

Foreign Agricultural Investment

Country Profile

Viet Nam



REGION	Southeast Asia
INCOME GROUP	Lower middle
POPULATION	89 million
TOTAL AREA	331 051 km ²
CAPITAL	Hanoi
LARGEST CITY	Ho Chi Minh City
GNI PER CAPITA	US\$1 000
OFFICIAL LANGUAGE	Vietnamese
MAJOR EXPORTS	crude oil, textiles/garments, footwear, fishery and seafood products, rice, pepper, wood products, coffee, rubber, handicrafts.
MAJOR IMPORTS	machinery, oil and gas, iron and steel, garment materials, plastics.



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Acronyms

AFTA	ASEAN Free Trade Area
APEC	Asia-Pacific Economic Cooperation forum
ASEAN	Association of Southeast Asian Nations
ASMED	Agency for Small and Medium Size Enterprise Development
DoNRE	Department of Natural Resources and Environment
DTT	double taxation treaties
ECN	Enterprise Code Number
EIA	environmental impact assessment
EVN	Electricity of Viet Nam Corporation, state run
FCWT	Foreign Contractor Withholding Tax
FDI	Foreign Direct Investment
GDP	gross domestic product
GIEWS	Global Information and Early Warning System
GNI	gross national income
HAN	Noi Bai International Airport, in Hanoi
HDI	Human Development Index
LURC	Land Use Rights Certificate
LURs	Land Use Rights
MARD	Ministry of Agriculture and Rural Development
MPI	Ministry of Planning and Investment
PIT	Personal Income Tax
SEDP	Socio-Economic Development Plan
SGN	Tan Son Nhat International Airport, in Ho Chi Minh City
TPP	Trans-Pacific Partnership
VAS	Vietnamese Accounting System
VAT	Value Added Tax
VND	Vietnamese Dong, monetary unit of Viet Nam

1 General information

1.1 Foreign Direct Investment (FDI) in Viet Nam

Viet Nam opened to foreign investors during the Doi Moi policy of “renovation”, and economic reform began in 1986. Since then, it has been increasingly successful in attracting Foreign Direct Investment (FDI).¹ The first half of the 1990s is generally referred to as the “investment boom” period in Viet Nam: from a complete ban before 1987, FDI inflows were US\$180 million in 1990, rising to US\$1.9 billion in 1994 and US\$2.6 billion in 1997.² This peak is attributable to a strong increase in economic activity as Doi Moi unleashed market forces and private initiative. A turning point and sharp decline in FDI came with the East Asian financial crisis. Inflows fell for five consecutive years after 1997 to reach US\$1.2 billion in 2002. A second wave of foreign investor interest began in 2003 as countries in the region recovered from the crisis, a Bilateral Trade Agreement was signed with the United States, and with the accession of Viet Nam to the WTO in 2007. Inflows peaked at US\$9.5 billion in 2008 although the global economic crisis caused a fall thereafter.³

FDI inflows and stock annual data (US\$ millions)

	Year										
	1986	1990	1992	1994	1997	2000	2005	2006	2007	2008	2009
FDI inflows	0	180	474	1 945	2 587	1 289	2 021	2 400	6 739	9 579	7 600
FDI stock	1 447	1 650	2 499	5 370	13 282	20 596	31 136	33 536	40 275	49 854	57 454

Source: UNCTAD Stat

While the first foreign investments were directed to the oil and gas sector, the industrial sector rapidly became the major attraction. Since the mid-1990s there has been a tendency towards investment in producing goods for export, infrastructure construction, producing import substitutes and in labour-intensive industries. Manufacturing has dominated in the past few years, attracting more than 60 percent of all registered capital in 2001–2007. Viet Nam is increasingly establishing itself as a basis for the production of manufactured goods for the global economy, and is progressively seen as an alternative to China with similarly low labour costs, reasonable infrastructure and accelerated structural reforms.⁴

According to the Vietnam Investment Review, citing the Ministry of Planning and Investment (MPI), the first quarter of 2011 witnessed a fall in newly registered investment: the US\$2.37 billion in FDI signify a 33 percent decline from the same period in 2010. Moreover, the 173 new FDI projects that were licensed in the first quarter of 2011 represented a decrease of 40 percent in the number of projects from the first quarter of the previous year. Among major new investments are a US\$1 billion Singaporean project to produce solar panels, a US\$266 million power plant project, and a US\$174 million tourism and shopping complex. Singapore is currently the leading source of FDI, accounting

¹ UNCTAD, Investment Policy Review Viet Nam (2008): http://www.unctad.org/en/docs/iteipc200710_en.pdf

² UNCTAD Stat: <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>

³ UNCTAD, Investment Policy Review Viet Nam (2008): http://www.unctad.org/en/docs/iteipc200710_en.pdf

⁴ UNCTAD, Investment Policy Review Viet Nam (2008): http://www.unctad.org/en/docs/iteipc200710_en.pdf

for 47 percent of total registered capital. Hong Kong ranks second, followed by the British Virgin Islands and the Republic of Korea. Sixty-five percent of the total registered capital went into the processing and manufacturing sectors, followed by construction and retail.⁵

Although most regions and cities have attracted FDI projects, investors predominately focus in key economic areas with more developed infrastructure. Most investment has thus been in the economic areas of the south (Ho Chi Minh City, Dong Nai, Binh Duong, Ba Ria, Vung Tau), and of the north (Hanoi, Hai Duong, Hai Phong and Quang Ninh). Hanoi and Ho Chi Minh City have been the prime focus, having better infrastructure, higher purchasing power and a more skilled labour force.⁶

Viet Nam's current FDI policy is the result of a number of regulatory changes and developments. The first Law on Foreign Investment was enacted in 1987. Subsequent amendments (in 1990, 1992, 1996, 2000, 2003 and 2006) aimed to remove obstacles and improve the investment climate by providing tax incentives, simplifying investment licensing procedures and promoting technology transfer. The Law on Investment and Law on Enterprises of 2006 represent a major breakthrough as they introduced a unified legal and regulatory framework for all forms of investors and enterprises, regardless of nationality (foreign vs. domestic) and form of ownership (private vs. public).

In the Doing Business 2011 summary data for Viet Nam, the overall Ease of Doing Business status ranks the country 78th out of 183 economies. The table below lists the rankings by each topic and the following displays the Enterprise Surveys results for perceived constraints to firm investment.

