

BANGLADESH

A Land of Abundant Potential



How does the World look at Bangladesh?

**“Bangladesh one of the
Frontier 5 economies”**

JP Morgan

**“The Next Eleven”
Bangladesh among the 11
nations, have high
economic potential”**

Goldman Sachs

**“Prospective Country”
(soared from 21st to 13th
position in 2020)**

*Japan Bank for
International Cooperation*



**“Bangladesh will be the 12th
economic power of the
world in 2050”**

UBS

**“Low cost and high return
manufacturing destination
in Asia”**

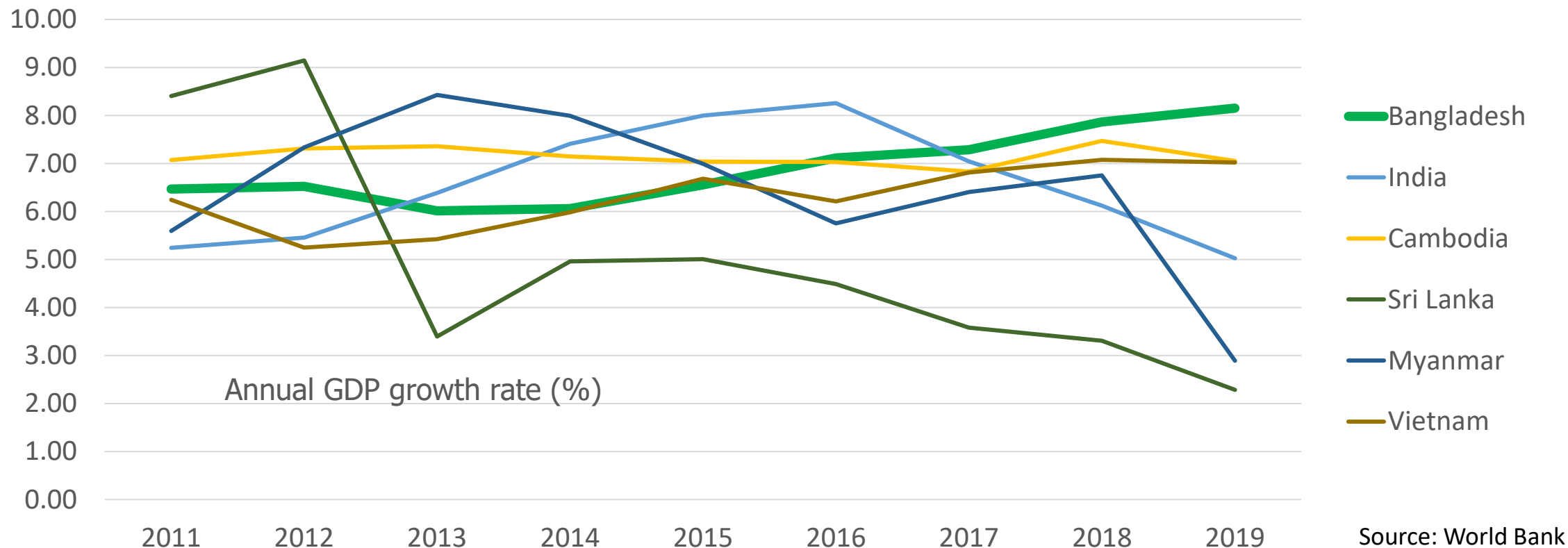
JETRO

**“28th & 23rd largest economy
of World by 2030 & by
2041”**

PwC

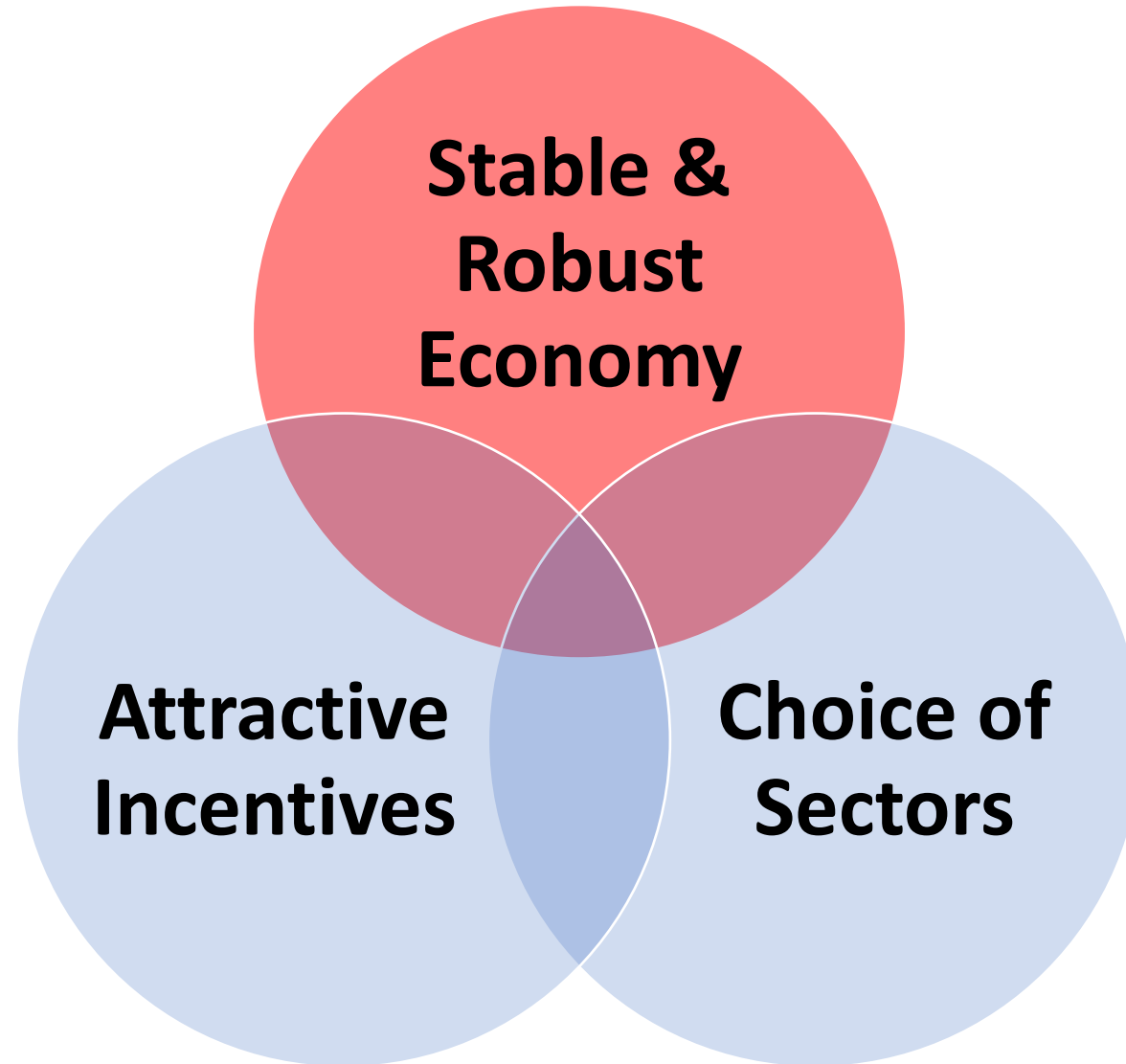
Economic Growth of Bangladesh

Bangladesh has performed one of the highest GDP growth in the region with over 7% annual average growth rate during the last decade.



Even in COVID-19 period, Bangladesh is showing economic resilience with GDP growth of 5.24% in 2020 and 5.2% growth in 2021

Bangladesh Investment Ecosystem



Key Features of Investment Climate

- Unrestricted entry and exit
- 100% foreign equity is allowed for wide range of sectors
- Equal treatment between local and foreign investment
- Liberal VISA policy
- Simpler procedure for profit/ dividend repatriation
- Relaxed access to working capital loan from parent companies
- Continuously increased balance of payments surplus

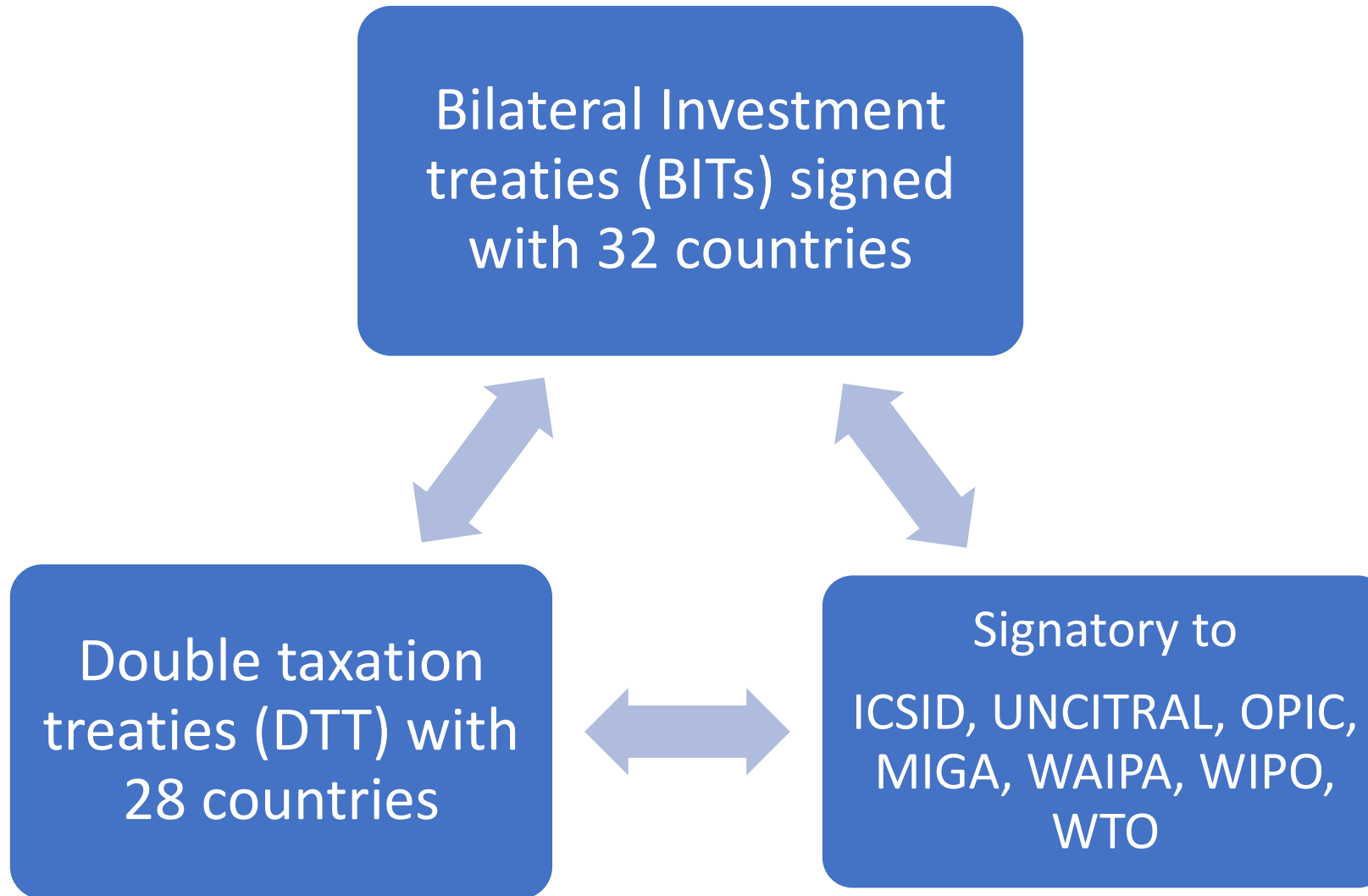
“On-going effort for climate improvement”

- Ease of doing-business reform

(one the world’s top-20 reformers)

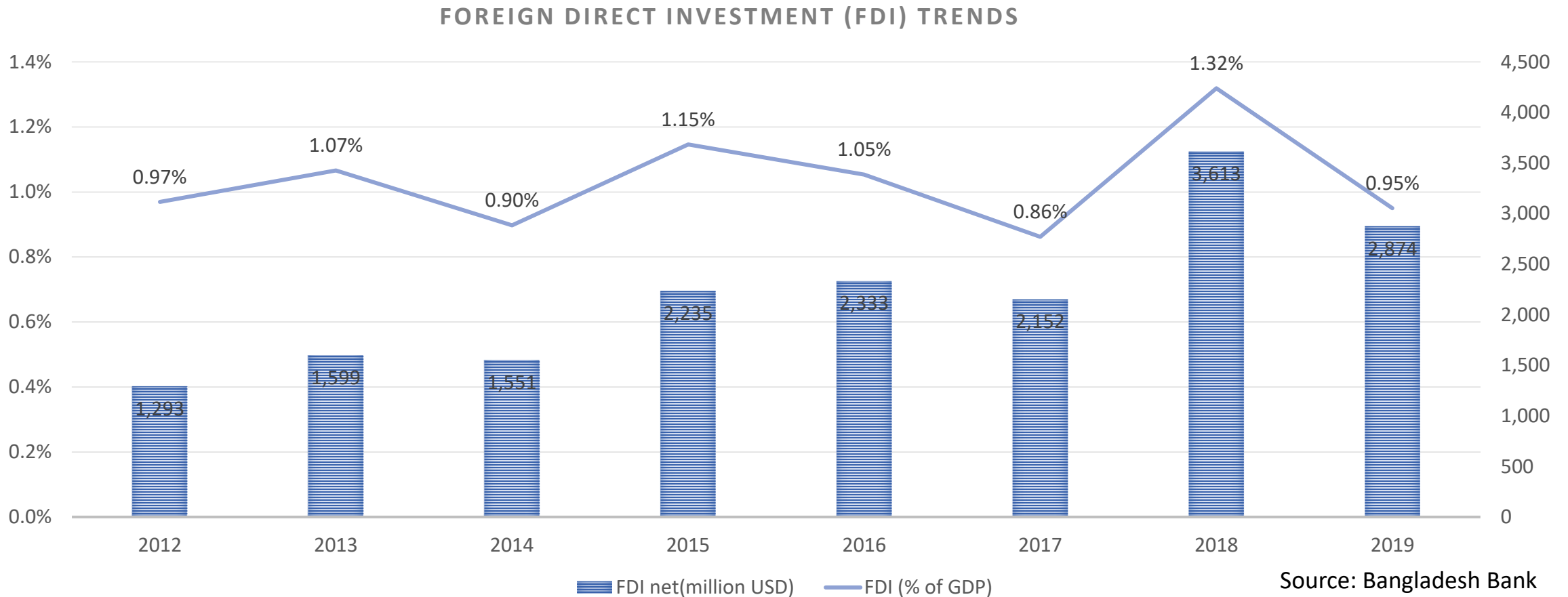
**-Development of online-based
licensing facility (OSS)**

Key Treaties and Agreements



FDI Inflow to Bangladesh

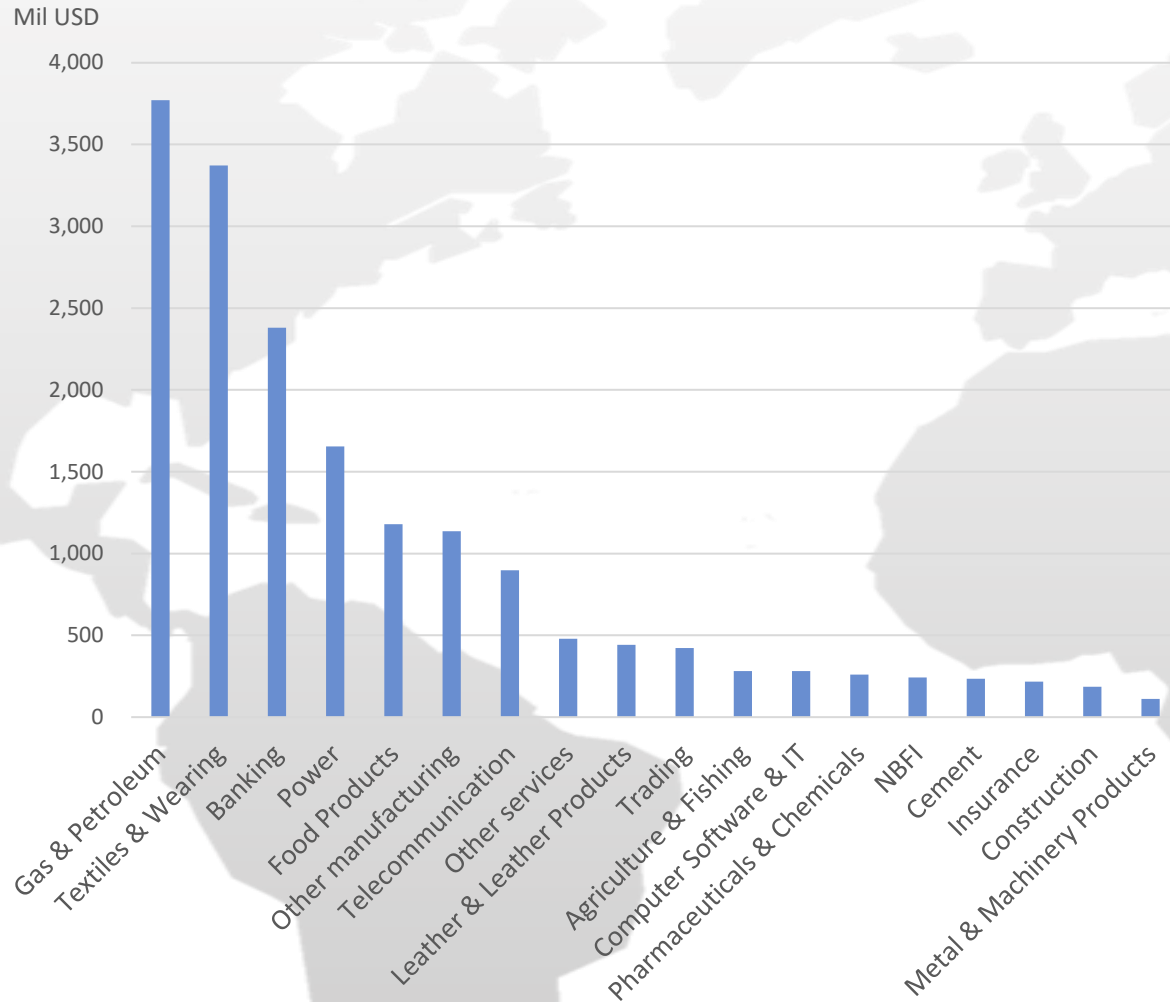
FDI inflow to Bangladesh has increased steadily during the last decade as well, however, cannot avoid inevitable adverse impacts of COVID-19...from year 2020 afterwards...



