

Vietnam

at a glance



Executive message: Welcome to Vietnam



Tim Evans

Chief Executive Officer,
HSBC Vietnam

With a stable political and macroeconomic environment, a young, low-cost workforce and outward-looking reforms, Vietnam has transformed itself into one of the strongest developing economies in the world.

Vietnam has experienced phenomenal growth over the last three decades and the government remains strongly committed to future sustainable growth and further expanding Vietnam’s presence across global trade supply chains through the signing of numerous free trade agreements (FTA). These include the EU-Vietnam Free Trade Agreement, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and strategies to continue reforms to improve the ease of doing business.

In the last few years, Vietnam has also shown impressive ambition to move ahead with digitisation and industry 4.0. The country is rolling out its 5G network, has a thriving e-commerce sector and a variety of e-government initiatives that aim to make it more efficient.

HSBC has had a presence in Vietnam since 1870. In 2009, we became the first wholly-owned foreign bank to incorporate in the country. In the years since, HSBC has secured numerous awards across both products and services. It operates as a full-service bank with a large corporate bank, a leading retail bank in the rising affluent space, a prominent custody business covering foreign investors and one of the largest foreign banks in the FX market locally. We provide a comprehensive range of cross-border and financial services to suit both your personal and business needs.

Please get in touch to find out how HSBC can support you and your business in Vietnam.

Watch the video to learn more about the growth opportunities Vietnam offers to your business.

Click here to watch

Overview



Population
99.4 million

Total area
310,070 sq km

Capital
Hanoi

Major language(s)
Vietnamese, with English, French, Chinese spoken in the business community

Time zone
UTC +7

Central bank
State Bank of Vietnam (SBV)

Gross domestic product (GDP)
USD430 billion (2023)
USD4,285 per capita (2023)
5.05% growth rate (2023)
6.42% growth rate (1H24)

Currency
Vietnam Dong (VND)

Consumer price index, average
3.2% (2022);
3.25% (2023)

Exchange rate vs. USD
25,700 (2024 est.)

Thrive regionally, grow confidently

Businesses across the globe are finding the ASEAN opportunity increasingly compelling. Why? Because it is built on multiple pillars, each reinforcing another, rather than relying on a single mega-trend. A combination of factors – demographic, technological, geopolitical and regulatory – is driving this diverse and dynamic region to new and self-sustaining heights.

There's a caveat of course. When its economy becomes the world's fourth largest, as is expected by 2030¹, ASEAN won't be any less complex. But by then, early-mover advantage in its burgeoning industries will have been grasped by those who acted quickly to take the uncertainty out of ASEAN's expansion opportunity.

The leaders will be firms whose CFOs and treasurers have also built a holistic vision from multiple sources of strength, while drawing on and catering to the individual characteristics of ASEAN's fast-evolving – and rapidly digitising – economies. In particular, they will be the businesses that have positioned themselves for success by prioritising treasury innovation, embracing the new economy, and integrating sustainability into their financial strategies. In short, ASEAN's leading firms will have aligned themselves with the future.

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Optimism, dynamism, futurism

With a population that will reach 700 million by 2030 – 61% of which is currently under the age of 35² – ASEAN’s expanding and tech-literate middle class is expected to double domestic consumption by the end of the decade. Much of this demand will be digital, with healthcare, biotech and education among the new economy sectors that are likely to benefit.

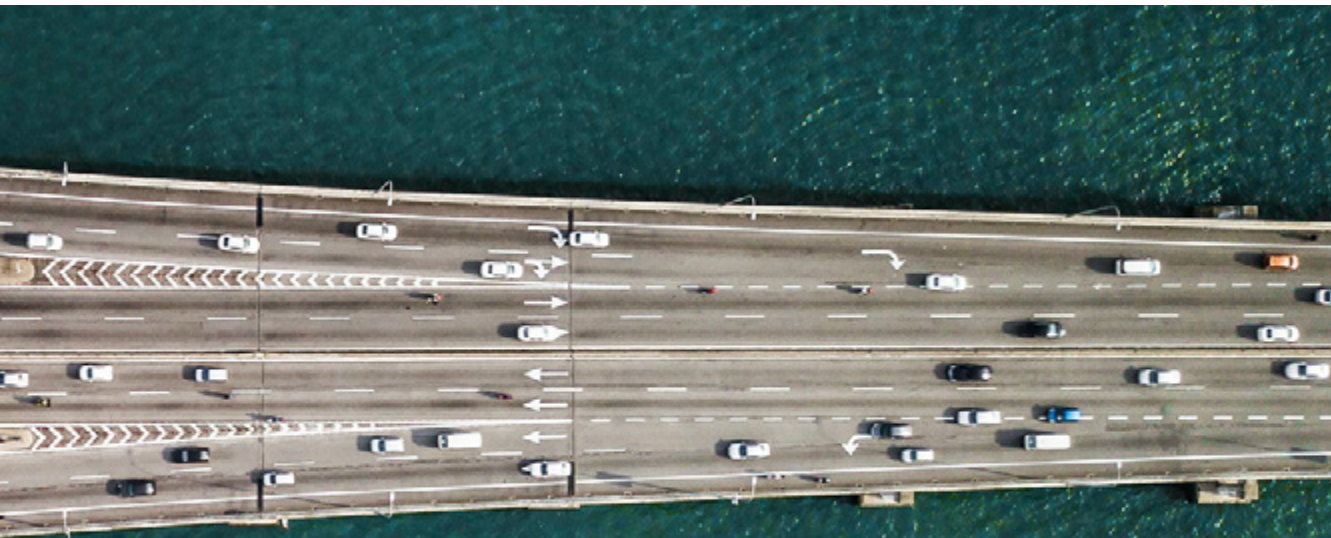
Unsurprisingly perhaps, the region’s businesses are also among the most optimistic in the world. More than 90% are more upbeat about the region’s prospects than they were a year ago, according to an HSBC survey of decision-makers in its six biggest economies³.

