

Vietnam

Investment Cooperation Guide -- Vietnam (2026 Edition)

Investment Cooperation Guide -- Vietnam (2026 Edition) | Published by AERI

Introduction

Vietnam is one of the most dynamic emerging economies in Southeast Asia and a key destination for Chinese enterprises expanding overseas. AERI's longstanding research on the evolving economic landscape of Southeast Asia reveals that Vietnam -- underpinned by political stability, a youthful demographic structure, preferential investment policies, and a globally oriented free trade network -- is fast becoming a strategic fulcrum for international capital deployment in the region.

In 2024, Vietnam's GDP reached USD 476.3 billion, representing year-on-year growth of 7.09% -- one of the fastest rates globally. Per capita GDP rose to USD 4,700, an increase of USD 377 over the previous year. The national population stands at approximately 101 million, with a median age of around 30, providing an abundant labour force. Total trade volume for the year reached USD 786.29 billion, yielding a trade surplus of USD 24.77 billion -- the ninth consecutive year of surplus. Realised foreign direct investment hit a record USD 25.35 billion.

China-Vietnam bilateral trade has surpassed USD 200 billion for four consecutive years, reaching USD 260.65 billion in 2024 with year-on-year growth of 13.5%. China has remained Vietnam's largest trading partner for over two decades, while Vietnam is China's largest trading partner within ASEAN. In December 2023, President Xi Jinping paid a successful state visit to Vietnam, and the two nations announced the building of a China-Vietnam community with a shared future of strategic significance, ushering bilateral relations into a new stage.

AERI believes that Vietnam's core investment value manifests at three levels: first, outstanding locational advantage, sharing land and maritime borders with China and providing access to the ASEAN market of 670 million people; second, relatively low labour costs, with minimum monthly wages ranging from VND 3.45 million to VND 4.96 million (approximately RMB 950-1,400); third, a business-friendly policy environment, where foreign investors may hold 100% equity in manufacturing and processing industries and enjoy multiple tax incentives.

This guide provides a systematic introduction to Vietnam's political and economic overview, investment policies and regulations, China-Vietnam economic and trade cooperation, corporate financing channels, compliance and dispute resolution, and essential information on living and working in Vietnam, serving as a decision-making reference for Chinese enterprises investing in the country.

Preface

The Asian Economic Research Institute (AERI) is a professional institution dedicated to economic research across the Asian region, committed to providing authoritative and professional investment environment information and advisory services for Chinese and foreign enterprises. To assist Chinese enterprises in

better understanding Vietnam's investment environment and opportunities, we have compiled this guide. This guide adopts a six-part structure, systematically covering Vietnam's political and economic overview, investment policies and regulations, China-Vietnam economic and trade cooperation, corporate financing channels, compliance and dispute resolution, and essential information on living and working in Vietnam. Content is primarily sourced from official Vietnamese statistical data, publicly available information from China's Ministry of Commerce, and data from international institutions including the World Bank and the IMF, ensuring authority, accuracy and practical relevance.

This guide will be updated in a timely manner in line with changes in Vietnam's political and economic landscape and adjustments to policies and regulations. We welcome feedback and suggestions from all sectors.

Contents

Part I: Vietnam Overview- 1. Country Profile- 2. Economic Overview

Part II: Vietnam Investment Environment and Policies- 1. Business Environment- 2. Foreign Direct Investment- 3. Factors of Production- 4. Investment Policies and Regulations

Part III: Chinese Enterprise Investment in Vietnam- 1. China-Vietnam Economic and Trade Cooperation- 2. Investment Forms- 3. Key Investment Sectors- 4. Case Studies

Part IV: Corporate Financing- 1. Financial Market Overview- 2. Financing Channels

Part V: Compliance and Dispute Resolution- 1. Domestic Compliance- 2. Compliance in Vietnam- 3. Dispute Resolution

Part VI: Living and Working in Vietnam -- Essential Information- 1. Visas- 2. Housing- 3. Medical Insurance- 4. Bank Accounts- 5. Contact Information

Part I: Vietnam Overview

AERI Assessment

Vietnam is one of the emerging markets with the greatest development potential in Southeast Asia and a pivotal destination for Chinese enterprises expanding overseas. AERI notes that against the backdrop of global supply chain restructuring, Vietnam -- leveraging its unique locational advantages, youthful demographic structure, low labour costs, and extensive free trade arrangements with multiple nations -- has become a prime destination for international manufacturing relocation. In the electronics and information technology sector in particular, provinces such as Bac Ninh and Bac Giang have developed a complete industrial chain spanning from component manufacturing to final assembly, occupying an increasingly important position in the global electronics industry landscape.

For Chinese enterprises, the appeal of the Vietnamese market lies not merely in its own economic scale, but in its role as a vital hub connecting China with ASEAN and providing access to global markets. From Vietnam, businesses can readily reach the entire ASEAN market and benefit from preferential trade arrangements with the EU, Japan, South Korea and other economies. Moreover, the friendly political relationship between China and Vietnam, together with well-established mechanisms for economic and

trade cooperation, provides a solid institutional framework for Chinese enterprise investment.

1 Country Profile

Vietnam is situated in the eastern part of the Indochina Peninsula in Southeast Asia. The country's territory forms a narrow S-shape stretching from north to south, with a north-south distance of approximately 1,650 kilometres, a maximum east-west width of about 600 kilometres, and a narrowest point of merely 50 kilometres. It borders China's Yunnan and Guangxi provinces to the north, faces the South China Sea to the east, adjoins Laos and Cambodia to the west, and fronts the Gulf of Thailand to the south. The total land area is approximately 331,000 square kilometres, with a coastline stretching 3,260 kilometres.

Vietnam's terrain is diverse, progressing from north to south through the Red River Delta, highland regions, the central coastal strip, and the Mekong Delta. The north is dominated by mountains and hills, the centre features a narrow coastal plain, and the south encompasses the fertile Mekong Delta.

Most of Vietnam has a tropical monsoon climate, characterised by high temperatures and abundant rainfall year-round. Annual average temperatures range from 23degC to 27degC. The year is divided into a dry season (November to April) and a rainy season (May to October). The north experiences four distinct seasons with relatively cool winters, while the south remains hot throughout the year.

According to data from the General Statistics Office of Vietnam in 2024, the total population is approximately 101 million (101,112,656 people), making Vietnam the third most populous country in Southeast Asia and the 16th globally. Males number approximately 50.35 million (49.8%) and females approximately 50.77 million (50.2%). The urban population stands at 38.60 million (38.2%) and the rural population at 62.51 million (61.8%).

Vietnam's population structure is young, with the working-age population (15-64) accounting for 67.4% of the total. The dependency ratio is 60.2%. Average life expectancy is approximately 74.7 years. Population density is about 305 persons per square kilometre, among the highest in Southeast Asia.

The capital, Hanoi, is located in the central part of the Red River Delta and serves as Vietnam's political and cultural centre, with a population of approximately 8 million. Hanoi is Vietnam's second-largest city and one of the principal gateways for foreign investors entering the country.

Ho Chi Minh City is Vietnam's largest city and economic hub, located in the northeastern part of the Mekong Delta, with a population of approximately 9 million. It is Vietnam's most important commercial and financial centre and the city with the greatest concentration of foreign-invested enterprises.

