vietnam. Da Nang FTZ comprises non-contiguous areas with specialised functional zones including production, logistics, trade and services, digital technology, information technology and innovation hubs.

Da Nang's Free Trade Zone also benefits from strong connectivity through its international airport, deep-water seaport, and road and rail networks that link it to key economic corridors, including the East-West Economic Corridor (EWEC) that connects Vietnam, Laos, Thailand, and Myanmar. The local government actively supports investors with investment incentives, public-private partnerships, and administrative reforms. With a focus on sustainable development, Da Nang integrates environmental considerations into zoning and industrial planning. These strengths make the city an attractive location for companies seeking a competitive base in Vietnam's growing economy while accessing regional supply chains efficiently.

Da Nang's Free Trade Zone

Source: Danang Hi-Tech Park and Industrial Zones Authority

Key insights on Vietnam's economic zones

Vietnam's economic zones (EZs) including **coastal economic zones, Border-gate economic zone, and special economic areas** play a vital role in attracting large-scale foreign direct investment (FDI). One of the defining features of Vietnam's EZs is their integrated development model, combining industrial parks with ports, residential areas, tourism services, and logistics hubs. This allows for greater economic clustering and value-chain linkages. **Leading examples include Chu Lai Economic Zone, Dung Quat EZ, and Van Phong EZ**, each offering vast land areas and preferential policies designed to attract high-impact industries such as petrochemicals, shipbuilding, automobile manufacturing, and renewable energy.

In summary, Vietnam's economic zones are evolving into dynamic platforms for industrial growth and innovation. With the right investment climate and strategic reforms, they are well-positioned to lead the country's next wave of economic transformation.

Enabling growth: the role of utilities, logistics, and tech in Vietnam's industrial development

Power Supply

Vietnam is actively investing in rooftop solar initiatives to promote green, sustainable factories, aiming for an ambitious 189 GW of solar capacity by 2050. While regulatory hurdles remain, clearer guidelines are anticipated by mid-2025, which will further support the country's transition to renewable energy.

Logistics

The country's major industrial centers are seamlessly connected to deep-water ports such as Cai Mep – Thi Vai, one of Southeast Asia's largest container ports, capable of handling the world's largest vessels. The upcoming Long Thanh International Airport will further enhance international cargo capacity, while the development of Lien Chieu Port in Da Nang is set to transform the central region into a key logistics hub, directly linking industrial parks to the North-South Expressway. Modern industrial zones now integrate advanced logistics solutions, including multi-story warehouses and efficient cargo handling systems, supporting a wide range of manufacturing needs.

Technological adoption

Technology adoption is another significant advantage. Modern RBFs are tailored for high-tech manufacturing, enabling automation and advanced production. The Northern and Central regions are increasingly favored by high-tech and R&D companies, while midstream electronics suppliers relocating from China are forming efficient industrial clusters. Vietnam's workforce, supported by annual productivity growth of 3.6%, is now capable of handling complex manufacturing, such as electric vehicles and carbon-neutral computing.

Supply chain dynamics in Vietnam

Vietnam's supply chain dynamics have evolved significantly in recent years, underpinned by large-scale investments in logistics infrastructure such as expressways, deep-sea ports, and multi-modal transport corridors. These developments are enabling more efficient movement of goods across regions and enhancing Vietnam's attractiveness as a manufacturing and export hub. At the same time, the country is increasingly positioning itself at the center of the restructured global supply chain, as multinational corporations seek to diversify sourcing and reduce geopolitical risk. **This shift is being driven by sustained realignments in global trade flows and the strategic imperative for supply chain resilience.**

The growing presence of global brands in Vietnam especially in the technology and consumer goods sectors underscores this momentum. Apple, for instance, has now identified Vietnam as its largest production base in Southeast Asia, surpassing Thailand in terms of facility presence. According to CEO Tim Cook, the majority of Apple's major products including iPads, Macs, Apple Watches, and AirPods—will be exported to the U.S. from Vietnam starting in Q2 2025. Similarly, Nike continues to rely heavily on Vietnam as a manufacturing anchor, producing 50% of its global footwear and 28% of its apparel output. As of early 2025, Nike operates through 98 suppliers and 162 factories across the country, employing over 493,000 workers. These developments not only reflect rising global confidence in Vietnam's production capacity and stable investment climate, but also open critical opportunities for domestic suppliers to integrate more deeply into international value chains.

The Factory of the Future: Sustainable and Automated.

Vietnam's manufacturing industry is at a crossroads where integrating ESG principles is indispensable for sustainable growth and global competitiveness. Addressing social challenges such as gender inequality, workforce skills gaps, and labor protections, while aligning with evolving regulations, will build a more resilient and inclusive sector. Success will depend on collaborative efforts among government, private sector, and civil society to unlock the full potential of ESG, ensuring that Vietnam's manufacturing continues to thrive responsibly in the global economy.

What do investors focus on now?

In today's volatile economic and geopolitical climate, manufacturing leaders are rethinking how to optimize their operations by balancing innovation with cost-effectiveness. A growing number of CEOs are prioritizing digital transformation and research & development (R&D) as core strategies to build long-term resilience and maintain competitiveness. This shift is especially pronounced in advanced manufacturing, where companies are now spending over billions annually on digital transformation initiatives. These investments often focus on industrial digitalization technologies, including the Industrial Internet of Things (IIoT), cloud and edge computing, and enterprise platforms such as ERP, MES, and PLM systems.

Alongside technology, human capital remains a critical investment priority. As the manufacturing sector grapples with talent shortages and skills mismatches, companies are placing greater emphasis on employee development and workforce upskilling. As a result, forward-looking manufacturers are aligning capital allocation not only toward digital solutions but also toward building agile, tech-savvy teams that can adapt to the next wave of industrial transformation.

The factory of the future.

As manufacturers expand their operations in Vietnam, they typically evaluate three primary establishment models:

Self-developing new facilities (Greenfield)

Acquiring existing facilities (Brownfield)

Leasing ready-built factories or warehouses (RBF/RBW)

While the first two options offer greater control over design or the ability to leverage existing infrastructure, both are often constrained by long development timelines (12 to 36 months), high upfront capital expenditure, complex permitting processes, and challenges related to ESG compliance. Greenfield developments, in particular, require long-term land commitments (typically 30–40 years), while Brownfield acquisitions carry inherent technical risks and hidden retrofit costs.

In contrast, RBF and RBW models are gaining significant traction due to their faster time-to-market (as short as 6–7 months), competitive rental costs (approximately USD 5 per sqm per month), and flexible lease terms. These facilities are typically offered with end-to-end support from experienced industrial developers, enabling tenants to focus solely on operations. Modern RBFs now meet advanced industrial construction standards – including ultra-flat flooring, freight elevators, and wide corridors – and come bundled with value-added services such as legal support, fit-out coordination, licensing assistance, and facility management.

The growing preference for RBFs is therefore understandable. These solutions address many of the traditional entry barriers by providing faster setup, operational flexibility, and reduced exposure to capital risk. For many foreign manufacturers, RBFs offer a pragmatic way to "test the waters" in a new market without long-term fixed commitments – acting as incubators for future expansion.

Figure 24: RBFs as comprehensive strategic solutions for manufacturing: Accelerating FDI attraction and serving as "incubators" for Vietnam's manufacturing expansion

RBF is an ideal solution for FDI investment, serving as "incubators" for Vietnam's manufacturing expansion