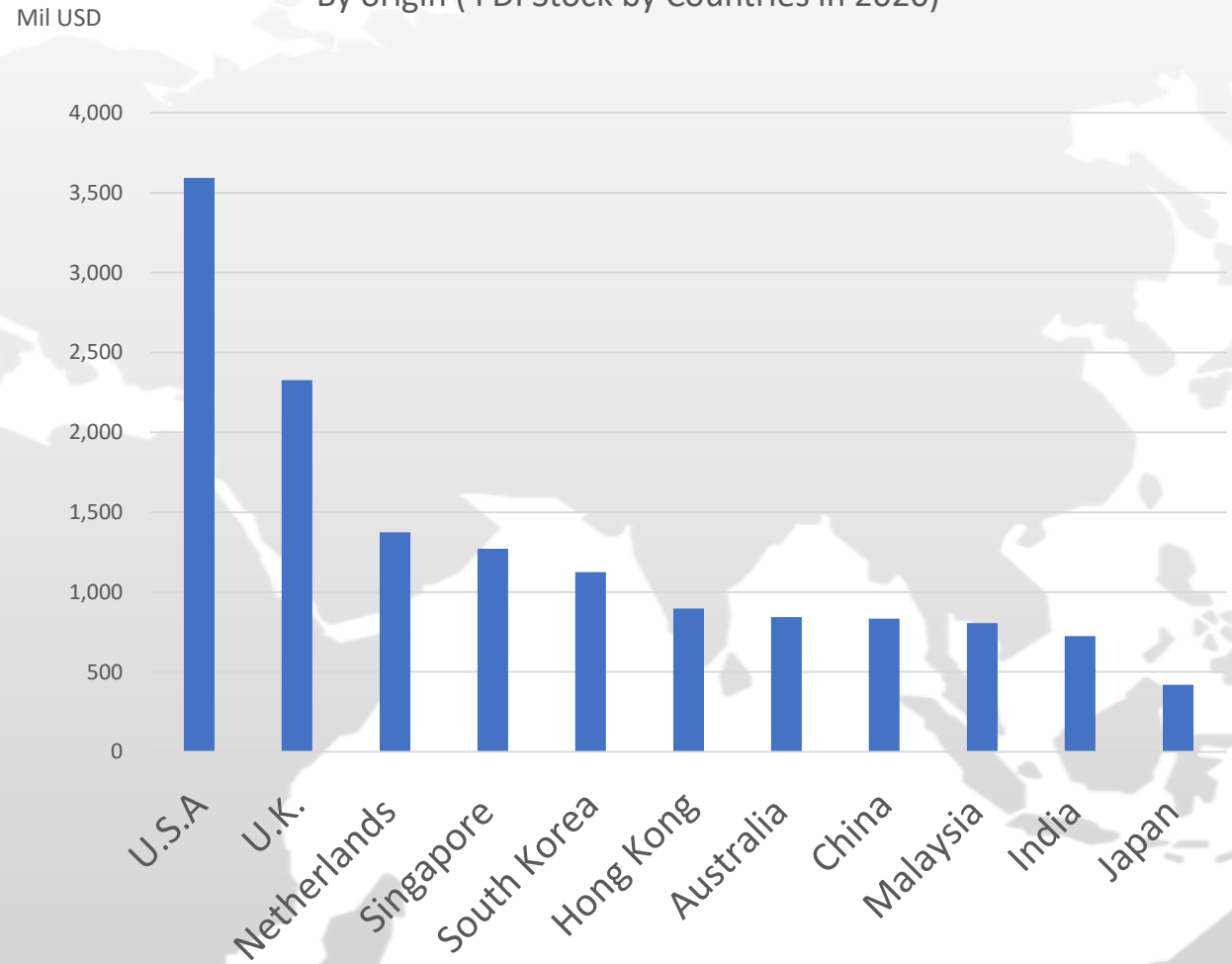
FDI inflow in 2020: 2.57 billion USD and FDI stock: 19.38 billion USD (December 2020)

FDI Sources and Sectors

By sector (FDI stock by sectors as of 2020)



By origin (FDI Stock by Countries in 2020)

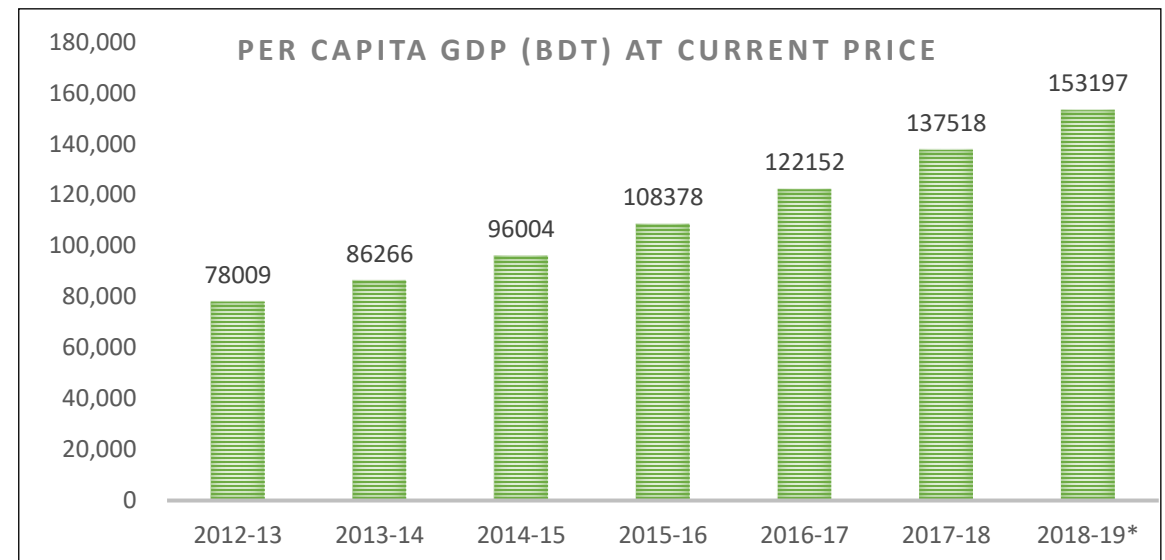
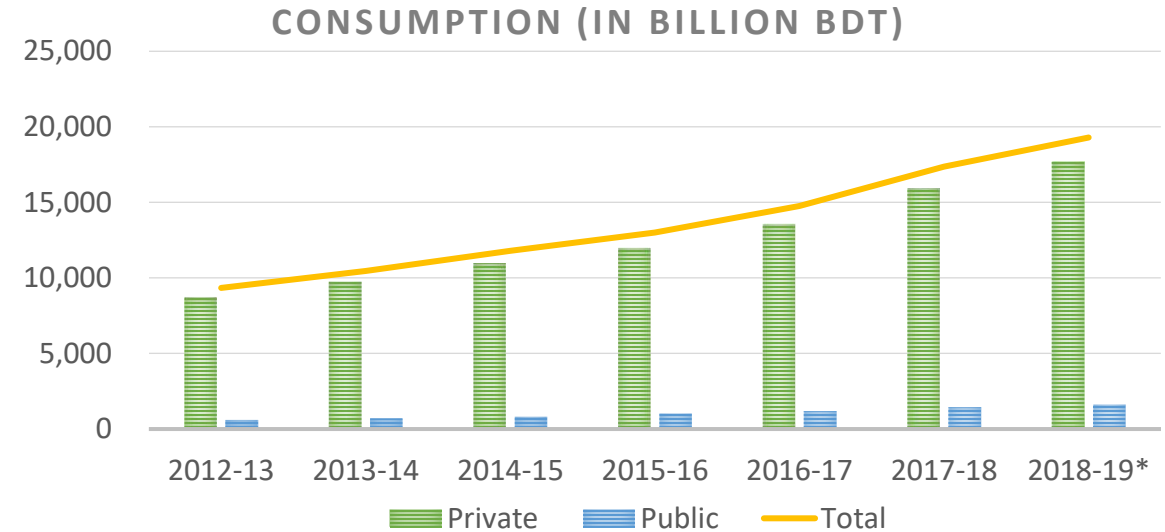


Source: Bangladesh Bank

Strong Domestic Market

- *Private consumption to drive real GDP growth of 7.7% until 2022-23 fiscal. (Economist Intelligence Unit)*
- *As the growth trend continues, the number of middle-class and affluent consumers is expected to nearly triple to about 34 million by 2025, with at least 100,000 in 63 cities. Around 60% of total consumers expected to earn more. (Boston Consulting Group)*
- *GDP per capita and consumption expenditure both show upward trends, which resultantly reflect the higher living standard for Bangladeshis. (PwC)*

* The above are projections made before outbreak of COVID-19.



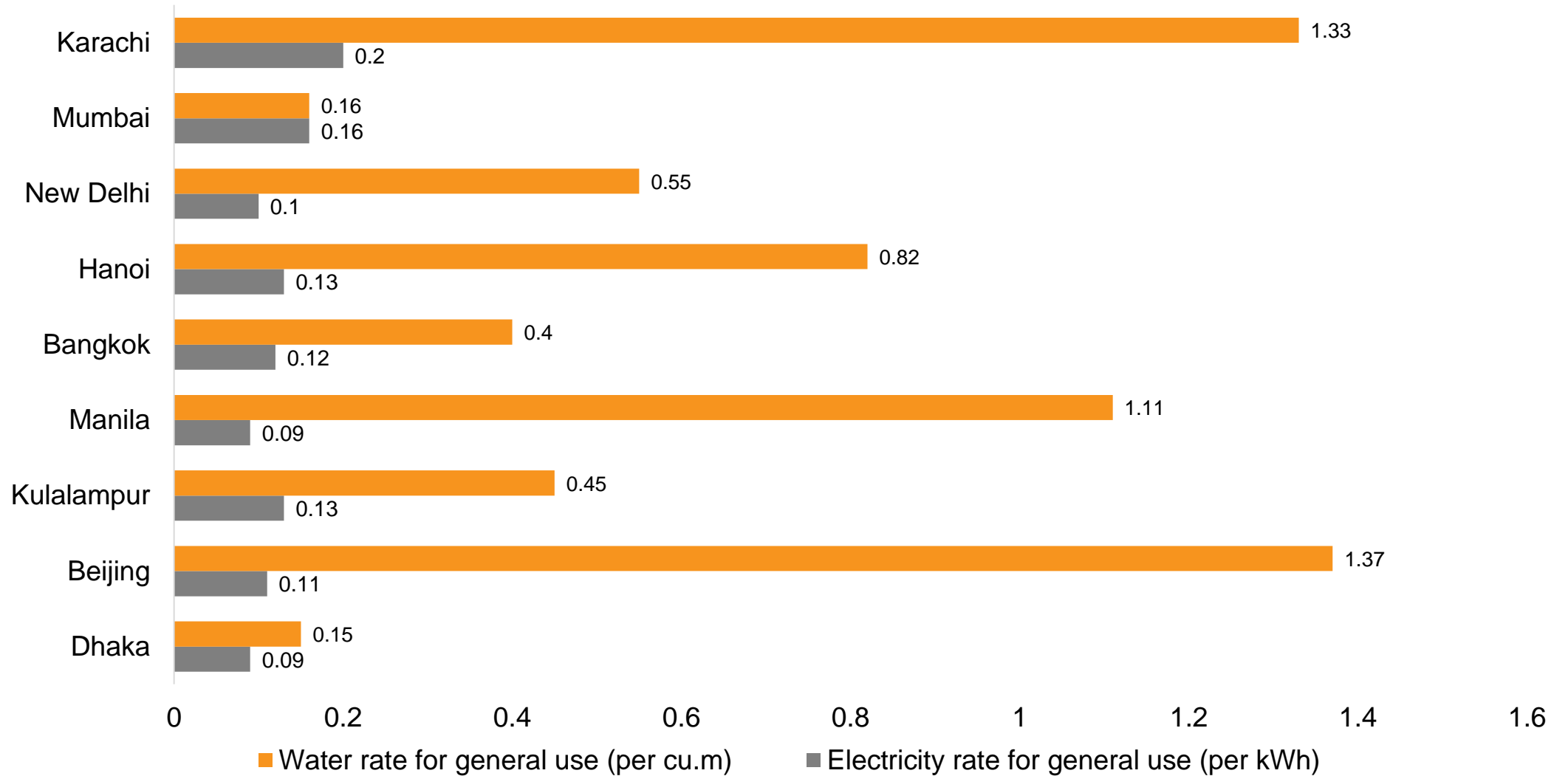
Source: Bangladesh Economic Review 2019

Competitive and Talented Workforce



Bangladesh is and will continuously be bested with competitive and talented labor, as the competitors are becoming expensive places in which to do business.

Competitive Utility Cost



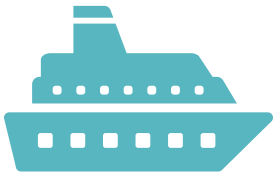
A set of incentive facilities/ privileges to investors

Fiscal (taxes)	Reduced Income Tax <i>5-10 Years for designated sectors (depending on location), or up to 10 Years for EZs</i>	Tax Exemption <i>on export income and interest paid for foreign loan</i>	Reduced Import Duty <i>for import of capital machines and raw materials/ parts</i>	
	Bonded Warehouse License <i>for export-oriented industries</i>	Accelerated Depreciation <i>In lieu of tax exemption</i>	Duty Drawback	
Fiscal (subsidies)	Cash Incentives <i>for export-oriented industries</i>		Export Development Fund	
Non-fiscal	Work Permit <i>for skilled jobs</i>	Full Repatriation <i>of invested capital/ profit/ dividend</i>	Prompt Immigration	Permanent Residency/ Citizenship

** Investors located in Economic Zones (EZs) and Export Processing Zones (EPZs) are to be entitled for different sets of incentive.*

Upcoming Infrastructural Facilities

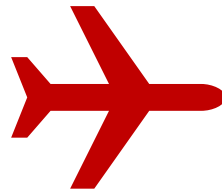
2 Deep Sea Ports with 16 Metre Draft



Matarbari

Payra

New Terminal of Dhaka Airport



Cargo Village

6.15 KM Bridge over River Padma



Rail
Road
Utilities

20.10 KM Metro Rail in Dhaka



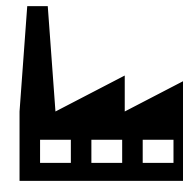
Opens
In
2021

Bus Rapid Transit in Dhaka



Airport
To
Tongi (IA)

Economic Zones and Hi-Tech Parks



General
Countriwise

Promoted Sectors for Investment

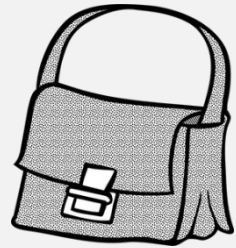
1



Readymade garments

- Manufacture of high-end apparel items, clothing accessories, fabrics/yarns, and natural and synthetic fibers.
- Bleaching, dyeing, printing and finishing service

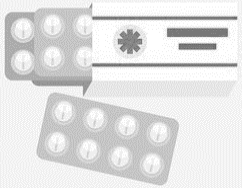
2



Leather

- Manufacture of export-oriented leather products
- Tanning and leather-finishing service
- Design and product development service

3



Pharmaceutical API and medical Equipment/ Devices

- Manufacture of generic, patented drugs for export, import-dependent drugs, API molecules and excipients.
- Development of bioequivalence test facility

Post-COVID
Attention

4



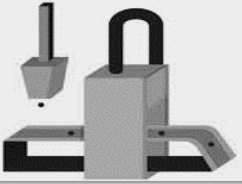
Software & IT-enabled Service

- Offshore development hub and captive BPO centers (inc. call centers).
- High value-added ITES-BPO service
- High value software development
- Digital technology-based service

Post-COVID
Attention

Promoted Sectors for Investment

5



Agro/ Food Processing

- Manufacture of processed foods, vegetable/ fruit product (locally available).
- Manufacture of milk, dairy products, edible oil, etc.

6



Agricultural Tools and Machinery

- Manufacture of agricultural tools and machinery
- Development or upgrading of cold chain facility

7



Electrical and Electronic Products including Parts

- Assembly of import-dependent electrical/electronic product
- Parts/equipment used for electric/electronic products

8



Automobile

- Assembly of passenger automobiles and manufacture of parts and components for automobiles
- Service for parts forming and treatment, vehicle maintenance and repair.

9



Ship-building

- Development or expansion of shipyard
- Service of vessel maintenance
- Manufacture of parts and components.

Post-COVID
Attention
inc. ready-made foods

BEZA's MISSION

Sites Approved **97** Zones
Commercial operation **9** Zones
Under Construction **28** Zones



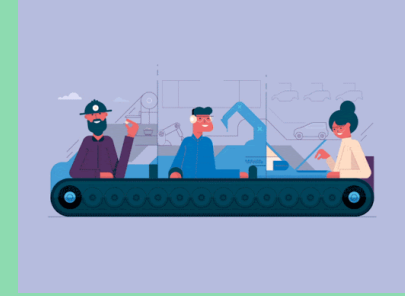
100

Setting up 100
Economic Zones
across the country
by 2030



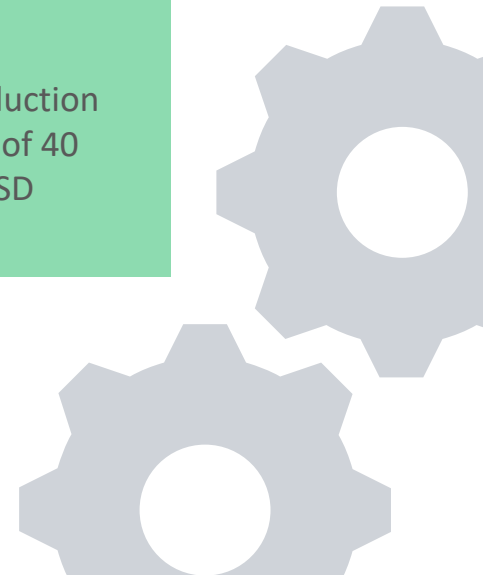
10M

Generating direct &
indirect employment for
10 million people



\$40B

Export / Production
to the tune of 40
Billion USD



WHY

Our EZs?

