



Vietnam

An Emerging Market for Investors



A unique franchising opportunity



- Vietnam is one of the most thriving economies in Asia, with a large market for capital goods and a growing domestic market for consumer goods.
- The market continues to grow at 10% per year, and it is forecasted that Vietnam is set to be the world's fastest emerging economy by 2025.



- Political stability along with continued legislative reforms and new free trade agreements are further factors that explain why Vietnam is becoming an increasingly attractive destination for investors.

Vietnam's strong economy



- Vietnam has a population of over 95 million, with 65% of the population under 35. This coupled with a rising average income and a strong demand for foreign brands makes Vietnam one of the top twelve international destinations for franchisees across the globe, according to the International Franchise Association.



- Commercial law was introduced in 2005 which, for the first time provided a legal framework for franchising in Vietnam. In 2007 the country joined the World Trade Organisation. Along with a culture of entrepreneurship suited to a developing economy like Vietnam, it is no surprise that international franchises have boomed in recent years.



- According to the Vietnam Ministry of Industry and Trade, over 145 foreign brands have already registered their franchising business across the country. Food and retail sectors currently dominate, accounting for over 30% of registered franchises. However with the franchising concept now well established, it is projected that the focus will now be on education, entertainment and technology fields.

Education and training



- With a large young population, the key emphasis for the country's continued future growth is to develop a well-trained labour force. Education and training are the top priorities for the Vietnamese government in order to keep pace with other emerging markets and to ensure a path of continued economic growth.



- The Ministry of Education (MoE) have spent over \$10 million USD to develop the schooling system and it has been agreed that a further \$89 million will be spent on developing the schooling facilities, curriculum and resources over the next three years.



- The MoE has implemented a long-term plan to develop education and training. They are learning from the best-performing academic countries on how to implement a plan successfully suited to the Vietnamese market.



- Due to both the demand and importance that education and training hold for the future of the country, there are considerable investment opportunities in education, such as content development, teacher training, English language training and supply of school equipment and resources.



- The British Business Group in Vietnam is seeing unprecedented demand for education services across the country, including within the ELT market. This is also seen by the enrolment ratio of three-year-olds and above at an all-time high, with over 90% of five-year-olds attending an early childhood education facility.

Vietnam is an ideal market for franchisees



- Vietnam is set to continue its economic evolution. In 2017, the government has set a target growth rate for the country's GDP at 6.7%, with forecasted growth rates in the following years expected to reach over 7%. Towards the end of 2016 Vietnam's GDP per capita reached an estimated \$2,215 USD and the government has projected that by 2020 the GDP per capita will rise to \$3,000 USD.



- Vietnam's GDP has been steadily on the rise and a strong contribution towards the growth has largely been fuelled by increased trade. As a result, this has increased living standards and created a new middle-class of consumers, who now have more disposable income to spend. In 2014 the population who lived within or above the middle-class line stood at 16 million. This number is now expected to double to 32 million by 2020. Vietnam is now on course to be the fastest growing middle-income sectors across Asia.



- With 65% of Vietnam's population being under 35 years old and with the government continuing to develop their young, ambitious and highly skilled workforce, there is no sign that the Vietnamese economy is slowing down – infact quite the opposite.



- Macro-economic conditions, political stability and the increased flow of capital have seen Vietnam continue to emerge as a leading member of ASEAN (Association of Southeast Asian Nations) and global economy. As the evolution continues, it comes to no surprise why Vietnam has become increasingly more attractive for domestic and international entrepreneurs alike.