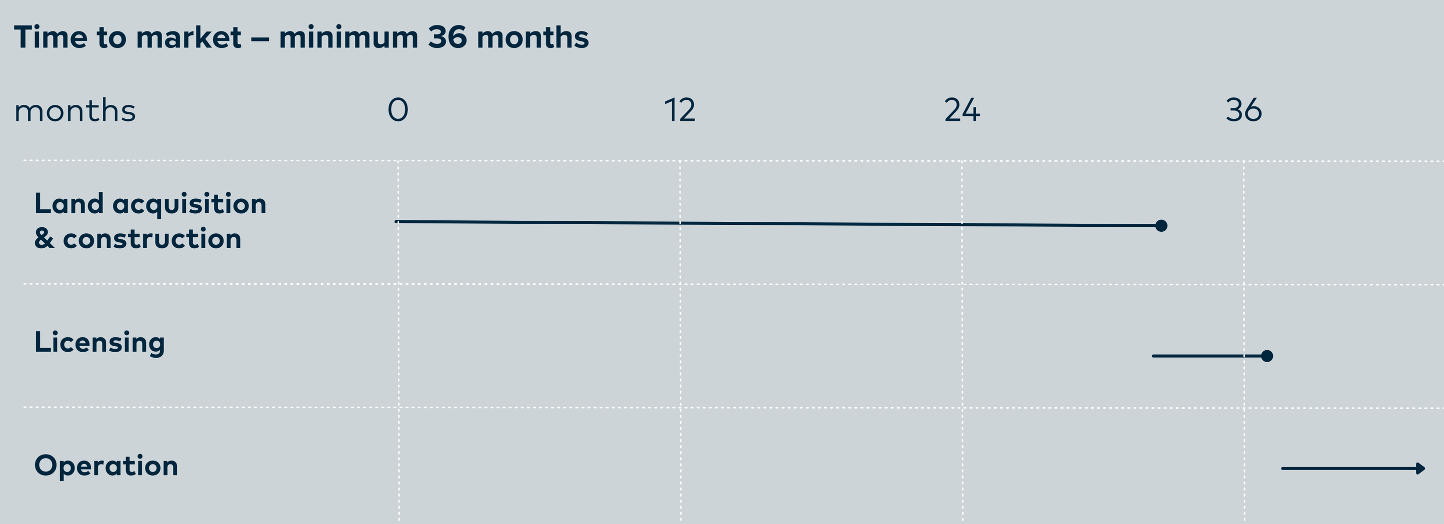
Owning factory

~$500-600 psm
Of average sunken CAPEX cost

Self-maintenance
Create additional burden

30-40s years
Long-term leasehold (depends on IP)

Immobilization
Unable to move, upscale, or descale



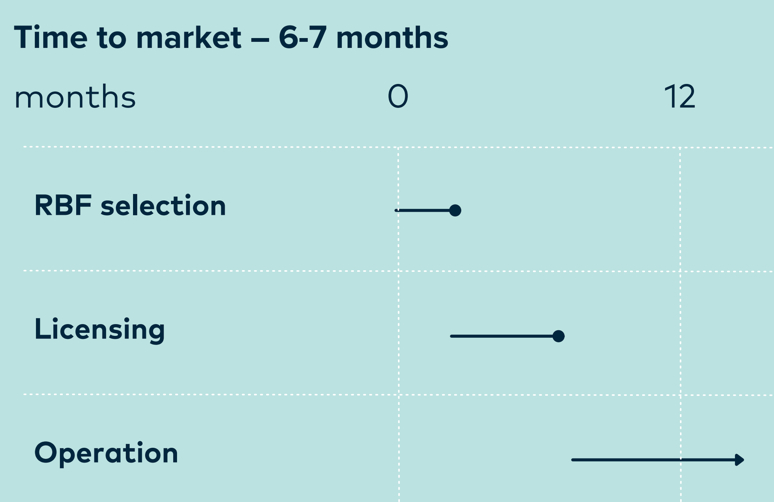
Leasing RBF

~$5 psm
Of average rental OPEX cost

Developer-managed
Focus solely on operation

3-10 years
With flexible lease term

Mobilization
Ease of expansion or province relocation



"RBF provides an optimal solution for manufacturing tenants seeking to quickly establish a production base without going through the complete land acquisition and construction process"

Source: The report - Shifts in Vietnam's Industrial Manufacturing Landscape: A Developer's Perspective | BW Industrial

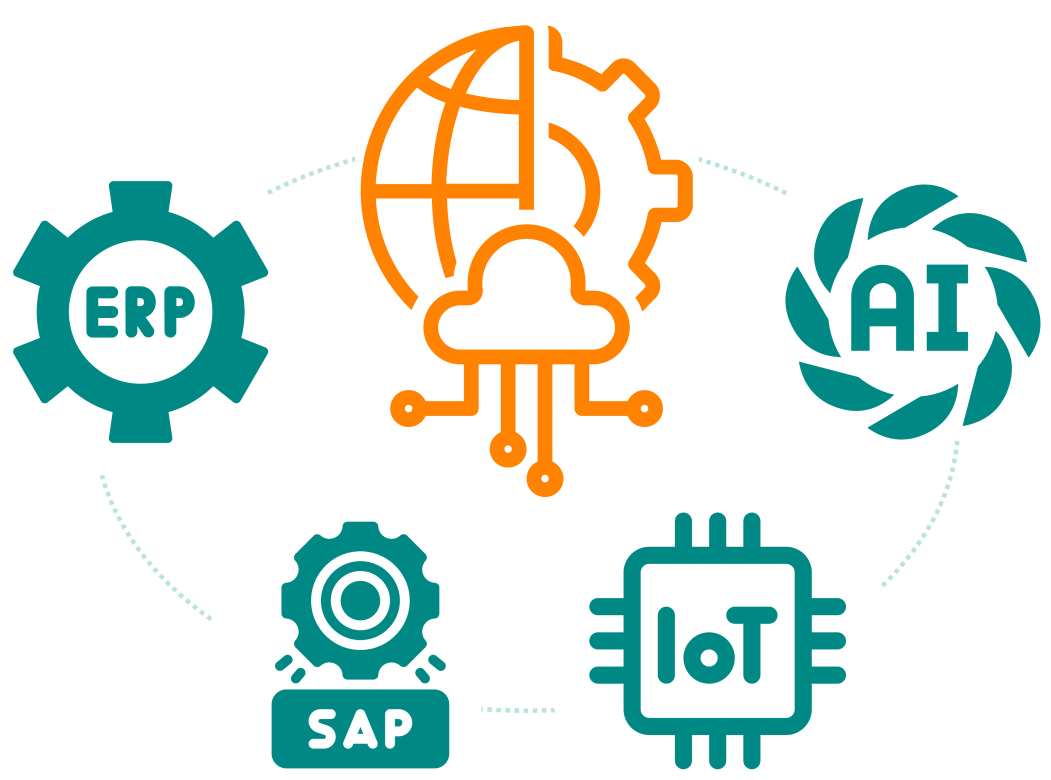
New perspectives for the future of manufacturing.

Tech enablement

Vietnam's manufacturing sector is undergoing a comprehensive transformation, driven by the integration of digital technologies into industrial operations. The Vietnamese government has positioned digital transformation as a strategic pillar for national industrialization and modernization. Resolution No. 57-NQ/TW outlines the development of digital technologies in design, innovation, and production as key priorities.

Advanced solutions such as Enterprise Resource Planning (ERP), System Application Programming (SAP), Industrial Internet of Things (IIoT), and Artificial Intelligence (AI) are widely adopted to enhance productivity, reduce operational costs, and streamline enterprise management.

A notable example is Vinergy, the forefront of delivering energy monitoring and management solutions (EMS) for businesses in Vietnam. They offer innovative energy management technologies that deliver both economic and environmental benefits through the adoption of smart systems and sustainable practices.



> Our platforms have played a pivotal role in helping manufacturing businesses gain control over their energy use by transforming limited visibility into actionable, real-time insights. Many factories initially operate based on assumptions about energy consumption; Vinergy addresses this by installing meters and IoT sensors on key equipment and areas of the facility. This allows for granular tracking of energy consumption – by process, machine, production line, or even shift. This granular data enables plant managers to identify inefficiencies and implement improvements quickly. Custom dashboards offer clear visualizations of consumption trends and peak loads, while automated alerts detect anomalies such as idle equipment consuming power, voltage fluctuations, or excessive run times. One of the most impactful features is equipment calibration based on energy analytics, which helps fine-tune operational settings for maximum efficiency without affecting product quality. Additionally, the platform supports performance benchmarking by tracking energy KPIs per unit or shift, fostering continuous improvement aligned with ESG goals.

Tim Ta
CEO
VINERGY

As global manufacturing shifts toward smart and sustainable practices, Vietnam is emerging as a next-generation industrial hub where investors can find a compelling combination of innovation, operational efficiency, and long-term growth orientation.

Clean technology as a lever for growth

The Vietnamese government has built a robust legal framework and long-term strategies to accelerate clean technology adoption. Key policies include the revised Environmental Protection Law (2020), the National Master Plan for 2021–2030, and the Green Growth Strategy. Decree 35/2022 prioritizes the development of green industrial zones, while Resolution 50-NQ/TW focuses on attracting high-tech investment projects, both contributing to the momentum for sustainable manufacturing transformation.