But consumer and business energy does not exist in a vacuum. In recent decades, at least part of ASEAN’s appeal has been its proximity to neighbouring giants; however, ASEAN’s largest export market is now itself, with intra-community trade reaching

historic levels. According to a survey of 600 businesses in ASEAN’s six core economies, 57% of firms expect their intra-ASEAN trade to increase by up to 30% this year, while a further third foresaw a higher uptick⁴. Inflows still matter. Foreign direct investment rose 5.5% to a new high of USD224 billion in 2022, surpassing China, as global levels fell⁵.

The Regional Comprehensive Economic Partnership ensures strong ties with ASEAN’s five main regional trading partners – China, Japan, South Korea, Australia and New Zealand – via the world’s largest free trade agreement, accounting for around 30% of the world’s GDP and over a quarter of global trade⁶.

In combination, these factors are set to drive the ASEAN economy to 5% of GDP growth per annum on average up to at least 2030⁷, offering opportunities to local and global businesses alike.



Visibility, flexibility, liquidity

To capture these exciting and evolving opportunities across ASEAN's strongest markets, CFOs and treasurers will need to reimagine their existing processes and practices, while adhering to first principles. In a varied and sometimes volatile business environment, it will remain important to exert control over multiple risk factors and cash flows, to establish visibility over subsidiaries, business partners and supply chains, and to maintain flexibility to account for local regulations, practices and preferences.

To this end, treasurers are turning to digital platforms for real-time cash visibility, automated payments and streamlined treasury operations, with cloud-based treasury management systems becoming indispensable for managing liquidity and risks across diverse markets.

Firms appreciating the benefits of digitised control and visibility across their ASEAN operations include IHH Healthcare, one

of Asia's largest private healthcare groups. Having grown rapidly through acquisition, the firm has adopted a centralised treasury model based on group-level policies and processes, host-to-host connectivity between banks and in-house payroll and accounting systems, and a multi-currency notional pooling structure to optimise liquidity, funding and investments. Its sharp improvements in visibility and flexibility can be measured in tangible terms, with a halving of bank accounts and an extra USD74 million to pay down debt and boost investments.

Critically, firms are looking to treasury solutions that serve multiple needs and specific contexts, such as streamlined collections services that offer a smooth customer experience as well as internal process efficiencies, by leveraging connectivity to real-time payments networks in key markets.

Digitisation, transformation, solutions

Building on a vibrant ecosystem of tech startups, e-commerce platforms and digital payment solutions, ASEAN's rapid digital transformation is reshaping traditional industries and creating new opportunities. The extent of these is reflected in the fact that Southeast Asia's digital economy is set to double to USD340 billion by 2025, on the road to surpassing USD1 trillion in 2030⁸.

Governments and regulators are creating an enabling environment for e-commerce in response to the mobile-first preferences of middle-class consumers. Authorities of various countries in the region have awarded digital banking licences, as infrastructure and regulatory roadmaps are rolled out in all major ASEAN markets, to encourage digital transformation and prompt the emergence of the next Grab, Ovo, or GoTo.



The rise of FinTech innovation presents both challenges and opportunities for treasurers, who must be able to evaluate the value of emerging digital technologies to company-wide e-commerce strategies as well as more specific treasury-focused tasks.

Foodpanda, a food and grocery delivery company operating in 11 Asian markets, has done both, implementing technology-led solutions which streamlined its bank account structure, improved liquidity visibility, control and yield, saved cost and effort through automated processing of high payment volumes, and enhanced the digital experience of clients and partners.

Key elements included the bulk execution of payments on real-time payment rails, virtual accounts that automated the identification of incoming payments from merchants, and an ongoing expansion of supported digital payment methods. Whether one considers the seamless customer experience or the USD1 million generated through the interest

enhancement solution, integration of treasury and business priorities underpinned an award-winning digitisation initiative.

An online delivery platform might be a suitable poster child for the new economy, but firms from a much wider range of sectors are realising treasury efficiencies and business benefits. These include DKSH, a market expansion services provider for companies looking to grow their business in new or existing markets in Asia and beyond, in consumer goods, healthcare, performance materials and technology.

The service provider has streamlined collections by accepting payments via a QR code scanned into a mobile device. Thanks to API connectivity, DKSH receives real-time notification of each payment while payer details and other transaction information are also embedded into the code to automate and accelerate reconciliation, which frees up customer credit lines more quickly for reinvestment into the business.

Sustainable, achievable, buildable

Whether driven by regulation, access to finance or access to markets, sustainability is emerging as a force of value creation in ASEAN.

With 11% of ASEAN GDP loss expected by 2100 if climate change is left unaddressed and having five out of 20 countries most impacted by climate change being from ASEAN⁹, the region's politicians and regulators have established the ASEAN climate vision 2050¹⁰ to ensure business and finance support the Paris Agreement, the Global Biodiversity Framework and the UN Sustainable Development Goals (SDGs).