Doing Business (DB) rankings by topic

Topic rankings	DB 2010 rank	DB 2011 rank	Change in rank
Starting a business	114	100	↑14
Dealing with construction permits	70	62	↑8
Registering property	39	43	↓-4
Getting credit	30	15	↑15
Protecting investors	172	173	↓-1
Paying taxes	146	124	↑22
Trading across borders	59	63	↓-4
Enforcing contracts	31	31	No change
Closing a business	125	124	↑1

Source: World Bank, Doing Business: <http://www.doingbusiness.org/data/exploreeconomies/vietnam>

⁵ Vietnam Investment Review, FDI disbursements hit peak, 31 Mar. 2011 Article: <http://www.vir.com.vn/news/coverage/fdi-disbursements-hit-peak.html>

⁶ Price Waterhouse Coopers, *Vietnam: A Guide for Business and Investment* (2008): http://www.pwc.com/en_VN/vn/publications/assets/vietnam_guide.pdf

Top 10 business environment constraints for firms

Business environment constraints	Percentage of firms
Access to finance	24.70
Practices informal sector	19.30
Transportation	13.30
Inadequately educated workforce	10.20
Access to land	6.90
Tax administration	6.30
Electricity	4.30
Customs and trade regulations	4.20
Tax rates	3.50
Corruption	3.30

Source: Enterprise Surveys: <http://www.enterprisesurveys.org/Graphing-Tool>

1.2 Agriculture sector and FDI

Over the past decade, Viet Nam has been one of the best performing and fastest-growing economies in the world. GDP growth has averaged 7.1 percent between 1990 and 2009.⁷ The country's economy has changed drastically over the past 20 years, moving from agriculture-based to industry and services-based. Yet, agriculture remains an important sector. It accounts for 21 percent of GDP and 62 percent of total labour force.⁸ From 1990 to 2005, agricultural production nearly doubled, transforming Viet Nam from a net food importer in the 1980s to the world's second largest exporter of rice.⁹ Viet Nam's poverty reduction and economic growth achievements over the past 20 years are considered one of the most impressive success stories in economic development.¹⁰

Viet Nam's achievements in food production are particularly noteworthy when taking into account its limited amount of arable land. Recent high crop output is principally because of its ideal climate and geography. The country has a total land area of about 33 105 km² and over 10 million ha of agricultural land.¹¹ Three-quarters of the territory consists of mountains and tropical forests.

The two rice-rich regions are the Red River Delta, directly south of the Northern Highlands, and the Mekong River Delta in the southernmost part of the country. The delta regions are characterized by fertile lands and heavy rainfall, ideal for fruit and rice production, making them the breadbaskets of Viet Nam. The Mekong River Delta alone produces about 50 percent of all Vietnamese rice and 90 percent of the country's rice exports.¹² The Central Highlands region is also a major agricultural producer where coffee and cashew nuts are grown. Outlying districts of Ho Chi Minh City, such as the Cu Chi district, have major rubber growing operations. As the main hub of the Mekong Delta, Can Tho City is a transit point for agricultural goods in the greater region and is enhancing infrastructure so as to increase interprovincial trade.

⁷ Asian Development Bank & Vietnam, Fact Sheet (2009): http://www.adb.org/Documents/Fact_Sheets/VIE.pdf

⁸ World Databank, World Development Indicators: <http://databank.worldbank.org/ddp/home.do?Step=1&id=4>

⁹ US Dept. of State, Background Note, Vietnam: <http://www.state.gov/r/pa/ei/bgn/4130.htm>

¹⁰ World Bank, Vietnam Country Brief: <http://go.worldbank.org/XGJYDZ6YV1>

¹¹ FAOSTAT: <http://faostat.fao.org/default.aspx>

¹² Consulate General of Canada, Ho Chi Minh City, An Investment Guide to Vietnam (2009): <http://www.international.gc.ca/commerce/assets/pdfs/GuideVN-EN.pdf>

Agriculture value added in 2009 was US\$20.3 billion, an increase from the 2006 value of US\$12.4 billion. The average growth rate for 2006–2009 was 3.75 percent. Main agricultural commodities in terms of value are paddy rice, indigenous pig meat, green coffee, fresh nes vegetables and fresh nes fruit.¹³

The agricultural export sector primarily markets raw and primary agricultural products, with relatively little value-added processing. Farms in Viet Nam still tend to be very small and comprise usually less than 1 ha of land. The rural poor have limited access to productive resources and basic financial services such as credit and savings. They also suffer isolation because of poorly developed village, commune and district infrastructure.¹⁴

The value of agricultural exports in 2008 was US\$7 681 million, thus increasing from the US\$3 607 million value of 2005. The average growth rate of exports from 2005 to 2008 was 28.9 percent. The main agricultural exports in terms of value are milled rice, green coffee, shelled cashew nuts, natural dry rubber and pepper.

The value of agricultural imports in 2008 was US\$5.71 billion, an increase from the 2005 value of US\$2.36 billion. The average growth rate of imports from 2005 to 2008 was 34.4 percent. The main agricultural imports in terms of value are cake of soybeans, palm oil, cotton lint, distilled alcoholic beverage and cigarettes.

The Ministry of Agriculture and Rural Development (MARD) is emphasizing more investment in agriculture and the promotion of rice production, also to ensure the nation's food security. In 2007, the ratio of foreign investment capital in the agriculture sector was 6.7 percent of the total FDI in Viet Nam. Main investors are from neighbouring Asian countries. Although the figure is not high, MARD claims that with over 700 ongoing projects, FDI in agriculture has generated annual revenue of about US\$312 million and export turnover of more than US\$100 million per year. Projects have also created job opportunities in factories and processing zones for approximately 75 000 people.¹⁵ Agriculture is an encouraged investment sector and, as such, subject to incentives.

Viet Nam is currently preparing the Socio-Economic Development Strategy for 2011–2020 and the Socio-Economic Development Plan (SEDP) for 2011–2015, which set Viet Nam's goal of becoming a middle-income country by 2010 and an industrialized nation by 2020.¹⁶

Infrastructure

Energy/Electricity: Hydropower accounts for about 40 percent of the electricity generating capacity of Viet Nam. Additional needs are met by various oil fuelled plants and by import. Electricity output in 2006 was 59 billion kWh. The sector is currently dominated by the state-run Electricity of Viet Nam Corporation (EVN), which aims to generate around 167–201 billion kWh by 2020. This goal requires the development of new power generation projects and significant new investments.¹⁷

Roads: Viet Nam's road system consists of a network of over 250 000 km. Road conditions remain less than ideal: less than half of the national highways have two lanes or more and road congestion is increasing in major cities. The two main north–south pivot highways are the 1A National Highway (2 260 km through 31 cities and provinces) and the Ho Chi Minh Highway (3 167 km). The

¹³ FAOSTAT: <http://faostat.fao.org/>

¹⁴ IFAD, Rural Poverty Portal: <http://www.ruralpovertyportal.org/web/guest/country/home/tags/viet%20nam>

¹⁵ Ministry of Agriculture and Rural Development (MARD), *Manual Guidelines for FDI to Agriculture, Forestry and Fisheries in Viet Nam* (2009): <http://icd.mard.gov.vn/Portals/1/Manual%20guidelines%20for%20FDI.pdf>

¹⁶ Asian Development Bank & Vietnam, *Fact Sheet* (2009): http://www.adb.org/Documents/Fact_Sheets/VIE.pdf

¹⁷ *Price Waterhouse Coopers, Vietnam: A Guide for Business and Investment* (2008): http://www.pwc.com/en_VN/vn/publications/assets/vietnam_guide.pdf

government has recently mobilized significant capital to improve the highway system with financial support from international lending agencies.

Railways: The rail network has over 2 600 km of single-track line and 278 stations countrywide. The longest and most important route is the Hanoi – Ho Chi Minh City line, which stretches for about 1 730 km. The government is aiming to reduce travel time along this line from 30 to 10 hours with new high-speed connection. The rail lines connecting Viet Nam to China were re-opened a few years ago while construction of new lines connecting Viet Nam with Laos and Cambodia has been included in the government's expansion strategy for the railway industry.

Ports/Waterways: Waterways are a particularly important mode of transport in Viet Nam and vital to its economic activities. The country has more than 2 300 rivers and canals with approximately 17 000 km of waterways. Two main inland waterway systems serve as major transportation outlets: along the Red River are five main ports, of which Hanoi is the largest, while in and around the Mekong River Delta are about 30 commercial ports. Viet Nam also has 11 major seaports and over 100 smaller seaports. Ho Chi Minh City serves most of the south and boasts modern container loading facilities. Hai Phong serves most of the north. New projects have been recently approved to enhance existing ports and waterways.