Vietnam is divided into 58 provinces and 5 municipalities directly under central government. The key economic regions include:

- Northern Key Economic Zone (7 provinces/cities): Hanoi, Hai Phong, Bac Ninh, Quang Ninh, Hai Duong, Hung Yen, Vinh Phuc -- covering approximately 18,900 km²
- Central Key Economic Zone (5 provinces/cities): Thua Thien Hue, Da Nang, Quang Nam, Quang Ngai, Binh Dinh -- covering approximately 27,894 km²
- Southern Key Economic Zone (8 provinces/cities): Ho Chi Minh City, Binh Duong, Dong Nai, Long An, Ba Ria-Vung Tau, Binh Phuoc, Tay Ninh, Tien Giang -- covering approximately 44,700 km²

Vietnam is a socialist state operating under a party-state integrated system. The Communist Party of Vietnam is the sole ruling party, holding supreme political power.

Vietnam's current constitution was adopted in November 2013, stipulating that all state power in the Socialist Republic of Vietnam belongs to the people, who exercise that power through the National Assembly and state organs.

The National Assembly is the highest organ of state power, operating as a unicameral body with five-year terms. The current 15th National Assembly comprises 500 deputies. The Assembly exercises legislative authority, decides on matters of national significance, and oversees the implementation of the constitution and laws.

The Government of Vietnam is the highest administrative organ. The Prime Minister serves as head of government, leading the various ministries and provincial administrations. Cabinet members are nominated by the Prime Minister and approved by the National Assembly.

The Communist Party of Vietnam is the sole ruling party, with party committees at all levels. The Vietnam Fatherland Front serves as the united front organisation.

Vietnam's judicial system encompasses People's Courts, People's Procuracies, and judicial administrative organs. The Supreme People's Court is the highest adjudicative body, supervising the trial work of local courts at all levels. Vietnam does not maintain a separate system of administrative courts; administrative lawsuits fall under the jurisdiction of the People's Courts.

Vietnam's courts are structured in four tiers: the Supreme People's Court, provincial/municipal People's Courts, district/county People's Courts, and grassroots People's Courts. The judicial system operates on a two-tier trial system (first instance and appeal).

Vietnam pursues an independent, multilateral and diversified foreign policy. It is an important member of ASEAN and a member of the World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC) and other international organisations. Vietnam is committed to expanding international cooperation, maintaining regional peace and stability, and promoting socio-economic development.

Vietnam is a founding member of ASEAN, actively participating in the ASEAN integration process and promoting the building of the ASEAN Community. Vietnam is also a member of the BIMF-EAGA (Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area), playing a significant role in regional cooperation.

China and Vietnam formally established diplomatic relations on 18 January 1950, a date Vietnam designates as "Diplomatic Victory Day." Since the establishment of relations, bilateral ties have experienced periods of complexity; following the normalisation of relations in 1991, the relationship entered a phase of comprehensive recovery and development.

Key milestones:

- 1950: China and Vietnam established formal diplomatic relations; China became the first country in the world to establish diplomatic ties with Vietnam
- 1991: Normalisation of China-Vietnam relations, closing the past and opening the future
- 1999: The two parties' General Secretaries established the framework of "long-term stability,

orientation towards the future, good-neighbourliness and friendship, and comprehensive cooperation"

- 2008: Establishment of a comprehensive strategic cooperative partnership
- 2023: President Xi Jinping's state visit to Vietnam; both sides announced the building of a China-Vietnam community with a shared future of strategic significance

2025 marks the 75th anniversary of China-Vietnam diplomatic relations and the "China-Vietnam Year of People-to-People Exchanges." The two nations maintain close high-level exchanges, with deepening political mutual trust and close coordination on international and regional affairs.

Key cooperation documents:-China-Vietnam Joint Declaration on Further Strengthening the Comprehensive Strategic Cooperative Partnership and Advancing the Building of a China-Vietnam Community with a Shared Future(2023)-Cooperation Plan on Aligning the Belt and Road Initiative with the "Two Corridors, One Belt" Framework-Regional Comprehensive Economic Partnership(RCEP)

Economic and trade cooperation:- Bilateral trade reached USD 260.65 billion in 2024, up 13.5% year-on-year- China has remained Vietnam's largest trading partner for over 20 consecutive years- Vietnam is China's largest trading partner within ASEAN- China's direct investment in Vietnam exceeds USD 2.5 billion, maintaining rapid growth

Major cooperation projects:- Hanoi Metro Line 2: constructed by a Chinese enterprise, operational since November 2021- China-Vietnam border smart port development: enhancing customs facilitation- Cross-border power cooperation: Chinese enterprises constructing photovoltaic, waste-to-energy and other clean energy projects

High-level exchanges:- December 2023: President Xi Jinping's state visit to Vietnam- 2024: Close high-level exchanges between the two parties and two states- April 2025: President Xi Jinping published a signed article in Vietnamese media marking the 75th anniversary of diplomatic relations

Vietnam is a multi-ethnic country comprising 54 ethnic groups. The Kinh (also known as Viet) account for 87% of the national population and constitute the majority ethnic group. Other significant ethnic groups include the Tay, Thai, Muong, Hoa (Chinese), Nung, Khmer, and Yao.

Vietnamese is the official language, belonging to the Austroasiatic language family. English is increasingly widely used in business circles, while Chinese is commonly spoken within the ethnic Chinese community. Vietnamese script uses the Latin-based Quoc Ngu writing system.

Vietnam upholds a policy of freedom of religious belief. Major religions include Buddhism (predominantly Mahayana), Catholicism, Protestantism, Cao Dai, and Hoa Hao. Buddhism is the most widely practised religion, with approximately half the population adhering to Buddhism or other faiths.

The Vietnamese Dong (VND) is the national currency unit. In 2024, the VND/USD exchange rate fluctuated around 25,000-25,300:1, depreciating approximately 5% over the year.

The RMB/VND exchange rate was approximately 1:3,416 (April 2024 data).

- Vietnamese people regard the head as the most sacred part of the body; touching another person's head is considered inappropriate
- The left hand is considered unclean; items should be passed with both hands or the right hand
- Shoes should be removed when entering a Vietnamese home

- Vietnamese culture values reciprocity in gift-giving; avoid giving items in odd numbers
- Red and yellow are favoured colours; black and white are generally avoided
- Vietnamese business etiquette has been influenced by the French colonial period; formal attire is expected on official occasions
- Business cards should be exchanged with both hands at first meetings
 - Patience is essential in negotiations; Vietnamese counterparts prefer not to be rushed into decisions
- Business cooperation proceeds more smoothly once trust has been established
- Vietnamese people place great importance on "face"; criticism should be expressed diplomatically

2 Economic Overview

AERI notes that Vietnam's economic development has demonstrated a remarkable growth trajectory. The 7.09% GDP growth in 2024, achieved against a backdrop of multiple global challenges, attests to the economy's strong resilience. From an industrial structure perspective, Vietnam is undergoing rapid industrialisation, with the services and manufacturing sectors emerging as the primary drivers of economic growth.

Particularly noteworthy is Vietnam's active pursuit of economic upgrading -- transitioning from traditional labour-intensive industries towards high-value technology-intensive sectors. The rapid expansion of the electronics and information technology industry, alongside the enhancement of semiconductor packaging and testing capabilities, signals Vietnam's rising position in global industrial chains. Simultaneously, the Vietnamese Government places great emphasis on attracting foreign investment and continuously improving the business environment, presenting new opportunities for international investors.