But they're also alive to opportunity: the pursuit of carbon neutrality in ASEAN is expected to increase its GDP by up to USD5.3 trillion, attract green investments of up to USD6.7 trillion, and create up to 66 million additional jobs across the region by 2050¹¹.

The ASEAN regulators are putting in place an array of standards, strategies, plans and guidance to accelerate climate actions across the region. For example, the latest version of the annually updated ASEAN Taxonomy for Sustainable Finance was unveiled in April, setting sustainable financing and investment criteria for three out of the six focus sectors. Additionally, the ASEAN Climate Change Strategic Action Plan 2025–2030 is currently being developed, which will provide clear prioritised actions, timelines and implementation agencies to sustainably transform ASEAN as a region¹².

Aligning business models with sustainability goals will thus present CFOs and treasurers with multiple opportunities to add value to the wider organisation over the coming decades, not only on the funding and investment side, but also in terms of reporting performance to stakeholders, and liaising with customers along the supply chain to collaborate on common sustainability objectives.

With lenders and investors expecting sustainability as well as financial performance, there are increasing funding opportunities across ASEAN for firms that can meet climate- or nature-related KPIs. Similarly, corporates can develop stronger relationships with customers and suppliers through programmes that provide financial incentives for better sustainability performance, such as sustainable supply chain financing.

From a cash and payments perspective, firms in the region are already combining customer convenience and process efficiency with sustainability. HSBC developed a solution by digitising the highly labour-intensive and paper-driven process that not only improves operational efficiency, but is a major step towards being responsible in consumption and production of resources.

Challenging, compelling, connecting

Alongside the opportunities outlined earlier, ASEAN offers its fair share of challenges to treasurers and CFOs. Many risks lie in its divergent regulatory and tax regimes, while geopolitical tensions, trade disputes and other sources of disruption can never be discounted in a region of such scale and contrast.

To negotiate these hurdles and align with the future, firms should seek established, knowledgeable and innovative partners, both at the local and regional level, with a deep understanding of the dynamics of each market and a broad-based experience of connecting businesses across individual economies to connect.

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1. World Economic Forum, 2024
2. World Economic Forum, 2019
3. HSBC
4. HSBC
5. ASEAN Investment Report 2023
6. ASEAN, 2022
7. ASEAN, 2023
8. Temasek in collaboration with World Economic Forum and AlphaBeta, 2021
9. ASEAN.org, August 2023
10. ASEAN.org, June 2022
11. ASEAN.org, August 2023
12. The ASEAN Capital Markets Forum, April 2024; Institute for Global Environmental Strategies (IGES), April 2024

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Banking system and bank accounts

The State Bank of Vietnam (SBV) is the central bank and regulatory authority responsible for overseeing the country's banking sector. Other regulatory bodies such as the Ministry of Finance and the State Securities Commission also play roles in overseeing specific segments of the financial industry.

Vietnam's banking sector is dominated by state-owned commercial banks, joint-stock banks and foreign banks. The four largest banks in the country are state owned, but there is a larger tail of smaller privately owned banks. Foreign banks operate branches or subsidiaries in Vietnam, catering to both local and international clients.

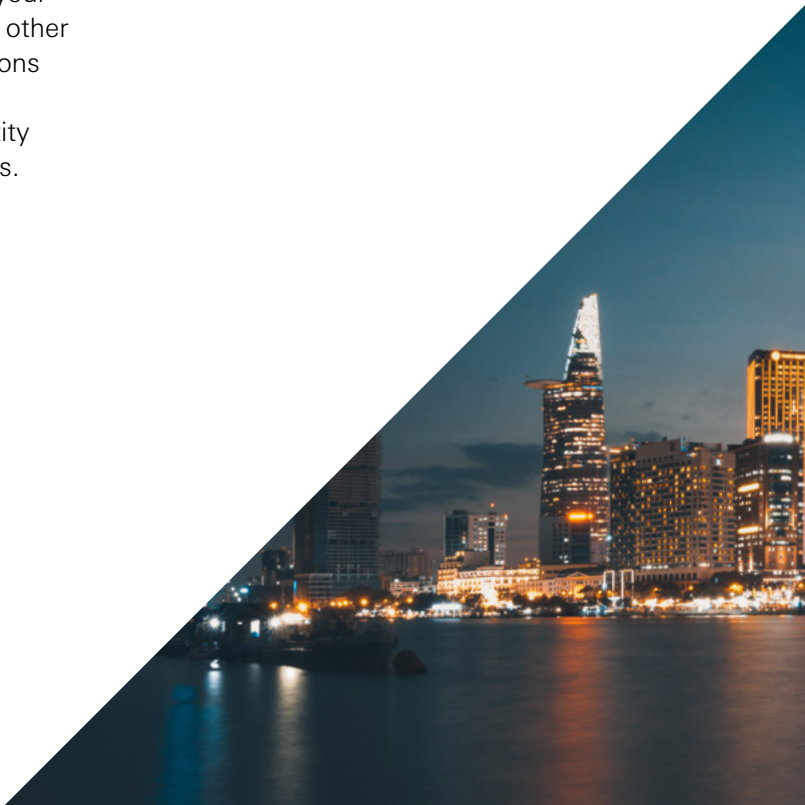
Documentation required for opening corporate bank accounts includes identification documents such as business registration, memorandum and articles of association, etc. to satisfy 'know your customer'(KYC) requirements, some other documents to serve account operations and to comply with local regulations such as account mandate with identity documents for authorised signatories.

