



# VIETNAM

The Prime Destination  
For Business Innovations

2023

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# Vietnam - The World's Rising Star for Innovations



“The prospects for the economic growth for Vietnam appear bright, with the expansion at a rate of 7.2%.”

- 2023

## KEARNEY

Ranked 6th in the 2021 Global Service Location Index – a measure of offshoring destinations' attractiveness.

- 2021



“Vietnam holds the record for outperforming expectations on innovation relative to economic development for 12 consecutive years”

-2022



by Google, TEMASEK and Bain & Company

“Vietnam’s digital economy hits \$23B in 2022 and is on course for ~\$50B by 2025 - the region’s fastest growing market.”

- 2022



# A Favorite Investment Destination

## SCHAEFFLER



Since 2019 2021 2006

Location Dong Nai Binh Duong Ho Chi Minh City

Investment **€45 million** fostering the Group's presence in Asia Pacific **US\$ 1 billion** In initial investment. The Group's 6<sup>th</sup> factory globally and 2<sup>nd</sup> in Asia. **US\$ 1.5 billion** in total, raised from US\$300 million in 2006.



Schaeffler Group's president recognizes Vietnam's **strategic location** in Asia, **diversified** and **stable economy**, and abundant supply of highly **skilled labor**.



Lego's **first carbon-neutral** factory.



The Vietnamese government made several **sustainability commitments**, aligning with Lego's own sustainability goals.



Largest U.S. high-tech investment in Vietnam



Intel's single-largest assembly and test plant, employing 10,000+ people. Production site for microprocessors, chipsets, and memory modules



Potential additional investment could be worth over US\$ 1 billion

# The Next R&D Hub for Global Tech Giants

**In 2022, revenue from Vietnam's ICT sector hit US\$148 billion**, representing an increase of 8.7% year on year. The industry's contribution to GDP was estimated at \$34.3 billion, up 8.7%.

**Qualcomm, Grab, LG Electronics, Panasonic, and Toshiba**, have also chosen Vietnam as an R&D hub to set up their laboratories. Companies like IBM, Samsung, Nokia, and Microsoft continue investing in Vietnam.

**A US\$ 220 million R&D center being developed by Samsung** in Hanoi; operate as a testing hub for the 5G network, and build software for Europe, New Zealand, and Australia, while 11 other R&D centers focus on household electrical appliances, mobile devices, data analysis, and artificial intelligence.





# Why Vietnam? – An Overview

## Highly skilled workforce



- Young demographics with a median age of **32.5**
- Among top nations with the most IT graduates – **57,000** annually
- **480,000+** total outsource software engineers & IT developers.
- **Low turnover rate** - 11.9% compared to India (20.3%) & China (18.8%)
- **Ranked 7th** in the English proficiency index out of 24 Asian countries

## Booming Telecoms & IT sectors



- Internet penetration: **86%**
- **#2** fastest growing digital economy worldwide (2022), expected to be **#1** in 2024
- Software and IT service revenue hit **US\$9 billion** annually
- Viet Nam's ICT sector hit **US\$148 billion** in 2022

## Stable Politics & Economy



- Total FDI inflow reached **US\$438.7 billion** as of 2022 – among **top 20** most FDI-attracting countries
- Vietnam's GDP grew **8.02%** in 2022 – fastest growth rate in 25 years
- **Top 5 key investment destinations** for European firms
- **#44** in Global Peace Index in 2022. Well-known for its stable political landscape that is among the highest-ranked among SEA nations

