

# IT Factsheet Vietnam

Vietnam is growing rapidly as it transitions from a state-planned economy to a hybrid economy with an expanded private sector. Over the past 30 years, Vietnam's development has been remarkable. Between 1989 and 2019, GDP per capita increased by almost three times, reaching US\$ 3.416 per Capita in 2019. Vietnamese GDP grew an average of over 6% between 2010 and 2019, one of the region's fastest growth rates. The unemployment rate in Vietnam remains low, reaching 3,3% in 2020 and is expected to come back to 2,7% in 2021.



- Capital: Hanoi
- Population: 96.462.108 (2020)
- Area: 331.210 km<sup>2</sup>
- GDP in 2019: US\$329,537 million
- GDP per capita in 2019: US\$ 3.416
- Unemployment rate: 3,3%
- Total labor force in 2020: 57,7 million (62.5% of the population between the age of 20 and 64)
- Main Sectors of Industry (2020):  
Agriculture: 14% of GDP and 36% of the total workforce, Industry: 34,5% of GDP and 28% of the total workforce, Services: 41,6% of GDP and 35% of the total workforce

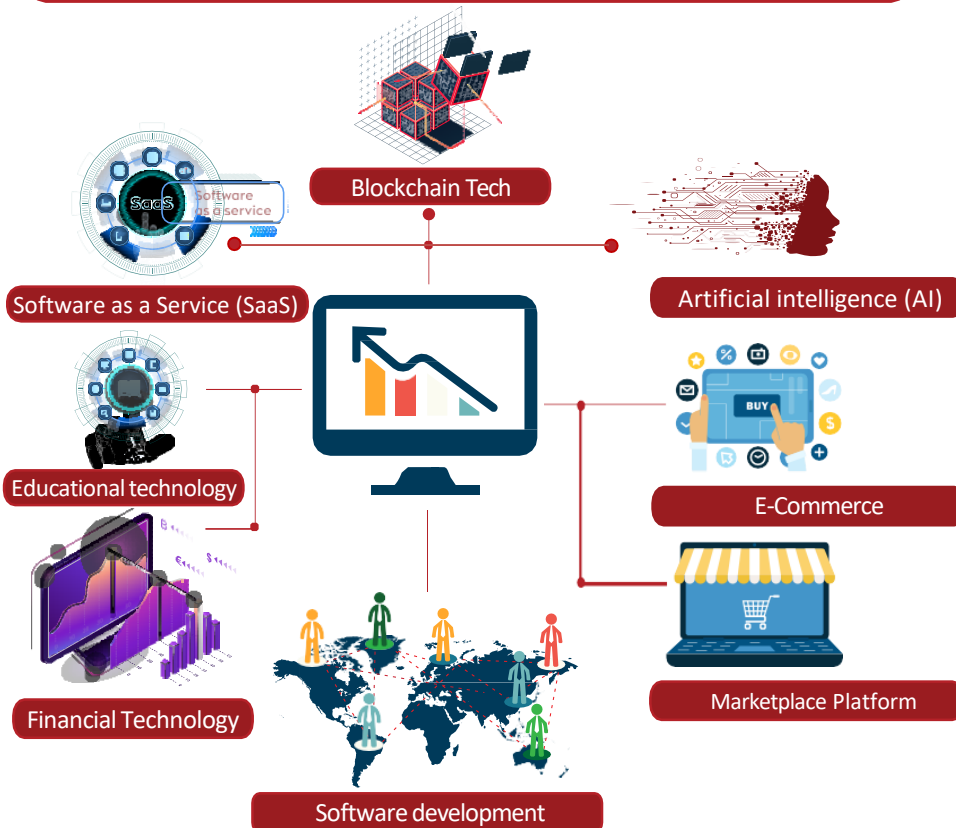
Source: World Bank, 2020.

## IT sector in Vietnam

- \$112,35 bn – ICT total revenue in 2019
- \$91,5 bn – ICT export turnover in 2019
- \$5,0 bn – Software industry revenue in 2019
- \$3,5 bn – Software export turnover in 2018
- 26,1% – ICT average annual growth (2015 – 2019)
- 13,8% – Software industry's growth rate
- 50.000+ – Businesses in ICT sector

Source: TopDEV, 2020.