The following types of bank accounts are currently available:

Account type	Resident	Non-resident	Credit interest
Local current	✓	✓ ²	✓ ³
Local time deposit	✓ ⁴	✓ ⁴	✓ ⁴
Foreign current	✓ ¹	✓ ⁵	✓ ⁴
Foreign time deposit	✓ ^{1,4}	✓ ⁴	✓ ⁴
Capital account	✓	N/A	N/A

These accounts are corporate accounts.

1. Foreign currency payments require supporting documents.
2. Non-resident organisations can open VND accounts but transactions are restricted and supporting documents required.
3. Subject to approval of local managers.
4. Subject to the deposit cap rate regulated by SBV from time to time.
5. Foreign currency transactions between two non-residents do not require supporting documents but foreign currency transactions between non-residents and residents require supporting documents for specific purposes as stipulated in FX Ordinance and other relevant FX regulations.



Clearing systems and payment instruments

At present, payment transactions in Vietnam are processed through several payment systems: (i) the payment system operated and managed by the SBV including electronic/paper clearance and interbank electronic payment systems; (ii) the bank card switching and clearing system; (iii) the securities clearing and settlement system; and (iv) the internal and bilateral payment systems operated and managed by the credit institutions.

The international payment transactions processed through international SWIFT and Western Union remittance services which are provided by the credit institutions directly cooperating with international payment service providers. Since 2007, the Joint Stock Commercial Bank for

Foreign trade of Vietnam (Vietcombank or VCB) has been appointed by the SBV as a clearing bank for Visa card transactions of domestic Visa member credit institutions via their accounts opened with VCB. VCB also provides payment services for Visa card transactions in domestic market. From 2012, the Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) has been appointed as the clearing and settling agent for Mastercard domestic transactions.

SBV manages and oversees the national payment system; provides payment services for commercial banks; participates in the organisation and overseeing of payment systems; and conducts the state management of payment tools.



Clearing system	Comments
Interbank electronic payment system (IBPS)	<ul style="list-style-type: none"> • Operated by SBV. • A modern, online payment system managed under international standards which is the fastest payment gateway in Vietnam with processing time not exceeding 10 seconds for one transaction. It includes three sub-systems: <ul style="list-style-type: none"> - High value settlement system (HVSS), processing payment transactions from VND500 million and gross real-time and time-critical transactions. - Low value settlement system (LVSS), implementing net settlement per session for clearing low value transactions of below VND500 million, which is not time-critical. - Settlement Account Processing System.
SBV electronic/paper clearing systems	<ul style="list-style-type: none"> • Operated by SBV. • Processes electronic and the paper clearing transactions. • Formulated prior to IBPS to accommodate payment requirements of low value transactions in 63 provinces and cities nationwide. • The paper clearing system was put in operation before the IBPS formulation. With the application of technology and computers, the paper clearing was replaced fully by the electronic clearing system in 2014.
VCB–Money	<ul style="list-style-type: none"> • Multi-currency payment system operated by VCB. • A typical interbank payment system of multi-currencies, it serves financial and economic institutions in buying and selling foreign currencies on the basis of domestic interbank market. Almost all domestic credit institutions and several foreign bank branches open accounts in foreign currencies at the VCB. • The main services are: remittance; cash out; buying/selling foreign currencies; salary; and other payment services.
Electronic bilateral interbank payment system	<ul style="list-style-type: none"> • Operated by several leading commercial banks such as BIDV, Agribank and Vietinbank. • Provides services such as money remittance, receiving and settling on the basis of bilateral clearing of non-time-critical low value payment transactions, and providing services to member institutions.



Clearing system	Comments
Bank card switching clearing and settlement system	<ul style="list-style-type: none"> • Operated by switching companies for their members. • Established and linked by two domestic card switching companies, Banknetvn and Smartlink, now named NAPAS. • Allows clients to withdraw cash or conduct payment transactions via ATM/POS at any commercial banks that are members of the switching company. • Services include domestic switching, international switching, interbank remittance and electronic payment portal.
Security clearing and settlement system	<ul style="list-style-type: none"> • Security clearing is conducted via the Vietnam Security Depository (VSD) and securities settlement payment conducted via banks • BIDV is assigned to settle for all securities transactions of Ho Chi Minh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX).

While cash remains the predominant payment method, the number of digital and mobile payments is increasing, in part driven by Covid, but also due to the greater availability of contactless smart cards and the use of QR codes. Transactions conducted through ATMs have experienced a decline, also indicating a shifting trend towards non-cash payment methods.

Non-cash transactions increased by 53.5% in volume, with internet-based transactions increasing by 88% in volume between 1Q 2022 and 1Q 2023. Mobile banking witnessed a growth rate of 65.5% in volume and 13.3% in value. QR code-based payments rose by 160.7% in volume and 43.8% in value for the same period.

Trade

As of 2023, Vietnam boasts a robust network of 16 FTAs in effect and three under negotiation, partnering with 60 economies that represent the majority of its international trade. This network, including agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Vietnam FTA (EVFTA) and the Vietnam-UK Free Trade Agreement (UKVFTA), provides Vietnam with significant competitive advantages compared to other ASEAN countries.

These agreements offer benefits such as reduced tax tariffs, improved market access and increased investment opportunities, contributing to Vietnam’s ongoing economic growth.

The US emerged as Vietnam’s largest export market, while China stood as the largest import market for Vietnam.

The textile industry stood out as one of Vietnam’s leading export sectors, with more than 6,000 companies creating employment opportunities for over 2.5 million employees. Electronics and computers emerged as Vietnam’s top export, surpassing phones and garments.