## Sustainability Commitment



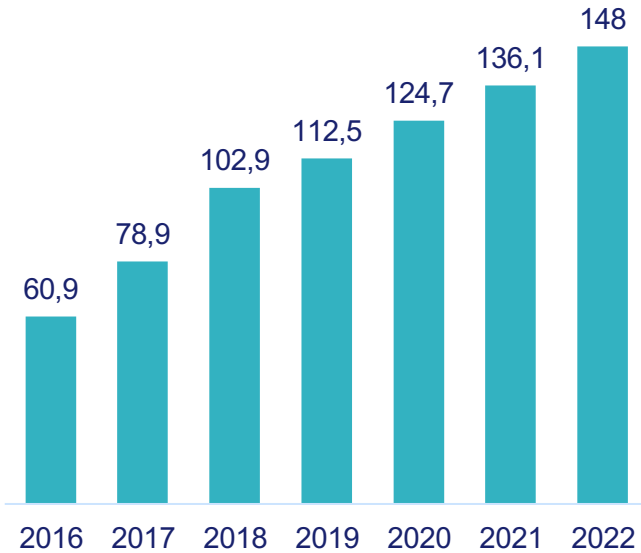
- **55th** in the SDG Index, higher than India (112<sup>th</sup>), China (63<sup>th</sup>), Indonesia (75<sup>th</sup>) & Philippines (98<sup>th</sup>)
- Targets to generate **10.5%** of electricity from **renewables in 2023**, increasing to 30.9% by 2030, and 67.5% by 2050