Naturally, Vietnam's economic development faces certain challenges. Infrastructure requires further improvement, power supply bottlenecks persist in some regions, and the quality of the labour force needs upgrading. On balance, however, the fundamentals supporting Vietnam's long-term economic growth trajectory remain unchanged.

In 2024, Vietnam's GDP reached USD 476.3 billion (approximately VND 11,511.9 trillion), representing year-on-year growth of 7.09%. On a quarterly basis, growth was 5.98% in Q1, 7.25% in Q2, 7.43% in Q3, and 7.55% in Q4, demonstrating a progressive acceleration.

Per capita GDP reached USD 4,700, an increase of USD 377 over 2023. Labour productivity stood at USD 9,182 per person, an increase of USD 726 over 2023.

Vietnam's economic structure continued to optimise in 2024:

- Primary sector (agriculture, forestry, fisheries): 11.86%
- Secondary sector (industry and construction): 37.64%
- Tertiary sector (services): 42.36%
- Product taxes less product subsidies: 8.14%

Industry and construction grew by 8.24%, contributing 45.17% to economic growth; services grew by 7.38%, contributing 49.46%; and agriculture, forestry and fisheries grew by 3.27%, contributing 5.37%.

Vietnam operates an open economy where foreign trade plays a vital role. In 2024, total trade volume reached USD 786.29 billion, up 15.4% year-on-year and a record high.

- Total exports: USD 405.53 billion, up 14.3% year-on-year
- Total imports: USD 380.76 billion, up 16.7% year-on-year
- Trade surplus: USD 24.77 billion, maintaining a trade surplus for the ninth consecutive year

Export commodity structure: processed industrial products accounted for 88%, agricultural and forestry products 8.5%, seafood 2.5%, and fuels and mineral products 1%.

Major export markets: the United States (USD 119.6 billion), China (approximately USD 61.2 billion), the EU, Japan, and South Korea.

Major import sources: China (USD 144 billion), South Korea, ASEAN, Japan, and the United States.

The Consumer Price Index (CPI) rose by 3.63% year-on-year in 2024, remaining within the National Assembly's target ceiling of 4.5%. Macroeconomic conditions remained broadly stable.

In 2024, realised FDI in Vietnam reached a record USD 25.35 billion, up 9.4% year-on-year.

As of end-2024, Vietnam had accumulatively approved 42,002 FDI projects with total registered capital of USD 502.8 billion, of which USD 322.5 billion (64.1%) had been realised.

The Vietnamese Government has formulated an ambitious ten-year socio-economic development plan, with key targets including:

- Average annual GDP growth maintained at 6.5-7%
- Per capita GDP reaching USD 4,700-5,000 by 2030
- Significant progress in industrialisation and modernisation
- Economic restructuring towards services and advanced manufacturing
- Building an innovative government and enhancing national governance capacity

The Vietnamese Government has launched an "Industry 4.0" strategy, focusing on the development of the digital economy, high-tech industries, and smart manufacturing. The Government targets the digital economy's share of GDP to reach 20% by 2025 and 30% by 2030.

Priority development areas: electronics and information technology, biotechnology, new materials, renewable energy, artificial intelligence, and the Internet of Things.

The Vietnamese Government is vigorously advancing infrastructure construction, with key projects including:

- North-South Expressway: targeting 5,000 km of expressway by 2030
- Long Thanh International Airport: expected to commence operations in 2026
- Urban rail transit: accelerated metro construction in Hanoi and Ho Chi Minh City
- North-South High-Speed Railway: planned to connect Hanoi and Ho Chi Minh City

AERI considers that for Chinese enterprises, the investment value of Vietnam's various regions differs significantly. The northern region, in close proximity to China, is well suited for enterprises that require imported raw materials and components from China; the southern region offers more developed infrastructure and mature industrial supply chains, making it ideal for advanced manufacturing and

services investment.

Investors should select the most appropriate location based on their industry characteristics and strategic requirements. Attention should also be paid to regional variations in industrial land rents -- northern industrial zone rents have risen from the relatively low levels seen prior to 2022 to USD 55-130 per square metre, while southern zones command even higher rates.

The north is Vietnam's core region for electronics and high-tech industries. Key advantages:

- Proximity to the Chinese market, facilitating the import of raw materials and export of finished goods
- Abundant labour supply at relatively lower costs
- Increasingly well-equipped industrial parks

Major industrial zones: Bac Ninh Que Vo Industrial Zone, Hanoi Thach That Industrial Zone, Bac Giang Quang Chau Industrial Zone, among others.

Representative enterprises: Samsung, Foxconn, LG, Luxshare Precision, and other electronics giants.

The central region is relatively less developed economically but holds significant growth potential. Key advantages:

- Lower land and labour costs
- Da Nang serves as an important port city and economic centre
- Government offers investment incentive policies

Major industrial zones: Da Nang Hoa Khanh Industrial Zone, Ha Tinh Vung Ang Economic Zone, among others.

The south is Vietnam's most economically developed region and its most important manufacturing and logistics hub. Key advantages:

- Well-developed infrastructure and high degree of internationalisation
- Mature industrial support systems and comprehensive supply chains
- Rich professional service resources in finance and law within Ho Chi Minh City

Major industrial zones: Binh Duong Vietnam-Singapore Industrial Park, Dong Nai No. 5 Industrial Zone, Ho Chi Minh City Tan Tao Industrial Park, among others.

Representative industries: textiles and garments, footwear, electronics assembly, and machinery manufacturing.

AERI notes that Vietnam's infrastructure development is progressing rapidly, though gaps remain relative to the demands of economic growth. Expressway mileage increased from less than 100 km in 2010 to 3,803 km by 2025, demonstrating the Government's resolve to advance infrastructure construction. However, logistics costs account for 16%-20% of GDP -- twice the ASEAN average -- and this bottleneck urgently needs to be addressed.

For manufacturing enterprises, power supply is a critical factor requiring close attention. In 2023, Vietnam experienced severe electricity shortages, with rolling blackouts implemented in some regions that disrupted normal production. In 2024-2025, the Government increased investment in the power grid,

and conditions have improved, but power supply remains a concern to monitor.

Vietnam's road network extends approximately 668,000 km, including roughly 3,803 km of expressways (as of end-2025). The North-South Expressway is Vietnam's most important road artery, connecting Hanoi and Ho Chi Minh City.

In 2025, the eastern route of the North-South Expressway achieved full connectivity from Lang Son to Ca Mau, marking a major milestone in infrastructure construction.

Vietnam's railway network totals approximately 3,143 km, of which 85% is metre-gauge track. Average speeds are below 60 km/h, and capacity is limited. The principal line is the North-South Railway between Hanoi and Ho Chi Minh City.

In December 2025, construction commenced on the Lao Cai-Hanoi-Hai Phong railway linking the China-Vietnam border, which will become an important international freight corridor.

Vietnam has 22 operational airports, including 10 international airports. Hanoi's Noi Bai Airport and Ho Chi Minh City's Tan Son Nhat Airport are the two largest hub airports.

In December 2025, Long Thanh International Airport welcomed its first technical verification flight; the airport is expected to commence operations in 2026 and will become Vietnam's largest international airport.

