



# VIETNAM - KOREA ICT COOPERATION OPPORTUNITIES



## Highly skilled and motivated labour force

- Golden age Population: 65% of the population are younger than 35. Literacy rate is 98.5%.
- 259 universities and colleges in Vietnam offer ICT training with about 40 - 50,000 ICT students studying annually
- National strategy to educate digital human resource for industrial revolution 4.0

## Politically stable and fast growing economy

- Government is open to adopt Industrial revolution 4.0
- In 2017 Vietnam's GDP increased 6.81%. It was 6.21% in 2016 and 6.68% in 2015. Vietnam is one of the world's fastest growing economies.
- Global Competitiveness Index: 55/137 (WEF 2017)
- Business Environment Index: 68/190 Economies (World Bank's report 2017)
- The innovation index (GII): 47/127 countries (2017)
- National strategy to transform Vietnam into an advanced ICT country
- Tax incentives: from exemption to 50% reduction

## 'Top 3' Fastest growing Telecommunication Market in Asia

- The Internet users are 60% of the population, SmartPhone users are 55%.
- 4G service has been reached in 99% provinces in Vietnam. Estimated in 2018, 2/3 of the population will have 4G/3G connection, mobile subscribers is 140 subscribers/100 people.
- 3 Vietnamese companies among world's Top 100 mobile service providers

## An ideal destination for startups

- Nr. 59 in the '2017 Global Peace Index' in comparison to China (116), Philippines (138) and India (137).
- Hanoi and HCMC are ranked 8th and 2nd respectively in the most dynamic cities in the world, making Vietnam an ideal destination for startups

# What analysts say about Vietnam?



“Vietnam stands at #5 in The most attractive global services locations in the world.” (2017)



Recognized as a Tier 1 Emerging Offshore Outsourcing Location in APAC (2015)



“Ho Chi Minh City and Hanoi are among the Top 20 emerging global outsourcing cities” (2016)



“An attractive destination for IT outsourcing service thanks to its young and highly trainable labour force, competitive cost structure and a stable business environment” (2015)



“High potential” cities, such as Ho Chi Minh City (No.2) and Hanoi (No. 8) as the world’s most dynamic cities” (2017)

# Moving online

New users are coming online at a blistering pace, adding **40M new Internet users** this year alone