# **Vietnam** - The Global Resource Center

# Vietnam's ICT Market Landscape

## ICT Revenue 2016-2022



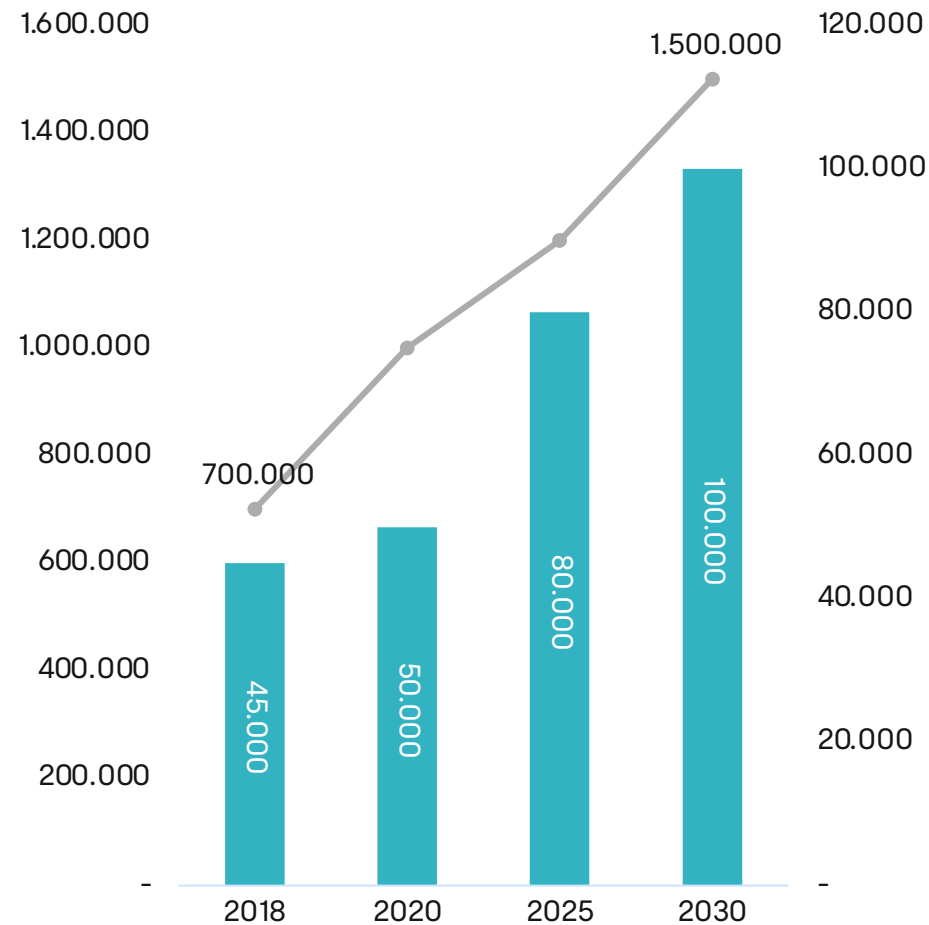
**\$148B**

2022 Revenue (est)

**67,198**

Technology Firms

## Digital Technology Companies & Workforce By 2030



Source: TopDEV Vietnam IT Market Report 2022

## Strongest Tech Industries



**Fintech**



**E-Commerce**



**EdTech**



**AI**



**Blockchain**



# Vietnam's ICT Software Workforce Landscape



**480.000+**

Total SW Engineers

**57.000+**

New SW Graduates

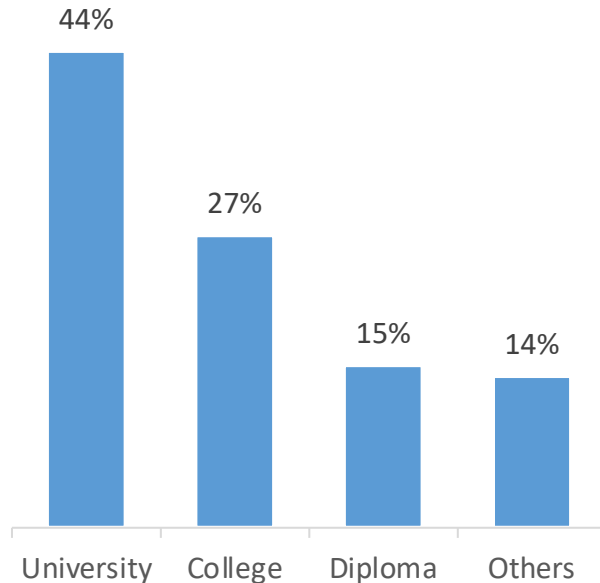
From Universities & Colleges  
15% increase every year

**~10%**

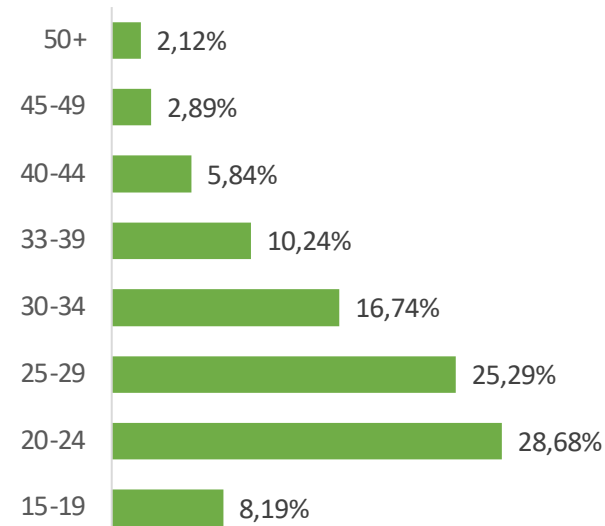
Total Graduates

~550.000 new graduates  
from Universities & Colleges  
every year

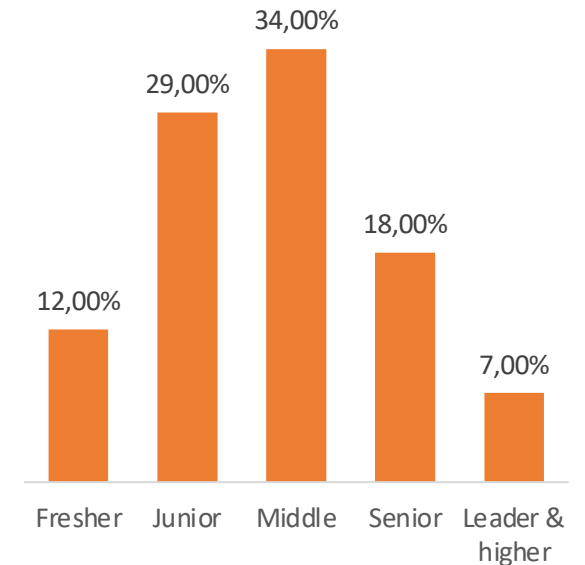
By Graduates Level



By Age



By Level



Source: TopDEV Vietnam IT Market Report 2022



**2<sup>th</sup>**

Ranked

Only after the USA in the  
World rank of Best  
Freelancers Survey by SKILL  
VALUE

**10<sup>th</sup>**

Ranked

After USA, UK, France.... in  
World Rank of Best  
Developers Survey by SKILL  
VALUE

**23<sup>th</sup>**

Ranked

Worldwide in Developer Skills  
Charts of HackerRank's  
Report

# Why Choosing Vietnam Talents?

Young & Well  
Educated



Ambitious &  
enterprising



Eager for global  
opportunities



Optimistic on  
digital progress



## Hierarchical

There is a strong emphasis on status, achieved through seniority and education. Leaders make decisions while employees execute action plans, maintaining the utmost respect for seniors.