Vietnam has 49 seaports organised into six port clusters. Throughput is concentrated at the northern Hai Phong port and the southern Cai Mep-Thi Vai port cluster. Cargo throughput across all ports was approximately 692 million tonnes in 2020.

Vietnam's mobile phone penetration rate exceeds 90%, and internet penetration stands at approximately 70%. 4G networks cover major cities, and 5G networks are being deployed.

As of end-2025, Vietnam's power system had an installed capacity of approximately 87.6 GW (excluding imports), ranking second in ASEAN.

Power generation mix: renewable energy approximately 27.9%, coal-fired thermal power approximately 32.1%, and hydropower approximately 28.1%.

Nationwide, 100% of commune-level administrative units are connected to the electricity grid, with household electricity access reaching 99.85%.

Vietnam has developed a nationwide network of economic zones that serve as important vehicles for attracting foreign investment.

Vietnam currently has over 400 operational industrial parks distributed across the northern, central, and southern regions. These parks are equipped with relatively comprehensive road networks, power and water supply, telecommunications, and other supporting infrastructure.

Industrial park rents by region (2024 data):

- Northern: USD 55-190/sqm/lease term
- Central: USD 35-100/sqm/lease term
- Southern: USD 60-200/sqm/lease term

Vietnam has established multiple Export Processing Zones (EPZs) and Industrial Zones (IZs) where

resident enterprises enjoy customs duty preferences on imports and exports.

Vietnam has four high-tech zones: Hanoi High-Tech Park, Da Nang High-Tech Park, Ho Chi Minh City High-Tech Park, and Ho Chi Minh City Quang Trung Software Park.

In 2016, Vietnam proposed the establishment of three special economic zones -- Van Don in the north, Bac Van Phong in the centre, and Phu Quoc Island in the south -- to pilot special economic and administrative policies. As of 2019, the relevant legislation remained pending.

Vietnam has signed bilateral FTAs with Japan, South Korea, the EU, the Eurasian Economic Union, and others.

- ASEAN: ASEAN Free Trade Area (AFTA)
- ASEAN+1: FTAs with China, Japan, South Korea, Australia, New Zealand, India, and others
- RCEP:Regional Comprehensive Economic Partnership, effective 1 January 2022
- CPTPP:Comprehensive and Progressive Agreement for Trans-Pacific Partnership

Vietnam has signed Bilateral Investment Treaties (BITs) with over 70 countries and regions.

RCEP entered into force on 1 January 2022 as the world's largest free trade agreement by population, economic scale, and development potential. Its 15 member states encompass approximately 2.3 billion people and a combined GDP of approximately USD 26 trillion. As a member state, Vietnam benefits from the trade facilitation afforded by regional rules of origin.

Part II: Vietnam Investment Environment and Policies

AERI Assessment

AERI considers Vietnam to be one of the best choices for Chinese enterprises investing in Southeast Asia. First, Vietnam enjoys political and social stability, with a continuously improving legal framework and an open attitude towards foreign investment. Second, Vietnam has deeply integrated into global supply chains, with mature industrial chains in electronics and IT, textiles and garments, and footwear. Third, the Vietnamese Government attaches great importance to attracting FDI and has introduced a series of investment incentives. Fourth, friendly China-Vietnam relations and well-established mechanisms for economic and trade cooperation provide a sound institutional environment for Chinese enterprise investment.

For Chinese enterprises seeking to enter the ASEAN market, AERI recommends prioritising the establishment of production bases in Vietnam, leveraging the country's free trade network and locational advantages to reach the entire ASEAN market and beyond.

1 Business Environment

According to the World Bank's Doing Business Report, Vietnam's business environment facilitation has continued to improve within Southeast Asia. In 2024, Vietnam maintained an upward trajectory in global competitiveness rankings.

According to theWorld Competitiveness Yearbook 2024, Vietnam has steadily improved its performance among 67 economies globally, ranking among the leading emerging economies.

According to the EIU's business environment rankings, Vietnam's global ranking has continued to rise, with a standout performance among Southeast Asian nations.

In 2015, Vietnam enacted a new Investment Law that substantially simplified investment approval procedures and unified investment promotion policies for domestic and foreign capital. In 2020, Vietnam further amended the Investment Law to further relax restrictions on foreign investment.

In 2020, Vietnam enacted a new Enterprise Law, simplifying company registration procedures, allowing single-person company formation, and lowering barriers to business establishment.

The Vietnamese Government is actively advancing e-government development and streamlining investment approval processes. Since 2021, enterprises have been able to process investment registrations and tax filings online through the National Public Service Portal.

Vietnam has continued to eliminate unnecessary administrative approval requirements, optimising the business environment. Investment project approval times have been significantly reduced.

In 2024, realised FDI in Vietnam reached a record USD 25.35 billion, up 9.4% year-on-year.

Major investment sources (2024):

Rank | Country/Region | Investment Amount | Share

1 | Singapore | USD 10.21 billion | 26.7%

2 | South Korea | USD 7.06 billion | 18.5%

3 | Mainland China | USD 2.84 billion | 14.4%

4 | Hong Kong, China | USD 2.17 billion | 11.0%

5 | Japan | -- | --

Major investment sectors:

- Processing and manufacturing: approximately USD 25.58 billion, accounting for 66.9%
- Real estate: approximately USD 6.31 billion, accounting for 16.5%
- Electricity, gas and hot water production and supply: USD 1.07 billion, accounting for 4.2%

Major investment destinations:

Rank | Province/City | FDI Received

1 | Bac Ninh Province | USD 5.12 billion

2 | Hai Phong City | USD 4.94 billion

3 | Ho Chi Minh City | USD 3.04 billion

Vietnam's industrial electricity prices vary by consumption volume and voltage level, averaging approximately USD 0.08-0.12 per kWh.

- EVN (Electricity of Vietnam) benchmark industrial electricity rate: approximately VND 2,100-2,600 per kWh
- Large industrial consumers may negotiate more favourable rates

Industrial water prices in Vietnam range from approximately USD 0.3-0.6 per cubic metre, varying by region and consumption volume.

Industrial land prices in Vietnam vary significantly by region:

Region | Rent Range (USD/sqm/lease term)

Northern (Bac Ninh, Hai Phong) | 80-190

Northern (other provinces) | 50-100

Central (Da Nang) | 40-80

Southern (Ho Chi Minh City, Binh Duong) | 100-200

Southern (other provinces) | 60-120

Note: Lease terms are typically 45-50 years.

Vietnam's labour costs are relatively low, with minimum wage standards varying by region:

Region Category | Monthly Minimum Wage (VND) | Approximate RMB Equivalent

Region I | VND 4.96 million | Approx. RMB 1,400

Region II | VND 4.41 million | Approx. RMB 1,250

Region III | VND 3.86 million | Approx. RMB 1,100

Region IV | VND 3.45 million | Approx. RMB 980

Effective 1 January 2026, Vietnam's minimum wages will be raised by 7.2%.

Skilled workers and managerial staff earn approximately VND 15-40 million per month (approximately RMB 4,200-11,000).

AERI note: Labour costs in Vietnam have been rising steadily, with minimum wages increasing by approximately 20% between 2020 and 2024. Enterprises should factor in this upward trend when making investment decisions.

2 Investment Policies and Regulations

The Ministry of Planning and Investment (MPI) is Vietnam's principal investment authority, responsible for formulating and implementing investment policies and managing national and local investment projects.