Adequate
Land

Uninterrupted
Utility Connection

Incentives
Fiscal & Non fiscal

Simplified
Business Procedure

Market
Both domestic & International



INVESTMENT IN BEZA

US\$ 27 Billion

US\$ 1.623 Billion



Total Investment
Proposal



Total Number
of Investors



Foreign Investment



Total Number of
foreign Investors

206

32



2



5



4



7



2



2

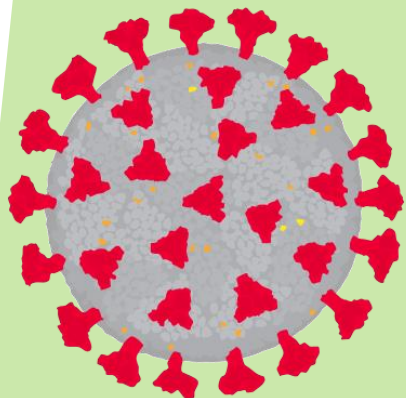
COVID-19 Preparedness

Uninterrupted
service even in the
pandemic

Social distancing
norm duly complied

New incentive proposals
is under consideration
by the Government



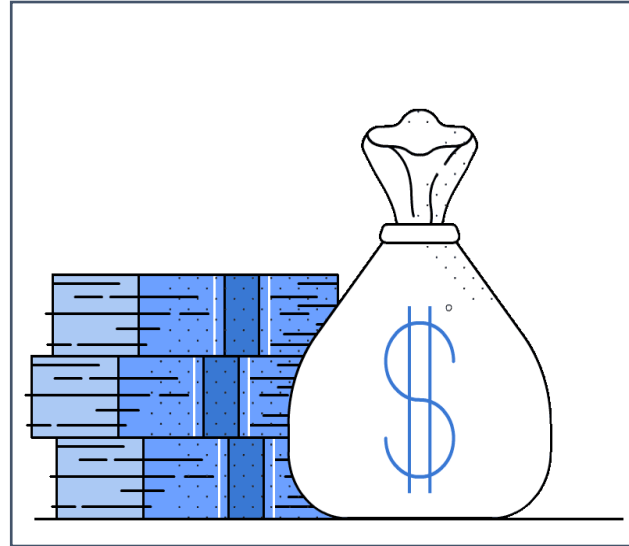


COVID-19

Investment Spree continues

March 2020 - Dec 2020

Land Allotment	Total Number of Investor	Size of Plot (Hectare)	Proposed Investment (USD Million)
Land Lease Agreement	22	162.67	1168.834
Letter of Allotment	65	165.04	1563.170
Approved by BEZA Executive Board	19	87.78	522.010
Total	106	415.5	3254.014



COMPETITIVE INCENTIVES

FISCAL INCENTIVES



Scan this code to
get the details



INCOME TAX



100% off: 1st 3 years
80%-20% off: 4th - 10th year

DIVIDEND TAX



No tax: 10 years

CAPITAL GAIN TAX



No tax: 10 years

VAT EXEMPTION



No Vat on Gas,
Electricity and Water

ROYALTY, TECH. KNOW-HOW etc.



No tax: 10 Years

INCOME OF FOREIGN WORKER



No tax: 3 years

Unique
in EZs

DUTY FREE IMPORT



No duty: Capital Machinery &
Construction Material

NONFISCAL INCENTIVES



Scan this code to
get the details



BOND FACILITIES



Duty free import & export of
raw materials

EASY CUSTOMS



Separate procedures for
customs in EZs

TELEPHONIC TRANSFER



Demand from Japan: No
limit of TT

REMITTING REVENUE EARNED IN BDT



Local Currency to
Foreign Currency

SENDING OF DIVIDEND/PROFIT



100% profit allowed to
send home

REPATRIATION OF DISINVESTMENT



100% allowed

SENDING OTHER FEES



Need no permission upto 6%
turnover

Unique
in EZs

FISCAL INCENTIVES



Scan this code to
get the details



Zone Developer

INCOME TAX



100% off: 1st 10 years
70%-30% off: 11th - 12th year

DIVIDEND TAX



No tax: 10 years

CAPITAL GAIN TAX



No tax: 10 years

ROYALTY, TECH. KNOW-HOW etc.



No tax: 10 Years

INCOME OF FOREIGN WORKER



No tax: 3 years

DUTY FREE IMPORT



No duty: Goods related to
Zone Development

Potential Sector



Air Conditioner and Compressors



Refrigerator, Freezer and Compressors



Mobile Phone



Motor Vehicles (up to 1,600 c.c.)



Motorcycle



Advanced Pharmaceutical Ingredients

**Customs duty
concession for
progressive
manufacturing**

**VAT (15%)
Exemption at
Import and
Local Stage**



BUSINESS PROCESS SIMPLIFICATION

One Stop Service

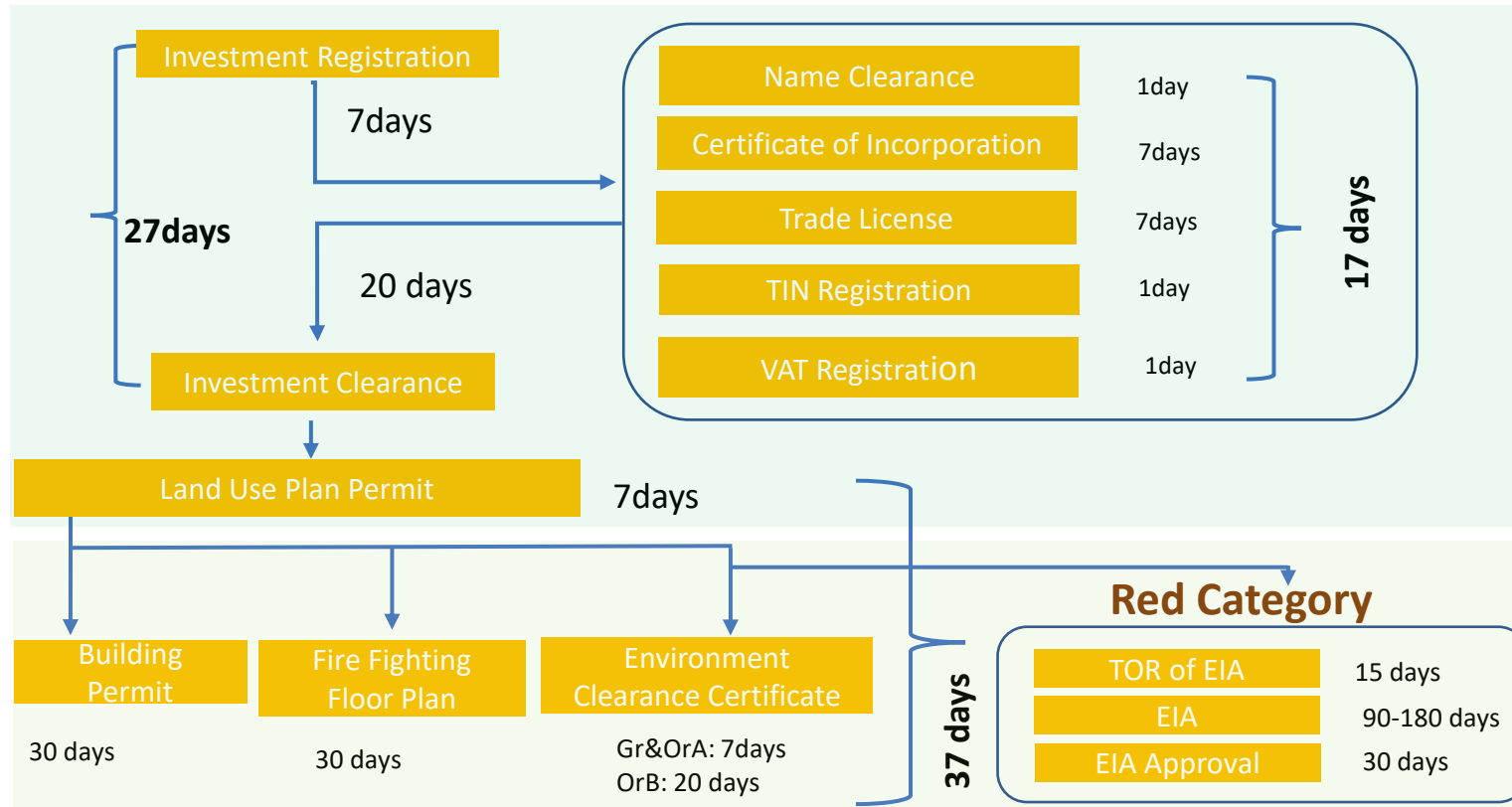
- Single Window
- Under One Umbrella
- Cost Saving
- Time Saving
- Accountability
- Transparency

Scan this
QR Code to
Visit our
OSS Portal



One Stop Service

KICKING OFF CONSTRUCTION WITHIN JUST 100 Days



START OF CONSTRUCTION

One Stop Service

How it works?



ONLINE SERVICE

Service through Online
Portal



STIPULATED TIME

Legal obligation to
provide timely service



COORDINATION

29 Service Providing
Agencies Under one Roof



FOCAL POINT

32 Focal Points of
different agencies



Standard Operating Procedure

Service mapping,
required documents,
legal basis of the services
are made available online

One Stop Service

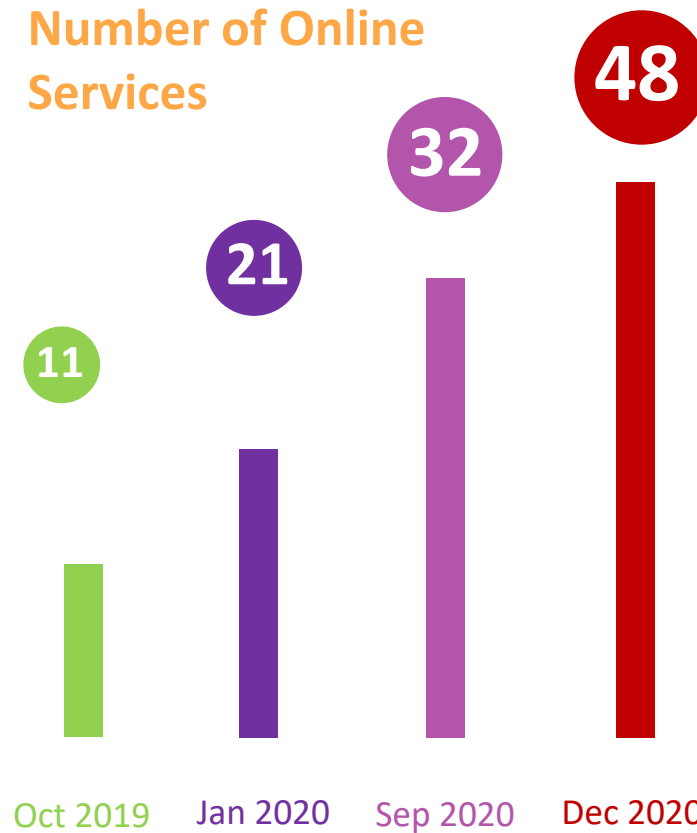
How it works?



ONLINE SERVICE

Service through Online
Portal

- No need to be present physically
- Online Payment
- No duplicate submission of Document





OSS Portal

48
Online
Service



Project
Clearance



Land
Allotment



Visa
Assistance



Visa
Recommendation



Export
Permit



Local Sales
Permit



Local Purchase
Permit



Sample Import
Permit



Sample Export
Permit



Import
Permit



Land Use
Plan



Trade
License



Work
Permit



Commercial
Operation



Environmental
Clearance

One Stop Service

How it works?



ONLINE SERVICE

Service through Online
Portal

- No need to be present physically
- Online Payment
- No duplicate submission of Document

Frequent Online Services

Since the inception of BEZA OSS (Oct 2018)

68 **Project**
Clearance

347 **Work**
Permit

1543 **VISA**
Recommendation

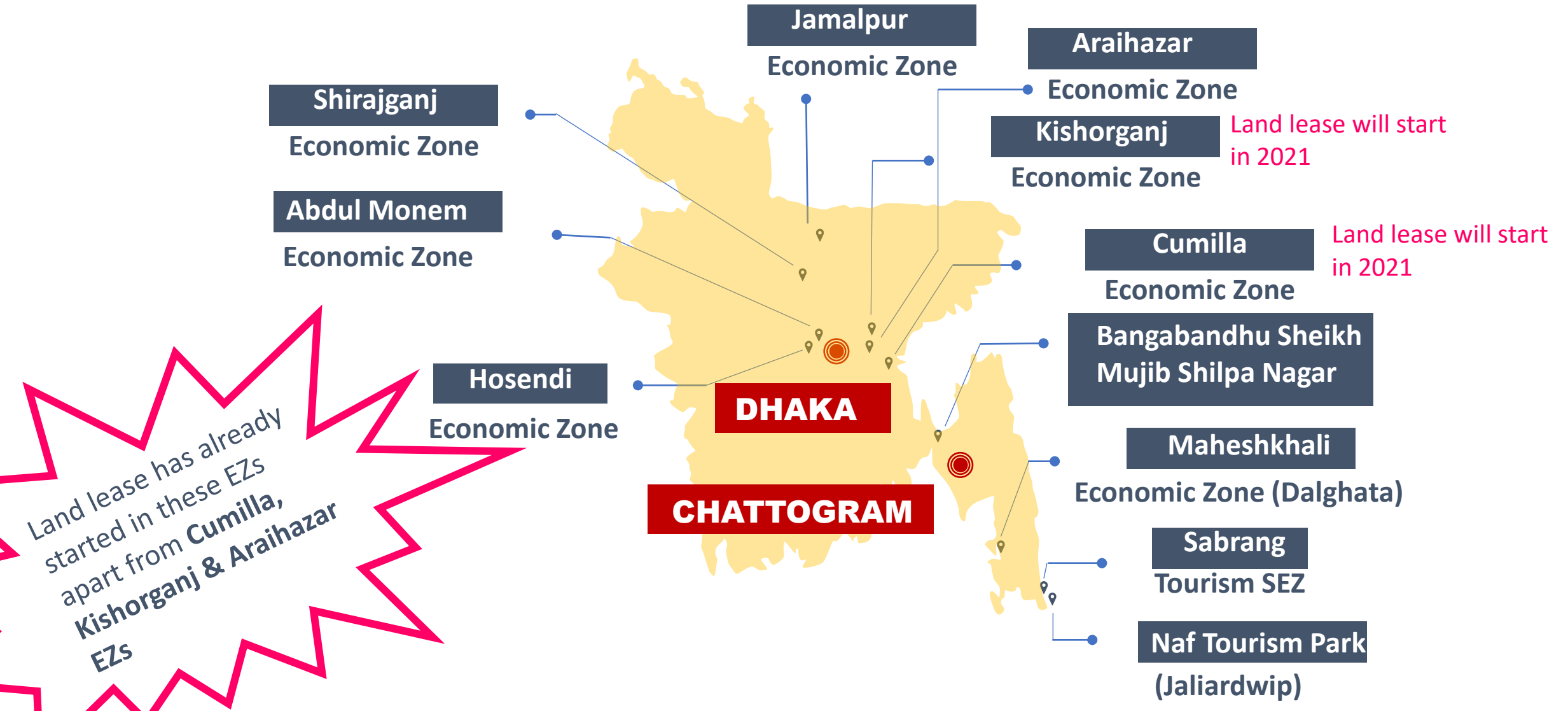
8109 **Import**
Permit

1543 **Export**
Permit



ADEQUATE INFRASTRUCTURE

Foreign Investors are cordially invited...



Bangabandhu Sheikh Mujib Shilpa Nagar (1st Phase)



- Adjacent to DHK-CTG Corridor
- This corridor accounts for 60% of the country's GDP
 - Only 60 KM Far from Sea Port
 - Availability of Expert Labor
- Availability of Gas, Power & Water
 - Prospectus Ready

200 Hectare Available for Investors

Land Filling	June 2021	📅
Internal Road Connectivity inside the zones	Dec 2021	📅
Completion of Dyke	Completed	👍
Setting up CETP	Dec 2023*	📅
Gas Connection	Existing	👍
Electricity Connection	Existing	👍
Leasing the Land	Already Started	👍
Water Connection	Existing	👍

* Individual industries will set up their own ETP. CETP building will be completed by 2023 subject to receiving enough investment proposal

Bangabandhu Sheikh Mujib Shilpa Nagar (2nd Phase)



- Adjacent to DHK-CTG Corridor
- This corridor accounts for 60% of the country's GDP
 - Only 60 KM Far from Sea Port
 - Availability of Expert Labor
- Availability of Gas, Power & Water
 - Prospectus Ready

200 Hectare Available for Investors

Land Filling	June 2022*	📅
Internal Road Connectivity inside the zones	Dec 2023**	📅
Completion of Dyke	Completed	👍
Setting up CETP	Dec 2025	📅
Gas Connection	Existing	👍
Electricity Connection	Existing	👍
Leasing the Land	Already Started	👍
Water Connection	Existing	👍

* Subject to receiving enough investment proposal

** The skeleton of the road network is already existing.
Upon receiving the proposal this will be finished

Jamalpur Economic Zone



- Best suited for Agro-based industry
 - Prospectus Ready

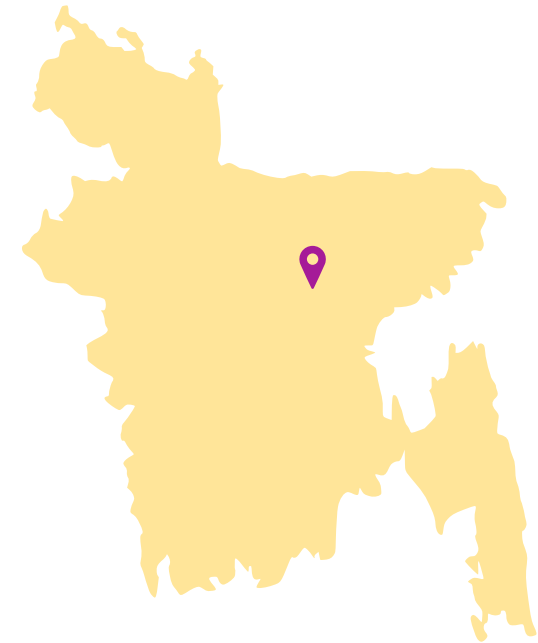
50 Hectare Available for Investors

Land Filling	Completed	👍
Internal Road Connectivity inside the zones	Completed	👍
Completion of Dyke	Completed	👍
Setting up CETP	Dec 2025	📅
Gas Connection	Available	👍
Electricity Connection	Available	👍
Leasing the Land	Already started	👍
Water Connection	Available	👍

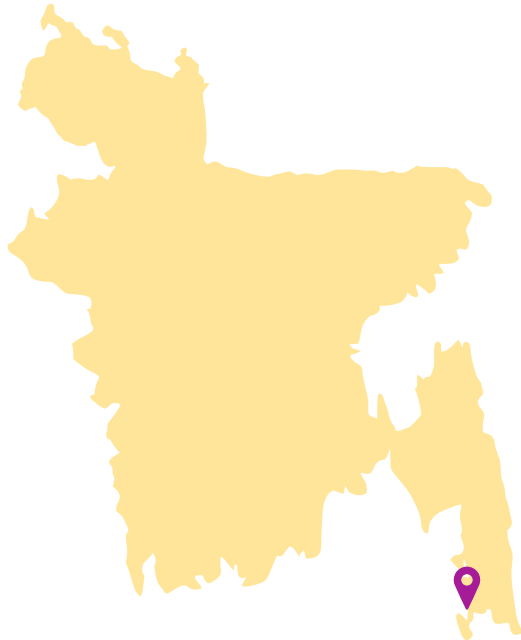
Bangladesh Special Economic Zone Limited (Araihaazar)

“ Japan is going to invest heavily in the Araihaazar special economic zone, which will be the largest investment in Asia.