Air transport: There are three main international airports in Viet Nam: Tan Son Nhat International Airport (SGN) in Ho Chi Minh City; Noi Bai International Airport (HAN) in Hanoi; and Da Nang International Airport (DAD) in Da Nang. A new airport, Long Thanh International Airport, is being planned for Ho Chi Minh City (completion expected for 2014–2015). In addition, there are 16 domestic airports around the country.¹⁸

For additional information on FDI in general and in Viet Nam's agriculture sector:

UNCTAD Stat <http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>

UNCTAD World Investment Report 2010 <http://www.unctad.org/wir>

UNCTAD Country Factsheet http://www.unctad.org/sections/dite_dir/docs/wir10_fs_vn_en.pdf

UNCTAD Investment Policy Review (2008) http://www.unctad.org/en/docs/iteipc200710_en.pdf

USAID Southeast Asia Commercial Law and Trade Diagnostics (CLIR) Report – Vietnam (2007)
<http://www.bizclir.com/galleries/country-assessments/Vietnam.pdf>

Viet Nam Ministry of Planning and Investment (MPI) http://www.mpi.gov.vn/portal/page/portal/mpi_en

Foreign Investment Agency (under MPI) <http://fia.mpi.gov.vn/Default.aspx>

MARD Manual Guidelines for FDI to Agriculture, Forestry and Fisheries in Viet Nam (2009)
<http://icd.mard.gov.vn/Portals/1/Manual%20guidelines%20for%20FDI.pdf>

U.S. Dept. of State 2011 Investment Climate Statement – Viet Nam
<http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

World Bank Private Sector at a Glance http://devdata.worldbank.org/PSD/vnm_psd.pdf

World Bank Investing Across Borders <http://iab.worldbank.org/Data/Explore%20Economies/Vietnam>

World Bank Business Environment Snapshot
<http://rru.worldbank.org/BESnapshots/Vietnam/default.aspx>

Enterprise Surveys Snapshot Report (2009)
<http://www.enterprisesurveys.org/ExploreEconomies/?economyid=202&year=2009>

¹⁸ Ibid

2 Information on specific areas

2.1 Legal and regulatory framework¹⁹

Viet Nam has linked a number of legal reforms to the implementation of Doi Moi in order to establish a framework conducive to an open-door policy and to comply with the integration requirements of international agreements. FDI activities are governed primarily by the Law on Investment and the Law on Enterprises. Both apply to all enterprises irrespective of the source of investment, whether foreign or domestic.

2.1.1 Major laws and regulations affecting foreign investment

Law on Investment, 2005

<http://fia.mpi.gov.vn/uploads/Docs/InvestmentLaw.doc>

Together with its implementing decrees and circulars, this Law regulates investment procedures, investment incentives, the rights and obligations of investors, state management of investment and offshore investment from Viet Nam. It lists domains entitled to investment preferences such as production of new materials, farming and processing of agricultural, forest or aquatic products.

The Law on Investment also provides for five main forms of direct foreign investment: i) 100 percent foreign-owned or domestic-owned companies; ii) joint ventures between domestic and foreign investors; iii) business contracts (such as business cooperation contracts (BCC), build-and-operate agreements (BOT and BTO) and build and transfer contracts (BT)); iv) capital contribution for management of a company; and v) mergers and acquisitions.²⁰

Law on Enterprises, 2005

<http://fia.mpi.gov.vn/uploads/Docs/Luat%20Doanh%20nghiep.doc>

The Law provides for type of enterprise and establishment procedures, and regulates all forms of private enterprise, their organization and operation in Viet Nam. Developed in parallel with the Law on Investment, the Law on Enterprise replaces a former 1999 law and is consistent with international standards. It unifies the legal and regulatory framework for all business entities, regardless of ownership (foreign vs domestic and private vs public), subjecting all forms of businesses to a single set of rules.²¹ It also eliminates distinctions between foreign investors and Vietnamese citizens with respect to formation, capital contributions, board memberships and exercise of shareholder rights.

Other relevant laws

Commercial Law, 2005

http://fia.mpi.gov.vn/uploads/Docs/Commercial%20Law_English%20version.doc

The Commercial Law and its implementing decrees regulate domestic and foreign trade in goods and services, including many elements of trade facilitation. Key features of the revised Commercial Law include its applicability to non-traders who engage in commercial activities, an expanded definition of

¹⁹ This section provides information on laws and regulations recognized during the preparation of this report and does not provide a comprehensive list of laws and regulations related to agricultural investment in Viet Nam.

²⁰ US Dept. of State, 2011 Investment Climate Statement – Vietnam: <http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

²¹ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

commercial activities to conform to international practice, specification regarding its relationship with other laws bearing on contracts and commercial relations, and provisions for types of commercial relations (e.g. services, franchising, leasing).²²

Decree 88/2006/ND-CP on Business Registration, 2006

<http://fia.mpi.gov.vn/uploads/Docs/ND%2088.pdf>

This Decree prescribes in detail the system of business registries and dossier, and procedures for Business Registration.

Decree 101/2006/NDCP

http://www.dncustoms.gov.vn/web_english/english/nghe_dinh/101_ND_CP_21_09_2006.htm

This Decree provides regulations on re-registration or conversion by enterprises with foreign invested capital, and registration for changes in investment licences by enterprises with foreign invested capital, in accordance with the Law on Enterprises and the Law on Investment.

Labour Code, 2002

<http://www.global-standards.com/Resources/VNLaborCode1994-2002.pdf>

The current Labour Code, together with its implementing regulations, amends a former 1994 law and creates a uniform legal framework on employment. Viet Nam's employment laws are prescriptive and include wide ranging protections for employees. Labour contracts must be written in paper and signed between employers and employees. The contracts must delineate working hours, vacations, salary, working location, contract duration, and conditions of working safety, hygiene and social insurance to employees.

Decree 133/2007/ND-CP

<http://english.molisa.gov.vn/docs/detailVBPL/tabid/348/DocID/2552/TabModuleSettingsId/1349/language/en-US/Default.aspx>

This provides detailed regulations and guidelines on the laws amending the Labour Code regarding labour dispute resolution.

Decree 34/2008/ND-CP on employment and administration of foreigners working in Viet Nam, 2008

<http://www.dpi.hochiminhcity.gov.vn/invest/html/Law-ND34-2008-ND-CP.html>

This Decree regulates the employment and administration of foreigners working in Viet Nam; the order and procedures for the issuance and use of work permits; and the responsibilities of foreigners, employers and state bodies in the employment and administration of foreigners.

Law on Tax Management, 2006

[http://danang.e-regulations.org/media/Law%20no%2078.2006.QH11%20\(Eng\).pdf](http://danang.e-regulations.org/media/Law%20no%2078.2006.QH11%20(Eng).pdf)

Until recently, Vietnamese tax laws still provided discrimination among state-owned economic entities and other entities. Current laws and policies on tax provide equality among economic entities as well as among domestic and foreign investors.

Law on Enterprise Income Tax, 2003

<http://fia.mpi.gov.vn/uploads/Docs/2003%20Corporation%20Income%20Tax%20-%20EN%20.pdf>

²² USAID, Vietnam CLIR Report (2007): <http://www.bizclir.com/galleries/country-assessments/Vietnam.pdf>

All business establishments with incomes must pay Enterprise Income Tax. Family households, individuals, cooperation groups and cooperatives engaged in agricultural production with incomes from cultivation, husbandry and aquaculture products are not liable to Enterprise Income Tax, except for family households and peasants engaged in large-scale commodity production with high incomes as defined by the government.