In practice, Industrial Park developers are moving toward eco-industrial models, integrating rooftop solar power, energy-saving infrastructure, and green building certifications such as LEED. For example, Samsung uses rooftop solar and DPPA mechanisms, aiming for carbon neutrality across its factories, while Heineken achieves 100% renewable energy use through biomass and waste-heat recovery. LEGO's US$1 billion carbon-neutral plant in Binh Duong sets new benchmarks, powered entirely by solar energy. Together, these initiatives signal Vietnam's shift toward a cleaner, more competitive industrial ecosystem.

ESG as a growth engine scenario

How ESG Environmental principles are transforming Vietnam's manufacturing

When it comes to the manufacturing sector, ESG adoption is closely linked to the transition toward cleaner production methods and the circular economy model. Companies are actively seeking ways to reduce their environmental footprint by minimizing waste, improving energy efficiency, and reusing materials. This shift is supported by technological innovations that enable more sustainable production lines, as well as by government incentives for businesses that meet environmental standards.

Vietnam is taking significant steps toward sustainable industrial growth by advancing the development of eco-industrial parks (EIPs), which reflect the country's broader commitment to ESG principles and the circular economy. Since 2014, the Ministry of Planning and Investment (MPI) has worked closely with international organizations such as UNIDO, UNDP, and SECO to promote the EIP model across various provinces. This initiative has gained legal traction, with the EIP concept formally incorporated into national legislation, including key government decree: Decree 35/2022/ND-CP.

Looking ahead to 2030, Vietnam aims for 40% to 50% of its provinces and cities to transition existing industrial parks into eco-industrial ones, with an additional 8% to 10% planning to establish new EIPs.

Manufacturers in industries such as cement-building materials, and food processing are beginning to adopt eco-friendly packaging or certified green products, etc. These practices not only help companies meet ESG criteria but also reduce operational costs and boost their appeal in international markets, particularly as global buyers increasingly demand transparency and sustainability in their supply chains.

ESG-related technologies

According to Green Transition, one of Vietnam's leading sustainability advisory firms, manufacturers are leveraging a few key ESG-related technologies. This focus is largely driven by global sustainability demands like Net-Zero by 2050 targets and international regulations such as the EU's Green Deal, which significantly impact Vietnam's export-heavy economy.

Carbon Tracking and Management:

First and foremost, manufacturers are prioritizing carbon tracking and management technologies. This is a direct response to compliance needs, both locally with regulations like Decree 06 on GHG inventory and internationally with Carbon Border Adjustment Mechanism (CBAM) requirements from various export destinations with two main types of focus including automated data collection and carbon calculation, monitoring for decarbonization.

Supply Chain Traceability:

A growing traction and interest among Vietnamese manufacturers however the implementation is relatively slow. The main digital focus here is on achieving better data collection automation, often leveraging blockchain and IoT technologies but also more and more digital platform to monitor ESG compliance of their suppliers

Circularity Initiatives and Platforms:

Manufacturers are increasingly focusing on circularity initiatives and platforms. These efforts aim to boost performance in areas like resource efficiency, waste management, water management, and even symbiotic approaches within Eco-industrial Parks.

Automated Data Collection for ESG Disclosures:

This is largely propelled by compliance with regulations, investor requirements and customer demands, such as the Corporate Sustainability Reporting Directive from their value chains and, locally, Circular 96 for listed companies to disclose their ESG information.

When it comes to which technology to start with, companies should focus first on their foundation which is the ESG reporting with data management and compliance following international standards and associated with that the support to automated data collection internally or in their supply chain. After it can be associated with some ESG initiatives like renewable energies, electrical vehicle, green building standards, product lifecycle assessment, environmental product declaration, etc. depending of the prioritization and associated investments necessary.

By combining these technologies, manufacturers can move beyond manual, time-consuming processes to achieve greater ESG data transparency, automate reporting, and ultimately drive more sustainable and responsible operations.

Bao Nguyen
Managing Partner and
Co-Founder

Green Transition

Governance in manufacturing

Over the past five years, the Vietnamese government has introduced a series of regulations to formalize ESG-related practices, especially among listed firms. These include the 2019 Law on Securities and Decree No. 155/2020/ND-CP, which set out requirements for corporate governance and information disclosure. Circular 96/2020/TT-BTC further details what public companies, bond issuers, and fund managers must report, including material ESG risks. Instead of just being box-ticking exercises, they reflect a clear shift toward change.

More recently, early this May, Resolution 68-NQ/TW introduced a new push to encourage green growth and circular economy practices. It includes preferential credit terms for businesses that apply ESG principles and implement green or circular economy projects. A clear signal is that the government is not only tightening compliance but also willing to support companies that take the lead.

At the same time, Vietnamese exporters and suppliers are facing stronger pressure from international buyers. Many markets, especially the EU, are introducing strict rules around human rights, environmental due diligence, and supply chain transparency. This means that firms operating in Vietnam, local or foreign, must begin to understand, report, and improve on ESG performance if they want to secure their contracts and enter new markets.

In short, a new norm is taking shape. Businesses are being asked not just whether they are profitable, but how. And those who fail to meet expectations may find themselves losing access to markets, partners, and even capital. On the other hand, those who act early and seriously are gaining a first-mover advantage - not only with regulators but also with customers, banks, and investors who are increasingly looking for credible ESG performance.

Enabling profitability and sustainability in manufacturing

In today's rapidly evolving industrial landscape, the convergence of profitability and sustainability is no longer a trade-off, it is a strategic imperative. Manufacturers are under increasing pressure from investors, regulators, and consumers to deliver economic value while minimizing their environmental and social impact. In this context, forward-looking companies are redefining value creation through the lens of sustainability.

Operational efficiency through technology adoption

1

Digital transformation is a key driver of both profitability and sustainability. Technologies such as energy monitoring systems of Vinergy, predictive maintenance, and automation reduce resource consumption, downtime, and production waste. These investments not only lower operational costs but also support decarbonization and energy efficiency goals, particularly in energy-intensive industries.

Supply chain optimization and localization

2

Global disruptions have accelerated the need for more resilient and localized supply chains. By developing domestic supplier networks and streamlining logistics, manufacturers can reduce lead times, cut emissions, and enhance responsiveness. Localized supply chains also open opportunities for small and medium enterprises (SMEs) to participate in value chains, contributing to inclusive economic growth.

Personal Data Protection Decree, a protection reflecting stronger governance (G):

Learn more from our insights

Personal Data Protection obligations in Vietnam – Decree 13, legal framework and 2023 obligations | Acclime Vietnam

3 Workforce development and ESG integration

A skilled, safe, and engaged workforce is essential to sustainable profitability. Investing in employee training, well-being, and ethical labor practices improves productivity and aligns with ESG standards demanded by global clients. Moreover, transparent reporting and adherence to frameworks like the GRI or ISO 26000 enhance investor confidence and market access.

4 Product innovation and circular economy practices

Manufacturers that innovate with sustainable materials, energy-efficient products, and circular design principles are better positioned to meet future regulatory requirements and shifting consumer preferences. These practices not only reduce environmental impact but can also unlock new revenue streams from product life extension, remanufacturing, and recycling.

5 Policy alignment and strategic partnerships

Vietnam's regulatory reforms and trade agreements increasingly reflect global ESG priorities. Manufacturers that align with these policies and partner with stakeholders from government to NGOs
and academia can access incentives, mitigate compliance risks, and co-develop sustainable solutions that reinforce long-term profitability.

Vietnam’s Supply Chain Competitiveness Amid Global Tariff Disruptions.

Vietnam is at a pivotal moment. The US tariff cut offers a powerful boost to its manufacturing-led growth model, but only if the country can maintain its credibility, continue upgrading its infrastructure, and deepen local value chains. Investors are watching closely, and global buyers are shifting orders. With the right strategies in place, Vietnam has a strong chance to turn today’s trade disruption into tomorrow’s competitive edge.

In the current era of shifting global trade dynamics, Vietnam has emerged as a resilient and attractive hub for manufacturing and supply chain operations. The latest development is a significant reduction in US import tariffs on Vietnamese goods. Though it is not official, it highlights Vietnam’s growing importance in the global supply chain and reinforces its appeal as a destination for foreign direct investment.

On 1st of August 2025, the US administration announced a trade agreement introducing a 20% tariff on Vietnamese exports to the US and a 40% tariff on transshipped goods. In the coming time, both sides will continue discussions and work toward finalizing a reciprocal trade agreement based on the principles of openness, constructiveness, equality, mutual respect, mutual benefit, and consideration of each country's level of development, the Trade Ministry said.

These new tariff levels are undoubtedly a wake-up call, but they also create an opportunity. They push Vietnam's supply chain industry to mature further with more transparency, stronger value-added capabilities, and a shift toward long-term competitiveness built on efficiency and innovation, not just low costs.