Japanese Ambassador to Bangladesh
Sep 2020











Maheshkhali Economic Zone (Dalghata)



- Suitable for LPG Terminal, Ship Building & Petroleum
 - Energy Hub of the Country
 - Proposed Deep Sea-Port
 - Prospectus Ready

200 Hectare Available for Investors










Land Filling	Dec 2021	
Internal Road Connectivity inside the zones	Dec 2022	
Completion of Dyke	Dec 2022	
Setting up CETP	Dec 2022	
Gas Connection	Dec 2022	
Electricity Connection	Dec 2022	
Leasing the Land	Dec 2022	
Water Connection	Dec 2022	

Abdul Monem Economic Zone



- Situated in main economic corridor
- Honda has already invested in this zones
 - Excellent Connectivity

50 Hectare for Investors

Land Filling	Dec 2021	
Internal Road Connectivity inside the zones	Completed	
Completion of Dyke	June 2021	
Setting up CETP	Dec 2023	
Gas Connection	Dec 2021	
Electricity Connection	Already existing	
Leasing the Land	Already started	
Boundary Wall and other infrastructure	Dec 2021	
Water Connection	Already existing	

Cumilla Economic Zone



- Situated in DHK-CTG Economic Corridor
- Being built by Meghna Group of Industries (MGI)
- MGI previously built two other EZs which are now fully occupied by local & foreign Investors

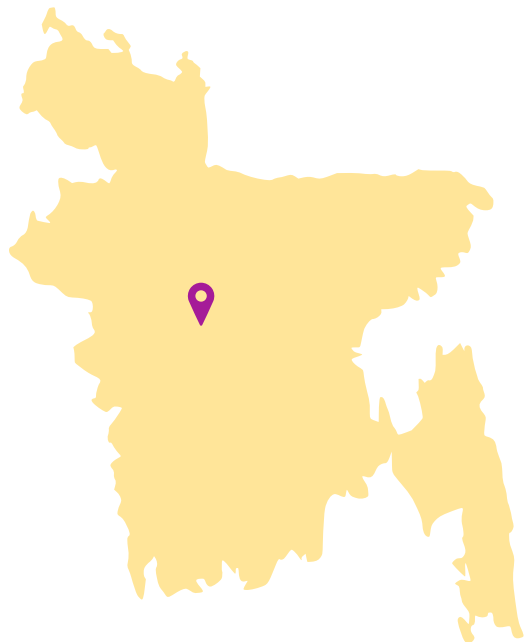
80 Hectare Land Available for Investor

Land Filling	Completed	👍
Internal Road Connectivity inside the zones	June 2022	📅
Completion of Dyke	Completed	👍
Setting up CETP	In planning stage*	
Gas Connection	Dec 2022	
Electricity Connection	Already Given	📅
Leasing the Land	15 Mar 2021	📅
Boundary Wall and other infrastructure	Dec 2021	📷
Water Connection	Once any industry established**	

* Depending on the type of industries CETP will be built

** Once any industry is established they will be provided with water connection from own source

Shirajganj Economic Zone



- Agro-Based Industry
- Inland container terminal is proposed

40 Hectres available

Land Filling	May 2021	
Internal Road Connectivity inside the zones	Feb 2023	
Completion of Dyke	N/A	
Setting up CETP	Feb 2023	
Gas Connection	Feb 2023	
Electricity Connection	Aug 2022	
Leasing the Land	Already started*	
Boundary Wall and other infrastructure	Feb 2023	
Water Connection	Aug 2022	

* Handover will start at Aug 2022.

Kishorganj Economic Zone



- Near to River Port

Land Filling	Feb 2021	
Internal Road Connectivity inside the zones	June 2022	
Completion of Dyke	N/A	
Setting up CETP	Dec 2022	
Gas Connection	Dec 2022*	
Electricity Connection	Dec 2021*	
Leasing the Land	June 2021	
Boundary Wall and other infrastructure	June 2021	
Water Connection	Existing	

* Distribution Line is already there.

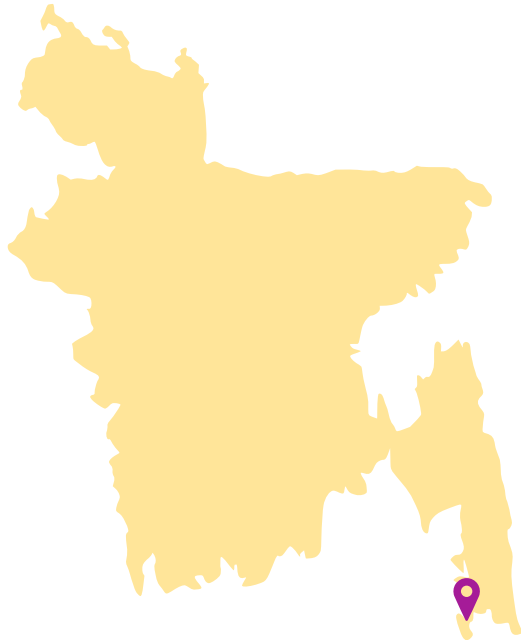
Hosendi Economic Zone



- 25 KM Away from Capital Dhaka
 - 40 KM from Airport
- Close to DHK-CTG Corridor
- On the bank of Meghna River
- Rail, River & Road COnnectivity

Land Filling	Dec 2021	
Internal Road Connectivity inside the zones	June 2022	
Completion of Dyke	N/A	
Setting up CETP	Dec 2022	
Gas Connection	Jan 2022	
Electricity Connection	June 2022	
Leasing the Land	July 2022	
Boundary Wall and other infrastructure	June 2022	
Water Connection	June 2022	

S a b r a n g T o u r i s m S E Z



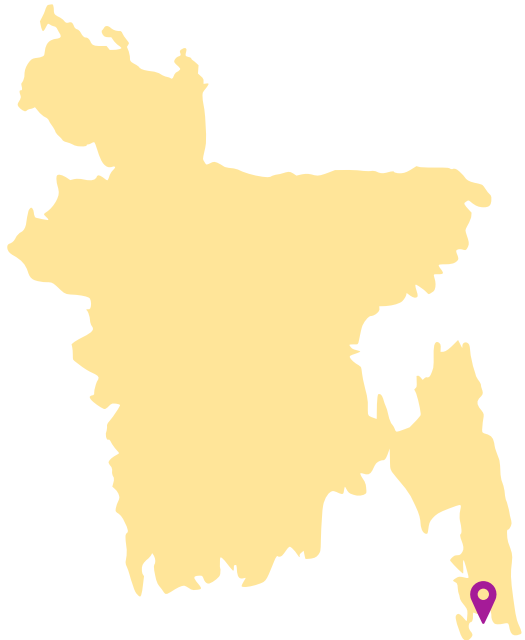
- Close to Coks'Bazar
- 120 KM Long Coast Line
- Prospectus Ready

100 Hectare Available for Investors

Land Filling	Dec 2021	📅
Internal Road Connectivity inside the zones	Dec 2022*	📅
Completion of Dyke	Completed	👍
Setting up CETP	N/A	
Gas Connection	N/A	
Electricity Connection	Already Given	👍
Leasing the Land	Dec 2021	📅
Boundary Wall and other infrastructure	2022	📅
Water Connection	Already Given	👍






* Subject to receiving enough investment proposal

Naf Tourism Park (Jaliardwip)



- Close to Cox's Bazar
- Island based Tourism
- 1 hour proximity to Cox's Bazar Airport
- 9.3 km long cable car from the main land
 - Prospectus ready

20 Hectare Available for Investor

Land Filling	Dec 2021	
Internal Road Connectivity inside the zones	As per individual plan**	
Completion of Dyke	N/A	
Setting up CETP	N/A	
Gas Connection	N/A	
Electricity Connection	Dec 2021*	
Leasing the Land	Dec 2021	
Boundary Wall and other infrastructure	As per individual plan**	
Water Connection	June 2022*	

* Subject to receiving enough investment proposal

** It is a tourism Park. So internal roads & boundary wall are to be built accommodating the investors plan

**For more info about
Economic Zones**

<http://www.beza.gov.bd>
hasanarif71@gmail.com



**LOOKING FORWARD TO
WELCOMING YOU IN
BANGLADESH**





循環經濟

亞洲矽谷

智慧機械

生技醫藥

綠能科技

國防產業

新農業





經濟部投資臺灣事務所



Invest Taiwan

臺灣，亞洲最佳創新合作夥伴

Taiwan—your best innovative partner in Asia



Advantage in Taiwan



Geographical
location



International
Ranking



Talents



Protection of
intellectual
property



Industrial
Cluster



Global Supply
Chain



RD Center



Core Strategic
Industry

Advantage in Taiwan



Geographical
location

Transportation
hub in Asia

No.1 Airport &
Harbor



International
Ranking

2019 World Economic Forum

No.1
Stable Economic
Country

2020 World Economic Forum

No.3 Low
Investment Risk

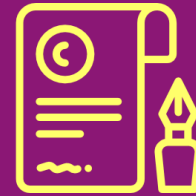


Talents

51%
University Degree

Labor Force Population

13%
R&D



Protection of
intellectual
property

International Standard
of Intellectual Property

Intellectual Property
Rights Police Team

Trade Secrets Act

Advantage in Taiwan



Geographical
location

Transportation
hub in Asia

No.1 Airport &
Harbor



International
Ranking

2019 World Economic Forum

No.1
Stable Economic
Country

2020 World Economic Forum

No.3 Low
Investment Risk

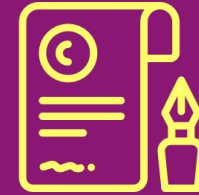


Talents

51%
University Degree

Labor Force Population

13%
R&D



Protection of
intellectual
property

International Standard
of Intellectual Property

Intellectual Property
Rights Police Team

Trade Secrets Act

Advantage in Taiwan



Geographical
location

Transportation
hub in Asia

No.1 Airport &
Harbor



International
Ranking

2019 World Economic Forum

No.1
Stable Economic
Country

2020 World Economic Forum

No.3 Low
Investment Risk

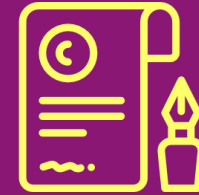


Talents

51%
University Degree

Labor Force Population

13%
R&D



Protection of
intellectual
property

International Standard
of Intellectual Property

Intellectual Property
Rights Police Team

Trade Secrets Act

Advantage in Taiwan



Geographical
location

Transportation
hub in Asia

No.1 Airport &
Harbor



International
Ranking

2019 World Economic Forum

No.1
Stable Economic
Country

2020 World Economic Forum

No.3 Low
Investment Risk

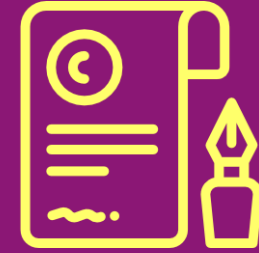


Talents

51%
University Degree

Labor Force Population

13%
R&D



Protection of intellectual
property

International Standard
of Intellectual Property

Intellectual Property
Rights Police Team

Trade Secrets Act



Industrial Cluster

Advantage in Taiwan



High Speed Rail 90 分
Taipei—Kaoshiung

Nangang Software Park

IC design/digital content/
Bio Technology

Changhua Coastal Industrial Park

Metal Products Manufacturing/
Green Energy/ Glass

Kaoshiung Industrial Park

petrochemical/steel/IC mfg.
/Metalworking/ optoelectronics/ ICT
Industry

Hsinchu Science Park

IC mfg./optoelectronics/
Bio Technology

Central Science Park

Semiconductor/optoelectronics
/Bio Technology/
/Precision Machinery

Tainan Science Park

optoelectronics/Environmental
Tech./
Auto parts/Precision Machinery

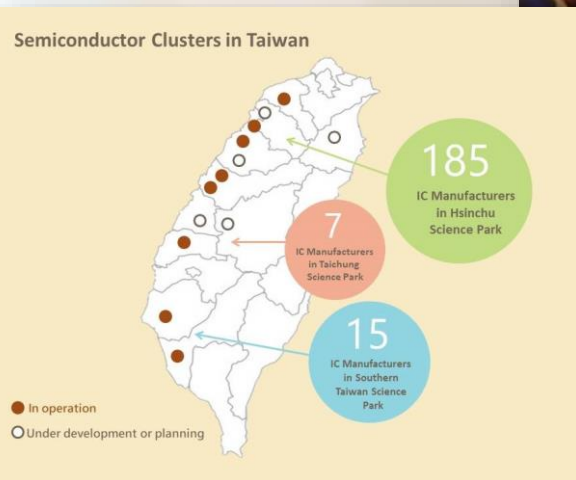
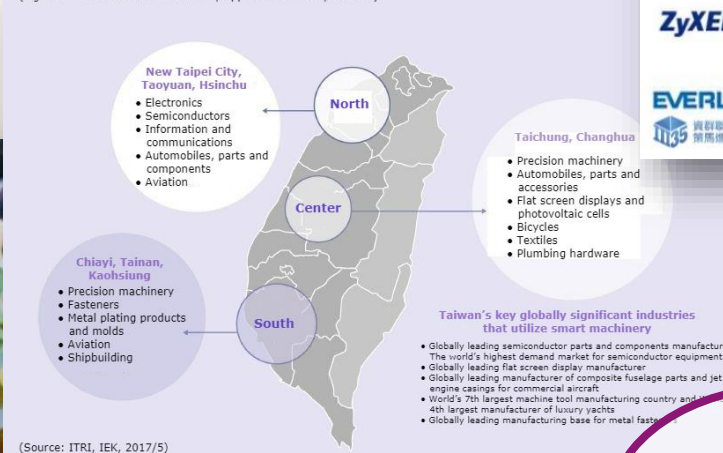


Global Supply Chain

Advantage in Taiwan



(Figure 4 - Taiwan's smart machinery application industry clusters)



Semiconductor

Monitor

Electronics Components

Automotive Components

Textile

Metal Machinery & Medical Materials



RD Center

Advantage in Taiwan

Bio Tech.
Center



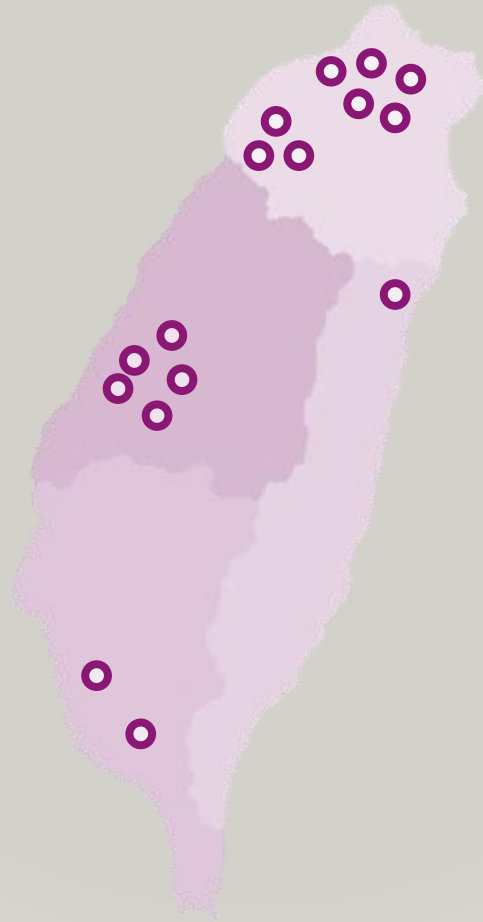
Textile Research
Inst.



Institute for
Information
Industry
(III)



金屬中心
(MIRDC)



工研院
(ITRI)



車輛測試
中心
(ARTC)



塑膠中心
(PIDC)



生產力
中心
(CPC)



Government
policy...