Law on Value Added Tax, 2008 (amending 1992 and 2001 laws)

http://www.mof.gov.vn/portal/page/portal/mof_en/ld

This Law regulates the applicability, payment and rates of the Value Added Tax (VAT) in Viet Nam on goods or services arising during processes of production, distribution and consumption.

Law on Technology Transfer

http://www.chinhphu.vn/portal/page?_pageid=439,1091786&_dad=portal&_schema=PORTAL&pers_id=1091539&item_id=44704209&p_details=1

This Law provides for the transfer of technology; for rights and obligations of organizations and individuals engaged in Technology Transfer activities; for competence of state management agencies; and for measures to encourage and promote Technology Transfer. The state applies different preferences/incentives to promote Technology Transfer as well. Technology Transfer must be conducted based on contractual documents or other similar papers.

Customs Law, 2005

[http://fia.mpi.gov.vn/uploads/Docs/Luat%20Hai%20quan\(sua%20doi%202005\).pdf](http://fia.mpi.gov.vn/uploads/Docs/Luat%20Hai%20quan(sua%20doi%202005).pdf)

The Customs Law regulates state administration of customs with respect to goods being imported, exported or in transit, and means of transportation of domestic or foreign organizations and individuals entering, exiting or in transit in the customs territory; and regulates the organization and operation of Customs.

2.1.2 Agriculture and related laws / regulations

Land Law, 2003²³

<http://faolex.fao.org/docs/pdf/vie43122.pdf>

Viet Nam adopted a new Law on Land in 2003 to replace the 1993 Law on Land and the 1994 Ordinance on Rights and Obligations of Foreign Organizations and Individuals Leasing Land. While the 2003 Law unifies the legal underpinning for land use by nationals and foreigners, the latter are still subject to specific restrictions. All land in Viet Nam belongs to the people as a whole, with the state as the representative owner. The government first introduced Land Use Rights (LURs) in 1988 when agricultural land was decollectivized. The nature of the LURs and the associated rights and obligations differ according to the user (e.g. national vs. foreigner, households vs. communities) and

²³ Subordinate legislation includes: (i) Decree 181/2003/ND-CP on the Implementation of the Land Law (Decree 181); (ii) Decree 95/2005/ND-CP on Issuing Certificates of House Ownership Rights or Construction Work Ownership Rights (Decree 95); (iii) Decree 05/2005/ND-CP on Property Auctions; (iv) Decree 188/2004/ND-CP on Methods of Determining Land Price and Price Frame for Various Types of Land (Decree 188); and (v) Decree No. 84/2007/ND-CP on the grant of land use right certificates.

to the type of land.²⁴

Law on Environmental Protection, 2005

<http://faolex.fao.org/docs/pdf/vie64190.pdf>

Environmental regulations were changed and enhanced under the Law on Environmental Protection, which replaced Viet Nam's first-ever Environmental Protection rules in 1993. The 2005 Law provides for activities, policies, measures and resources for Environmental Protection, and for the rights and obligations of organizations and individuals in Environmental Protection. As for investments, environmental impact assessments (EIAs) are required for all projects that may have a significant environmental impact. A list of 102 projects is identified by the implementation decrees and includes telecommunications, power generation, textile, electronics and coffee processing. The content of EIAs is defined by law and includes potential impact during construction and functioning, as well as mitigation measures and contingency plans.²⁵

Law on Food Safety, 2010

<http://faolex.fao.org/docs/pdf/vie99786.pdf>

This Law provides for rights and obligations of organizations and individuals in assuring Food Safety; conditions for assuring safety of foods and food production, trading, import and export; food advertisement and labelling; food testing; Food Safety risk analysis; prevention, stopping and remedying of Food Safety incidents; Food Safety information, education and communication; and responsibilities for state management of Food Safety.

Law on Forest Protection and Development, 2005

<http://faolex.fao.org/docs/pdf/vie50759.pdf>

This Law provides for the management, protection, development and use of forests, and rights and obligations of forest users.

Fisheries Law, 2003

<http://faolex.fao.org/docs/texts/vie40534.doc>

This Fisheries Law regulates aquaculture and mariculture, ecosystem preservation, the protection of fish and of the environment, the regulation for fishing vessel navigation, docking and transportation. Overall, the Law aims to improve fishing activities while avoiding potential environmental damages and preserving natural fishing resources.

Law on Water Resources, 1998

<http://faolex.fao.org/docs/pdf/vie14294.pdf>

This Law provides for the management, protection, exploitation and use of surface and underground Water Resources, as well as for the prevention of harmful effects caused by water.

For more information and additional laws:

FAO FAOLEX <http://faolex.fao.org/>

Foreign Investment Agency Legal Documents <http://fia.mpi.gov.vn/News.aspx?ctl=texts&slID=170>

World Bank Doing Business Law Library <http://www.doingbusiness.org/law-library/vietnam>

Lexadin Law Guide <http://www.lexadin.nl/wlg/legis/nofr/oeur/lxwevie.htm>

²⁴ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

²⁵ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

2.2 Registration and approval procedures

There are currently three degrees of investment certification requirement in Viet Nam, depending on three key criteria: i) nationality of the investor (domestic or foreign); ii) size of investment; and iii) sector (conditional or non-conditional).²⁶

2.2.1 Conditional and restricted sectors

Viet Nam's investment licensing regime and certification process entails judging whether a proposed investment is in Viet Nam's interest, even if it falls within the parameters of sector, size and permitted level of foreign ownership.²⁷ Based on Viet Nam's socio-economic development planning and strategy for each five-year period, the Ministry of Planning and Investment issues a list of: i) specially encouraged investment projects; ii) encouraged investment projects; iii) geographical regions where investment is encouraged; iv) sectors in which investment licensing is conditional; and v) restricted sectors (licences are not granted).²⁸

For a list of conditional or restricted sectors, encouraged geographical areas and other, consult the following Government Decree:

[http://hochiminhcity.e-regulations.org/media/Decree%20108%20\(E\).pdf](http://hochiminhcity.e-regulations.org/media/Decree%20108%20(E).pdf)

2.2.2 Licensing procedure²⁹

Foreign investments in Viet Nam are either subject to a registration requirement ("small" projects in non-conditional sectors) or to an evaluation procedure ("large" projects and all those in conditional sectors). In all cases, an Investment Certificate must be obtained.

The Law on Investment decentralized the authority to issue investment licences to the provincial level and thus all foreign investment projects must be formally approved by relevant licensing authorities. Investment Certificates are issued either by the respective province's People's Committee or by the Management Committee (if the investment is located in Industrial, Export Processing Zones, High-tech and/or Economic Zones). Investment Certificates are entirely project-specific. For some projects, the procedure to obtain an Investment Certificate may involve approval from a number of ministries and/or agencies at various levels of government. Moreover, projects deemed to be of "national importance" must be approved by the National Assembly.³⁰

Depending on ownership, size and the sector of investment, different licensing and registration procedures are applied as described below:

- i. Small domestic enterprises with an invested capital of less than 15 billion Vietnamese Dong (VND) and non-conditional investment sectors need no formalities.