A tariff break that changes the game.

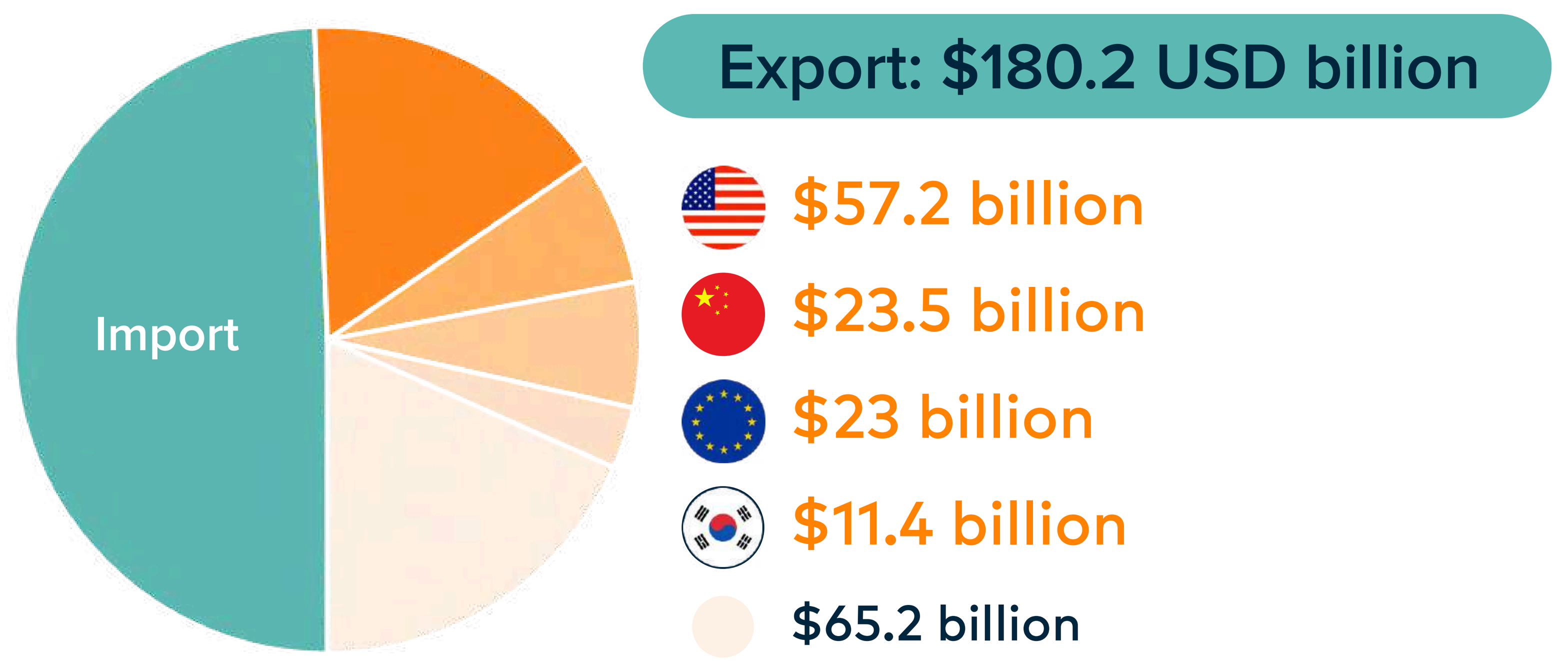
This preferential treatment is expected to particularly benefit sectors where Vietnam already holds a competitive edge such as textiles, garments, furniture, consumer electronics, and agricultural products. Compared to India, which currently face average US import tariffs of around 50%, Vietnam's reduced rate of 20% gives it a significant pricing advantage. This could accelerate order shifts from South Asia to Vietnam, especially in fast fashion and high-volume consumer categories. The new tariff environment not only solidifies Vietnam's lead in traditional manufacturing sectors but also opens the door for expansion into higher-value, more technologically advanced production, provided the country continues to invest in infrastructure, supply chain digitization, and policy reform.

Effects of tariffs on manufacturing exports

While the United States remains a vital trade partner, accounting for approximately 30% of Vietnam's total exports, the majority, nearly 70%, are directed toward other international markets. These include major economies across Asia, Europe, and other regions where Vietnam has signed a robust network of FTAs. These FTAs provide structured, preferential tariff frameworks on both sides, offering Vietnamese exporters a competitive edge that extends well beyond U.S. market access.

In the first five months of 2025, Vietnam's total import-export turnover reached **US$355.8 billion**, with export value alone hitting US$180.2 billion. Exports to the United States showed a strong performance at US$57.2 billion. However, Vietnam's export markets are notably diversified: China (US$23.5 billion), the EU (US$23 billion), and South Korea (US$11.4 billion) were also significant destinations. This diverse trade landscape illustrates that Vietnam's role as a global manufacturing hub is not solely dependent on U.S. tariffs but rather supported by its strategic integration into multiple preferential trade regimes.

Figure 25: 2025 trade balance - first 5 months



Source: GSO

In response to escalating trade fragmentation and persistent cost pressures, FDI businesses in Vietnam are implementing a multi-faceted and resilient strategic realignment. Proactively, these companies are engaging with trade associations to advocate for product-specific exemptions from new regulations while also conducting granular assessments of how updated trade policies will strategically impact each of their products in key international markets. Operationally, they are building greater flexibility into their contracts to adeptly navigate sudden policy shifts.

More broadly, a clear trend is emerging: resilient, long-term diversification. For investors with manufacturing capabilities in multiple jurisdictions, this involves a sophisticated evaluation of their global production footprint. They are now strategically allocating which production sites serve specific markets based on tariff regimes; for instance, designating certain facilities to export to the United States, while others are optimized for trade with the European Union, Asia, or the Middle East, thereby creating a more adaptable and resilient global export strategy.

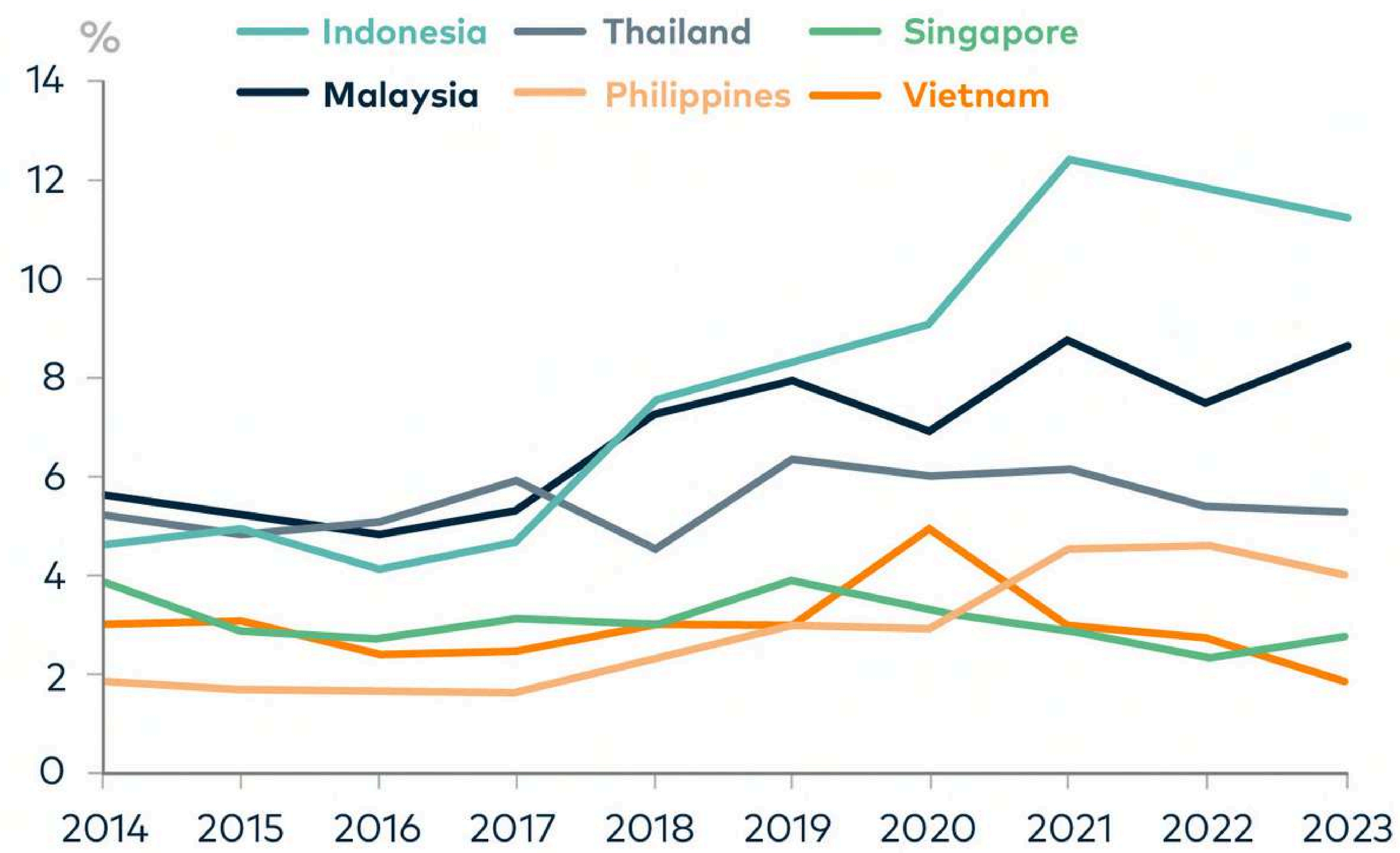
Vlad Savin, Partner at Acclime Vietnam comment:

> Vietnam's reliance on US as a top export market will diminish at a slow but consistent pace in the next 5 to 10 years, and part of the 30% export share to the US may be replaced by new jurisdictions as Vietnam continues to elevate its position in the global value chain.

The criteria for exporters to be classified as transshipment.

Within the ASEAN-6 group, Vietnam's manufacturing sector shows relatively low dependency on Chinese inputs compared to countries like Indonesia and Malaysia. This dependency has either stabilized or slightly declined in recent years, giving Vietnam an edge in adjusting supply chain strategies amidst disruptions in Chinese markets.

Figure 26: ASEAN-6, share of goods exports used as inputs in Chinese manufacturing sectors



Source: Oxford Economics/ADB MRIO Tables

With the tariff cut, the US has also imposed stricter oversight on origin compliance. Exporters must now prove that their products are genuinely manufactured in Vietnam and not rerouted from third countries, a practice known as transshipment.

Although the full text clarifying which goods will be classified as "transshipment items" has not yet been released. Nonetheless, it is important for companies to understand the preliminary definition under the White House announcement: "(a) An article determined by CBP to have been transshipped to evade applicable duties under section 2 of this order shall be subject to (i) an additional ad valorem rate of duty of 40 percent, in lieu of the additional ad valorem rate of duty applicable under section 2 of this order to goods of the country of origin, (ii) any other applicable or appropriate fine or penalty, including those assessed under 19 U.S.C. 1592, and (iii) any other United States duties, fees, taxes, exactions, or charges applicable to goods of the country of origin.

CBP shall not allow, consistent with applicable law, for mitigation or remission of the penalties assessed on imports found to be transshipped to evade applicable duties.

(b) The Secretary of Commerce and the Secretary of Homeland Security, acting through the Commissioner of CBP, in consultation with the United States Trade Representative, shall publish every 6 months a list of countries and specific facilities used in circumvention schemes, to inform public procurement, national security reviews, and commercial due diligence."

To meet these requirements, companies will need to maintain transparent and auditable records, particularly on raw materials sourcing, processing steps, and local value-add. Firms that fail to comply may face a 40% tariff. This places significant pressure on Vietnamese exporters to strengthen internal compliance and supply chain visibility.

Investors' position across the tariff global unrest is cautious, but long-term positive sentiment in Vietnam prevails.

The change in tariff structure is being closely watched by foreign investors already operating in or considering Vietnam. For companies seeking to de-risk their China operations, Vietnam becomes even more compelling, offering tariff advantages, and relatively open investment policies.

> Manufacturers are unlikely to relocate operations to other emerging markets based solely on marginal tariff advantages, as regional supply chain resources, cost considerations, and human resource advantages must also be evaluated – particularly when accounting for switching costs, regulatory complexities, and operational risks. The future of global manufacturing hinges not merely on finding the lowest-cost production location, but on identifying the optimal base for comprehensive operational development. For Chervon, entering Vietnam transcended a routine business decision; it represented a strategic long-term investment.

Anshon Li
General Director
CHERVON

Vietnam's manufacturing at a crossroad: challenges and opportunities.

Vietnam's manufacturing sector stands at a pivotal crossroad, where global trade shifts are creating both transformative opportunities and structural challenges. On one hand, the new tariff environment, especially the reduction in US import taxes, offers Vietnam a golden opportunity to attract higher-quality foreign direct investment (FDI). Serious investors looking for long-term production bases are more likely to commit to Vietnam, creating higher-value jobs and deepening local capabilities. At the same time, rising international expectations around product origin, quality, and traceability are pushing Vietnamese manufacturers to adopt more transparent, competitive practices. These requirements, though demanding, are driving innovation, greater production autonomy, and more resilient supply chains. They also elevate the global image of "Made in Vietnam," not just in the US, but in high-standard markets like the EU, Japan, and South Korea.

However, the path forward is not without its challenges. Stricter compliance requirements and rising costs are placing pressure on enterprises, particularly in low-value manufacturing sectors. As the US increases scrutiny on rules of origin, FDI firms that previously operated with shallow footprints in Vietnam often to avoid Chinese labeling, must now prove genuine local value creation or risk losing market access and incentives.

For manufacturers, maintaining competitiveness will require significant investment in traceability systems, logistics, and quality control, raising operational costs in the short term but potentially ensuring more stable, value-driven growth over time.

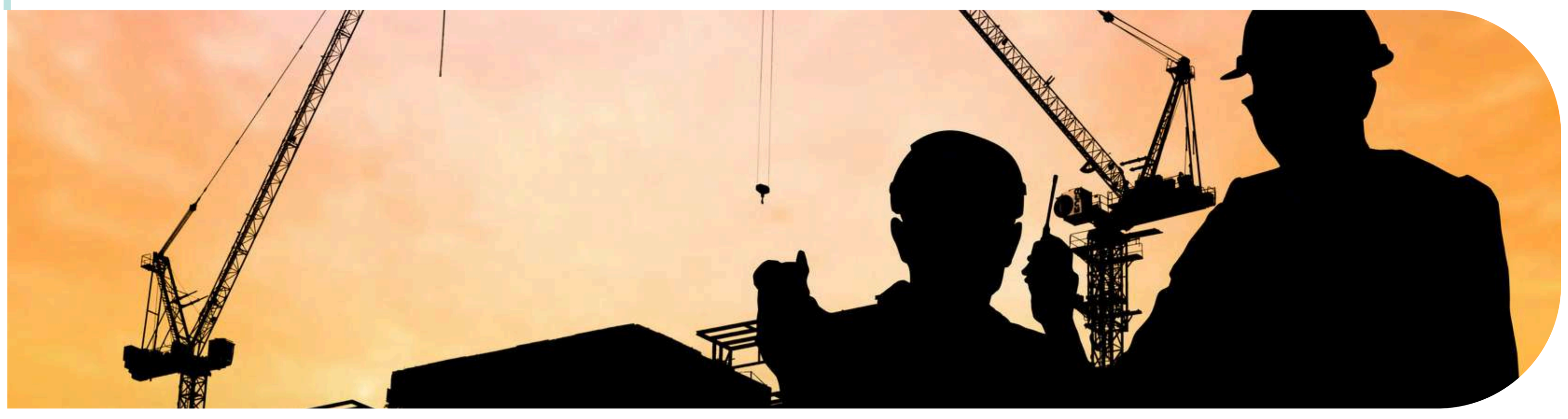
Strengthening localization: Vietnam's response to the US trade demands.

Made in Vietnam: advancing localization for export competitiveness

Equally important is Vietnam's localization drive. The country has also prioritized improving supply chain transparency by implementing a blockchain-based "Certificate of Origin" system, reducing fraudulent transshipment cases by 73% in the first half of 2025 compared to the previous year, helping maintain export turnover to the US at US$127 billion during the first five months of 2025.