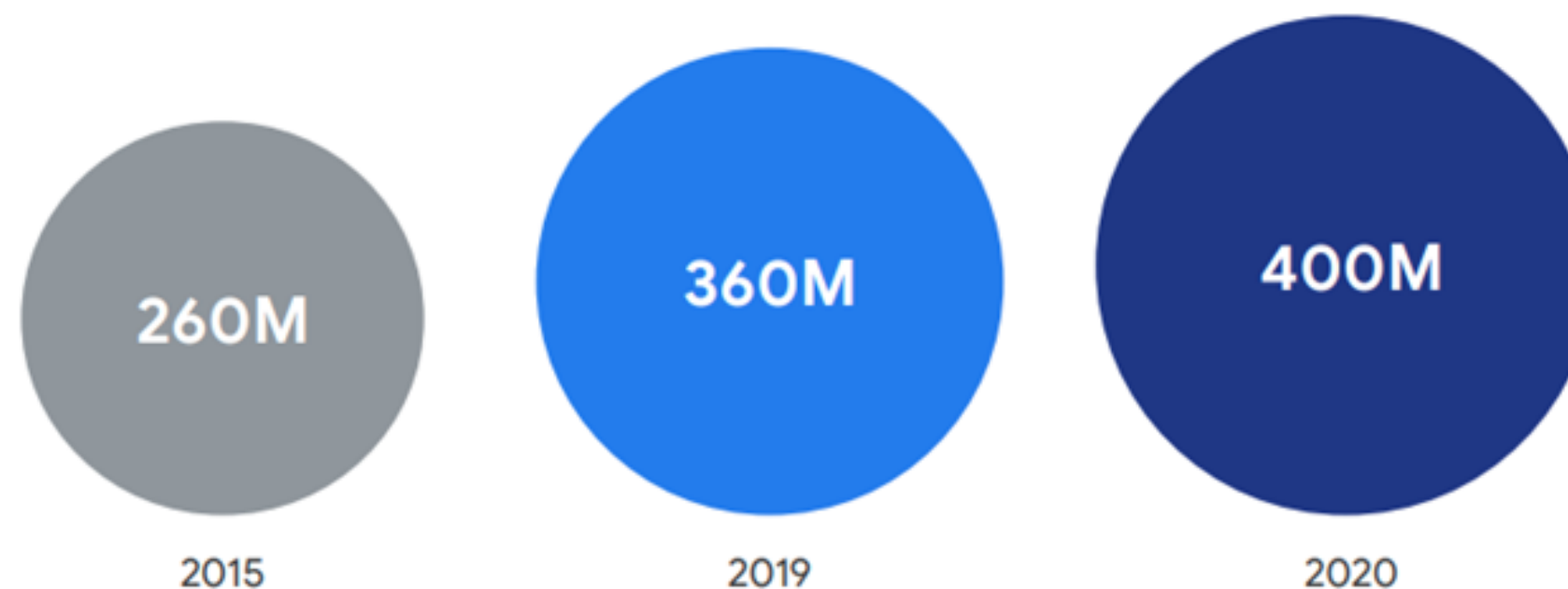
**40M**

new users joined the Internet in 2020, compared to 100M between 2015 and 2019

**70%**

of the region's population is now online

Total Internet users in SEA



In addition to new online users, COVID-19 led to an acceleration of digital consumption as users tried new digital services for the first time.

*On average across SEA, 1 in 3 (~36%) of all digital service consumers are new to the service due to COVID-19*

Education

eCommerce

Lending

94% of new digital service consumers intend to continue with the service post-pandemic.