## Eight directions of IT industry development in Vietnam



The service sector accounts for a growing share of Vietnam's economy, as new businesses seek services like banking and IT while consumers with rising income demand education, retail, and telecommunication-services. According to the data published by the Ministry of Information and Communications, software revenue reached US\$ 5,0 bn. The software sector is growing at an average rate of 30 per cent per year, with over 1000 companies operating within the sector, employing around 70,000 people. In recent years Vietnam has emerged as a destination for software outsourcing, competing with India, China and the Philippines.

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## Qualified Employees



More than 250 IT related University programs

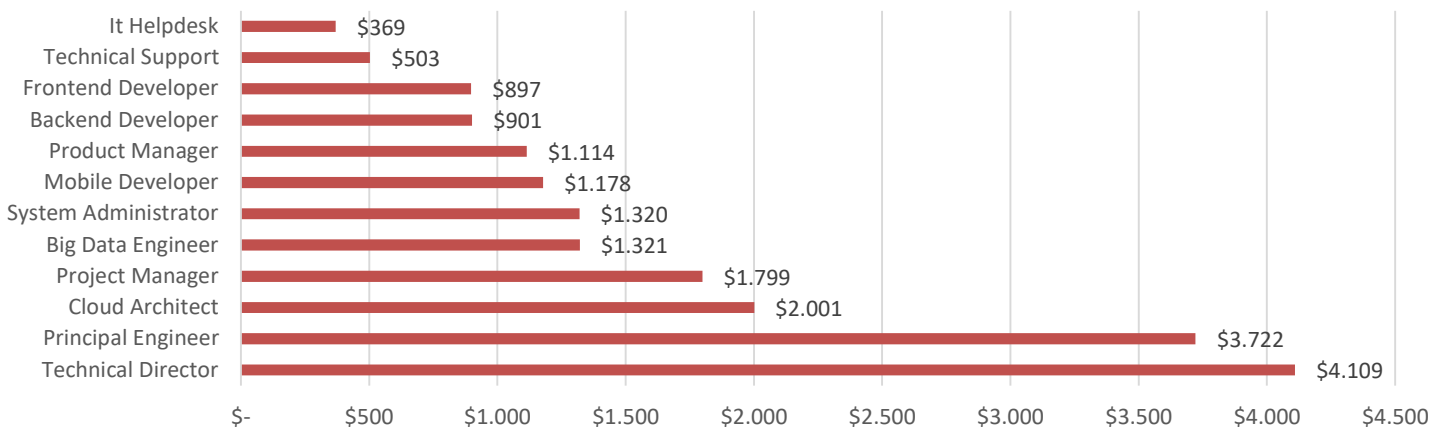
40.000 IT Graduates per year

53,2 % IT workforce aged 20 - 29

In Vietnam, there are more than 250 colleges, universities and over 180 vocational schools offering courses in the field of ICT. Every year around 40,000 students graduate annually in ICT, being prime candidates for software outsourcing companies looking for fresh talents. At present, the number of developers in Vietnam at a young age accounts for 53,2% aged 20 - 29 years old. The vast majority of developers are based in Vietnam's two biggest cities – Ho Chi Minh City (55,3%) and Hanoi (34,7%). **Source:** Saigontechnology.com, 2020

One of the main reasons for IT outsourcing to Vietnam is competitive labour costs, which are the lowest in the region. This is a significant location advantage compared to other South-East Asian Nations (ASEAN) member countries. Software development in Vietnam is around 80 per cent cheaper than in the US and costs 30% less than an Indian developer. The average salary that experienced developers get paid in Vietnam is 1329\$, according to the TOPDev IT market report 2020.