²⁶ US Dept. of State, 2011 Investment Climate Statement – Vietnam: <http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

²⁷ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

²⁸ Price Waterhouse Coopers, *Vietnam: A Guide for Business and Investment (2008)*:

http://www.pwc.com/en_VN/vn/publications/assets/vietnam_guide.pdf

²⁹ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

³⁰ US Dept. of State, 2011 Investment Climate Statement – Vietnam: <http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

- ii. *Registration:* Domestic projects with an invested capital of between VND 15-300 billion, in a non-conditional sector or for foreign investors in a non-conditional sector with an investment capital under VND 300 billion are subject to Investment Registration.
- iii. *Evaluation:* Foreign and domestic invested projects with a total invested capital of over VND 300 billion or falling within conditional sectors must undergo an investment evaluation by relevant authorities. When assessing applications, the relevant Licensing Authority will liaise with other ministries and authorities in evaluating the proposed project.

For more information on business procedures:

MARD Manual Guidelines for FDI to Agriculture, Forestry and Fisheries in Viet Nam (2009)
<http://icd.mard.gov.vn/Portals/1/Manual%20guidelines%20for%20FDI.pdf>

Agency for Small and Medium Size Enterprise Development (ASMED)
<http://www.business.gov.vn/mastertop.aspx?LangType=1033>

2.3 Tax schemes

2.3.1 Enterprise Code Number (ECN)

As of 2010, enterprises are issued with a unique Enterprise Code Number (ECN).³¹ The ECN replaces and consolidates the former Business Registration Code and Tax Code Number. Branches, representative offices and business locations are issued a Code Number of Subsidiary Units.

2.3.2 Major taxes relevant to FDI

Corporate Income Tax³²

Organizations, business individuals, enterprises and services are required to pay Corporate Income Tax. The standard rate is 25 percent. Higher rates (between 32 and 50 percent) apply to enterprises operating in petroleum, gas and other natural resources sectors. Preferential rates of 10 and 20 percent pertain to enterprises in certain encouraged sectors such as education, training and health care, and to newly established entities in certain economic zones and areas with difficult socio-economic conditions. Preferential rates may apply for a limited period, after which the standard rate applies.

Value Added Tax (VAT)³³

VAT in Viet Nam is levied on goods and services used for manufacturing, business and consumption. All business establishments are subject to VAT. Rates are applied at 0, 5 and 10 percent. The standard rate of 10 percent applies to normal products and services while a rate of 5 percent is applied to goods and services that are encouraged for more investment and development (including

³¹ As specified under Decree No. 43/2010/ND-CP:

<http://hochiminhcity.eregulations.org/media/D43gv15Apr10EnterpriseRegistration.pdf>

³² Asialaw, Article "New corporate income tax regime": <http://www.asialaw.com/Article/2097654/Channel/22097/New-corporate-income-tax-regime.html>

³³ UNCTAD, *Investment Policy Review Viet Nam (2008)*: http://www.unctad.org/en/docs/iteipc200710_en.pdf

medical equipment, basic chemicals, fresh foodstuff and metallurgical products), and 0 percent applies to export goods and services. The VAT law also stipulates exemption status to 28 products such as planting, husbandry, aquaculture, medical services, education..

Personal Income Tax (PIT)³⁴

There are currently four categories of taxpayers in Viet Nam: i) Vietnamese citizens residing in Viet Nam; ii) Vietnamese citizens working or on business trips outside of Viet Nam; iii) individuals who do not have Vietnamese citizenship but reside in Viet Nam indefinitely; iv) and foreigners working in Viet Nam, including those who do not live in Viet Nam but have income that is sourced in Viet Nam. Foreigners are deemed to be resident for tax purposes if they reside in Viet Nam for an aggregate of 183 days or more within 12 consecutive months since their arrival in Viet Nam, although this may be substantially changed by tax treaties. Resident foreigners are subject to progressive tax rates; those who are not resident are liable to a single 25 percent tax on income earned in Viet Nam if they spend between 30 and 182 days in Viet Nam. Only foreigners who spend fewer than 30 days in Viet Nam are exempt from income tax.

Special Sales Tax (Excise Tax)³⁵

Special Sales Tax is a form of Excise Tax that applies to the production or importation of certain goods and the provision of certain services. Special Sales Tax ranging from 10 to 75 percent is currently levied on the following items regardless of domestic or imported goods:

Merchandise: cigar and cigarettes (65%); liquors (20%, 30% and 65% depending on alcohol content); bottled and canned beer (75%); draft and fresh beer (40%); automobiles under 24 seats (under 5 seats: 50%, from 5 to 15 seats: 30%, from 16 to under 24 seats: 15%); gasoline (10%); air conditioners up to 90 000 BTU (15%); playing cards (40%); votive paper (70%);

Services: discotheque, massage, karaoke (30%); casino, jackpot and gambling (25%); golf clubs (10%); lottery (15%).

The taxable value of imported goods is the customs value plus import duty.

Withholding Tax³⁶

Foreign companies doing business in Viet Nam or with contracts with Vietnamese customers without establishing a legal entity are subject to Foreign Contractor Withholding Tax (FCWT). The FCWT includes a VAT and an enterprise income tax element. Withholding Tax also applies to payments of interest, royalties, licence fees and cross border lease charges.

Import and Export Duties³⁷

Import and Export Duties are applied to products imported or exported through customs or borders of Viet Nam and to products transported from domestic market to customs areas and from customs areas to the domestic markets. The Import and Export Tax is calculated based on: quantity of actual

³⁴ <http://www.vietnam-ustrade.org/index.php?f=news&do=detail&id=33&lang=english>

³⁵ Viet Nam Trade Office in the USA, Business Environment: <http://www.vietnam-ustrade.org/index.php?f=news&do=detail&id=32&lang=english>

³⁶ Vietnam Briefing, Article "Withholding Tax Payments for Foreign Contractors": <http://www.vietnam-briefing.com/news/withholding-tax-payments-foreign-contractors.html>

³⁷ Viet Nam Trade Office in the USA, Business Environment: <http://www.vietnam-ustrade.org/index.php?f=news&do=detail&id=32>

import/export products indicated in the customs form; and taxed prices for individual products and tax rate for individual categories or units. Duty rates for import include standard, preferential and special rates, depending on the country from which the goods are imported and the particular trade agreements between that country and Viet Nam. Generally, few goods are subject to export duties.

Natural Resource Tax³⁸

Natural Resource Tax applies to industries exploiting Viet Nam's natural resources, including petroleum, minerals, forests, fisheries and natural water. The government stipulates different tax rates for different natural resources ranging from 0 to 40 percent. Rates are applied to the production output at a specified taxable value per unit. Various methods are available for the calculation of taxable value of the resources, including cases where the resources have no commercial value.

Land-related income tax³⁹

There are three types of tax rates related to land in Viet Nam:

- i. *Agricultural land use tax*: Applies to all organizations and individuals using land for agricultural production, including land for planting, land covered with aquaculture production and forestry. Tax on agricultural land use is calculated based on area, type of lands and tax rate using kilogram of rice for a specific land unit. Agricultural lands are categorized into six types with different tax rates applied at scaling rates.
- ii. *Housing-land tax*: Organizations and individuals that have land-use rights are required to pay housing and land tax. Tax calculation is based on land area, quality of land and tax rates.
- iii. *Land-use rights transfer tax*: Organizations, households and individuals that have land-use rights, including lands and house or architectural materials on land, are entitled to pay tax on land-use rights transfer. Tax rates are regulated by the provincial or municipal people committee on every 1 January.