Provincial and municipal Departments of Planning and Investment (DPI) are responsible for the approval and management of local investment projects.

Board of Export Processing Zones and Industrial Zones Authorities (BEZA) manages export processing zones and industrial zones.

Vietnam's Investment Law applies a unified access policy for domestic and foreign investment. Most industries are open to foreign investment, permitting 100% foreign ownership.

- Production and trade of narcotics
- Production and trade of psychotropic substances
- Trade in endangered species of wild fauna and flora
- Production of fireworks (excluding military use)
- Debt collection services

Certain industries impose limits on foreign ownership or require specific conditions to be met:

- Broadcasting and television: requires National Assembly approval
- Electricity transmission and distribution networks: state monopoly
- Aviation, maritime transport, and railways: must comply with relevant legal provisions
- Commercial banks: foreign ownership ratios are regulated

Projects eligible for investment incentives in Vietnam include:

- Encouraged investment projects
- Investment projects located in preferential areas (underdeveloped regions, economic zones)
- Investment projects meeting certain scale or technological thresholds
 - Corporate income tax incentives: tax holidays of 4-15 years, or concessionary tax rates for specified periods
 - Import duty incentives: exemptions on imported machinery, equipment, and raw materials for qualifying projects
- Land use incentives: reductions or exemptions on land rent or land use tax
- Accelerated depreciation: qualifying fixed assets may be depreciated on an accelerated basis
- High-tech industries
- Clean energy
- Environmental protection
- Infrastructure construction
- Manufacturing
- Agricultural processing
- Software development
- Education and training
- Healthcare

All land in Vietnam is owned by the people as a whole, with the State acting as the representative owner. Foreign investors may obtain land use rights through the following means:

- Leasing state-owned land
- Subleasing from Vietnamese enterprises or individuals
- Joint project development
- Industrial park land: up to 50 years, renewable
- Residential land: up to 50 years
- Agricultural land: up to 50 years

AERI note: After acquiring land use rights, foreign investors should verify the legality of the land source to avoid potential legal risks. Engaging professional legal counsel for due diligence is recommended.

Vietnam maintains foreign exchange controls, though the current account is largely liberalised. Foreign-invested enterprises and individuals may remit legitimate earnings overseas, subject to provision of supporting documentation.

Vietnam operates a managed floating exchange rate system. The State Bank of Vietnam publishes a daily central rate for VND against the USD, permitting fluctuations within a specified band (currently +/-5%).

AERI note: The Vietnamese Dong is subject to significant exchange rate fluctuations. Enterprises should manage currency risk prudently, utilising forward contracts and other financial instruments to hedge exposure.

Part III: Chinese Enterprise Investment in Vietnam

AERI Assessment

AERI observes that China-Vietnam economic and trade cooperation is demonstrating a trend of "upgrading in both quality and scale." Bilateral trade has surpassed USD 200 billion for four consecutive years, reaching a record USD 260.65 billion in 2024. Investment is expanding from traditional processing and manufacturing into higher-value sectors such as electronics and IT, new energy, and advanced manufacturing. Positive progress has been achieved in aligning the Belt and Road Initiative with the "Two Corridors, One Belt" framework, and cooperation on industrial and supply chains has become increasingly close.

For Chinese enterprises considering investment in Vietnam, AERI recommends focusing on the following sectors: first, electronics and semiconductors -- Vietnam has become a major global electronics assembly base and can serve as a key node in enterprises' global deployment strategies; second, the new energy sector, particularly photovoltaics and energy storage, where Vietnam is actively developing clean energy; third, textiles, garments and footwear, where Vietnam possesses strong industrial support capabilities and can absorb capacity transfers; and fourth, agricultural processing, leveraging Vietnam's abundant tropical agricultural resources and broad export markets.

1 China-Vietnam Economic and Trade Cooperation

According to China's Ministry of Commerce, bilateral trade between China and Vietnam reached USD 260.65 billion in 2024, up 13.5% year-on-year, surpassing USD 200 billion for the fourth consecutive year.

- China's imports from Vietnam: approximately USD 61.2 billion (agricultural products, seafood, textiles, electronic components, etc.)
- China's exports to Vietnam: approximately USD 144 billion (machinery and equipment, industrial raw materials, consumer goods, electronic components, etc.)

China has remained Vietnam's largest trading partner for over 20 consecutive years. Vietnam is China's largest trading partner within ASEAN and rose to become China's fourth-largest trading partner globally in 2024.

Vietnam Customs statistics (recorded separately for mainland China and Hong Kong):

- 2024 Vietnam-China bilateral trade: approximately USD 205.2 billion
- Vietnam's trade deficit with China: approximately USD 82.8 billion

China is one of Vietnam's important sources of foreign investment. As of end-2024, China had accumulatively invested in 5,111 projects in Vietnam with total registered capital exceeding USD 30.8 billion, ranking 6th among all investing countries.

In 2024, China's direct investment in Vietnam totalled approximately USD 4.7 billion (including mainland China and Hong Kong), making China Vietnam's third-largest investing country. Chinese enterprises' direct investment in Vietnam has maintained rapid growth, with investment areas continuously upgrading towards higher-value industries.

Investment sector distribution:

- Processing and manufacturing: electronics and IT, textiles and garments, machinery and equipment, agricultural processing, etc.
- Infrastructure construction: power, roads, ports, etc.
- Real estate: industrial park development, commercial real estate, etc.
- Trade in services: retail, finance, logistics, etc.

Major Chinese-invested enterprises in Vietnam:

- Electronics and IT: Luxshare Precision, Goertek, Trina Solar, Shenghong Tech, etc.
- Textiles and garments: Shenzhou International, Huaifu Fashion, Birlong Oriental, etc.
- Tyre manufacturing: Sailun Tyre, Guizhou Tyre, Zhongce Rubber, etc.
- Iron and steel: CISDI (MCC), Formosa Ha Tinh Steel, etc.
- Animal feed: Tongwei Co., etc.

Established in 2004, this is the highest-level intergovernmental economic and trade cooperation mechanism, responsible for coordinating bilateral economic and trade cooperation.

Held regularly, providing a platform for business exchange and cooperation between enterprises of the two countries.

China and Vietnam have signed agreements covering trade, economics, technology, and investment protection, as well as a double taxation avoidance agreement.

Major agreements:

- China-Vietnam Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income
- China-Vietnam Agreement on Economic and Technical Cooperation
- China-Vietnam Agreement on the Promotion and Protection of Investments
- Cooperation Plan on Aligning the Belt and Road Initiative with the "Two Corridors, One Belt" Framework
- RCEP Agreement (effective 2022)

Established in 2001, the Chamber aims to promote the healthy development of Chinese-invested enterprises in Vietnam and protect their legitimate rights and interests. The Chamber has established multiple industry chapters, including electronics and textiles chapters.

- Industrial park cooperation: Longjiang Industrial Park, China-Vietnam (Hai Phong-Shenzhen) Economic and Trade Cooperation Zone, etc.
- Infrastructure cooperation: Hanoi Metro Line 2, China-Vietnam power grid interconnection, etc.
- Energy cooperation: photovoltaic power generation, waste-to-energy, and other clean energy projects

2 Investment Forms in Vietnam

Vietnam's Enterprise Law provides for various company types, principally:

- Limited Liability Company (LLC): the most common form for foreign investment

- Joint Stock Company (JSC): may be publicly listed
- Representative Office: may not engage in commercial activities
- Branch: subject to specific conditions
 - Submit an Investment Registration Certificate (IRC) application to the provincial/municipal Department of Planning and Investment
 - Prepare the company charter and other registration documents
 - Submit a Business Registration Certificate (BRC) application to the Business Registration Office
 - Have the company seal made and open a bank account
 - Complete tax registration
 - Apply for industry-specific licences (if required)

Registration timeline: typically 15-30 working days.