Vietnam’s growing working population will boost competition for jobs while keeping labour costs low.

Despite global economic challenges and supply chain disruptions leading to reduced demand, Vietnam experienced growth in trading activities, remaining an appealing destination for foreign investors.

	Exports	Imports
Value (2023)	USD328 billion	USD355 billion



Taxation

Highlights

- Vietnam has a progressive rate of income tax, dependent on how much you earn each year and capped at 35%.
- Social, health and unemployment insurance contributions are compulsory for Vietnamese employees and health insurance is also applicable to foreigners working in Vietnam under labour contracts. The total rates are 17.5% for employers and 8% for employees.
- Foreign contractor tax is applicable to foreign entities or individuals deriving income from business in Vietnam, regardless of whether they have a legal entity in the country. This is not a separate tax, but typically comprises a combination of value added tax (VAT) and corporate income tax, or personal income tax for the income of foreign individuals.

Corporate taxes

- The standard corporate tax rate is 20%. Preferential tax rates are available for certain projects and industries. There are also higher tax rates for particular industries, for example, oil and gas and natural resources, where the rates go from 32% to 50%.
- Taxable revenue includes income from the sale of goods, provision of services, leasing or sale of assets, joint venture operations and more. A company is generally considered to be resident in Vietnam if it is incorporated there.

Individual tax

- Residents are taxed on worldwide income, while non-residents are taxed only on Vietnam-sourced income at a flat rate of 20%. The progressive schedule for taxes caps out at 35% for chargeable income over VND960 million.



Withholding taxes

- Dividends paid to foreign corporate investors are not subject to either withholding tax or remittance tax, but dividends paid to individual investors are taxed at a rate of 5%. Royalties to foreign parties for transfer of technology, intellectual property rights and software licenses incur a withholding tax rate of 10% corporate income tax, but are exempt from VAT. Interest also incurs a withholding tax of 5% on bonds and when charged by an offshore lender in connection with the loan agreement but those provided by certain government and semi-government institutions may be exempt under tax treaties.
- Wherever a tax treaty provides for a lower corporate income tax rate and all conditions are met, the tax treaty rate applies. As Vietnam is signatory to a wide range of tax treaties, it is best to fully examine which exemptions apply for each company individually.

Wage taxes

- For tax residents, there is a unified progressive tax rate system applicable to worldwide employment income. Business income is subject to both VAT and personal income tax, with rates on revenue differing depending on business activities.
- For tax on non-residents, there is a flat rate of 20% on Vietnam-sourced employment income and Vietnam-sourced business income is taxed at 1%, 2% or 5%, depending on the business activities.

Indirect tax

- The standard rate for VAT is 10%, but there is a zero rate on exported goods and services. There's a range of other exemptions also, including international transportation, certain agricultural products, financial, medical and telecoms, education and vocational training, and others.



- Basic amenities are also subject to a lower rate of 5%, including goods and services like clean water, fertiliser, fresh foodstuffs, medical and education equipment, and scientific and technology services.
- VAT registration is compulsory for all organisations and individuals producing and trading or importing taxable goods and services. Returns are done monthly – or quarterly if annual revenue is less than VND50 billion.
- Hybrid: The hybrid method allows foreign contractors to register and pay for VAT based on the deduction method, but allows for CIT to be paid under the direct method on gross turnover. This method is permitted if the foreign contractor has permanent resident status in Vietnam or operates in Vietnam under a contract with a 182-day or greater term and maintains accounting records that follow the Ministry of Finance’s relevant accounting regulations and guidelines.

Foreign contractor tax (FCT)

- Any foreign entity or individual with a business in Vietnam or contracting with a Vietnamese party is subject to FCT and there are a number of different methods for declaring and paying this tax:
 - Deduction: If the foreign contractor is set up in Vietnam and using the Vietnamese accounting system (VAS), the amount can be deducted from total revenues. The foreign contractor will pay corporate income tax at 20% on its net profits. If you choose this method for one project, you’ll have to use it for your other projects as well.
 - Direct: With this method, VAT payments are calculated directly, based on added value and the corporate income tax payments of the contractor’s turnover percentage. The Vietnamese party must withhold and pay the taxes for the foreign contractor, in addition to submitting tax declaration and finalisation dossiers to the relevant tax agencies directly managing them.

- You should also check for any double tax agreements that may apply.

Tax incentives

- There are certain projects and sectors that are encouraged in Vietnam by a preferential tax rate of 10% and may also be subject to certain exemptions and reduction periods. These include healthcare, education, high-tech, infrastructure development, supporting industries and software, agriculture and megaprojects. It also covers projects in special economic zones or areas with difficult socioeconomic conditions.
- Incentives also apply to R&D activities and intellectual property.

Corporate Income Tax (Rate)	20%
Personal Income Tax (Rate)	5–35%
Value Added Tax (Rate)	10%



Environmental, social and governance

Net-zero goal and strategy

- At COP26, Vietnam committed to achieve net zero by 2050.
- The National Green Growth Strategy for the 2021-2030 period, vision towards 2050 set targets to reduce greenhouse gas (GHG) emissions intensity per unit of GDP at least by 15% in 2030 and by 30% in 2050 compared with the 2014 level.
- Decree No. 06/2022/ND-CP dated 7 January 2022 on mitigation of GHG emissions and protection of ozone layer mentions that the carbon trade exchange pilots will take place in 2025 and officially operate in 2028.
- The recent launch of PDP8 Implementation Plan in April 2024 provides further details on capacity planning and identify priorities for investment till 2030.