2.4 Land procedures⁴⁰

Ownership and use of land are governed by the Land Law 2003 and its amendments and implementing regulations. Under Viet Nam's Constitution, all land is collectively owned by the people but managed by the state. As such, outright land "ownership" is not permitted. Instead, the right to use land is obtained in one of several ways: by allocation from the state, for a definite or indefinite period; by lease from the state; by sublease from the developer of an industrial zone or urban zone; by transfer from an existing land user; or by way of capital contribution from an existing land user.

As stated previously, the government introduced Land Use Rights (LURs) in 1988 when agricultural land was de-collectivized. In recent years, laws have been amended to make it easier for foreigners to lease land. In particular, the Land Law recognizes a variety of rights, including the right to leasing, subleasing, giving or mortgaging one's LURs. LURs and ownership of assets located on land are

³⁸ Decree no. 147, Natural Resource Tax (amended), 2006: <http://faolex.fao.org/docs/pdf/vie69917.pdf>

³⁹ Invest in Vietnam, Taxation: <http://www.investinvietnam.vn/Default.aspx?ctl=Inv&tlD=4&plD=130&alD=379>

⁴⁰ UNCTAD, Investment Policy Review Viet Nam (2008): http://www.unctad.org/en/docs/iteipc200710_en.pdf

provided through a Land Use Rights Certificate (LURC). The nature of the LURs and the associated rights and obligations vary according to the user (e.g. national vs foreigner, households vs communities) and to the type of land. In rural regions, LURCs can also be issued by the people's committees of districts and municipalities.

Foreign investors have two ways of acquiring LURs for investment: i) direct lease from the state for maximum 50 years (by paying land rental fee); and ii) sub-lease from domestic or foreign organizations (sub-lease from family households, individuals or communities is not allowed). LURs must be registered in a local land registry.

Decree 188 provides a methodology (comprising maximum and minimum prices) for determining the price for each type of land. Provincial People's Committees establish Official Land Prices for each specific type of land at each location at the beginning of each year. Most foreign enterprises lease land from the state or industrial zone developers and are therefore subject to rent rather than land-use fees. All transactions with the state, including for the payment of taxes and fees, are based on land prices as determined by relevant decrees. Changes in land use must also be recorded in the LURC as are assets on land. Registration of ownership of such assets must conform to laws on registration of real estate.

To lease land, prospective investors are obliged to submit four documents to the local Department of Natural Resources and Environment (DoNRE): Application for Land Lease; Investment Certificate and Tax Registration; Land Cadastral Map; and Land Lease Contract.

Some restrictions remain. Foreign investors can lease land for a maximum of 50 years. Those with large capital but slower returns are allowed a lease of 70 years. After this period, the occupier of the land must renew their contract to continue to occupy the land. The state has the right to mandate the return of land rights. In such cases, full compensation is granted according to Vietnamese law.⁴¹

2.5 Investment benefits and incentives

Viet Nam's Law on Investment sets out some sectors and geographic areas that are entitled to investment incentives. Other incentives are governed by specific tax, land and other regulations. Incentives are the same for both foreign invested and domestic enterprises.

2.5.1 Incentive investment sectors and regions

The Government of Viet Nam encourages foreign investment in the following sectors and regions:

Sectors / Activities

- Manufacture of new material, new energy, high-tech products, biotechnology, information technology and mechanical manufacturing;
- Breeding, rearing, growing and processing agricultural, forest and aquaculture products: salt making; production of artificial strains, new plant varieties and livestock breeds;

⁴¹ Consulate General of Canada, Ho Chi Minh City, An Investment Guide to Vietnam (2009): <http://www.international.gc.ca/commerce/assets/pdfs/GuideVN-EN.pdf>

- Use of high technology and modern techniques; protection of the ecological environment; research, development and nursery of high technology;
- Labour-intensive industries;
- Construction and development of Infrastructures;
- Development of education, training, health care, physical training, sports and national culture;
- Development of traditional trades and occupations;
- Other manufacturing and service sectors.

Regions

- Regions with difficult or especially difficult socio-economic conditions, such as mountainous regions, remote or underdeveloped regions;
- Industrial zones, export processing zones high-tech zones and economic zones.

For a more detailed list of sectors that are entitled to investment incentives, consult the following Government Decree No.108 /2006/ND-CP (Appendix I):

[http://hochiminhcity.e-regulations.org/media/Decree%20108%20\(E\).pdf](http://hochiminhcity.e-regulations.org/media/Decree%20108%20(E).pdf)

2.5.2 Investment incentives⁴²

- Corporate Income Tax can be as low as 10 percent if an investment is made in selected priority sectors and in remote areas;
- Exemption and reduction of Corporate Income Tax for a certain period;
- Exemption from Corporate Income Tax for income from technology transfer activities of projects entitled to investment incentives;
- Carrying-forward of losses permitted for up to 5 years;
- No profit remittance tax;
- Exemption of import duty on equipment, materials, means of transportation and other goods for project implementation;
- Exemption or reduction of land-use tax, land-use fees, land rent and water surface rent;
- Additional incentives to investors investing in zones (depend on the project/contract);
- Additional incentives for projects involving technology transfer in difficult socio-economic areas, such as visa applications for family members, multiple visas, and visa expiry in line with contracts of technology transfer; favourable conditions of residency and travelling; and other benefits in accordance with law.⁴³

⁴² Vietnam Trade Section in Switzerland, *Investment Policy in Vietnam Presentation (2011)*: http://swisscentervietnam.ch/wordpress/wp-content/uploads/2011/03/Presentation-FDI-Vietnam_VN-Embassy-of-Switzerland_March2011-Kompatibilit%C3%A4tsmodus.pdf

⁴³ Invest in Vietnam, Technology Transfer: <http://www.investinvietnam.vn/Default.aspx?ctl=Inv&tlD=4&plD=130&alD=387>

2.5.3 Investment guarantees and settlement of disputes

The Investment Law provides for guarantees against the nationalization or confiscation of investor assets. The Government of Viet Nam guarantees fair treatment for investors and also the protection of intellectual property rights; application of uniform prices, fees and charges; investment guarantees in the event of changes in law or policies.⁴⁴ Foreign investors are allowed to remit abroad investment capital and profits, loan principal and interest, and other proceeds and assets.

Investment disputes may be settled by negotiation, in court, or by domestic or foreign arbitration. To supplement the court system, Viet Nam has a system of independent arbitration centres, established under the Commercial Arbitration Ordinance of 2003. Commercial Arbitration Law is in effect from January 2011, which overcomes the shortcomings of the Commercial Arbitration Ordinance.⁴⁵

2.6 Restrictions and requirements

The sectors in which foreign investment is prohibited include cases where projects would be detrimental to national defence, security and public interest; health, natural resources and the environment; and historical and cultural values.

Conditional sectors applying to both foreign and domestic investors include those having an impact on national defence, security, social order and safety; culture, information, the press and publishing; financial and banking; public health; entertainment services; real estate business; surveying, prospecting, exploration and mining of natural resources; ecology and the environment; education and training; and other sectors in accordance with law. The sectors where conditions are only applicable to foreign investors include telecommunications, postal networks, ports and airports, and other sectors dictated by Viet Nam's commitments under international and bilateral arrangements.⁴⁶

For sectors under the conditional list, investment conditions vary and may take the form of certain requirements for the establishment of a company, the scope of operations available for the project, the level of capital, the ownership structure of the project, the applicable form and type of legal entity available for the investment project, and certain business conditions.⁴⁷ These are defined in Investment Certificates.