## Conscientious

As part of taking their work seriously, Vietnamese employees are responsible and dependable. Punctuality is expected. They are also resourceful and stick to the task until it is completed.

## Adaptive

With a young, tech-savvy workforce, and eager to learn from partners and technology trends in the world. We are always flexible to adapt to changes in the context and requirements of the job.

## Compliance

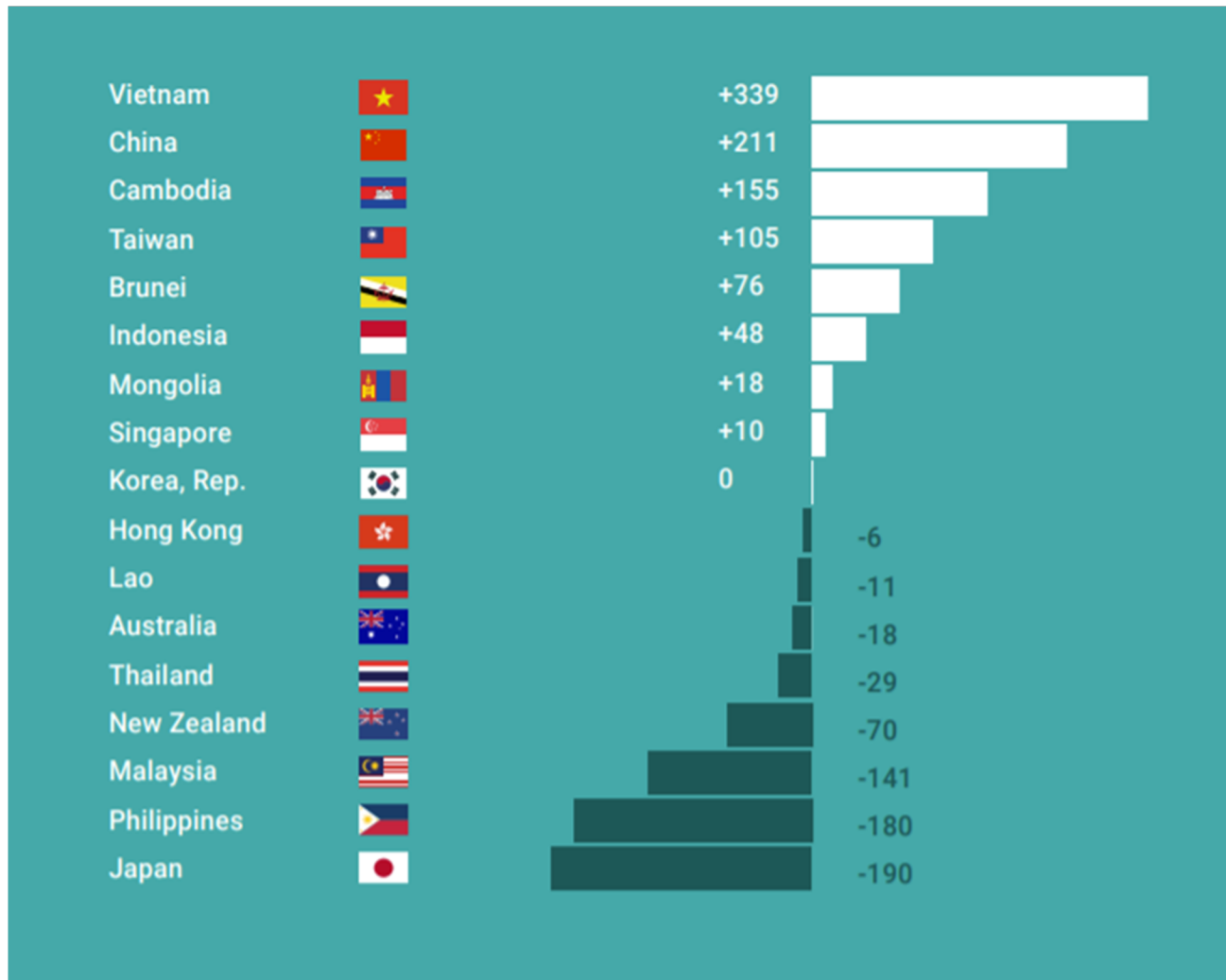
A culture of hierarchy and respect is also fundamental to discipline. Once we are guided, the talents will always be followed to ensure the smoothest work.