# Essensial headline for Mobile, Internet and Social Media use in Vietnam

## Population



**97.75**  
million

## Urbanisation

37.7%

## Mobile Connection



**154.4**  
million

## vs. Population:

157.9%

## Internet Users

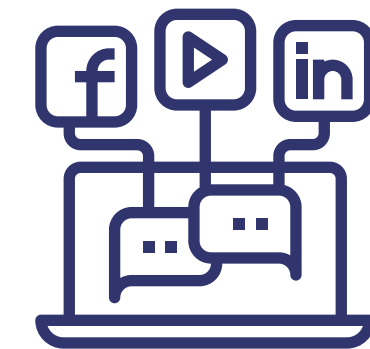


**68.72**  
million

## vs Population

70.3%

## Active Social Media users



**72**  
million

## vs Population

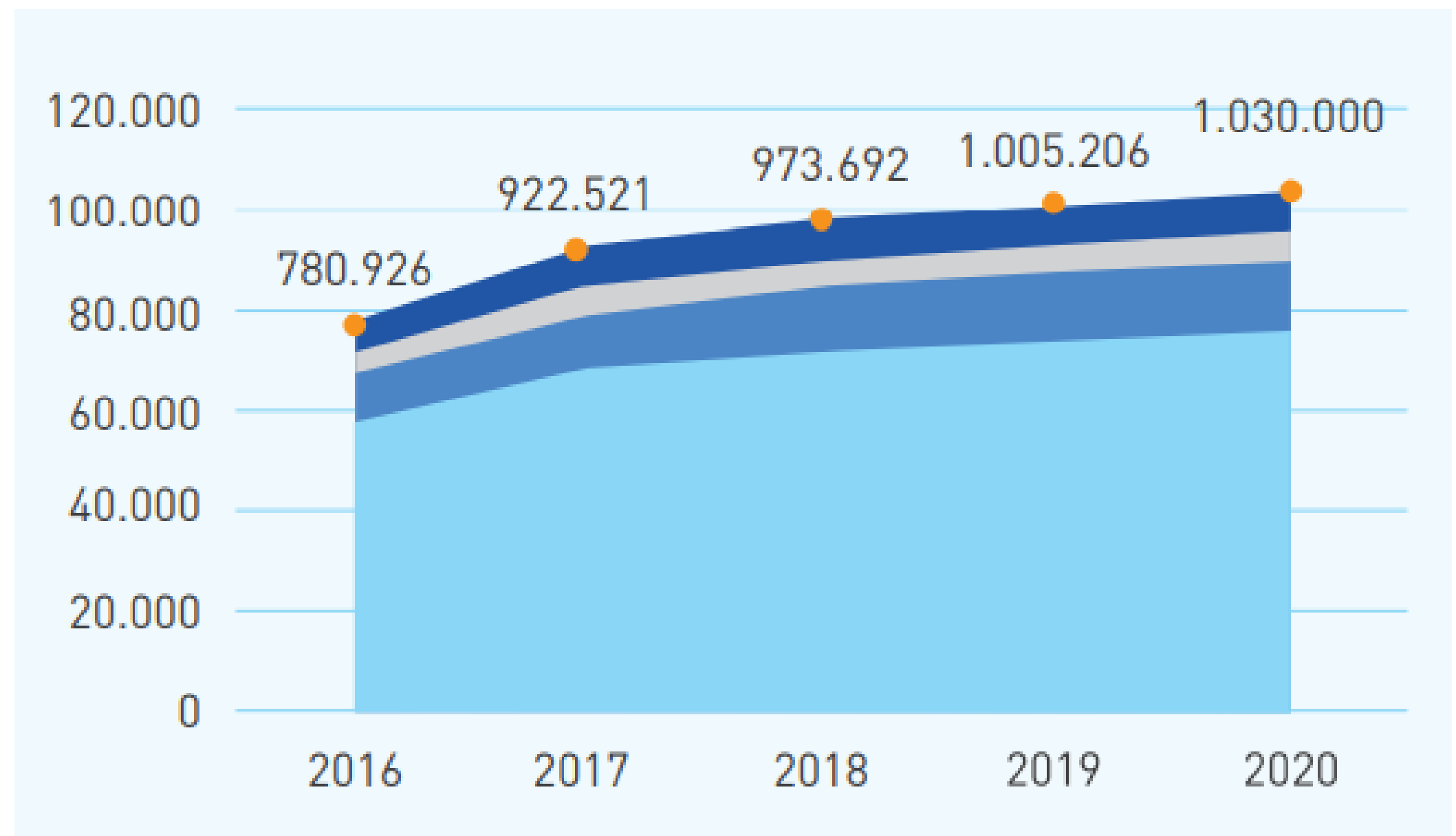
73.7%



vinasa

# IT Labour Force

TOTAL ICT INDUSTRIAL LABOR (Employees)