Under Vietnamese laws on accounting, foreign enterprises must use the Vietnamese Accounting System (VAS) to determine tax payments and they must undergo an annual audit.⁴⁸ Moreover, the right to sell, market, and distribute what is manufactured locally, and the right to import goods and use inputs needed for an investment project are allowed only if stipulated in an Investment Certificate. Viet Nam has excluded certain products from its WTO distribution services commitments as a means of safeguarding local production or for national security. These include rice, sugar, tobacco, crude and

⁴⁴ Trade Section Switzerland, *Investment Policy in Vietnam Presentation* (2011): http://swisscentervietnam.ch/wordpress/wp-content/uploads/2011/03/Presentation-FDI-Vietnam_VN-Embassy-of-Switzerland_March2011-Kompatibilit%C3%A4tsmodus.pdf

⁴⁵ Vietnam Chamber of Commerce and Industry, Business Forum: http://vccinews.com/news_detail.asp?news_id=21601

⁴⁶ US Dept. of State, 2011 Investment Climate Statement – Vietnam: <http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

⁴⁷ Price Waterhouse Coopers, *Vietnam: A Guide for Business and Investment* (2008):

http://www.pwc.com/en_VN/vn/publications/assets/vietnam_guide.pdf

⁴⁸ Unless they obtain the approval of the Ministry of Finance for the adoption of some other accounting system. Consulate General of Canada, Ho Chi Minh City, *An Investment Guide to Vietnam* (2009): <http://www.international.gc.ca/commerce/assets/pdfs/GuideVN-EN.pdf>

processed oil, pharmaceuticals, explosives, news and magazines, precious metals and gemstones.⁴⁹ A part of its WTO accession, Viet Nam has also committed to removing additional performance requirements that are inconsistent with the Agreement on Trade Related Investment Measures.⁵⁰

2.7 Investment opportunities

The Government of Viet Nam actively promotes foreign investment in certain priority sectors or geographical regions as mentioned in 2.5.1.

These sectors offer good investment opportunities, a combination of high global and domestic demand, and come with a number of investment incentives. Viet Nam also offers preferential and favourable conditions for private investors in agriculture. The government has issued a list of 28 fields that enjoy preferential treatment, which includes cultivation and breeding, seafood, forestry, salt development, agricultural mechanization, infrastructure and human resource development.⁵¹

2.8 Investment and trade agreements

Viet Nam is a member of the Association of Southeast Asian Nations (ASEAN), participates in the ASEAN Free Trade Area (AFTA), is involved in the Trans-Pacific Partnership (TPP), and is a member of the Asia-Pacific Economic Cooperation forum (APEC). Viet Nam became an official member of the World Trade Organization (WTO) in 2007. Moreover, Viet Nam signed a bilateral trade agreement (BTA) with the United States in 2000. The BTA constitutes a commitment by both countries to open their markets to one another.

Bilateral investment treaties (BIT)

Algeria 1996; Argentina 1996; Armenia 1993; Australia 1991; Austria 1995; Bangladesh 2005; Belarus 1992; Belgium and Luxembourg 1991; Bulgaria 1996; Cambodia 2001; Chile 1999; China 1992; Cuba 1995; Czech Republic 2008; Denmark 1993; Egypt 1997; Finland 2008; France 1992; Germany 1993; Greece 2008; Hungary 1994; Iceland 2002; India 1997; Indonesia 1991; Iran 2009; Italy 1990; Japan 2003; Korea, DPR 2002; Republic of Korea 2003; Lao, PDR 1996; Latvia 1995; Lithuania 1995; Malaysia 1992; Mongolia 2000; Mozambique 2007; Myanmar 2000; Namibia 2003; Netherlands 1994; Philippines 1992; Poland 1994; Romania 1994; Russian Federation 1994; Singapore 1992; Slovakia 2009; Spain 2006; Sri Lanka 2009; Sweden 1993; Switzerland 1992; Taiwan 1993; Tajikistan 1999; Thailand 1991; Ukraine 1994; United Arab Emirates 2009; United Kingdom 2002; Uzbekistan 1996.⁵²

Double taxation treaties (DTT)

Algeria 1999; Australia 1992; Austria 2008; Bangladesh 2004; Belarus 1997; Bulgaria 1996; Canada 1997; China 1995; Cuba 2002; Czech Republic 1997; Denmark 1995; Finland Income 2001; France

⁴⁹ For additional details see: www.wto.org/english/thewto_e/countries_e/vietnam_e.htm.

⁵⁰ US Dept. of State, 2011 Investment Climate Statement – Vietnam: <http://www.state.gov/e/eb/rls/othr/ics/2011/157384.htm>

⁵¹ Ministry of Agriculture and Rural Development, VN encourages private investment in agriculture, 17/11/2010: http://www.agroviet.gov.vn/en/Pages/news_detail.aspx?NewsId=577

⁵² UNCTAD, BIT Database: http://www.unctad.org/sections/dite_pcbb/docs/bits_vietnam.pdf

1993; Germany 1995; Hong Kong 2008; Hungary 1994; Iceland 2002; India 1994; Indonesia 1997; Ireland 2008; Israel 2009; Italy 1996; Japan 1995; Korea, DPR 2002; Korea, Republic of 1994; Lao PDR 1996; Luxembourg 1996; Malaysia 1995; Mongolia 1996; Myanmar 2000; Netherlands 1993, 1995; Norway 1995; Pakistan 2004; Philippines 2001; Poland 1994; Qatar 2009; Romania 1995; Russian Federation 2002; Seychelles 2005; Singapore 1994; Slovakia 2008; Spain 2005; Sri Lanka 2005; Sweden 1994; Switzerland 1996; Taiwan 1998; Thailand 1992; Ukraine 1996; United Kingdom 1994; Uzbekistan 1996.⁵³

⁵³ UNCTAD, DTT Database: http://www.unctad.org/sections/dite_pcbb/docs/dtt_Vietnam.PDF

2.9 Authorities and contact points

Ministry of Planning and Investment (MPI) No. 6B, Hoang Dieu, Ba Dinh Hanoi Tel: 84-80 44589 / 84-80 43485 Fax: 84-80 44589 / 84 -4 38234453 Email: banbientap@mpi.gov.vn Website: http://www.mpi.gov.vn/	Foreign Investment Agency (FIA) (under MPI) 6B Hoang Dieu Street, Ba Dinh District Hanoi Tel: 080 48087 Fax: 04 7343769 Email: fiavietnam@mpi.gov.vn Website: http://fia.mpi.gov.vn/Default.aspx
Ministry of Agriculture and Rural Development (MARD) 2 Ngoc Ha, Hanoi Tel: 84-4 8459670 Fax: 84-4 7330752 Website: http://www.mard.gov.vn/	Ministry of Finance 28 Tran Hung Dao, Hanoi Tel: (84-4) 2202828 Fax: (84-4) 2208020 / 2208021 Email: support@mof.gov.vn Website: http://www.mof.gov.vn
Ministry of Natural Resources and Environment 83 Nguyen Chi Thanh, Hanoi Tel: (84-4) 8343914 Fax: (84-4) 8352131 Website: http://www.monre.gov.vn	Ministry of Industry and Trade 54 Hai Ba Trung, Hanoi Tel: (84-4) 8258311 Fax: (84-4) 8265303 Website: http://www.moit.gov.vn
Ministry of Science and Technology 39 Tran Hung Dao, Hanoi Tel: (84-4) 8252731 Fax: (84-4) 8252733 Website: http://www.most.gov.vn/	Ministry of Labour, War-Invalids and Social Affairs 12 Ngo Quyen, Hoan Kiem Hanoi Tel: (84-4) 38248193 Fax: (84-4) 38241005 Email: lasic@molisa.gov.vn Website: www.molisa.gov.vn
General Department of Customs No 162 Nguyen Van Cu Street, Long Bien District Hanoi Tel: (+844) 8727033 Fax: (+844) 8725949 Website: www.customs.gov.vn	General Department of Taxation 123 Lo Duc Street Hanoi Tel: (04) 39712310 Fax: (04)39712286 Website: http://www.gdt.gov.vn
Viet Nam Chamber of Commerce & Industry 9 Dao Duy Anh, Hanoi Tel: (84-4) 5742022 / 5742143 / 5742031 Fax: (84-4)5742030/5742020 Website: http://www.vcci.com.vn/	Hanoi Authority for Planning and Investment 16 Cat Linh Quan Dong Da Thanh pho, Hanoi Tel: (84-4) 38256637 Fax: (84-4) 38251733 Email: sokhdthanoi@hapi.gov.vn Website: www.hapi.gov.vn
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Appendices