Nationally determined contributions (NDC)

- The Vietnam NDC 2022 has targeted a decrease in total GHG emissions by 43.5% compared to the business-as-usual scenario by 2030.
- Reduction in emissions will primarily come from energy, agriculture, land, land-use change and forestry (LULUCF), waste and the industrial processes sectors.

Power development plan VIII (PDP8)

- Set a target to reduce the volume of carbon emissions to 170 million tons by 2030 and to 31 million tons by 2050.

- Renewable energy will account for 30.9% to 39.2% of the energy mix by 2030 (47% if Just Energy Transition Partnerships (JETP) is fully implemented), 67.5% to 71.5% in 2050.
- No new coal-fired plants will be developed after 2030.
- Commit to building reliable 500 kV and 220 kV transmission grids to ensure sufficient capacity and ease congestion/curtailment.

Just Energy Transition Partnerships

- On 14 December 2022, JETP was signed between Vietnam and International Partners Group (IPG) for up to USD15.5 billion in funding Vietnam to accelerate renewable energy output and the phasing out of fossil fuels.
- Vietnam has launched Resource Mobilization Plan (RMP) at COP28 which will help to identify investment requirements, opportunities, measures and barriers in implementing JETP.



Vietnam taxonomy

- To enhance sustainability and achieve the above targets, Vietnam's government has revised laws and issued multiple frameworks and policies such as:
 - The revised Law on Environmental Protection 2020 provides more detailed regulations on environmental protection such as the Extended Producer Responsibility (waste treatment and recycling responsibility), new measures on reducing GHG emission and developing the carbon market, implementing an environmental audit, etc.
 - Public companies in Vietnam are required to disclose in their Annual Report their ESG performance, as well as their objectives regarding corporate sustainability. That said, reporting is considered "light" versus other sites in the region/ASEAN.
 - According to the latest Investment Law, the investment term of a project for which obsolete, environment-threatening or resource-intensive technology is utilised should not be extended.



Clearing systems holidays 2024

Holiday	Date
New Year's Day	1 January, Monday
Tet Holiday	8 February, Thursday
Tet Eve	9 February, Friday
Tet Holiday	12 February, Monday 13 February, Tuesday 14 February, Wednesday
Hùng Kings' Temple Festival	18 April, Thursday
Reunification Day (Bridge Day)	29 April, Monday
Liberation Day	30 April, Tuesday
Labour Day	1 May, Wednesday
National Day	2 September, Monday
National Day Holiday	3 September, Tuesday

Sources: General Statistics Office of Vietnam; HSBC; KPMG (Taxation); State Bank of Vietnam; Worldometers

Case study:

Guangdong Haid Group

Expert guidance and solutions for a successful entry into ASEAN

The challenge

Established in 1998, Guangdong Haid Group (GHG) has grown to become the second-largest animal feed manufacturer globally. As the leading agricultural enterprise in mainland China, GHG looked to expand into Southeast Asia in 2011 with Vietnam as the first market, setting up feedstuff production bases as well as a local sales network.

Challenges to this expansion included the differences in overseas markets and business practices, and limited support within its own network. In recent years, international trade has been filled with uncertainty, which added pressure to the company's international expansion plans.

The solution

HSBC has been in Vietnam for over 150 years and understands how the local market operates. Its dedicated, in-country, Mandarin-speaking team meant that GHG's daily operations are robustly supported on the ground.

HSBC has helped with GHG's global mandate and implementing host-to-host payments, and its digital banking solution and user-friendly HSBCnet platform connects all accounts, providing better visibility on managing cashflows.

HSBC also provided GHG with a multi-million dollar Working Capital Support Loan to support the entity in Vietnam.

HSBC solutions and capabilities



Liquidity management



Payments



Channels:
Application Programming Interface (API)



Trade



Working capital support loan



Service & implementation

The benefits

As GHG's major operating bank, HSBC holds the majority of capital accounts for the business globally. This has allowed GHG to expand into Malaysia, Indonesia and India, as well as Latin America. HSBC's compliance culture in the banking regulation field means that GHG can focus on its business, knowing there are no concerns over compliance issues.

With HSBC's support, GHG has gradually formed a local supply chain as well as developed into a leading seedstuffs manufacturer and provider in Southeast Asia.

“HSBC’s supply chain finance solutions met our diverse needs across various stages of the supply chain. Through our expansion experience in Vietnam, we have gradually tapped into the international market. Wherever our business sets foot in a new country, we always seek support from HSBC. With HSBC’s international network, we hope to bring our business all over the world.”

Bao Li Ding

Group Treasury Director, Guangdong Haid Group



Watch the video to find how HSBC supported GHG's expansion into Vietnam and beyond

Case study:

Dat Bike

Powering the new economy ecosystem with sustainability and innovation

The challenge

Dat Bike is a Vietnamese electric bike manufacturing company, founded in 2019 with the vision to transform Vietnam's vehicle market from petrol to electric focus, by creating 100% made-in-Vietnam electric bikes with enough functionality to meet the needs of most users. Its ambition is to become a leading Vietnamese manufacturer of electric vehicles, contributing to "greenifying" the USD25 billion two-wheeler market in Southeast Asia.

By the end of 2022, Dat Bike had launched three versions of electric motorbikes, successfully raised USD16.5 million, and opened branches in all three regions of Vietnam. The electronic motorbike manufacturer was looking to digitalise its financial operation and set up its initial footprint in the overseas financial market, opening up more opportunities to access foreign investment.