Foreign investors may acquire Vietnamese enterprises through the following means:

- Purchasing equity in existing companies
- Participating in capital increases and share expansions
- Corporate restructuring

M&A transactions involving state-owned enterprises require government approval; certain industries impose restrictions on foreign M&A activity.

Located in Lang Son Province, with a planned area of approximately 600 hectares, this is a state-level overseas economic and trade cooperation zone approved by China's Ministry of Commerce. It focuses on electronics and IT, machinery manufacturing, and agricultural processing.

Located in Hai Phong, developed with the support of the Shenzhen Municipal Government, focusing on attracting electronics and IT and precision manufacturing enterprises.

3 Target Investment Sectors

The electronics and IT sector is one of Vietnam's most important export industries. In 2024, Vietnam's exports of computers, electronics and components reached USD 72.6 billion, up 26.6% year-on-year, making it the largest export commodity category.

Major foreign-invested enterprises: Samsung, LG, Foxconn, Canon, Intel, among others.

Chinese enterprises continue to increase their investment in Vietnam's electronics and IT sector:

- Luxshare Precision: invested in electronic component manufacturing bases in Bac Ninh, Phu Tho and other provinces
- Goertek: invested in acoustic components and earphone products in Bac Ninh, Bac Giang and other locations
- Trina Solar: invested in photovoltaic module and cell manufacturing bases in Thai Nguyen Province

Textiles and garments are a traditional strength of Vietnam and the country's second-largest export industry. In 2024, Vietnam's textile exports reached USD 37 billion.

Chinese textile enterprises have established a complete industrial chain in Vietnam:

- Tianhong Textile: large-scale textile enterprise investing in Quang Ninh Province
- Shenzhou International: invested in knitted garments in Tay Ninh Province
- Huaifu Fashion: invested in yarn production in Long An Province

Investment advantages:- Vietnam enjoys preferential tariffs on exports to the US and EU markets (circumventing high duties)- Lower labour costs (approximately 60-70% of China's)- Established industrial cluster effects

Vietnam has become an important global tyre manufacturing and export country. Chinese tyre enterprises are investing intensively:

- Sailun Tyre: established a factory in Vietnam in 2012, with capacity of 12.5 million passenger car tyres and 2 million commercial vehicle tyres
- Guizhou Tyre: Vietnam factory Phase I and Phase II projects are operational
- Zhongce Rubber: plans to invest in a tyre production base in Ho Chi Minh City in 2026

The Vietnamese Government is actively developing clean energy, attracting substantial foreign investment in photovoltaic and wind power projects:

- Trina Solar: Thai Nguyen factory Phase I and Phase II are operational; Phase III is under construction
- Vietnam Photovoltaic Technology Co., Ltd.: the largest photovoltaic products manufacturing base in Bac Giang Province
- Multiple enterprises participating in Vietnamese wind power project development

Market outlook:- Vietnam targets renewable energy to account for 15-20% of the energy mix by 2030- Rapidly growing electricity demand, with significant investment opportunity in energy infrastructure

Vietnam is a major agricultural country with abundant tropical agricultural resources:

- Rice: substantial export value in 2024, surpassing Thailand as the world's largest rice exporter
- Coffee: Vietnam is the world's second-largest coffee exporter
- Seafood: shrimp, pangasius and other exports growing rapidly
- Tropical fruits: durian, mango, dragon fruit and other exports to China growing strongly

Investment opportunities:- Agricultural processing for export- Cold chain logistics construction- Agricultural technology cooperation

Manufacturing upgrading:- Machinery and equipment manufacturing- Automotive components- Medical devices

Services:- Retail chains- Logistics and distribution- Financial services (licences required)

4 Case Studies

Trina Solar is a global leader in the photovoltaic industry. In 2018, it invested in building a manufacturing base in Thai Nguyen Province, northern Vietnam.

Investment scale: total investment of approximately USD 500 million, constructed in three phases

Construction progress:- Phase I (operational April 2021): 4GW cells + 5GW modules- Phase II (operational August 2022): 6.5GW ingot pulling + 6.5GW wafer slicing- Phase III (under planning): 5GW ingot pulling,

5GW wafer slicing, and 5GW cells

Investment lessons:

- Leverage Vietnam's locational advantages to reduce logistics costs
- Prioritise localisation and cultivate local technical talent
- Actively fulfil social responsibility and integrate into the local community

Shenzhou International is one of the world's largest knitted garment manufacturers. In 2013, it invested in building a factory in Tay Ninh Province, Vietnam.

Investment timeline:- 2013: leased land for knitted garment production- 2019: invested USD 100 million in a dedicated Adidas garment factory- 2025: invested USD 150 million in a high-end fabric and accessories factory

Business model: integrated "fabric-to-garment" production, shortening the supply chain

Investment lessons:

- Full industrial chain deployment effectively reduces costs
- Establishing stable partnerships with international brands
- Focusing on automation upgrades to cope with rising labour costs

Vietnam Photovoltaic Technology Co., Ltd. invested in a photovoltaic products manufacturing base in Bac Giang Province in 2014.

Achievements:- Annual output value reaching RMB 10 billion- Becoming Vietnam's largest and China's largest overseas photovoltaic products manufacturing base- Accounting for one-third of Bac Giang Province's total exports- Directly and indirectly generating approximately 50,000 jobs

Success factors:- Emphasising talent development, training technical core personnel from local farmers- Promoting corporate culture, facilitating cultural integration between Chinese and Vietnamese employees- Actively fulfilling social responsibility and engaging in public welfare initiatives

The Formosa Ha Tinh Steel plant is one of the most competitive integrated steel complexes in Southeast Asia. CISDI provided planning, design, and construction and operational support.

Project overview:- Located in Ha Tinh Province, with planned capacity of 22.5 million tonnes- Total investment of approximately USD 10.6 billion (Phase I)- Generating over 10,000 local jobs

Investment lessons:

- Chinese technical standards taking root overseas
- Large-scale projects require careful attention to relations with local government and community
- Supporting industrial chain development can create agglomeration effects

Part IV: Corporate Financing

AERI Assessment

AERI advises Chinese enterprises to note the following when financing in Vietnam: first, fully utilise bilateral financial cooperation mechanisms -- Chinese banks including Bank of China, ICBC, and China

Construction Bank maintain branches in Vietnam and can provide cross-border financial services to Chinese-invested enterprises; second, pay close attention to exchange rate risk management -- the Vietnamese Dong is subject to significant fluctuations, and enterprises should prudently use foreign exchange derivatives to hedge exposure; third, leverage policy-based financial support -- "two concessional" loans, overseas investment loans, and other policy-based instruments offered by the Export-Import Bank of China and China Development Bank carry significant cost advantages; fourth, plan financing well in advance -- local Vietnamese banks have relatively stringent requirements for enterprise creditworthiness, and Chinese enterprises should prepare the necessary documentation ahead of time.