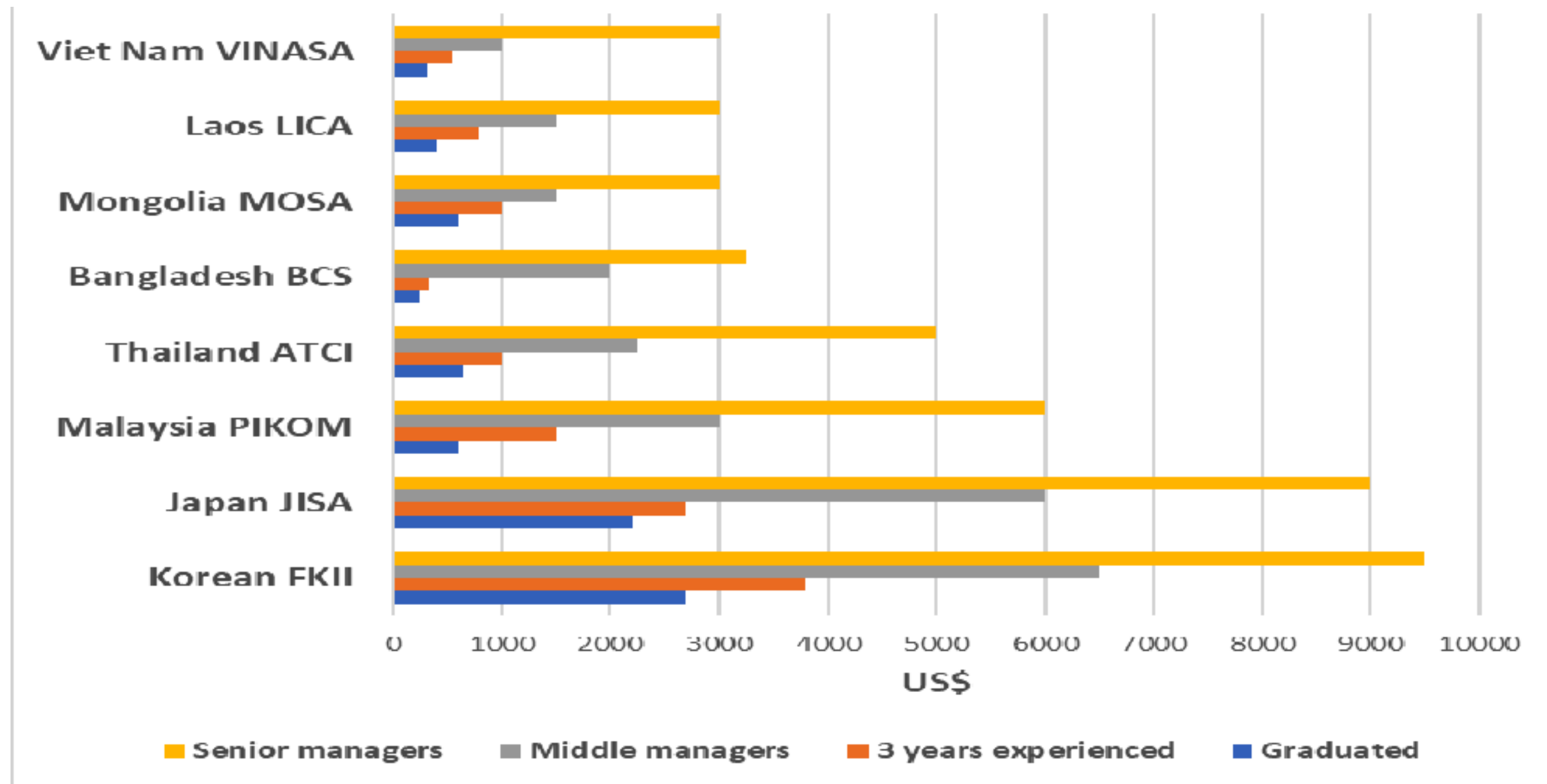


# Average salary for technology platforms for selected positions from 1,5 to 3 years of experience

Tech Manangement (CTO, CIO)	\$5,709	DevOps Engineer	\$1,894	Game Developer	\$1,171
Technical Director/Engineering Manager	\$4,109	Project Manager	\$1,799	Mobile Developer	\$1,171
Solutions Architect	\$3,981	Data Engineer	\$1,711	Product Manager	\$1,171
Technical Architect	\$3,883	Cybersecurity Enginner	\$1,700	IT Business Analyst	\$981
Principal Engineer	\$3,722	Embedded Developer	\$1,693	UX/UI Designer	\$954
Program/Deliver Manager	\$3,004	Database Developer	\$1,687	Backend Developer	\$901
IT Manager	\$2,967	Big Data Engineer	\$1,662	Frontend Developer	\$891
Machine Learning/AI Engineer	\$2,209	System Administrator	\$1,321	QA Tester	\$698
Cloud Architect	\$2,001	Fullstack Developer	\$1,320	Technical Support	\$503
Edge System Engineer	\$1,998		\$1,277	IT Helpdesk	\$369



# Average monthly salary of software engineers in selected countries (in USD)





03

# IT trends and movements in Vietnam





# Digital trends

**Digital  
transformation**

**Smart  
Cities**

**New  
Technology  
AI**



# Incentives from Government for IT



# tax exemption and reduction

for a limited time (up to 9 years)

## 50% discount

of personal income tax for IT  
employees

## Incentive policies for ICT enterprises

## Abolish Tax

for IT, electronics products and  
decreasing import/export tax rate  
for spare components within  
ASEAN.

## Software Parks

rentals fee  
Internet  
tax

## Preferential Tax rate

10% up to 15 years and 20% up to 10 years



vinasa



# Tax Incentives

## Software Development:

- Zero tax for the first 4 years, 10% corporate tax in the next 5 years since having taxable income.
- Preferential personal income tax for people working in software industry.
- 0% of Value Added tax (VAT) for software products and services; 0% import tax for materials directly used in the software production; 0% export tax for software products.
- Software parks have good Internet access with preferential fees for enterprises operation inside

## SANDBOX: Mobile Money

### Tax on ICT:

- Abolishing import/export tax for IT, electronics products and decreasing import/export tax rate for spare components within ASEAN.