The solution

HSBC Vietnam helped Dat Bike to increase the automation rate by upgrading their accounting system, allowing them to create and approve a bulk of transactions with only one click, saving processing time and transacting more effectively and accurately, while minimising human errors.

In order to support the EV startup to expand its opportunities in fundraising rounds, HSBC offered one consistent platform for Dat Bike to centrally manage treasury, setting the company's strong foundation to expand to other Southeast Asian markets, starting from Singapore, the biggest investor to Vietnam in 2022 and 2023.

HSBC solutions and capabilities



Payments



Trade



Service & implementation

The benefits

Dat Bike highly appreciates the bank's flexibility and pioneering efforts in providing new solution packages to support green business. Through this partnership, Dat Bike hopes to contribute to HSBC's new economy ecosystem, thereby digitising business operations and mobilising additional capital to follow its mission of converting gasoline motorcycles into electric motorcycles in Vietnam and Southeast Asia.

As a strategic partner, HSBC will not only continue to support Dat Bike's operation and fundraising, but also provide its customers with the opportunity to access advanced EV products more easily and affordably.

The partnership was a hallmark of HSBC's Innovation Banking, which was launched in mid-2023 and includes the former Silicon Valley Bank UK, with newly formed innovation teams in the United Kingdom, the United States, Israel and Hong Kong, aiming at delivering a globally connected, specialised banking proposition to support a broad range of innovation businesses and their investors. It aims to support new economy businesses around the world, including in Vietnam, to reach high growth, connect foreign investors and access international capital through the bank's strong network, rich experience and knowledge in the finance banking industry.

“Vietnam's new economy is the fastest growing and with the highest potential in Southeast Asia. Dat Bike is a great example of a new economy corporate with its innovative, entrepreneurial mindset and sustainability strategy to bring green vehicles to Vietnam. HSBC shares the same vision in growing and supporting Vietnam to develop sustainably.”

Ahmed Yeganeh

Head of Wholesale Banking, HSBC Vietnam



HSBC cash management capabilities

Liquidity management

Physical cash pooling	✗
Notional pooling – balance contribution	✓
Notional pooling – interest optimisation	✓
Liquidity Management Dashboard	✓

Payments

Domestic payments (FCY/VND)	✓
Overseas (in/outward) remittances (online submission of supporting documents via HSBCnet)	✓
Napas 24x7 outward payments (VND)	✓
ACH bulk payments – RTP Payroll	✓
Statutory payments	✓
SWIFT GPI	✓

Collections

Overseas inward telegraphic transfers	✓
Napas 24x7 outward payments (VND)	✓
Inward domestic transfers	✓
Virtual account	✓
Receivable Management System (RMS)	✓
OMNI Collect/Portal	✓
OMNI Dynamic QR RTP	✓
Real time – receivable advising	✓

Channels

Local e-banking	✗
Global e-banking – HSBCnet	✓
SWIFT/host to host	✓
Treasury APIs	✓

HSBC trade finance capabilities

Trade payments		Guarantees	
Documentary credits	✓	Bank guarantees	✓
Documentary collections	✓	Standby letters of credit	✓
Working capital solutions		Trade channels	
Trade loan	✓	HSBCnet for trade	✓
Receivables	✓	LCRF for receivables finance	✓
Payables	✓	HSCF for supply chain finance	✓
Inventory	×	SWIFTNet trade for corporates	✓



ASEAN's international bank

With over 135 years supporting businesses in six ASEAN countries, and an extensive network across Asia and the rest of the world, HSBC provides clients with an in-depth understanding of local market dynamics, tailored advice and international connectivity.

Businesses can harness HSBC's extensive regional experience, and benefit from local insights, dedicated support and comprehensive market research for a competitive advantage in ASEAN markets.

HSBC's network across ASEAN



Our services

With a deep understanding of the region's markets and businesses, HSBC provides comprehensive financial services to support companies operating in ASEAN.



Source: HSBC Commercial Banking



Global expertise for global businesses

Expectations of, and demands on, corporate treasurers and their teams are high. As well as all the traditional functions of overseeing and being responsible for payment methods and technologies, cash visibility and optimisation, they must also be aware of changing regulatory environments and the increasing demands of ESG compliance and standards.

HSBC's broad and deep international networks connect clients to experienced, on-the-ground specialists and solutions. This extensive network helps businesses scale up, with a full suite of tailored services including access to capital, easy cross-border transactions, advisory services and more.

As the world's number one trade bank, HSBC facilitated USD850 billion in trade in 2023¹. Businesses looking for a banking partner to support international growth and enable them to explore new opportunities can rest assured that HSBC understands individual markets and how to navigate the dynamics between them.

HSBC's extensive banking network facilitates cross-border transactions. With specialist knowledge, dedicated Southeast Asia desks and ASEAN specialists in other countries, and local RMs, HSBC is an invaluable guide to assisting businesses through regulatory, cultural and economic nuances to achieve their growth potential.

HSBC's ASEAN Desk Network comprises individual specialists who provide valuable insights into local business practices, cultures and legal environments. It can also help clients identify growth opportunities and support their entry to new markets in ASEAN. These desks are available for major corridors, including China, Germany, France, the UK and the Middle East – all offering support in local languages.

Treasury cannot work alone, which is why HSBC has a suite of interconnected regional solutions for working capital, trade, liquidity and risk management, and specialist teams across Real Estate, Commodities & Structured Trade, Private Equity, Leveraged Finance and Debt Origination.