Tariff tipping point and the case for localized production

According to research by BCG, tariffs have become a volatile factor capable of quickly erasing cost advantages once offered by global offshoring. The concept of the "tariff tipping point" refers to the threshold at which it becomes more financially viable to localize production than to absorb additional tariff costs. This calculation depends on several key factors: **the cost structure of the product, the cost gap between country pairs, and the firm's ability to pass tariff costs on to customers**. In such an environment, leading manufacturers are adopting scenario-based planning to re-evaluate footprint strategies - factoring in tariffs, automation potential, logistics savings, and geopolitical stability. Vietnam's competitive labor costs, growing digital readiness, and improving infrastructure make it a strong candidate for localization. As global firms diversify away from China in search of tariff-resilient bases, Vietnam's position as a flexible, cost-efficient, and politically stable manufacturing hub is further reinforced.



Strengthening domestic linkages to support localization

Vietnam is increasingly advancing a localization strategy focused on improving domestic supplier networks and reducing dependency on imported inputs. These include upgrading tertiary education and vocational training to supply more high-skilled workers, increasing access to upper secondary education, and aligning curricula with industry needs. The government is also supporting firms' technological capabilities through R&D promotion and exploring voucher schemes to help SMEs access public research. Strengthening intellectual property rights enforcement is another priority to foster voluntary technology transfer. Programs like the "Programme on the Development of Supporting Industry (2016–2025)" are designed to help domestic suppliers meet international standards and connect with foreign investors through shared procurement information and online supplier databases.

Chervon Vietnam shares its story on localization:

> **At first, it was tough for local suppliers to fully understand and meet our standards. That's why we had to adopt a dual strategy: on one side, we focused on nurturing and developing local suppliers, on the other, we actively encouraged our Chinese suppliers to come to Vietnam, set up factories, and start production here. Now, five years later, we've established a solid local supply chain.**

Today, Chervon works with over 100 suppliers across Southern Vietnam, including in Ho Chi Minh City, Dong Nai, and Tay Ninh. The company also emphasized the importance of precise origin tracking:

> **For each product, we developed a precise Certificate of Origin (C/O) model to clearly determine which components need to be manufactured or sourced locally. This model gives us transparency on actual local value-added components and allows us to optimize localization for trade compliance and operational efficiency.**

Navigating headwinds: how businesses can stay ahead.

Like other countries, Vietnam's manufacturing landscape is being reshaped by mounting geopolitical tensions, shifting tariff regimes, and growing pressure for localization. To stay ahead, businesses must take a proactive and strategic approach, embedding **resilience, sustainability, and adaptability** into their core operations. This means going beyond short-term adjustments and building capabilities that can withstand volatility. Manufacturers should embrace scenario planning to evaluate multiple outcomes, and at the factory level, focus on cost control and productivity, leveraging automation, AI, and smart systems to streamline operations. These foundational moves are essential not only to protect margins but also to unlock long-term value, regardless of macroeconomic conditions.

Resilient supply chains will define the next phase of competitiveness. To reduce exposure to single-source dependencies and tariff shocks, companies must diversify their supplier networks, regionalize production, and deepen local linkages. At the same time, manufacturers must stay alert to regulatory fragmentation and invest in systems that ensure traceability and compliance especially as international buyers demand greater transparency. Vietnam's multi-FTA strategy and diplomatic agility provide a strong platform, but success ultimately depends on how fast and smart businesses adapt.

> In times of uncertainty, winners are those who plan ahead, not just react. The businesses that invest in digital tools, local talent, and transparent supply chains today are the ones that will lead Vietnam's manufacturing future tomorrow.

Rizwan Khan
Managing Partner

Regulatory Insights for Manufacturers Licensing, Incentives, and Trade Compliance in Vietnam.

Vietnam is positioning its processing and manufacturing sectors, particularly information technology, electronics, and smart manufacturing, as core drivers of economic growth. Guided by Resolution 23-NQ/TW (2018) and the recent Resolution 193/2025/QH15, the country is actively promoting digitalization, 5G deployment, semiconductor development, and green industries. These efforts reflect Vietnam's strategy to attract high-quality foreign direct investment in industries that apply advanced, clean, and cost-efficient technologies.

Vietnam's remarkable development is the result of sustained efforts, driven by structural reforms, strategic investment in human capital, and improved infrastructure. The country has consistently worked to align its national standards with regional and international frameworks while enhancing its business environment. According to the Kearney Foreign Direct Investment (FDI) Confidence Index, Vietnam ranks highest among the featured emerging markets for "Ease of Doing Business," with 31% of investors citing it as a key reason for investment, outperforming regional peers such as Malaysia (25%) and Thailand (24%). This strong performance highlights the country's ongoing administrative reforms, digital transformation of public services, streamlined investment procedures, and regulatory improvements. However, to sustain and build on these gains, Vietnam must continue deepening its reform agenda.

To support this agenda, Vietnam has signed over 17 FTAs and offers a wide range of investment incentives, including corporate income tax reductions, import duty exemptions, and land use tax relief. These are backed by key legislation such as the Law on Investment, the Law on Corporate Income Tax, and the Law on Customs, along with supporting local policies. **For foreign investors, success in Vietnam's manufacturing sector requires not only understanding the cost and value chain opportunities but also navigating the regulatory and market entry processes effectively.**

Market entry and entity structuring for manufacturing.

The licensing process can be a barrier for investors seeking to enter the market. In general, there are several prerequisite certificates that investors must obtain before conducting investment activities in Vietnam. These include: Investment Registration Certificate (IRC) and Enterprise Registration Certificate (ERC).

In certain special cases, particularly for large-scale projects, projects involving sensitive sectors, or those requiring land allocation without auction or bidding, an Investment Policy Decision (IPD) must be obtained before the issuance of the IRC. The competent authority to issue the IPD depends on the scale, location, and nature of the project – it may be the National Assembly, the Prime Minister, or the provincial People's Committee. However, this requirement does not apply to most standard manufacturing projects, especially those located in industrial zones and not requiring special land mechanisms or policy exemptions.

In cases where foreign investors acquire shares or contribute capital to an existing manufacturing company, M&A approval (also known as prior approval for capital contribution or share acquisition) is required under Vietnamese investment law if the transaction meets certain thresholds. These include investments in conditional sectors, transactions that result in majority foreign ownership, or those involving land use rights in sensitive areas.

This approval is a legal prerequisite, not a procedural formality, and is particularly relevant for projects located in industrial zones or areas subject to national security considerations.

Additional sub-licenses or sub-conditions may be required based on assessments of production processes, emissions levels, and goods. These may include fire safety permits, environmental permits, food safety permits, and construction licenses. Depending on the specific products involved, licenses associated with the export, import, and distribution of products may also be required on a case-by-case basis. These may include trading licenses, regulation conformity announcements/registrations, and others.

Projects granted an IRC typically have a term of 50 years. However, some projects may be approved for shorter or longer terms (up to 70 years) depending on factors such as their operational objectives, scale, location, and degree of socio-economic impact. The project term can be extended at the request of the investor. However, the relevant authorities may refuse to extend the term if the project uses outdated technology that poses a potential risk of environmental pollution or resource depletion.

Export Processing Enterprises (EPEs): key considerations

Vietnam allows manufacturing investors to register as EPE, a structure designed for companies producing exclusively for export. EPEs enjoy import duty and VAT exemptions on raw materials and equipment but must meet strict licensing and operational conditions.

To qualify, an EPE must:

- **Declare EPE status at the time of IRC/ERC registration;**
- **Be located in an export processing zone or a customs-controlled area within an industrial zone; and**
- **Obtain customs approval and implement separate accounting and inventory systems.**

While offering tax advantages, EPEs face limitations:

- Domestic sales are treated as imports and taxed accordingly;
- Subject to tight customs supervision and reporting; and
- Cannot retroactively apply for EPE status after company setup.

Strategic tip:
EPE is best suited for export-heavy manufacturers. Investors should decide early, during licensing and site selection, to avoid restructuring costs later.

What foreign investors can manufacture in Vietnam

In most cases, foreign investors can establish 100% foreign-owned manufacturing entities in Vietnam, provided their business lines do not fall under sectors that are restricted or prohibited under Vietnamese law.

While Vietnam maintains an overall open policy toward manufacturing, especially for export-oriented industries, investors should not assume automatic access. Legal due diligence on market entry conditions, WTO commitments, and licensing feasibility is essential to ensure a smooth approval process and long-term operational certainty.

Production activities in Vietnam are not specifically committed to foreign investors, but can be classified into three groups:

Prohibited manufacturing industries:

This group includes production activities that are prohibited for both local and foreign-invested companies (such as the production of prohibited drugs, chemicals, or minerals) as well as those that are prohibited for foreign-invested companies only (such as the manufacture of military equipment and weapons for export).