Key social and economic indicators

Population	
Total population (millions) (2010)	89
Population growth (annual %) (2009)	1.2
Life expectancy at birth (years) (2009)	74.6
Rural population (%) (2010)	71
Rural population growth (annual %) (2009)	0.6
Employment in agriculture (% of total employment) (2004)	57.9
Unemployment (% of total labour force) (2008)	2.4
Proportion of undernourished in total population (%) (2005–07)	11
Dietary energy consumption (cal/person/day) (2005–2007)	2 769
Mortality rate, under 5 (per 1 000) (2009)	23.6
Mortality rate, infant (per 1 000 live births) (2009)	19.5
Adult literacy rate (2009)	92.8
HDI value (2010)	0.572
HDI rank (out of 169) (2010)	113
Land and input	
Total area (1 000 ha) (2009)	33 105
Land area (1 000 ha) (2008)	31 007
Agricultural area (1 000 ha) (2008)	10 057
Arable land (1 000 ha) (2008)	6 300
Permanent crops (1 000 ha) (2008)	3 115
Pastures (1 000 ha) (2008)	642
Forest area (1 000 ha) (2010)	13 797
Irrigated land (1 000 ha) (2008)	4 600
Share in total water (%) use by:	
- Agricultural (2005)	94.8
- Industrial (2005)	3.7
- Municipal (2005)	1.5
Fertilizer consumption (tonnes) (2008)	1 805 396
Tractors (number per 1000 ha of arable land) (1999–2001)	25.3
Economic	
GDP (current US\$ billions) (2009)	97.2
GDP per capita (current US\$) (2009)	1 113
GDP growth (annual %) (2009)	5.3
GNI per capita, Atlas method (current US\$) (2009)	1 000
Inflation, consumer prices (annual %) (2009)	7.1
Agriculture, value added (% of GDP) (2009)	20.9
Value of agricultural exports (US\$ millions) (2008)	7 681
Share of agricultural exports (% of total exports) (2008)	12.3
Value of agricultural imports (US\$ millions) (2008)	5 714
Share of agricultural imports (% of total imports) (2008)	7.1
Crop production index (1999–2001=100) (2009)	137

Sources: FAO, World Bank, UNDP

Key agricultural production and trade data

Production of major agricultural commodities		
	Major crops (2008)	Value (international US\$1 000)
	Rice, paddy	10 359 492
	Vegetables, fresh	1 168 785
	Coffee, green	1 146 772
	Major crops (2008)	Quantity (tonnes)
	Rice, paddy	38 725 100
	Sugar cane	16 128 000
	Cassava	9 395 800
	Yield (2008)	Yield (hg/ha)
	Cassava	169 080
	Maize	40 245
	Rice, paddy	52 230
	Soybeans	14 026
	Sugar cane	594 909
	Livestock (2008)	Number of live animals
	Chickens	173 110 000
	Pigs	26 701 600
	Cattle	6 337 700
	Buffaloes	2 897 700
	Goats	1 483 500
	Meat production (2008)	Quantity (tonnes)
	Pig meat	2 782 700
	Chicken meat	448 200
	Cattle meat	226 696
	Buffalo meat	105 995
Imports of major agricultural commodities (2008)		
	Commodity	Value (current US\$1 000)
	Cake of soybeans	770 389
	Palm oil	470 073
	Cotton lint	466 531
	Commodity	Quantity (tonnes)
	Cake of soybeans	1 860 180
	Wheat	701 889
	Maize	669 541
Exports of major agricultural commodities (2008)		
	Commodity	Value (current US\$1 000)
	Rice, milled	2 895 940
	Coffee, green	2 113 760
	Cashew nuts, shelled	915 813
	Commodity	Quantity (tonnes)
	Rice, milled	4 735 170
	Coffee, green	1 060 880
	Cassava, dried	133 920

Source: FAOSTAT

For overviews of Viet Nam:

FAO Country Profile <http://www.fao.org/countryprofiles/index.asp?lang=en&ISO3=VNM>
FAO Country Brief <http://www.fao.org/countries/55528/en/vnm/>
Asian Development Bank Country Page & Fact Sheet
<http://www.adb.org/VietNam/main.asp> ; http://www.adb.org/Documents/Fact_Sheets/VIE.pdf
IFAD Rural Poverty Portal
<http://www.ruralpovertyportal.org/web/guest/country/home/tags/viet%20nam>
World Bank Country Brief <http://go.worldbank.org/XGJYDZ6YV1>
CIA World Factbook <https://www.cia.gov/library/publications/the-world-factbook/geos/vm.html>
US Dept. of State Background Note <http://www.state.gov/r/pa/ei/bgn/4130.htm>

For additional development data for Viet Nam:

UNDP Human Development Indicators <http://hdrstats.undp.org/en/countries/profiles/VNM.html>
World Bank World Development Indicators <http://data.worldbank.org/country/vietnam>
UN Millennium Development Goals Indicators <http://unstats.un.org/unsd/mdg/Data.aspx>
World Bank Vietnam at a Glance http://devdata.worldbank.org/AAG/vnm_aag.pdf
Asian Development Bank Key Indicators for Asia and the Pacific
http://www.adb.org/Documents/Books/Key_Indicators/2009/pdf/VIE.pdf

For additional statistics on agriculture and production:

FAOSTAT for statistics on agricultural production, trade, food supply, prices, agricultural resources and other <http://faostat.fao.org/>
World Bank Agriculture & Rural Development Statistics
<http://data.worldbank.org/topic/agriculture-and-rural-development>
USDA Agricultural Production, Supply and Distribution (PSD) database
<http://www.fas.usda.gov/psdonline/psdQuery.aspx>

For information on food security in Viet Nam:

FAO Food Security Statistics
http://www.fao.org/fileadmin/templates/ess/documents/food_security_statistics/country_profiles/eng/Viet_Nam_E.pdf
IFPRI Food Security Portal for Vietnam <http://www.foodsecurityportal.org/vietnam>
FAO Global Information and Early Warning System (GIEWS) on food and agriculture Country Brief
<http://www.fao.org/giews/countrybrief/country.jsp?code=VNM>