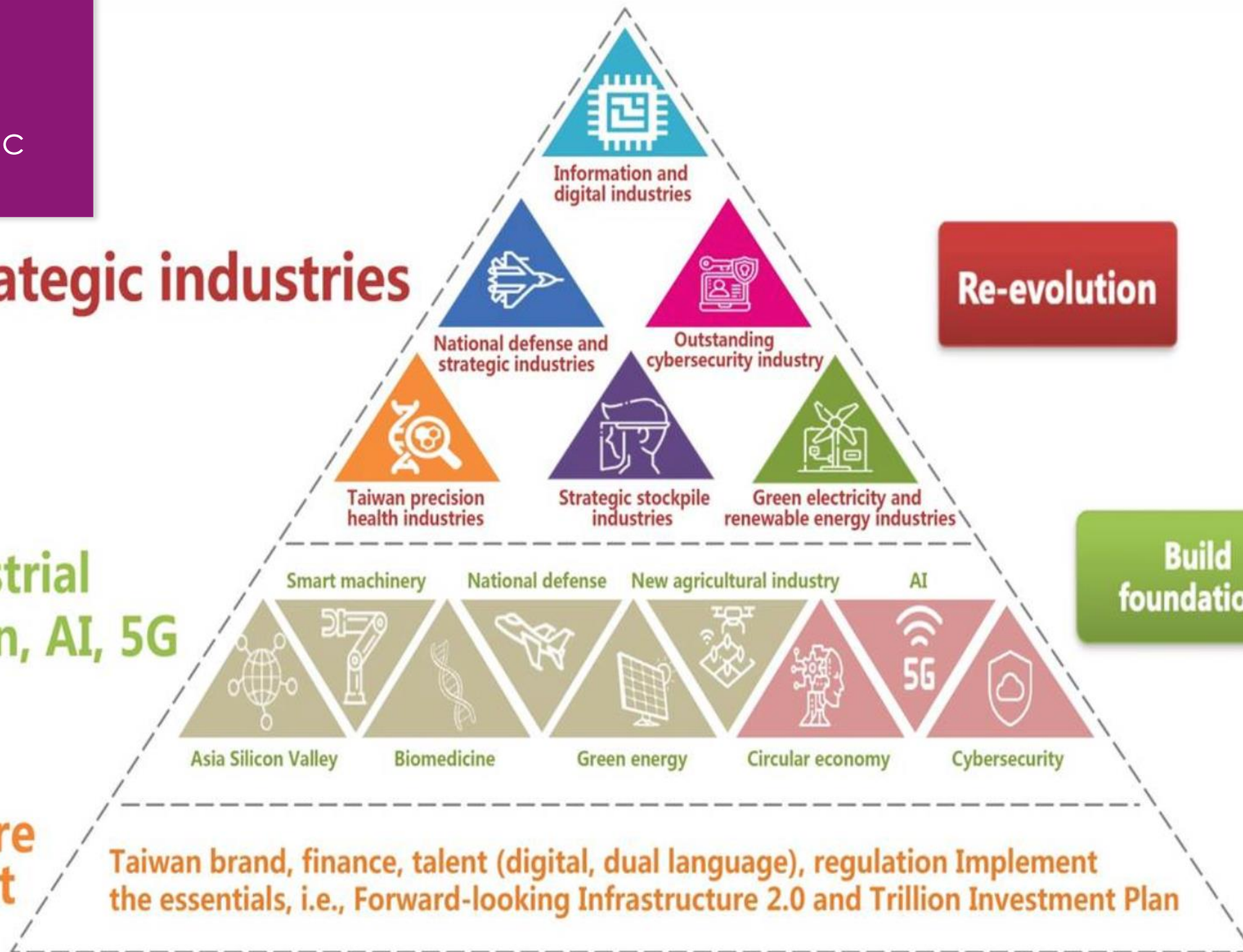


Core Strategic
Industry

6 core strategic industries

5+2 Industrial
Innovation, AI, 5G

Common
infrastructure
environment





Information and
Digital

6 Core Strategic Industries

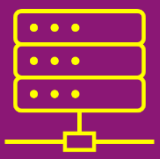
Purpose :

Spurring innovation, create well-paid job opportunities, and bring more balanced regional development to Taiwan. Build Taiwan become the safest and the crucial base in Asia.

Action :

Research and development on next-generation semiconductor technology is the main project. AIoT applications will be promoted, and a 5G national team will be organized. This is not only intended to maintain Taiwan's leading position in ICT technology, but also export AIoT solutions to the world, and secure a key role in the 5G global supply chain.





Cybersecurity
Industry

6 Core Strategic Industries

Purpose :

Accelerate the establishment of the national cyber security environment, and enhance national competitiveness, aim at building a cyber system and industry chain could be trusted world-wide.

Action :

Research and development into protective technologies, such as 5G and semiconductors, five solutions on AIoT and healthcare will also be developed. An organization for cybersecurity defense and cross-country collaboration will be established.

The strategy is to enhance protection of these emerging areas and forge high-end testing arena.





Precision Health
Industry

6 Core Strategic Industries

Purpose :

The goal is to achieve tailored medical treatment and health management for everyone in Taiwan.

Action :

Build a platform which integrates materials of the Taiwan Biobank and establish National Health Insurance Research Database, systems of precision prevention, diagnosis, treatment and care.

Precision epidemic prevention products will be developed, and international biomedical business opportunities will also be explored. This approach will promote Taiwan as a role model in the area of epidemic prevention around the world.

Building Taiwan into a global biomedical R&D hub



Focusing on precision health

Using biomedicine & communications tech
to maintain health, stop disease,
and develop diagnostics & therapeutics for all ages



6 Core Strategic Industries

Purpose :

Enhance national defense capabilities and lower the risk of military conflict,
build up the crucial supply chain for global aircraft industry.



Action :

The indigenous naval vessel and aircraft industries will be promoted, 10 key technologies including aircraft engine production and eight core technologies such as marine propulsion system building will be developed, aiming at establishing a national defense supply chain.

For the space industry, low earth orbit satellites and ground equipment will be developed, and the Taiwan national space brand will also be promoted.



Green &
Renewable Energy

6 Core Strategic Industries

Purpose :

Generate 20% of Taiwan's electricity from renewables by 2025.

Building Taiwan become a model of Green Industry in Asia.

Action :

Taiwan will build a renewable energy industrial zone and a base for R&D, to strengthen the cybersecurity of renewable energy certificate transactions, and create an offshore wind power national team.

The country will also attempt to gain a crucial role in Asia-Pacific wind power supply chain, enable to export local wind power products to other countries.





6 Core Strategic Industries

Purpose :

Build up strategic stockpile industries capable of guaranteeing the provision of key materials.

Action :

The steady provision of critical supplies will be ensured by stabilizing main supply chains including energy, food, daily necessities, medical supplies, disaster relief, sand and gravel etc.

Maintain firm control over the supply of the raw materials and inputs critical to important industries, such as semiconductor materials and equipment, and batteries powering electric vehicles.



**Who is Invest Taiwan?
What services can Invest Taiwan offer?**



InvesTaiwan

經濟部招商中心
Invest Taiwan

Cross-membership from
government agencies

經濟部投資審議委員會
Investment Commission, MOEA

★ One-stop
Service process

Connections with
embassies and missions

經濟部投資業務處
Department of Investment Services, DOIS

1 to 1 Contact Window

Customize Professional Service for you

MOEA Industrial Promotion Office

Consultation for different Industry/
Technology R&D/Industry
Collaboration/
New Product development

Aviation 、 ICT 、 Bio Tech. 、 Digital
Content 、 Monitor 、 Automation 、
Textile 、 TUSA 、 TJIC...etc

Professional Consultant Team

Legal/Accounting/
Tax issue/
Engineering Consulting

Bar Association 、 CPA Association 、
Engineering Consultant
Association 、 Association of
Service Industries 、 Commerce
Development Research Institute



Investor

Property matching

Provide the property
information for Investor

Industrial Park
Science Park
Technology Industrial Park
Industrial Area

Local Authority

Property/Water/Electricity
Issue,
Investment Obstacles
Resolve



Successful Cases & Working Partner





Invest Taiwan

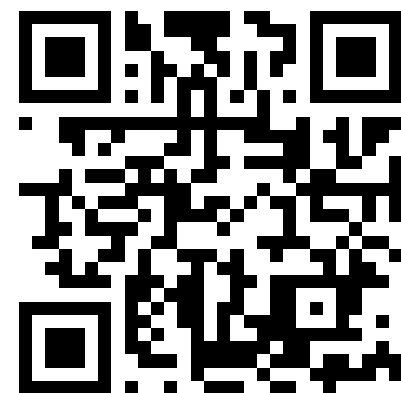
I 產業升級·優越競爭條件
Innovation & Entrepreneurship

選擇台灣三要素

優勢

機會

獎勵



<https://investtaiwan.nat.gov.tw>



<http://www.contacttaiwan.tw>



經濟部投資臺灣事務所

電話: +886-2-2311-2031 / Email: service@invest.org.tw

BẢN ĐỒ HÀNH CHÍNH NƯỚC CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
ADMINISTRATIVE MAP OF SOCIALIST REPUBLIC OF VIETNAM



VIETNAM BUSINESS OUTLOOK AND INVESTMENT OPPORTUNITIES

MS. HOANG THANH TAM
Head of Investment Promotion Division
Foreign Investment Agency
Ministry of Planning and Investment
Hanoi, May 31st 2021

PRESENTATION OVERVIEW

1. Overview of Vietnam Economy and FDI Inflows

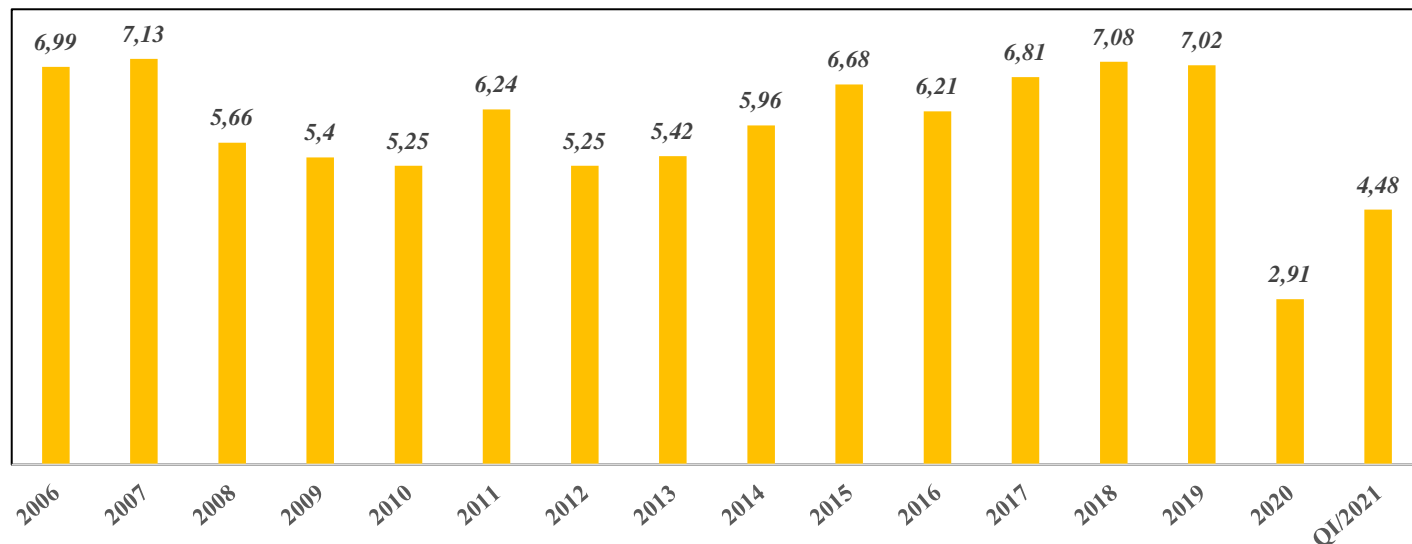
2. Vietnam – An Attractive Investment Destination

3. Global FDI Shift

4. Vietnam's Strategy and Preparation

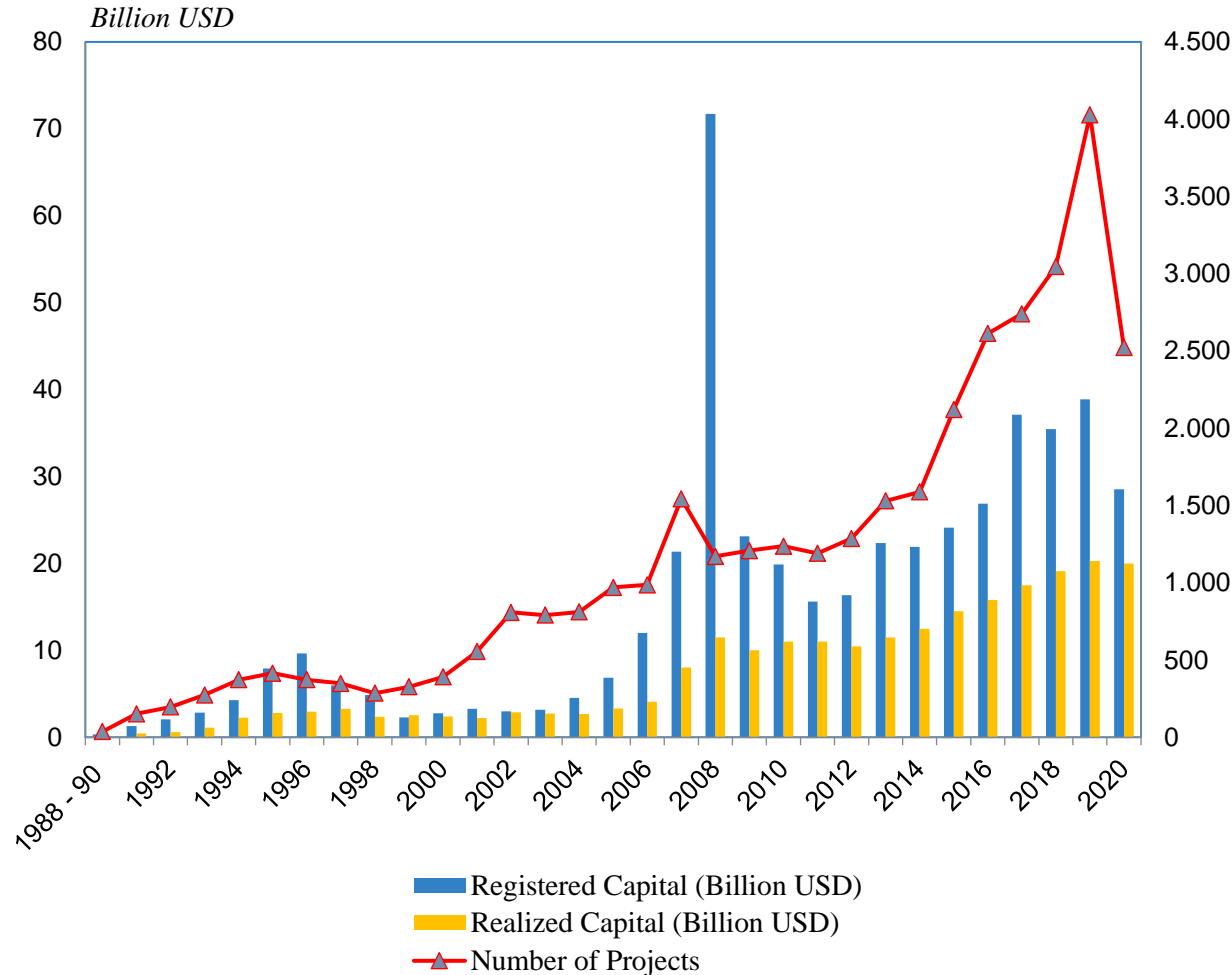
1. OVERVIEW OF VIETNAM ECONOMY AND FDI INFLOWS

ANNUAL GDP GROWTH RATE (%)



- In 2020, Vietnam's total GDP reached USD **343** billion, and GDP per capita amounted to nearly USD **2,800**.
- Vietnam's GDP grew by **4.48%** for the first quarter of 2021, indicating economic recovery from Covid-19.
- During Q1/2021, total trade volume reached **152,65 Billion USD**, an increase of **24,1%** comparing to the same period last year.

1. OVERVIEW OF VIETNAM ECONOMY AND FDI INFLOWS



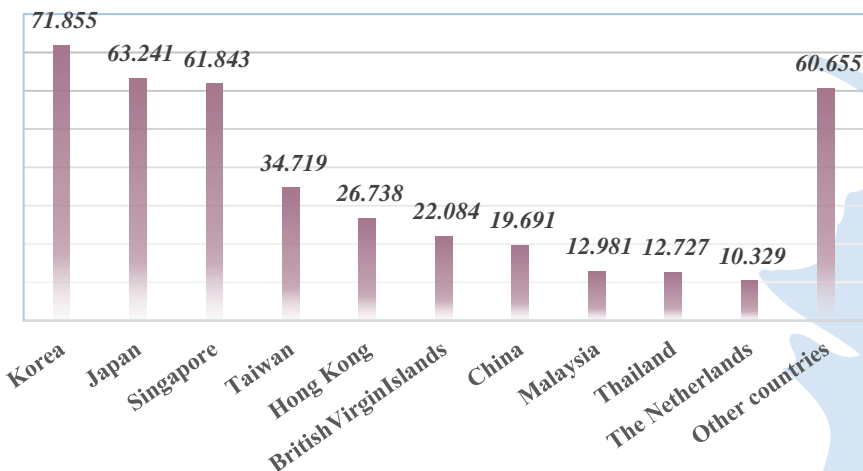
Accumulated figures by the end of 05/2021

- **140** countries and territories have invested in Vietnam with a total of **33,615** projects.
- Accumulated registered capital reached USD **396.9** billion, and total realized foreign capital is USD **240** billion.
- Korea, Japan, Singapore, Taiwan and Hong Kong are top investors.