Conditional/Restricted manufacturing industries:

This group includes production activities that are subject to conditions for all companies, regardless of whether they are domestic or foreign-invested in Vietnam (such as the manufacture of cosmetics, automobiles, and aircraft) as well as those that are subject to conditions for foreign-invested companies only (such as the production of video recordings, television programs, paper, cigarettes, and building materials).

Unconditional manufacturing industries:

This group includes activities that do not fall into either of the two groups listed above. It encompasses most common manufacturing activities in Vietnam, such as the production of phones, garments, plastic packaging, furniture, and stationery.

Production location: regulatory and practical considerations

Manufacturing enterprises are typically permitted to establish production facilities in areas designated according to state and provincial planning. These areas are generally divided into two categories: (i) those located in industrial zones, such as industrial parks, economic zones, export processing parks, and high-tech parks, and (ii) those located outside of industrial zones, such as in industrial clusters, residential areas, and urban areas.

While both options exist in theory, government policy strongly favors the concentration of manufacturing activities within industrial zones. These areas offer purpose-built infrastructure such as electricity, water, waste treatment, fire safety, and better environmental control. They also facilitate access to logistics networks, suppliers, and customs procedures – factors that are especially important for export-oriented businesses.

In reality, obtaining regulatory approval for production facilities outside industrial zones is increasingly difficult. Local planning authorities typically discourage new factories in residential or urban areas due to environmental and zoning concerns. As a result, manufacturing outside of designated industrial zones is rarely approved, except for certain small-scale or legacy projects.

Environmental protection: a critical factor in project approval

Environmental compliance is not merely a box-ticking exercise, it can make or break the approval of a manufacturing project in Vietnam. The government prioritizes projects that apply clean technology and avoid resource depletion, in line with its broader green development strategy.

Under the 2020 Law on Environmental Protection, investment projects are classified into four groups (I to IV) based on potential environmental risks. This classification determines the level of environmental assessment required:

- **Group I–III projects must obtain an Environmental Permit before construction or operation.**
- **Projects that generate waste but are not in Group I–III must still undergo Environmental Registration.**

In practice, manufacturing plants using hazardous chemicals or discharging wastewater, exhaust, or solid waste will often fall under Group I or II, requiring early and detailed environmental impact assessment, ideally even before applying for the IRC.

Financial obligations and investment incentives

Manufacturing companies are required to pay various taxes and fees, including licensing fees, corporate income tax (CIT), and value-added tax. Depending on the scale, product type, and location of their operations, manufacturing businesses, foreign-invested manufacturing enterprises may also be subject to additional taxes such as import and export tax, natural resources tax, special consumption tax, land use fees, and others.

Vietnam's legal framework offers a variety of tax and financial incentives to attract foreign direct investment (FDI), particularly in high-tech, export-oriented, and environmentally friendly manufacturing sectors. Incentive eligibility is determined by project location, business line, technology applied, and alignment with national investment priorities. Key incentives include:

CIT incentives

such as the application of a lower corporate income tax rate than the standard rate for a definite term or for the entire duration of the investment project, tax exemptions or reductions, and other incentives in accordance with the law on corporate income. Some specific incentives include a 17% tax rate instead of the standard 20% rate, tax exemption for up to 2 years, and a 50% reduction in tax payable for up to the next 4 years.

Import duty exemption

on goods imported to create fixed assets, raw materials, supplies, and components imported for production in accordance with the law on import and export tax.

Land-related incentives

such as exemption or reduction of land lease, land use levy, or land use tax, depending on location and project type.

Accelerated depreciation

increasing the amount of expenses that can be deducted when calculating taxable income.

Projects that are not located in preferential zones or do not fall within incentivized sectors are generally subject to the standard CIT rate of 20%. **However, investors may still access certain import or land-related incentives if other qualifying conditions are met.**

From licensing and business perspectives, investors are strongly advised to:

- Incorporate incentive planning at the pre-licensing stage, especially when selecting the project location and finalizing the registered business activities;
- Obtain formal confirmation of incentive eligibility from the managing tax authority;
- Establish internal systems for tracking incentive timelines, thresholds, and compliance conditions to ensure that benefits are fully realized and retained;
- Align the tax strategy with the supply chain structure and repatriation plan, particularly for groups with cross-border financing, licensing, or intercompany transactions.

Re-thinking tax incentives in the era of Global Minimum Tax

Since January 2024, Vietnam has officially adopted the Global Minimum Tax (GMT) framework under the OECD's Pillar Two. Multinational enterprises (MNEs) with global revenues of EUR 750 million or more are now subject to a 15% minimum effective tax rate, regardless of domestic incentives.

To prevent this top-up tax from being collected by foreign jurisdictions, Vietnam introduced its own Qualified Domestic Minimum Top-up Tax . This means that even if an MNE benefits from tax incentives in Vietnam, such as a 10% CIT rate or tax holidays, Vietnam will collect the difference between the actual and minimum rate.

What this means for investors:

- Preferential tax rates may no longer yield net savings if the global minimum tax applies;
- Incentive planning must shift from rate-based to cost-based benefits, such as land use support, R&D grants, or infrastructure subsidies; and
- Investors should evaluate their effective tax rate and global group structure to anticipate top-up exposures and tax leakages from the outset.

> As Vietnam adopts the Global Minimum Tax, the investment landscape is shifting. To remain competitive, businesses must look beyond traditional tax holidays and preferential rates - toward cost-based incentives, strategic infrastructure, and sustainable long-term value creation.

Vu Thi Mai
Director
Accounting and Tax
Acclime

Key operational requirements for new market entrants

New entrants to the Vietnamese market, particularly foreign-invested manufacturers, shall comply with several foundational requirements to operate legally and efficiently:

Capital contribution and profit repatriation must be processed through a dedicated capital account at a licensed bank. This ensures transparency and compliance with Vietnam's foreign exchange control regulations.

Borrowing and repayment of loans whether from domestic banks or foreign affiliates, must follow strict procedures, including potential registration with the State Bank of Vietnam and regular reporting, depending on the loan type and duration.

Use of foreign currency in transactions is tightly regulated. In most domestic transactions, the use of Vietnamese Dong (VND) is mandatory, even if the parties agree on pricing in USD or EUR. Only certain cross-border payments and imports may legally involve foreign currencies.

Import and export activities from sourcing production materials to shipping finished goods, require engagement with Vietnam Customs. This includes proper declarations, duty payments (if applicable), and compliance with technical regulations and trade documentation.

The Amended Law on Enterprise 2025

On June 17, 2025, the Amended Law on Enterprises (Amended LOE) was adopted and will take effect on July 1, 2025. The amendments aim to refine Vietnam's corporate legal framework by enhancing ownership transparency, reinforcing capital accountability, and tightening compliance obligations for both domestic and foreign-invested enterprises. Key updates include:

ULTIMATE BENEFICIAL OWNERSHIP (UBO):

Enterprises must declare UBO information at registration or update it within 10 working days once available. For companies registered before July 1, 2025, disclosure becomes mandatory upon any change to their enterprise registration. The UBO framework aligns with FATF anti-money laundering standards and introduces personal liability for non-compliance, particularly for legal representatives.

FALSE CAPITAL DECLARATIONS

The amended law defines this as prohibited conduct. Enterprises must now substantiate capital contributions with verifiable documentation (e.g., bank transfer receipts). This ensures declared capital reflects actual funding and curtails inflated ownership claims.

MARKET-BASED VALUATION

Capital contributions and share transfers involving non-cash assets must be valued based on actual market prices, including average listed securities prices or third-party valuations. Misvaluations aimed at inflating ownership or charter capital are now subject to enforcement.

Together, these reforms ensure that declared ownership aligns with actual capital and economic value, shaping an integrated compliance environment for investors and enterprise operators.

Navigating tariffs with strategy

Vietnamese manufacturers are strategically positioned to expand their production and access global markets, thanks to Vietnam's extensive network of 20 FTAs, covering more than 50 markets, including the CPTPP, EVFTA, UKVFTA, and RCEP. These FTAs serve as the key legal framework that enterprises can leverage to enjoy preferential tariffs and strengthen cross-border competitiveness.

In practice, to enjoy these preferential tariffs, companies must comply with the specific rules of origin applicable under each FTA. This may include obtaining and accurately declaring Certificates of Origin (C/O), supported by documentation that demonstrates the proportion of value created within Vietnam and the extent of local processing.