Watch the video to find out more about the HSBC Sustainability Tracker

Leading transition pathways

ASEAN countries have seen an increase in the development of policies, standards and initiatives that aim to support greater deployment of sustainable finance. In turn, there is an increased expectation for corporates to be more transparent on their sustainability targets and performance in order to enhance their access to capital.

In six key ASEAN markets, mandatory sustainability disclosure requirements have been implemented for listed companies, with some countries looking to further enhance these requirements to align with global developments. For example, the Singapore Exchange (SGX) announced in February 2024 that all listed issuers and large non-listed companies will be required to report climate-related disclosures from 2025 and 2027, respectively, in line with the

International Sustainability Standards Board (ISSB) standards².

HSBC offers a range of products, services and tools to support clients on their sustainability journey. For businesses involved in carbon-intensive industries, HSBC's Transition Pathways provides insights and solutions to help guide companies towards net zero. HSBC's Sustainability Tracker offers tailored suggestions and tangible actions that companies can implement to create a more sustainable business across their operations, energy use and products. HSBC's global network of analysts actively support dedicated coverage teams in providing key insights into the increasingly broad and fast-moving world of ESG.

Innovating for growth

HSBC gives clients the ability to trade and invest confidently, securely and efficiently all around the world, through the development of innovative new business models and the digitisation of companies' business and financial operations.

Management of the supply chain and quick responses to disruptions can impact cash flow, particularly if businesses face seasonal working capital challenges due to the cyclical nature of purchasing inventory from several suppliers. Across ASEAN, HSBC offers innovative trade finance solutions that help treasurers effectively manage and mitigate risks, improve cash flow and optimise their trade operations, through services including supply chain finance, receivables finance, trade loans, guarantees and letters of credit. In Singapore and Indonesia, HSBC TradePay, a simplified digital trade finance solution, means companies can draw down on their loan and make just-in-time payments to suppliers.

Managing transactions across markets needs simple solutions for complex trades. HSBC Omni Collect simplifies digital payment collections for in-store and e-commerce companies. Multiple payment methods become available to customers, and the business receives a comprehensive overview of all sales receipts.

Businesses can access six ASEAN accounts through HSBCnet with one login, increasing efficiency.

Access to capital is critical for business expansion, as it provides the financial resources necessary to fund growth initiatives, scale operations, penetrate new markets, innovate, mitigate risks, and attract investors and strategic partnerships. HSBC's dedicated ASEAN Growth Fund holds USD1 billion to accommodate debt financing for new economy businesses across the region that are looking to scale up³. In addition, the New Economy Fund (available in Singapore and Malaysia) provides early-stage funding to new economy businesses, while Singapore's Venture Debt offering provides debt financing to high-growth companies that are backed by venture capital or private equity investors.

Ultimately, the key to unlocking growth in ASEAN is understanding the dynamics of each market and grasping how businesses across individual economies can connect and work together. To find out more about how HSBC's network could help you to grow your business in ASEAN, please visit <https://www.business.hsbc.com/asean>.

1. HSBC
2. SGX
3. HSBC

Clients across ASEAN have benefited from HSBC's global expertise, transition pathways and innovations for growth

Vietnam



HSBC's delivery of a green loan helped finance the purchase of equipment for Vietnam's first plastics recycling factory. Duy Tan Plastics Recycling Factory will recondition used plastic bottles for further use in packaging – a step forward in Vietnam's battle against ocean pollution.

Thailand



J&T Express (J&T) is one of Thailand's top express delivery companies, delivering up to two million parcels every day. HSBC's dynamic solutions helped J&T modernise its end-to-end collections and payments processes, with a PromptPay QR solution that leverages Thailand's real time payment network. Improved user experiences for employees, customers and partners have reinforced J&T's position in a competitive market.


Singapore




When Multiplier, a global employment platform, rapidly expanded, it needed a banking partner that could help with streamlined account opening across multiple sites, timely collections, straight-through payment processing and FX hedging solutions, and that's where HSBC stepped in to provide holistic solutions to support its business growth.




The Philippines

 Manila-based Prime Infrastructure Capital Inc. is addressing the country's waste disposal problem, with a broader strategy to support sustainable development. Its subsidiary PWS turned to HSBC for a USD24.5 million Green Loan to finance a sustainable waste management facility in Cebu. Not only will the facility recover more reusable material and reduce landfill-generated emissions by doubling the daily waste processing capacity of the plant, it will also produce a lower emission fuel alternative derived from refuse and biowaste.

Malaysia

 HSBC provided Malaysia's Guan Chong Cocoa Manufacturer with its first green trade financing facility in support of sustainable cocoa sourcing. Its parent company, Guan Chong Berhad, is the fourth-largest cocoa grinder in the world and has committed to making its cocoa supply chain sustainable by supporting growers, minimising environmental impact and producing sustainable cocoa. This bespoke financing arrangement helps the business to source certified cocoa beans from farms that do not contribute to cocoa-related deforestation.

Indonesia

 Digitalisation has been a game-changer for businesses with global expansion plans. However, expanding into foreign countries can be challenging because of varying regulations and cultures. Indonesia-based aquaculture company eFishery partnered with HSBC because of the bank's knowledge of different regulations and cultures, facilitating the business's expansion into India, Singapore and the United States.

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Today we finance a number of industries that significantly contribute to greenhouse gas emissions. We have a strategy to help our customers to reduce their emissions and to reduce our own. Find out more: <https://www.hsbc.com/who-we-are/our-climate-strategy>

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