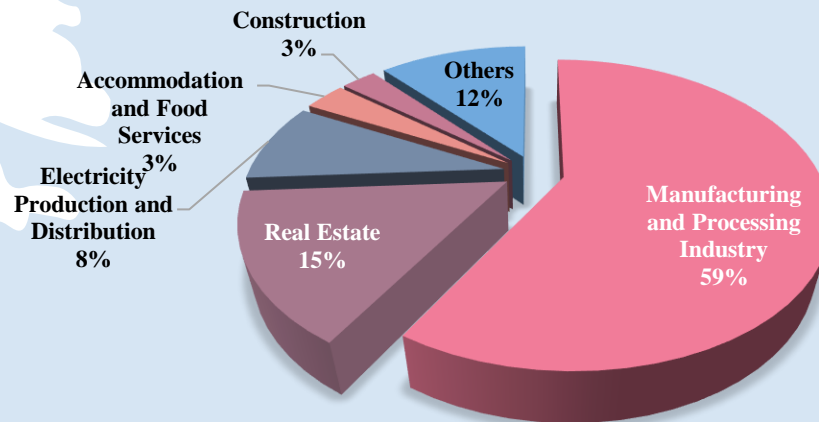
1. OVERVIEW OF VIETNAM ECONOMY AND FDI INFLOWS

BY COUNTRIES AND TERRITORIES

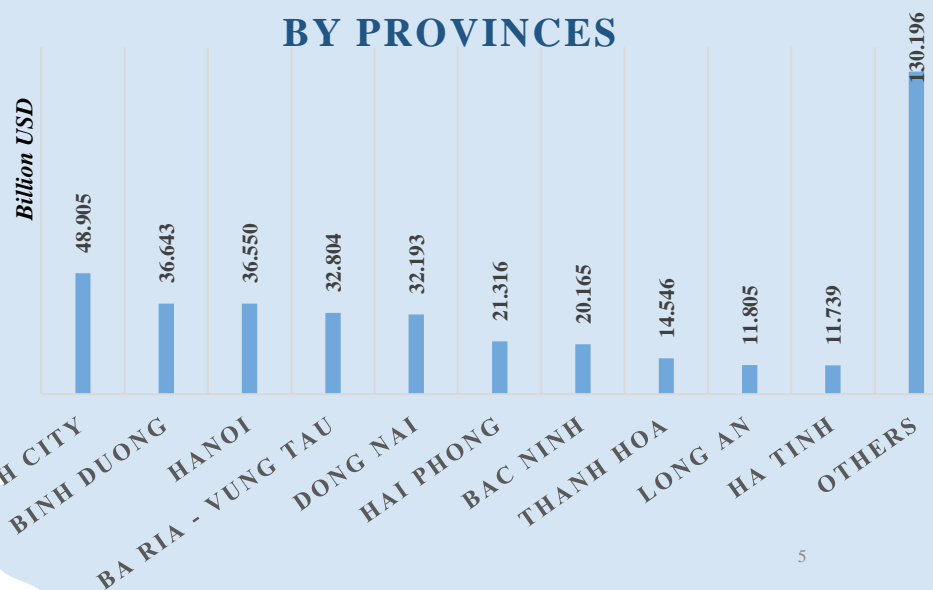
Billion



BY INDUSTRIES



BY PROVINCES



No.	Countries	Total Registered Capital (Million USD)
1	Korea	71.855
2	Japan	63.241
3	Singapore	61.843
4	Taiwan	34.719
5	Hong Kong	26.738
6	British Virgin Islands	22.084
7	China	19.691
	Other countries	96.692

A large, light blue brushstroke graphic is positioned on the left side of the slide, serving as a background for the title text.

FDI in Vietnam First 5 months of 2021

Overview:

- Newly registered capital, adjusted capital, equity capital and shares purchased increased by 0.8% (USD 14 billion). As newly registered capital grew by **18.6%** (USD 8.83 billion), adjusted capital was up by 11.7% (USD 3.86 billion);
- Trade surplus by FDI firms of USD 12.6 billion including crude oil and trade surplus of USD 11.9 billion excluding crude oil made up for trade deficits in other areas, thus contributed to total national trade surplus of USD 131 million.

Positive highlights:

- Exports by FDI firms (i) including crude oil **increased by 36.5%** (USD 98 billion); (ii) excluding crude oil increased by 37% (USD 97 billion), compared to H1/2020.
- Realized capital increased by 6.7% (USD 7.5 billion);
- Average capital size of newly registered increased from USD **2.2** million to USD **14.4** million, compared to same period in 2020.

2. VIETNAM

AN ATTRACTIVE INVESTMENT DESTINATION

**Stable social
and political
environment**

1

**Steadily high
economic
growth**

2

**Competitive
production costs**

3

**Abundant
human resources
– Golden
population
structure**

4

**Market with
high growth
potential**

5

**Intensive
International
Integration**

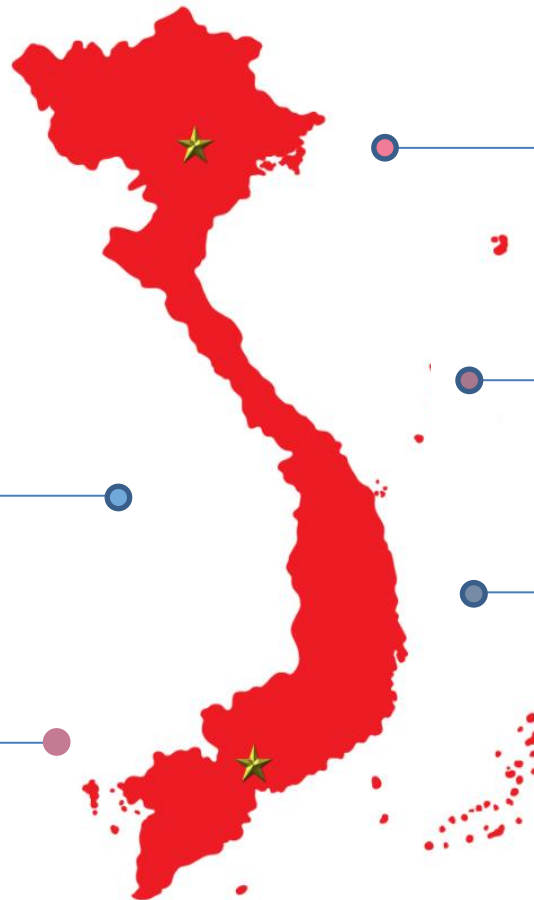
6

**Open-door policies
with multiple
incentives**

7

**Strategic
Geographical
location**

8



2. VIETNAM – AN ATTRACTIVE INVESTMENT DESTINATION

**97,6
million
Population**

**42
Global
Innovation
Index**

**54,6
million
Labor Force**

**132-190
USD/month**

**11.52%
Annual
Productivity
Growth**

Market with High Growth Potential

- Ranked **15th** among most populated countries.
- 1.25% of total world population.
- Ranked 42th in Global Innovation Index – The highest among lower-income country group (2020).
- Ranked 67/141 in GCI, an increase of 10- ranks in 2019 compared to 2018.

Abundant Human Resources

- Labor force (percentage of total population age 15+): **60%**
- Average age: **32.9** years old.

Competitive Production Costs

Monthly minimum wage in Vietnam is lower than neighbors:

- China: 163-361
- Cambodia: 190
- Indonesia: 120-298
- Malaysia: 270-295
- Thailand: 248-265
- Hong Kong: 1,969

- Percentage of employees with certified degree increased from 12.5% in 2005 to **23.67%** in 2019.
- 40 thousands skilled employees are trained overseas on an annual basis.

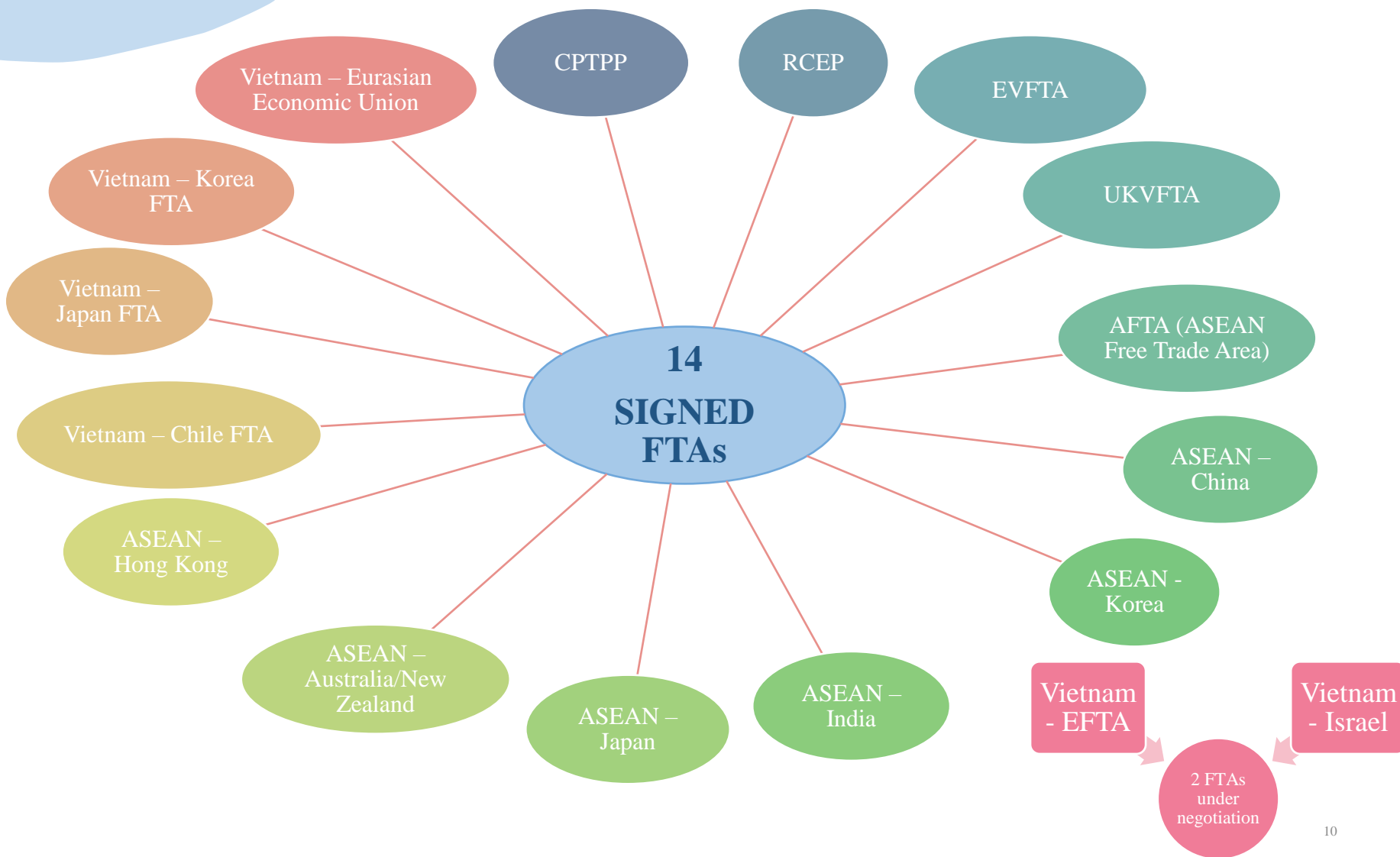
2. VIETNAM – AN ATTRACTIVE INVESTMENT DESTINATION

Strategic Geographical Location



2. VIETNAM – AN ATTRACTIVE INVESTMENT DESTINATION

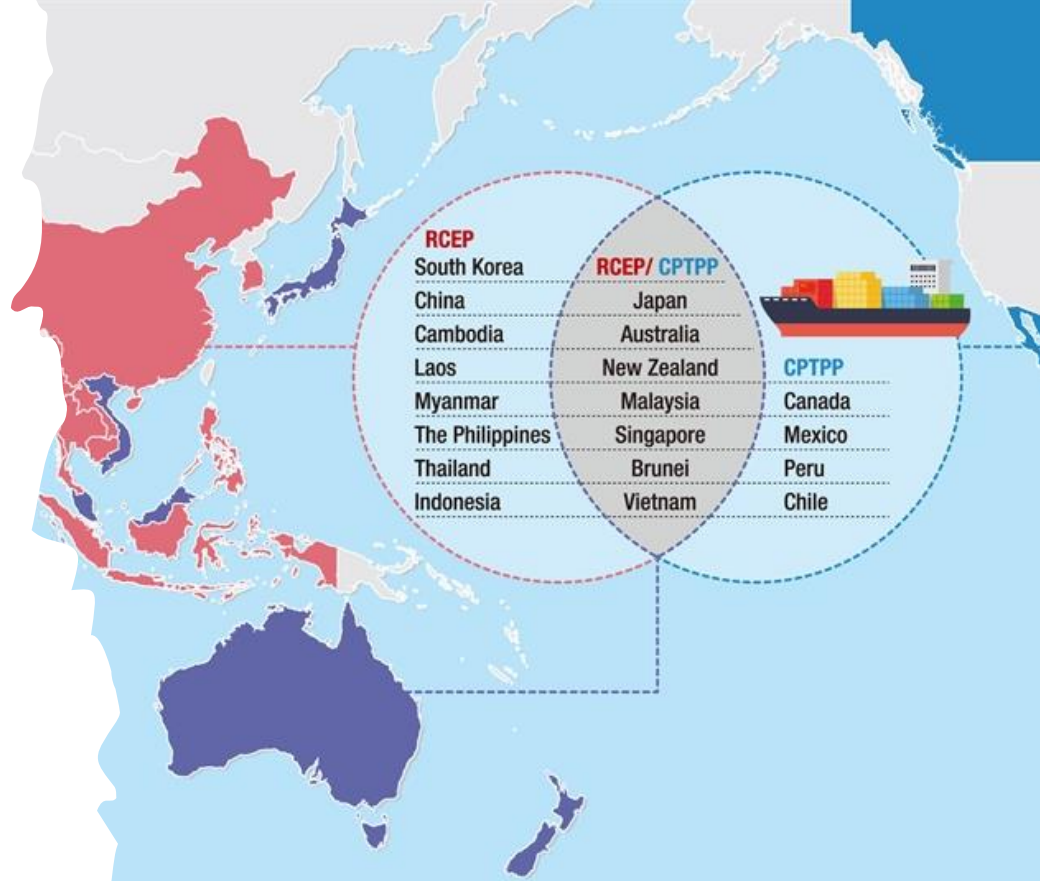
Extensive international integration



3. GLOBAL FDI SHIFT

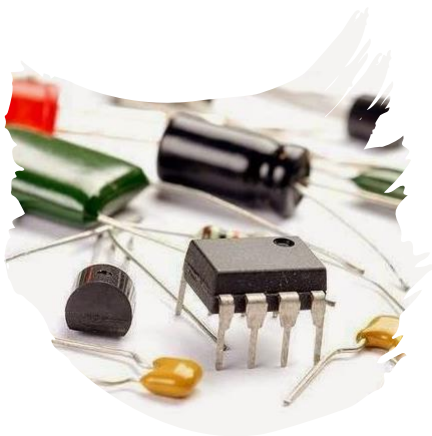
Context

1. Trade conflicts among giants leads to diversifying production facilities.
2. Covid-19 pandemic fasten the process of diversifying investment to avoid overly dependent on 1 country, 1 partner.
3. Vietnam is a member of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CTPPP), Vietnam-EU Free Trade Agreement (EVFTA), and Regional Comprehensive Economics Partnership (RCEP).
4. Vietnam proactively improves the business environment and prepare necessary conditions to promote, attract, and retain the new FDI inflows.



3. GLOBAL FDI SHIFT

Potential Sectors and Industries to Attract the Shifted FDI Inflows



Electronic
Components and
Equipment



Energy Sector



Supporting
Industry



Automobile
Industry



E-Commerce and
Logistics



Medical
Equipment



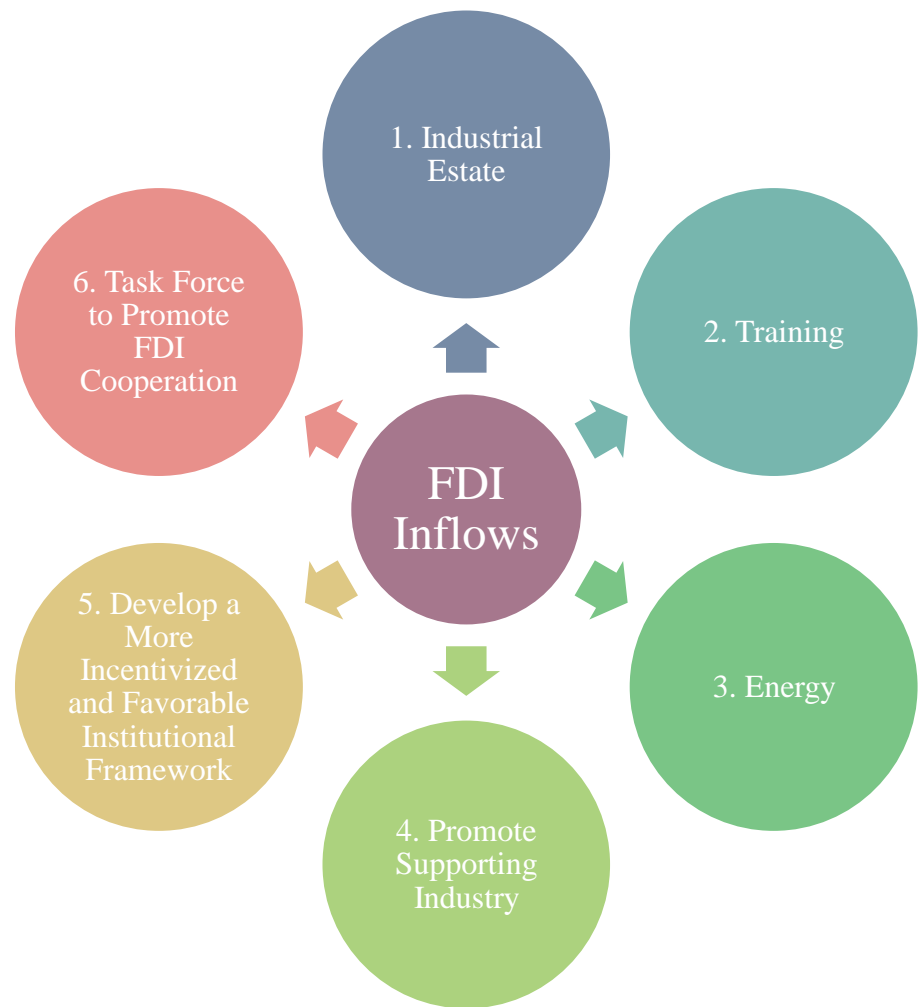
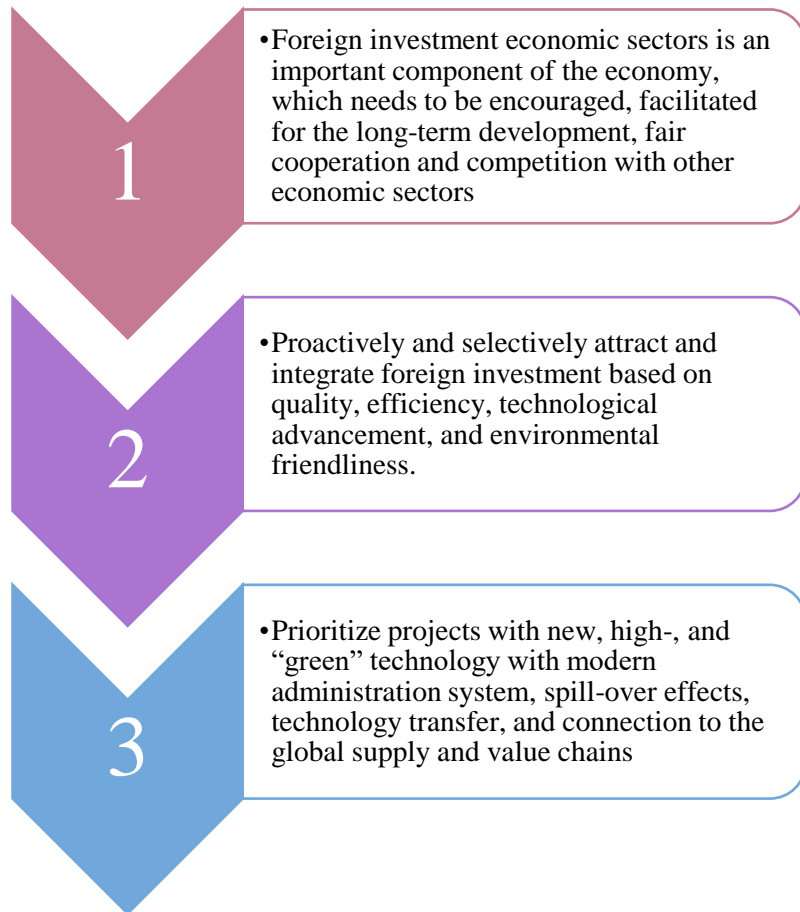
Retailing and
Consumption
Goods