## **Top Digital Riser**

Building an Infrastructure Ready for Transformation

# Top 1 Digital Riser in the East Asia and the Pacific region



Source: European Center for Digital Competitiveness, 2021

1

## Solid connection infrastructure

4G mobile network covers **99.8%** of the population.

2

## Among the first countries to commercialize 5G

- Expect to contribute **7.34%** to GDP growth by 2025.
- **40 out of 63** provinces and cities in Vietnam have been covered with a 5G network.

3

## Growing data infrastructure

- Data center market grew at an annual growth rate of **14%** from 2019 to 2023.
- Cloud computing market to grow >30% annually

4

## High Internet penetration rate – 86%

**higher** than the global average of 64.6%.





# **Accelerating Digital Transformation**

## A Shared Focus by the Government

# Vietnam's National Digital Transformation Program

The government approved the **National Digital Transformation Program** in the 2021-2025 period with a vision to 2030 that Vietnam would be ranked among the top 30 countries in the world in terms of e-government and digital government, as based on the United Nations Rankings.

The program identifies **05 key target groups**, including:

- Provide high-quality services to society
- Broaden public engagement
- Improve state agency operations
- Effectively address important issues in socioeconomic growth
- Have a breakthrough change in the national ranking for E-Government, Digital Government, E-Participation, and Open Data as assessed by the United Nations.



# Building the Digital Nation – Pulling all Efforts

## Digital Government



01

The **e-government development strategy** towards the digital government in the 2021-2025 period was approved in June 2021, **in line** with the new **trend of digital government development** mentioned in the 2020 **United Nations E-Government Survey**.

## Digital Society



02

Vietnam ranks **7<sup>th</sup>** in Asia-Pacific in digital society.

By 2025, **fiber optic network infrastructure** will reach out to more than **80% of households** and **100% of communes nationwide**.

Along with 4G and 5G, over **50% of the population** will have access to the internet.

## Digital Economy



03

Vietnam's digital economy is expected to top **US\$43 billion** by 2025, accounting for **20%** of the nation's GDP in the future.

The proportion of the digital economy in each economic sector will reach at least **10%**, whilst annual labor productivity will likely increase by at least **7%**.

## Smart Cities



04

**41 out of 63 cities** have started smart city development.

**In Da Nang, FPT has inked an MoU on digitally transforming the city**, focusing on the smart city framework in traffic, education, natural resources and environment, health, agriculture, trade and industry, and information and communications.

In June, **Germany is speeding up investment in Danang** by promoting investment, field study exchange, and business connections among businesses in the two countries.








# About FPT Software



FPT Software - Global Technology and IT services provider headquartered in Vietnam.

<b>27,000+</b>	<b>28</b>	<b>1000+</b>	<b>89</b>	<b>US\$803 M</b>
<b>Employees</b>	<b>Countries &amp; Territories</b>	<b>Clients</b>	<b>Fortune 500 clients</b>	<b>in revenue (FY2022)</b>

## Areas of Expertise

 Advanced Analytics	 Hyper-automation	 Digital Platform	
 IoT	 Cloud	 AI	 Low-code

## Focus Industry

<b>Automotive &amp; Manufacturing</b>	<b>Utilities &amp; Energy</b>	<b>Banking, Finance, Securities &amp; Insurance (BFSI)</b>
<b>Telecoms &amp; Media</b>	<b>Logistics &amp; Transportation</b>	<b>Healthcare</b>

For more information, please visit: <https://fptsoftware.com/>







# THANK YOU!

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