For FTA partner countries, preferential tariffs under agreements like the CPTPP or EVFTA are only available if manufacturers comply with strict rules of origin, that includes:

- The product must meet minimum local content thresholds or undergo substantial processing in Vietnam.
- A valid Certificate of Origin (C/O) must be properly issued and declared.
- Documentation must be audit-ready in both Vietnam and the importing country.

Unlike FTA markets, the U.S. maintains Most-Favored-Nation rates under WTO rules for Vietnam. In July 2025, the U.S. administration proposed a reciprocal tariff of 20% on selected Vietnamese exports, and both nations are negotiating further. This reflects a broader trend of heightened scrutiny under Section 301 enforcement, even if the tariff does not apply universally across all product lines.

For Vietnam-origin goods entering the U.S., a C/O alone is not sufficient. U.S. customs applies the "substantial transformation" test, requiring manufacturers to prove that real, value-adding manufacturing steps occurred in Vietnam, not merely light assembly or repackaging. This is especially important when using globally sourced inputs.

"Amid shifting global trade dynamics and rising tariff barriers, Vietnam is emerging as a strategic alternative for manufacturers and exporters seeking to diversify their supply chains. From a tax and accounting perspective, Vietnam offers a unique combination of cost competitiveness, access to a network of high-quality trade agreements, and an improving regulatory environment. I believe businesses that move early by optimizing their cross-border structures, leveraging preferential tariffs under FTAs and designing tax-efficient operational models will be well-positioned to convert global trade disruptions into sustainable, long-term growth in Vietnam.

Kevin Lam
Partner
ACCLIME

Licensing & operational recommendations related to goods' origin compliance:

- Integrating origin qualification into the investment and factory design phase – not post-production.
- Building internal SOPs to ensure supply chain transparency and proper C/O handling.
- Structuring contracts with foreign buyers to clarify obligations relating to origin status.
- Training staff to manage regulatory inquiries, especially in sensitive markets like the U.S.
- Seeking advance rulings or legal opinions for high-value, mixed-origin product lines.

> In today's fragmented trade landscape, managing origin is no longer just about compliance, it's about protecting margins, reducing delays, and building trust with global partners. A strong tariff strategy, anchored in legal substance, can be the differentiator between scalable growth and costly disruption.

Nguyen Phuong Thao

Senior Manager
Licensing and
Corporate Secretaria

ACCLIME.

For a practical guide on how to navigate environmental licensing in Vietnam, scan the QR code below or visit our website.

Final Thoughts and Strategic Recommendations.

Vietnam isn't just the next stop in the global manufacturing journey — it's becoming the strategic core of the region's supply chain reset. What makes Vietnam stand out is not just low costs or favorable demographics, but a rare convergence of scale, speed, and stability.

Why is Vietnam a standout #Manufacturing destination?

Vietnam is actively strengthening its position on the global manufacturing map through bold, forward-looking reforms. One of the most significant moves is the government's plan to restructure its administrative system - consolidating 63 provinces and cities into 34 - which will streamline bureaucracy and accelerate infrastructure development. For manufacturers, this means simplified procedures and faster access to industrial land, particularly in emerging megacities. At the same time, Vietnam has aggressively expanded its global trade reach, now ranking second in ASEAN after Singapore in terms of free trade agreements. With major pacts like the RCEP, CPTPP, EVFTA, and the Vietnam- Israel FTA, the country offers unparalleled tariff advantages and seamless integration into global supply chains. These reforms not only reduce the cost of doing business but also unlock massive export potential — particularly for electronics and high-tech manufacturing.

> As we look ahead, the single most critical readiness factor for business success, transcending capital planning and traditional regulatory compliance, will be Agile Global Supply Chain Management and Adaptive Change Capability. While robust capital planning remains fundamental, and navigating complex regulatory landscapes across ASEAN markets is a constant, our experience indicates these are often manageable for well-resourced investors. The true differentiator for future business success, especially in the evolving global economic climate, lies in a firm's ability to fundamentally rethink and dynamically manage its supply chain in conjunction with an inherent capacity for organizational change.

Vlad Savin
Partner
ACCLIME.

Recommendations for manufacturing investors.

In today's volatile global landscape, manufacturing firms looking to establish operations in Vietnam must prioritize strategic flexibility and operational discipline. Scenario planning should be at the core of their entry strategy - enabling decision-makers to evaluate both quantitative and qualitative factors under various future conditions.

Additionally, manufacturers should focus on what they can control, particularly cost efficiency. This includes investing in productivity-enhancing technologies or training development, which deliver long-term value regardless of market fluctuations. Just as critical is navigating Vietnam's regulatory environment. Companies are strongly advised to engage with local legal and consulting experts who understand the intricacies of Vietnamese corporate law and industrial compliance. This partnership not only mitigates legal and site selection risks but also ensures the facility meets all local standards from day one - setting a strong foundation for sustainable growth.

> For manufacturers entering Vietnam, the path you choose - buying land, leasing ready-built factories, or acquiring an existing business - depends entirely on your strategic priorities. There's no one-size-fits-all answer. But if speed to market is key, leasing is by far the most practical option. While it may take over three years to secure land and become operational, leasing a ready-built facility typically gets you up and running in six to nine months. That's why supply chain players, who are under pressure to fulfill orders from global brands, often choose this route. My advice for newcomers: lease first. It gives you flexibility, faster execution, and the chance to truly understand the market before making long-term commitments.

Lance Li
CEO
BW INDUSTRIAL

Engagement team.

RIZWAN KHAN
Managing Partner

Rizwan has over 25 years of experience in diversified industries and has worked with international companies in Vietnam for over 14 years in corporate services, education and manufacturing sectors. He is a seasoned professional with a solid education background, having several qualifications from USA, UK, Australia and Pakistan in accounting, audit, finance, company secretary, cybersecurity and data privacy, to name a few. He was elected as the founding president of the IMA Vietnam Chapter from 2018 to 2022. At Acclime, Rizwan has responsibilities covering accounting, tax and licensing services. With his extensive background using technology in accounting and finance, he seeks to add additional value to our key clients. Rizwan envisions Acclime Vietnam to be at the forefront of technology-driven corporate services that bring more efficiency while meeting the needs of compliance in Vietnam. Before joining Acclime Vietnam, he was CFO and CIO in the manufacturing industry for several years and had training in supply chain management, lean six sigma and ISO implementation. Rizwan is also a speaker at international conferences on various topics, including but not limited to technology for accounting and finance. He is also keen on training and lecturing and is actively involved in academic lecturing and professional training.

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Vlad has over 12 years of experience working in various countries across Asia, with a wide exposure in investment consulting, business development, marketing, and finance. Vlad is assisting international investors to expand and be compliant in Vietnam and across Asia, by providing strategic advice, market insights, and corporate governance solutions. Vlad looks after Acclime's business strategy and growth, organizing seminars and workshops for the foreign and local investor community in Vietnam, while assisting with strategic partnerships, client relationships and the overall brand positioning of the firm. In addition, Vlad has a leading role in the local business community as Vice-Chairman at the Central Eastern European Chamber in Vietnam, a business association part of European Chamber. Vlad holds a Bachelor of Economics, Marketing and International Relationships from Spiru Haret University, Romania and a Business Strategy Certificate from University of Virginia, Darden School of Business.

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Research references.

Expert insights, interviews and material analysis were corroborated in partnership with BW Industrial - Vietnam's leading for-rent logistics and industrial developer.

In addition, Knight Frank Vietnam, Teclon, Chervon, Green Transition and Vinergy have provided substantial information and industry-related insights.

Additional research references:

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Acclime Vietnam is one of the most reputable and trustworthy names in the corporate services sector in Vietnam, with almost 150 staff working across 3 key cities: Hanoi, Ho Chi Minh City and Danang, Acclime Vietnam has been assisting foreign invested and locally owned companies to enter, expand, operate and succeed in Vietnam, while maintaining the highest level of professional standards through proactive compliance, reporting assistance and advice.

BW Industrial Development Joint Stock Company ("BW") was founded by Warburg Pincus, a leading global private equity firm and one of the largest and most active investors in Asia real estate, and Becamex IDC, the largest state-owned industrial and infrastructure developer in Vietnam. ESR Group, a leading Asia-Pacific's real asset owner and manager, became a strategic investor of BW in 2023.

BW is Vietnam's leading logistics and industrial real estate platform, with approximately US$ 3 billion of gross assets under management. The company has more than 10 million square meters of industrial land in prime locations under control across 59 projects in 9 key provinces in Vietnam, with approximately 4.5 million square meters of gross floor area (GFA) of completed or under-construction properties.

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