07

# Cooperation opportunities



# Vietnam's Needs

e-Government toward  
Digital Government

Smart City

Digital Transformation

New Technologies training



vinasa

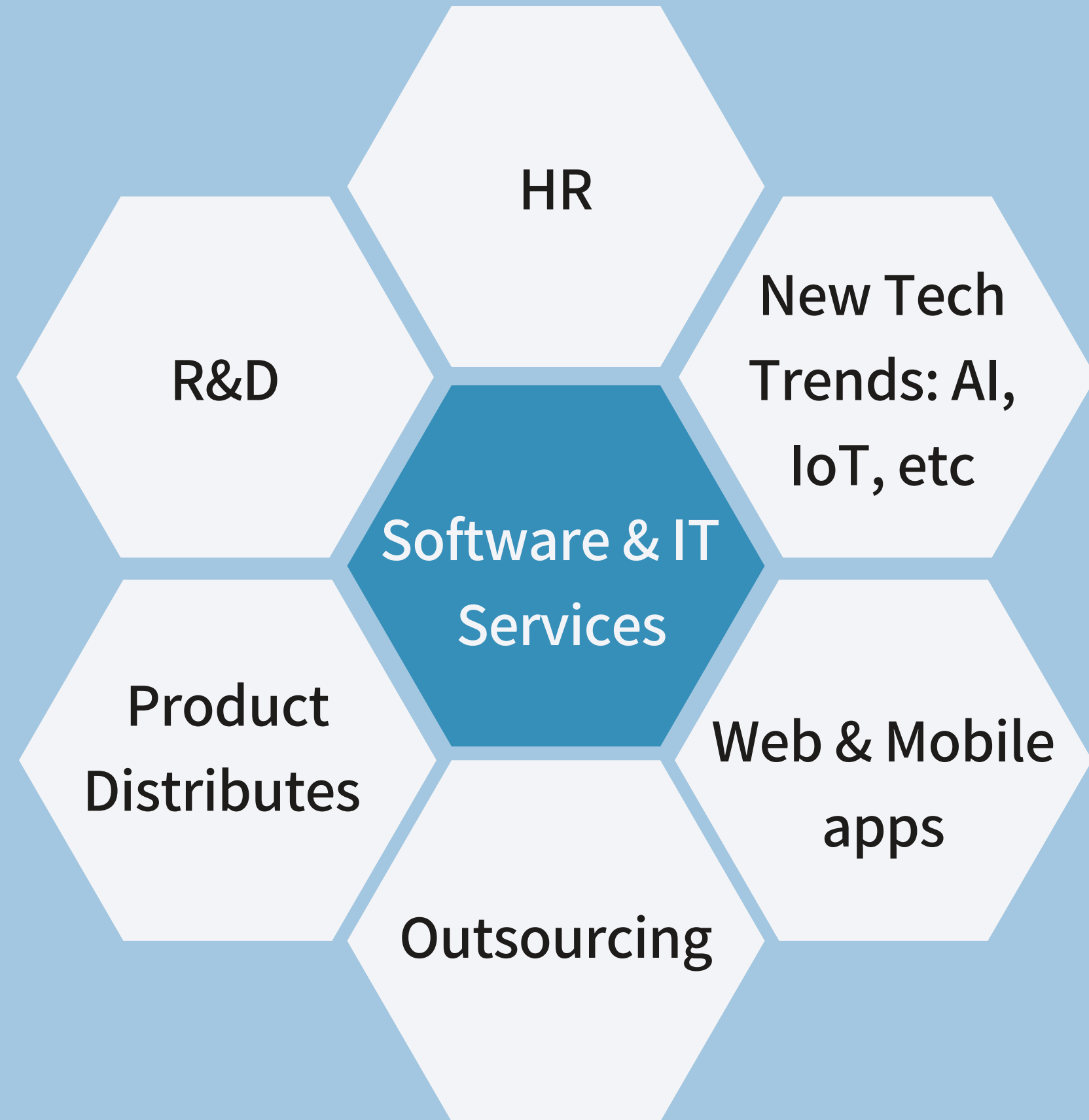


# OPPORTUNITIES

## Set up office in Vietnam:

- Take advantage of the talented human resource in Vietnam
- Enjoy incentives from The Government
- Accelerate businesses with big market in Vietnam (more than 97 million people)
- A step to expand to ASEAN big market of 600 million people

# Potential cooperation scopes





# About Vinasa

Vietnam Software & IT  
services Association





## NON-GOVERNMENT – NON-PROFIT (NGO - NPO)

Established in  
**2002**

Members  
**450**

Revenue of the  
industry  
**70%**

Workforce of the  
industry  
**65%**



# Thank you for your attention!

Vietnam Software & IT Services Association – VINASA  
Add: 11th Flr., Cung Tri thuc Bld, No.01 Ton That  
Thuyet Str., Cau Giay Dist, Hanoi, Vietnam  
Tel: (+84) 24 3577 2336 / Fax: (024) 3577 2337  
<http://www.vinasa.org.vn/>  
Email: binhdt@vinasa.org.vn