Textile Industry

4. VIETNAM STRATEGY AND PREPARATION

Strategies for FDI Cooperation



4. VIETNAM STRATEGY AND PREPARATION

Preparing Industrial Land

81,900 ha

**INDUSTRIAL
LAND**

73,1%

**OCCUPATION RATE
OF INDUSTRIAL
ZONES AND
ECONOMIC ZONES**

**18 Economic Zones (EZs)
Established**

857,6 thousand hectares

**1 EZ
Planning**

13,95 thousand hectares

**286 Ips
Planning**

85,2 thousand ha

**106 Ips
Under basic construction**

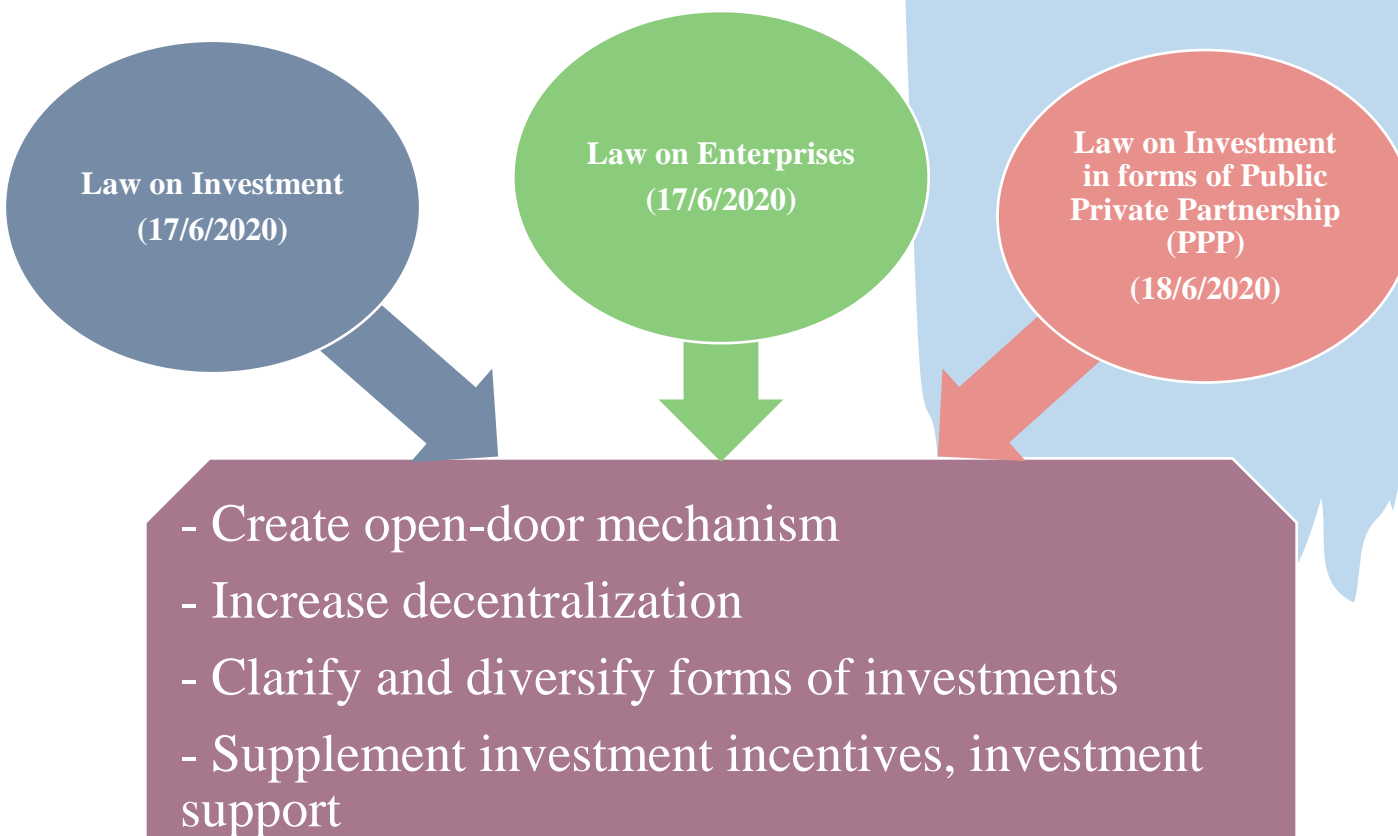
34,7 thousand hectares

OVERVIEW OF INDUSTRIAL LAND IN MAJOR CITIES



4. VIETNAM STRATEGY AND PREPARATION

Create a more favorable legal framework



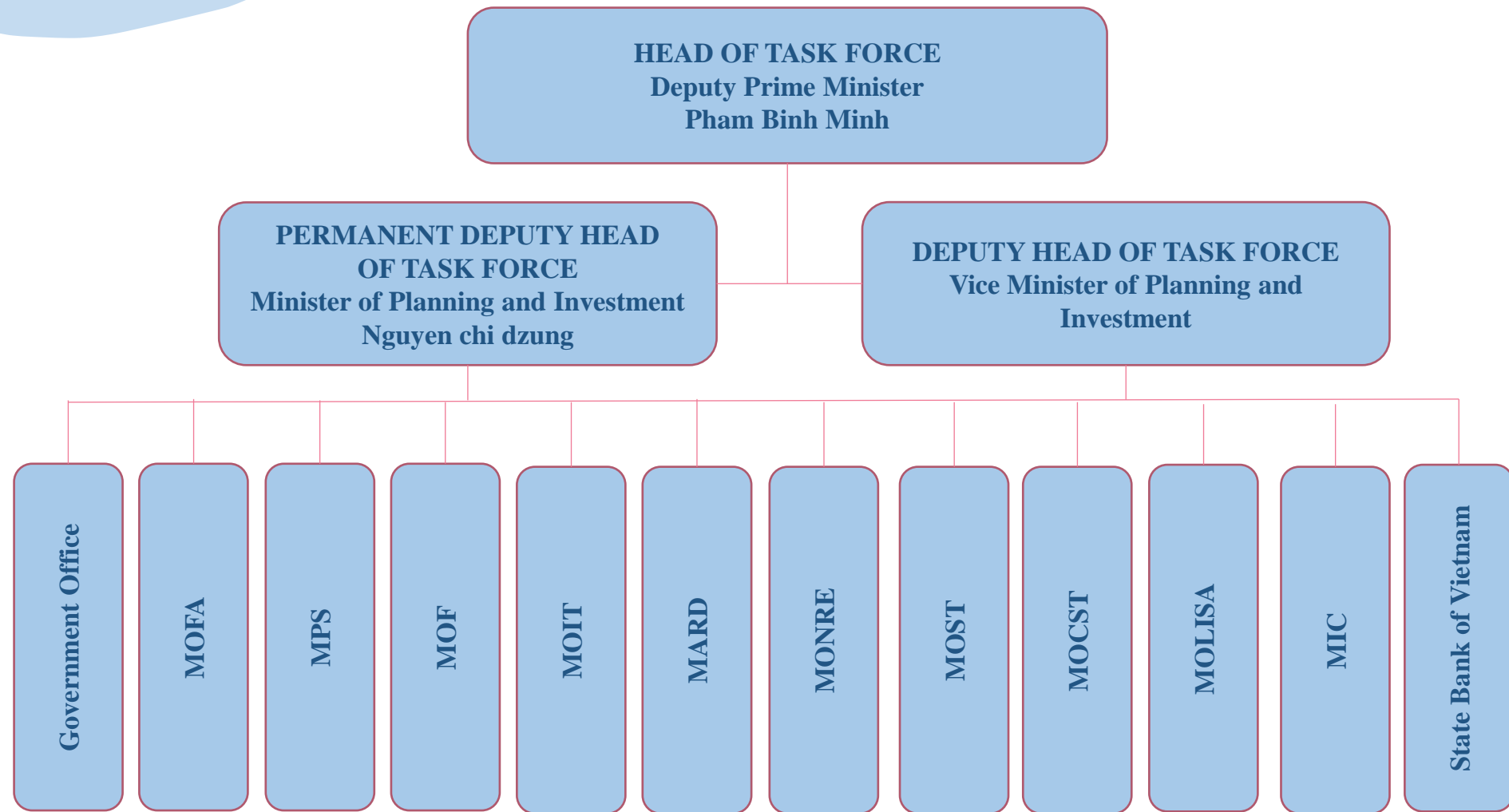
4. VIETNAM STRATEGY AND PREPARATION

Create a more favorable legal framework

Tax Incentives	Incentives for Corporate Income Tax is regulated by current laws (Investment Laws 2014, Corporate Income Tax 2013, and Decree 218/2013/NĐ-CP)	Special incentives in accordance with Investment Law No. 61/2020/QH14
(1) Durations for tax incentives	10% tax rate in 30 years	Tax rate of 5% for a maximum period of 37.5 years
(2) Tax exemption	Tax exemption for 4 years, then 50% tax for 9 years	Maximum tax exemption period of 6 years, and a maximum reduction of 50% for a maximum of 13 years
(3) Requirements	1) By prioritized investment industries 2) By prioritized investment locations 3) By project scope of at least 6.000 billion VND, and disbursing a minimum of 6.000 billion VND in 03 years	1) Investment projects that have huge impacts on economic and social development 2) Projects with investment of over 30.000 billion VND 3) Innovation center, R&D center... 4) Additional requirements on advanced technologies, the percentage of Vietnamese businesses participating in the supply chain, the percentage of production by Vietnamese businesses.
(4) Legal Basis	Article 15, 16 Investment Law 2014, Corporate Income Tax Law and related Decrees	Claus 4 Article 75 Investment Law no. 61/2020/QH14

4. VIETNAM STRATEGY AND PREPARATION

Task Force on Foreign Investment Promotion



4. VIETNAM STRATEGY AND PREPARATION

Task Force on Foreign Investment Promotion

1

- Focus on removing investment bottlenecks of important and motivational transport infrastructures, seaports, airports and connecting developments

2

- Continue to update the changes of foreign investment policy in the world, at the same time, approaching and grasping the needs of enterprises and investors through investment promotion activities, in order to have a basis for developing preferential forms, incentives and post-investment supports for businesses

3

- Be proactive with flexible and suitable measures to reach and negotiate with large, high-tech corporations, leading or operate value chains to advocate, promote and suitable for purposes, mutual benefits for investment cooperation

4

- Carry out domestic and foreign investment promotion activities to attract projects of high-quality; large capital scale; high-technology; innovation; spillover, commitment to cooperation, create favorable conditions for Vietnamese enterprises to participate in the value chains, invest in high value-added stages associated with human resources training cooperation; research and development; promote digital economy and make a positive contribution to the sustainable socio-economic development of Vietnam

4. VIETNAM STRATEGY AND PREPARATION

Support from MPI and FIA

1

PROVIDE INFORMATION ON
LAWS AND POLICIES

2

CONNECT STATE
AGENCIES AT DIFFERENT
LEVELS AND PROVINCES

3

ORGANIZE BUSINESS
MATCHINGS

4

SUPPORT TO SOLVE
DIFFICULTIES AND
ENTANGLEMENTS

VIETNAM

Destination of success and safety



THANK YOU FOR YOUR ATTENTION!



Electronics manufacturing landscape in Vietnam

Brian Chen

Partner of KPMG

陳家程 會計師

4 June 2021





Agenda



**SOUTHEAST ASIAN MANUFACTURING
ENVIRONMENT**

4

**COUNTRY BUSINESS-ENVIRONMENT
BENCHMARKING**

7

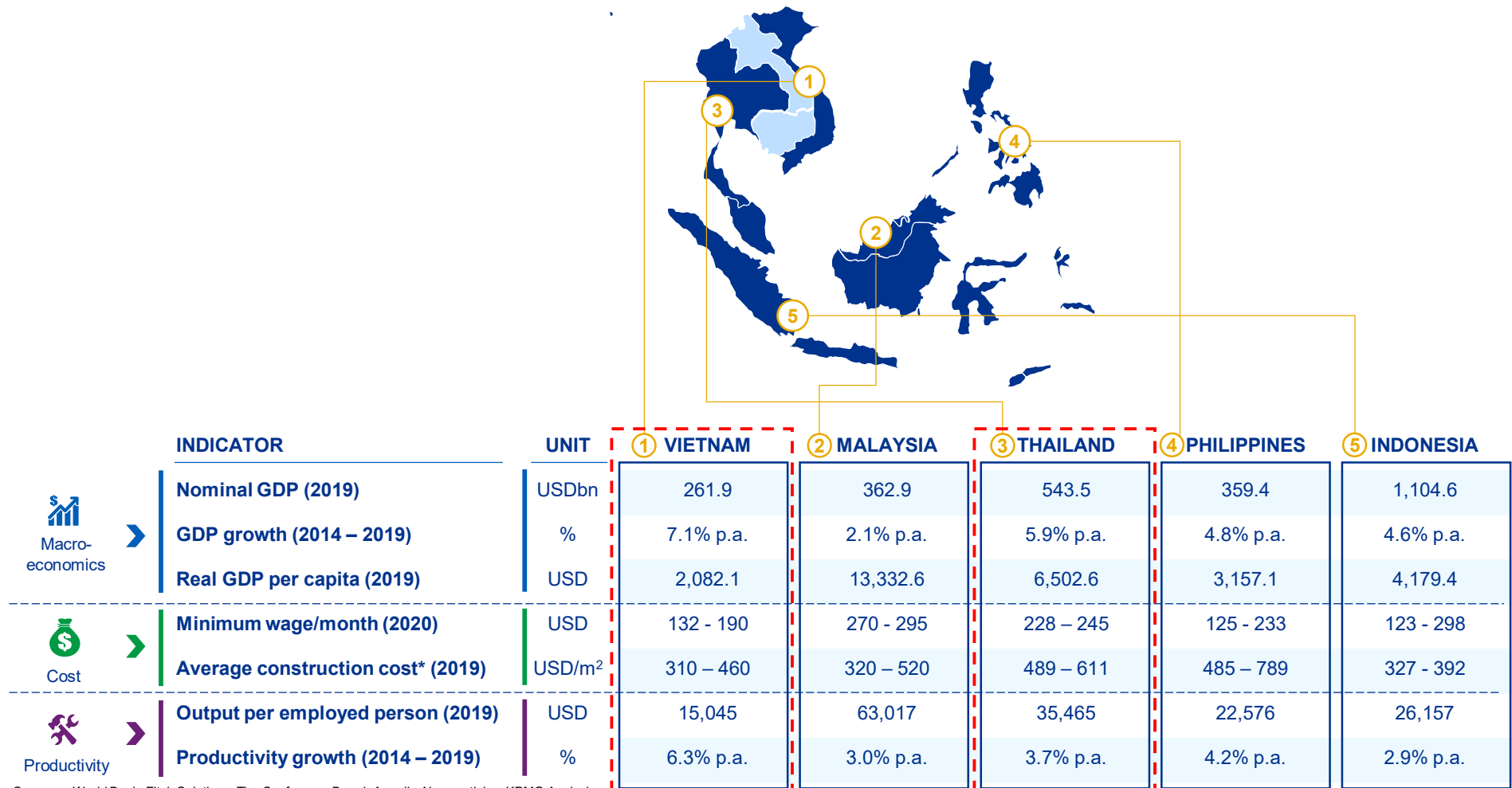
EXPORT-ORIENTED MANUFACTURING

11



Southeast Asian manufacturing environment

Vietnam leads region in terms of labor cost and productivity growth



Source: World Bank, Fitch Solutions, The Conference Board, Arcadis, News articles, KPMG Analysis

Southeast Asian manufacturing environment

ASEAN is one of the most globally integrated regions with a high number of existing and upcoming multilateral FTAs as part of globalization.