1 Financial Market Overview

The State Bank of Vietnam (SBV) is Vietnam's central bank, responsible for formulating and implementing monetary policy and maintaining financial stability.

Vietnam has approximately 50 commercial banks, including:

- State-owned commercial banks: Vietnam Bank for Foreign Trade (Vietcombank), Bank for Investment and Development of Vietnam (BIDV), Vietnam Bank for Agriculture and Rural Development (Agribank), among others
- Joint-stock commercial banks: Saigon Commercial Bank, Hanoi Bank, etc.
- Foreign banks: HSBC, Standard Chartered, Citibank, Deutsche Bank, etc.
- Chinese banks: Bank of China Ho Chi Minh City Branch, ICBC Hanoi Branch, China Construction Bank Ho Chi Minh City Branch

In 2024, the SBV's benchmark rate was approximately 4.5-5.5%. Commercial bank deposit and lending rates vary by loan type and borrower creditworthiness:

- Short-term lending rate: 6-10% per annum
- Medium- and long-term lending rate: 8-12% per annum

Vietnam's largest stock exchange, with approximately 400 listed companies.

Primarily trades small- and mid-cap stocks and bonds.

An over-the-counter market for small and medium-sized enterprises.

In 2024, the total market capitalisation of Vietnam's stock market was approximately USD 200 billion, ranking among the top in Southeast Asia.

Vietnam's insurance market is developing rapidly. Major insurers include:

- Bao Viet Insurance Corporation
- Baominh Insurance
- Foreign insurers: AIA, AXA, Prudential, etc.

State Bank of Vietnam (SBV): responsible for prudential regulation of banking, insurance, and payment and settlement systems

State Securities Commission (SSC): responsible for securities market regulation

Insurance Supervisory Authority (ISA): responsible for insurance market regulation

2 Financing Channels

- China Development Bank: medium- and long-term foreign exchange loans, international syndicated loans, etc.
- Export-Import Bank of China: overseas investment loans, "two concessional" loans, overseas project contracting loans, etc.
- Cross-border M&A loans: for acquiring equity or assets of overseas target enterprises
- Internal guarantee, external lending: domestic bank provides guarantee, overseas bank provides financing
- Initial Public Offering (IPO)
- Directed share issuance
- Private placement financing

Chinese-invested enterprises in Vietnam may apply for loans from local commercial banks, including:

- Working capital loans
- Project loans
- Trade finance (letters of credit, bank guarantees, etc.)

Loan conditions:

- Enterprise must be legally registered in Vietnam
- Collateral required (land, property, equipment, etc.)
- Satisfactory credit assessment

Bank of China, ICBC, China Construction Bank and other Chinese banks maintain branches in Vietnam, offering:

- Cross-border RMB settlement
- Trade finance
- Project finance
- Foreign exchange risk management products
- Asian Infrastructure Investment Bank (AIIB): focused on supporting infrastructure development in the Asia-Pacific region
- World Bank Group (IFC): dedicated to private sector development in developing countries
- Asian Development Bank (ADB): supporting member country development

Qualifying Vietnamese enterprises may issue USD or EUR-denominated bonds in international capital markets.

AERI specifically notes that the Vietnamese Dong experienced significant exchange rate fluctuations in 2024, depreciating approximately 5% over the year. Enterprises should:

- Prioritise using VND for local procurement and payments
- Denominate imported raw materials and equipment in USD
- Prudently use forward contracts to lock in costs

- Establish foreign exchange risk management partnerships with banks
- Vietnamese banks apply relatively stringent loan review criteria for foreign-invested enterprises
- Loan approval cycles are relatively long (typically 1-3 months)
- Complete financial statements and business plans should be prepared in advance
- Collateral valuation may require considerable time

Part V: Compliance and Dispute Resolution

AERI Assessment

AERI reminds Chinese enterprises investing and operating in Vietnam to attach great importance to compliance. First, Vietnam's legal system differs from China's, and enterprises should engage professional legal counsel. Second, Vietnam's labour protection laws are relatively comprehensive, imposing significant obligations on employers. Third, Vietnam has strict environmental protection requirements, and large-scale investment projects must undergo environmental impact assessments. Fourth, enterprises are advised to purchase comprehensive commercial insurance -- including property, liability, and political risk coverage -- to mitigate various operational risks.

1 Domestic Compliance (China)

Domestic policies and regulations that enterprises must comply with for overseas investment primarily include:

- Measures for the Administration of Overseas Investment by Enterprises(2017)
- Catalogue of Sensitive Industries for Overseas Investment(2018)
- Measures for the Administration of Overseas Investment(2014)
 - Interim Measures for the Administration of Filing (Approval) and Reporting of Overseas Investment(2018)
- Provisions on the Administration of Foreign Exchange for Overseas Direct Investment by Domestic Institutions(2009)
 - Notice on Further Promoting Foreign Exchange Management Reform and Improving Authenticity and Compliance Verification(2017)
- Sensitive projects (involving sensitive countries/regions or sensitive industries): subject to approval
- Non-sensitive projects: subject to filing
- Chinese investment of USD 300 million or above: file with the NDRC
- Chinese investment below USD 300 million: file with the provincial DRC
- Sensitive countries/regions and sensitive industries: subject to approval
- Other cases: subject to filing

After obtaining approval or filing from the overseas investment competent authorities, enterprises have their foreign exchange registration processed directly by the bank.

- Pre-investment expenses for overseas direct investment: cumulative remittance generally not exceeding USD 3 million or 15% of total Chinese investment

- Foreign exchange remittance: requires proof of investment fund source, fund usage plan, and board resolution, among other documentation

2 Compliance in Vietnam

The competent authority for employment and industrial relations in Vietnam is the Ministry of Labour, Invalids and Social Affairs. Key legislation includes the Labour Code, the Law on Labour Disputes, the Law on Social Insurance, and others.

- A written employment contract must be executed for employment exceeding one month
- Contracts may be fixed-term (not exceeding 36 months) or indefinite
- Probation periods: up to 60 days for general employees, up to 180 days for senior management
- Daily working hours must not exceed 8 hours; weekly hours must not exceed 48
- Overtime rates: at least 150% of hourly wage for regular overtime; at least 130% for night-shift overtime
- Annual leave: 12 days of paid annual leave after 12 months of employment
- Maternity leave: 180 days of paid maternity leave for female employees
- Sick leave: varying days of paid sick leave based on years of service
- Work permits: foreign employees must apply for a work permit
- Permit validity: not exceeding 24 months, renewable
- Quota requirements: enterprises must meet certain conditions to employ foreign workers

Effective 1 July 2025, Vietnam's minimum monthly wage standards:

Region Category | Monthly Minimum Wage (VND)

Region I | VND 4.96 million (approx. RMB 1,400)

Region II | VND 4.41 million (approx. RMB 1,250)

Region III | VND 3.86 million (approx. RMB 1,100)

Region IV | VND 3.45 million (approx. RMB 980)

Effective 1 January 2026, minimum wages will be raised by 7.2%.

AERI note: Labour costs in Vietnam are rising steadily, with minimum wages increasing by approximately 20% between 2020 and 2024. Enterprises should budget for human resource costs accordingly.

Vietnam applies Vietnamese Accounting Standards (VAS), which are gradually converging with IFRS. Enterprises must submit annual financial statements.