FTA DEVELOPMENT IN SEA

VIETNAM'S FTAs

FTA with/ between	Vietnam	Malaysia	Thailand	Philippines	Indonesia	Cambodia	China
ASEAN	✓	✓	✓	✓	✓	✓	x
ASEAN- China	✓	✓	✓	✓	✓	✓	✓
India	✓	✓	✓	✓	✓	✓	x
Korea	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓	✓	x
CPTPP	✓	✓	x	x	x	x	x
EU	✓	○	○	○	x	x	x
US	x	○	○	x	x	x	x
Legend:	○ To be ratified	○ In negotiations					



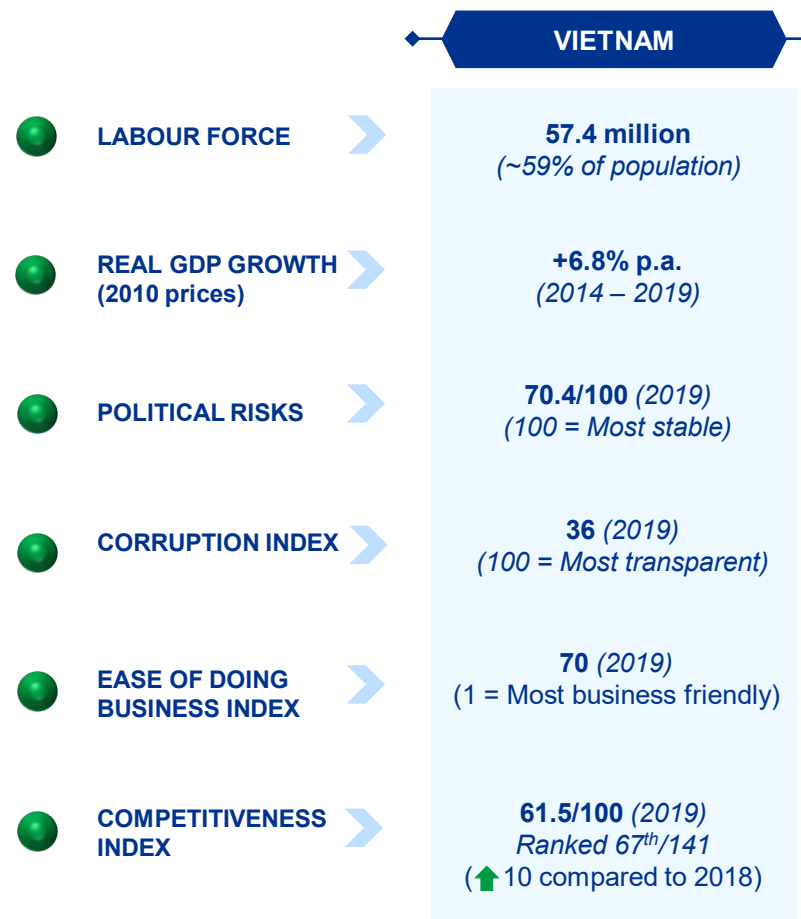
Sources: Asian Development Bank (2019), KPMG Analysis, News articles



Vietnam business- environment

Vietnam business-environment

Overall, Vietnam is relatively comparable in terms of tax incentives.
However, its logistics still needs further development



Source: World Bank Group, Fitch Solutions, Asian Development Bank, World Economic Forum, International Monetary Fund

Vietnam business-environment

Overall, Vietnam is relatively comparable in terms of tax incentives.
However, its logistics still needs further development



VIETNAM		
●	STANDARD CORPORATE INCOME TAX	20% (As of 2020)
●	TAX INCENTIVE AND PERIOD	5 – 10% (15 years)
●	LOGISTICS PERFORMANCE INDEX	3.27/5 (2018) Ranked 39 th /160
●	ROAD QUALITY INDEX	3.4/7 (2019) Ranked 104 th /141
●	PORT QUALITY INDEX	3.7/7 (2018) Ranked 85 th /139
●	TIMELINESS OF SHIPMENT	3.67/5 (2018) Ranked 40 th /160

Source: World Bank Group, News articles, KPMG analysis

Vietnam business-environment

Vietnam has a distinct cost advantage (e.g. labor, utility)



VIETNAM

●	MINIMUM WAGE	➤	\$132 - \$190/month (As of 2020)
●	AVERAGE ANNUAL LEAVES	➤	13 days per annum
●	LABOR TAX & CONTRIBUTIONS	➤	24.8% (As of 2018)
●	ELECTRICITY COST	➤	\$0.07/kW (As of 2018)
●	WATER COST	➤	\$0.30/m³ (As of 2018)
●	GASOLINE COST	➤	\$0.90/liter (As of 2018)

Source: World Bank Group, Arcadis, News articles, KPMG analysis

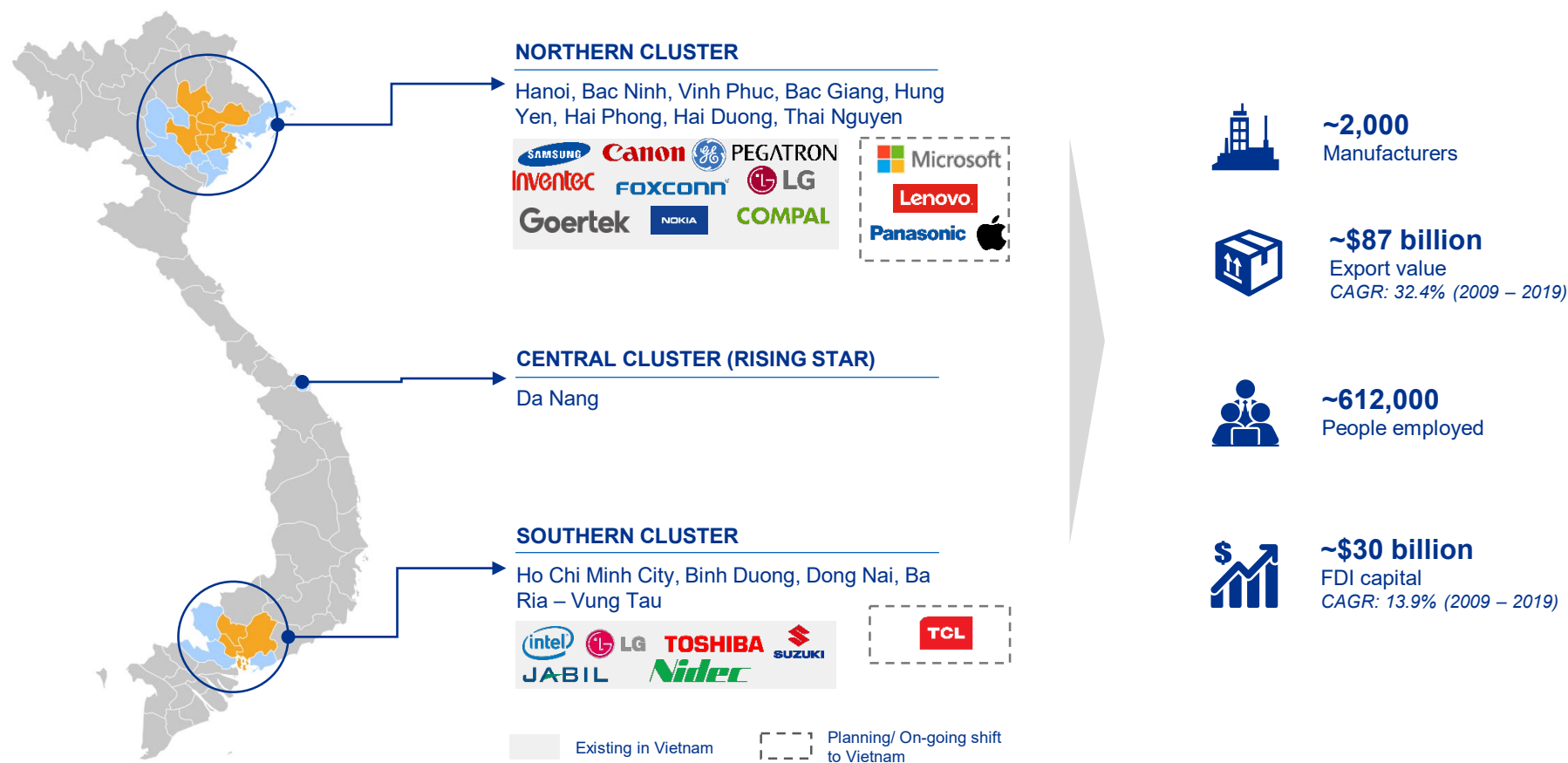


Export-oriented manufacturing

Export-oriented manufacturing

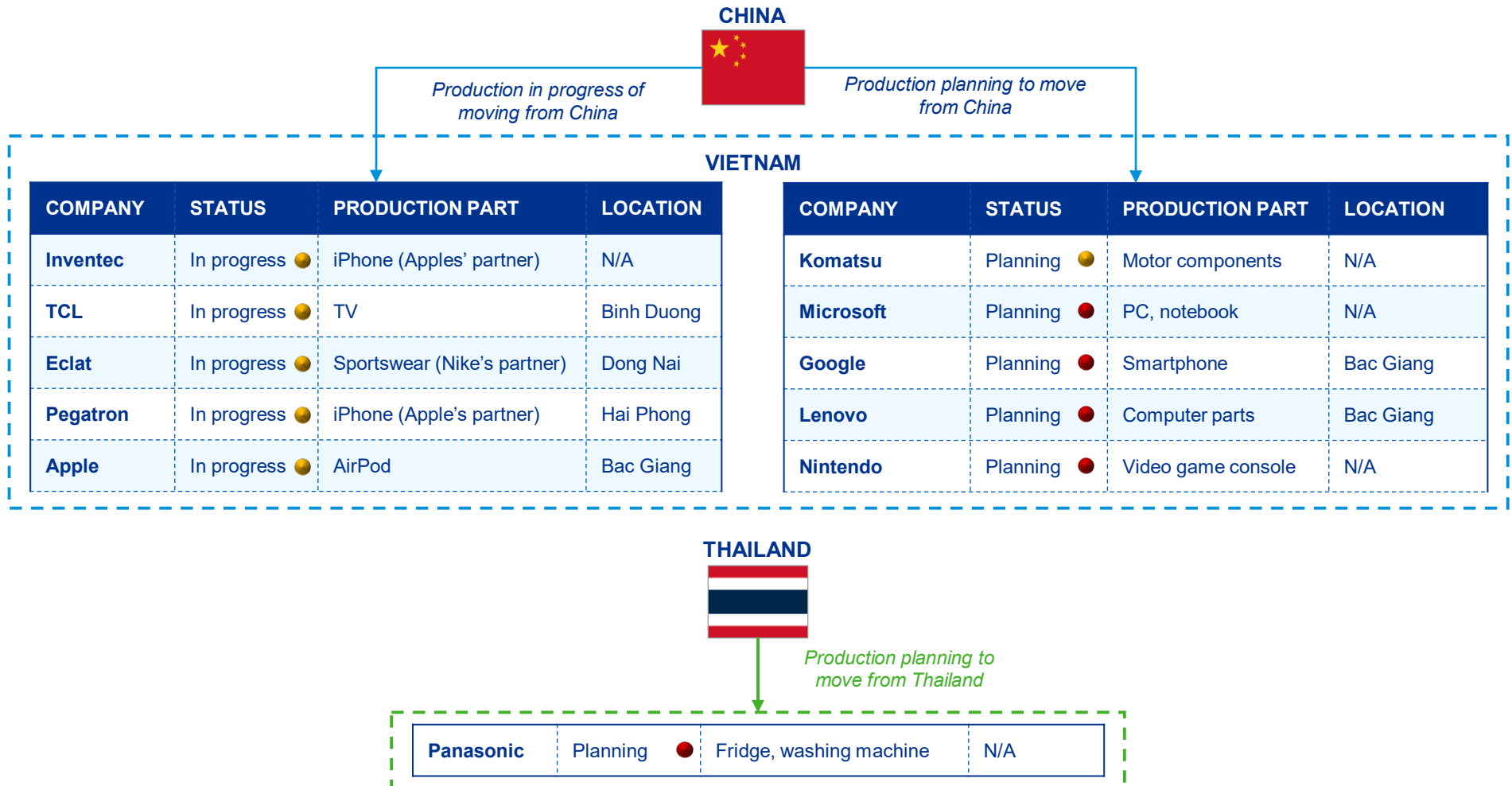
Vietnam has two major electronic clusters, which contribute greatly to creating employment opportunities and boosting economic development

ELECTRONIC CLUSTERS



Source: General Statistics Office of Vietnam, Ministry of Planning and Investment, Dezan Shira & Associates, News articles, KPMG analysis

Recent product chain shifting from China to Vietnam



Source: News articles, Company website, KPMG Analysis

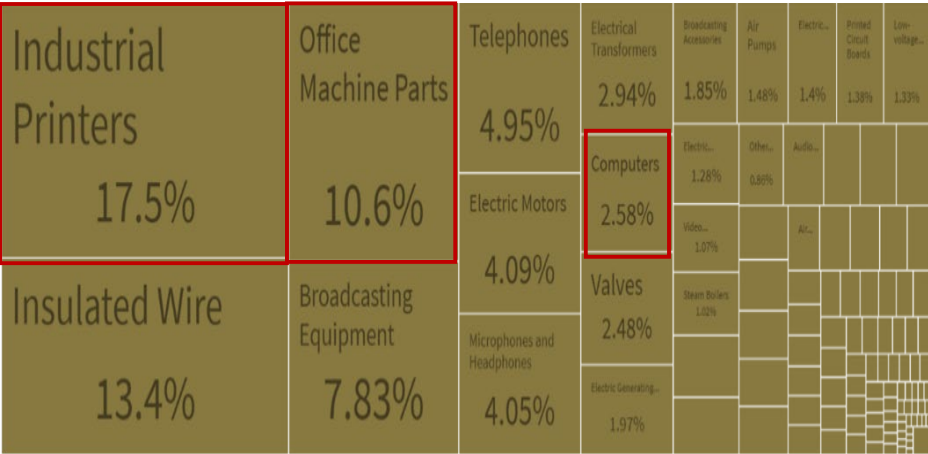
Export-oriented manufacturing

While Vietnam’s machine and electronics export is quite significant, its proportion of computer and printer-related export remains low.

MACHINE AND ELECTRONICS EXPORT

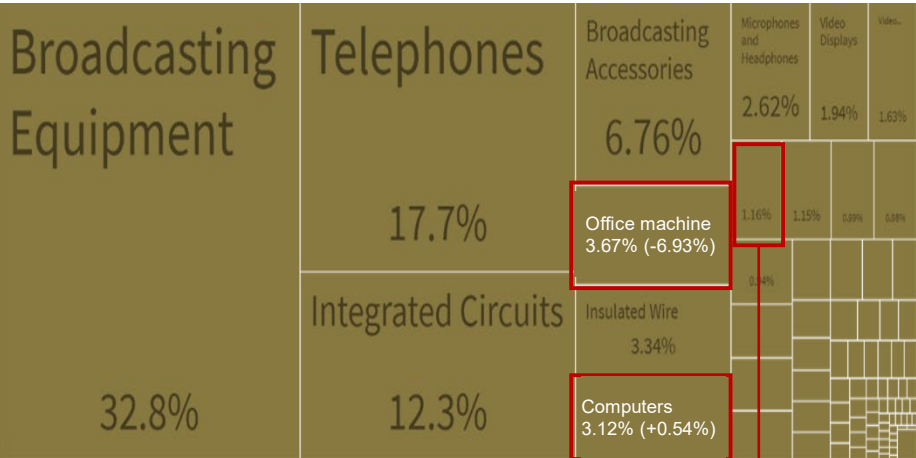
2008	VALUE	\$8.3 bn	% OF TOTAL EXPORT	11.6% (Ranked 2 nd)
------	-------	----------	-------------------	---------------------------------

Computers, industrial printers & office machines → 30.68% of machine and electronics export



2018	VALUE	\$130 bn	% OF TOTAL EXPORT	47.4% (Ranked 1 st)
------	-------	----------	-------------------	---------------------------------

Computers, industrial printers & office machines → 7.95% of machine and electronics export



Source: The Observatory of Economic Complexity (OCE), News articles



Brian Chen

Partner

Function and Specialization

- Technology, Media and Telecommunications
- Industrial and Consumer Markets

Country Experience

- Taiwan
- Vietnam

Education

- National Taiwan University

Professional Qualifications

- R.O.C. Certified Public Accountant

Key Areas of Experience

- Audit and Assurance
- IPO Services

Background

- Partner of Audit Dept., KPMG in Taiwan
- Partner of Audit Dept., KPMG in Vietnam
- Director of CTCVN
- Senior Manager of Audit Dept., KPMG in Taiwan
- Lecturer of KPMG in Taiwan

Professional Service Experience

- Financial Statements Assurance and Corporate Income Tax Assurance Services
- Stock listing, OTC, Emerging stock and IPO planning and related Consulting services
- Cross-Border Listing in Taiwan planning and related Consulting services
- Internal control and related consulting services
- IFRS conversion service

Background

- | | |
|-----------------------|------------------|
| - Makalot Industrial | - Compal Vietnam |
| - T3EX Global Holding | - Nestle Taiwan |
| - Group Up Industrial | - Amway Taiwan |
| - Pegatron Vietnam | - GSK Taiwan |



Thank you!

Brian Chen / Partner

陳家程 / 會計師

T: + 84 28 3821 9266

M: + 84 911 023 853

E: briancchen@kpmg.com.vn

Follow us on:



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG Limited, KPMG Tax and Advisory Limited, KPMG Legal Limited, KPMG Services Company Limited, all Vietnamese one member limited liability companies and member firms of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG Offices

Hanoi

46th Floor, Keangnam Landmark 72,
E6 Pham Hung Road, Me Tri Ward,
South Tu Liem District, Hanoi, Vietnam

T: +84 (24) 3946 1600

F: +84 (24) 3946 1601

E: kpmghanoi@kpmg.com.vn

Ho Chi Minh City

10th Floor, Sun Wah Tower,
115 Nguyen Hue Street, Ben Nghe Ward,
District 1, Ho Chi Minh City, Vietnam

T: +84 (28) 3821 9266

F: +84 (28) 3821 9267

E: kpmghcmc@kpmg.com.vn

Da Nang

Unit D3, 5th Floor, Indochina Riverside Towers,
74 Bach Dang Street, Hai Chau I Ward,
Hai Chau District, Da Nang City, Vietnam

T: +84 (236) 351 9051

F: +84 (236) 351 9051

E: kpmgdanang@kpmg.com.vn

kpmg.com.vn