Tax Category | Rate / Description

Corporate Income Tax | Standard 20%; preferential 4-15%

Personal Income Tax | Progressive rates from 5% to 35%

Value-Added Tax | 0%, 5%, 10% (standard)

Foreign Contractor Tax | 0.1-10% (depending on nature)

Social Insurance | Employer 17.5%, Employee 8%

Import/Export Duties | Varies by commodity category

Qualifying investment projects may enjoy:

- Corporate income tax holiday (up to 4 years)
- Reduced tax rate period (after the tax holiday, up to 9 years at preferential rates of 9-17%)
- Import duty exemptions

Projects exceeding a certain scale must conduct an environmental impact assessment prior to commencement and obtain approval.

Enterprises must treat industrial wastewater, exhaust gases, and solid waste in accordance with regulations and regularly report emission data.

AERI note: Environmental compliance is a prerequisite for smooth project implementation. Enterprises are advised to engage with environmental authorities at the project planning stage to clarify EIA requirements and timelines.

3 Dispute Resolution

This is the most commonly used and least costly method of dispute resolution. The parties seek a settlement through direct communication.

Parties may apply for mediation through institutions such as the Vietnam Chamber of Commerce and Industry (VCCI). Mediation agreements, once confirmed by a court, carry legal effect.

Vietnam's principal international commercial arbitration institution, headquartered in Ho Chi Minh City with a branch in Hanoi. It operates under the Vietnam Commercial Arbitration Law and UNCITRAL Arbitration Rules.

- International Chamber of Commerce Court of Arbitration (ICC)
- Singapore International Arbitration Centre (SIAC)
- Final and binding award, with relatively high efficiency
- Awards are enforceable across borders (under the New York Convention)
- Proceedings offer a high degree of confidentiality

Parties may file a lawsuit with a competent Vietnamese People's Court. Vietnam's courts operate a two-tier trial system (first instance and appeal).

AERI recommendations:

- Specify the dispute resolution mechanism in contracts
- Prioritise arbitration over litigation
- Engage experienced local legal counsel
- Be mindful of statute of limitations provisions

Part VI: Living and Working in Vietnam -- Essential Information

AERI Assessment

AERI reminds Chinese nationals working and living in Vietnam to observe the following: first, ensure visa and residence formalities are completed legally and on time, avoiding overstays; second, respect local cultural customs and maintain harmonious relationships with Vietnamese colleagues; third, pay attention

to food hygiene and healthcare; fourth, maintain regular contact with family and the relevant embassy or consulate; and fifth, comply with Vietnamese laws and regulations, upholding a positive image of Chinese citizens.

1 Visas

Visa Type | Applicable To | Validity

Business Visa (DN) | Business visits, meetings | Typically 1-3 months

Work Visa (DT) | Employment in Vietnam | Per work permit

Investment Visa (DT) | Investors | Per investment scale

Family Visit Visa (TT) | Family visits | Typically 1 month

Tourist Visa (DL) | Tourism | Typically 1 month

Foreign nationals working in Vietnam must apply for a Work Permit. Work permits are generally valid for no more than 24 months.

Application materials:

- Original passport and photocopy
- Vietnam work permit application form
- Health certificate
- Certificate of no criminal record
- Evidence of qualifications and work experience

Foreign nationals residing in Vietnam must complete temporary residence registration (TM3), processed by the landlord or employer.

2 Housing

The rental market in Vietnam's major cities is active, with a wide range of options:

Ho Chi Minh City:- Apartments: USD 500-1,500/month (1-2 bedrooms)- Villas: USD 1,500-5,000/month- Serviced apartments: USD 800-2,000/month

Hanoi:- Apartments: USD 400-1,200/month (1-2 bedrooms)- Villas: USD 1,200-4,000/month- Serviced apartments: USD 600-1,500/month

- Sign a formal lease agreement (in Vietnamese or bilingual)
- Verify the property owner's title and right to lease
- Understand property management fees and utility charges
- Deposits are typically 1-3 months' rent
- Familiarise yourself with surrounding amenities in advance

3 Medical Insurance

Vietnam has established a basic health insurance system covering most of the resident population. Public hospital fees are relatively low, but patients may face long waiting times and language barriers.

Major cities in Vietnam have well-equipped private hospitals and clinics:

- Ho Chi Minh City: FV Hospital, American International Hospital (AIH)
- Hanoi: Viet Duc Hospital, International General Hospital (IHH)

Private healthcare costs are higher; purchasing commercial health insurance is recommended.

AERI recommends that Chinese nationals working and living in Vietnam:

- Purchase international health insurance covering Vietnam
- Familiarise yourself with the locations and contact details of nearby hospitals
- Carry commonly used medications
- Undergo regular health check-ups

4 Bank Accounts

Opening a bank account in Vietnam requires:

- Original passport and photocopy
- Valid visa
- Residence registration certificate (TM3)
- Proof of address

Chinese banks:

- Bank of China Ho Chi Minh City Branch
- ICBC Hanoi Branch
- China Construction Bank Ho Chi Minh City Branch

Local banks:

- Vietnam Bank for Foreign Trade (Vietcombank)
- Bank for Investment and Development of Vietnam (BIDV)
- Vietnam Bank for Industry and Trade (VietinBank)

Foreign banks:

- HSBC Vietnam
- Standard Chartered Vietnam
- Citibank Vietnam

Vietnam's payment landscape is increasingly diversified:

- Cash remains widely used
- Bank cards (high ATM coverage)
- Mobile payments: MoMo, ZaloPay, VNPAY, etc.
- E-wallet applications are widely adopted

5 Contact Information

Embassy of the People's Republic of China in Vietnam- Address: 46 Hoang Dieu Street, Ba Dinh District, Hanoi- Telephone: +84-4-38453736- Consular Protection: +84-24-39331000- Website:

<http://vn.china-embassy.org>

Consulate General of the People's Republic of China in Ho Chi Minh City- Address: 39 Nguyen Trung Truc Street, District 3, Ho Chi Minh City- Telephone: +84-28-38292497- Consular Protection: +84-90-8026699

Ministry of Planning and Investment: www.mpi.gov.vn

State Bank of Vietnam: www.sbv.gov.vn

Vietnam Chamber of Commerce and Industry: www.vcci.com.vn

Vietnam International Arbitration Centre: www.viac.org.vn

- Ambulance: 115

- Fire: 114

- Police: 113

Data Sources and Disclaimer

Data Sources

Data in this guide is primarily sourced from the following authoritative channels:

- China's Ministry of Commerce:Country (Region) Guide for Outward Investment and Economic Cooperation -- Vietnam
- Economic and Commercial Office of the Chinese Embassy in Vietnam
- Vietnam Ministry of Planning and Investment (MPI)
- General Statistics Office of Vietnam (GSO)
- State Bank of Vietnam (SBV)
- World Bank
- International Monetary Fund
- General Administration of Customs of China
- Asian Development Bank

Disclaimer

- This guide is for reference purposes only and does not constitute investment advice or legal opinion.
- Information in this guide is current as of the date of compilation and may be subject to subsequent changes.
- Enterprises should consult professional advisors and verify the latest information before making investment decisions.
- AERI bears no responsibility for any losses arising from the use of information in this guide.
- The contents of this guide are protected by copyright and may not be reproduced without permission.

Compiled by: Asian Economic Research Institute

Date of compilation: April 2026