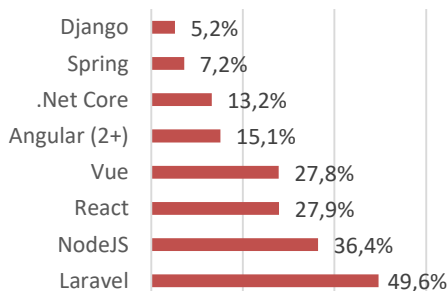
## Average salary for technology platforms for selected positions from 1,5 to 3 years of experience



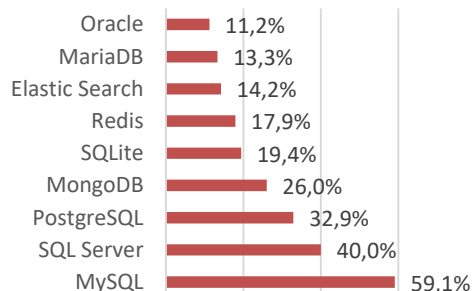
Source: Adapted from TopDEV, 2020.

## Popular Technologies in Vietnam

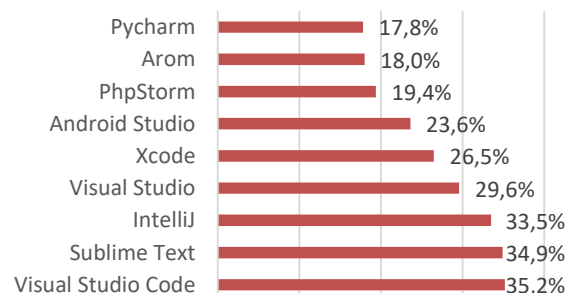
### Frameworks/Library



### Database



### IDE & Text Editor



Source: TopDEV, 2020.

## Growing ICT Infrastructure



Internet penetration in 2019 – 71% (Southeast Asia average – 64,3%)



Internet connection speed – 9.5 Mbps – faster than in the Philippines (5.5 Mbps), India (6.5 Mbps) and Indonesia (7.2 Mbps).



Ranked #21 number of broadband subscriptions



Ranked 14th globally for number of internet users (63,6 million in 2020, 75,7 million until 2023).



Vietnam is the third fastest growing smartphone market in the world

## Where And How To Identify ICT Company Partner?

### Associations

#### Vietnam Software & IT services (VINASA)

It is a national IT association in Vietnam, operating with the purpose to promote co-operation and mutual support among the members, in order to promote the development of Vietnam software industry. VINASA currently comprises more than 270 company members, most of them are leading software firms operating nationwide. VINASA member companies are employing about 65% of the total number of professional programmers and accounts for about 75% of Vietnam's software production.

[www.vinasa.org.vn](http://www.vinasa.org.vn)

### Events

#### ICTCOMM Exhibition (16-18 Jun, HCMC)

It is a platform through which businesses in the telecommunication industry are connected, their cooperate brands and products/services are effectively promoted. Besides, the exhibition is expected to contribute to the expanding international field of artificial intelligence solution.

[www.ictcomm.vn](http://www.ictcomm.vn)

#### Vietnam ICT Summit 2021 (13 July, Hanoi)

This is an annual event of leaders of organizations and businesses discussing and sharing methods and experiences of digital transformation; at the same time, introducing and connecting the implementation of effective digital transformation solutions, aiming to strongly promote the process of digital transformation throughout the Vietnamese economy.

[www.ictsummit.vn](http://www.ictsummit.vn)

### Software Parks

#### Saigon High Tech Park

It is one of the three largest National Hi-Tech Parks of Vietnam. By the end of April 2019, SHTP has granted investment certificates to 156 projects with a total investment of about \$ 7,136 billion, which is also the headquarters of 157 local and international SMEs and startups in different fields.

[www.saigonsiliconcity.com.vn](http://www.saigonsiliconcity.com.vn)

#### Quang Trung Software City

It is the first and largest software park in Vietnam and has attracted 165 IT businesses, including 5 businesses with more than 1,000 people with 250 products and solutions. It has officially become a "software city", serving 21,831 people learning and working regularly.

[www.qtsc.com.vn](http://www.qtsc.com.vn)

## Please contact us

**Prof. Dr. Utz Dornberger**

Director SEPT

Universität Leipzig

**Gunnar Kaßberg**

Fit4Export Coordinator

Phone: +49 341 97-33760

E-mail: [gunnar.kassberg@uni-leipzig.de](mailto:gunnar.kassberg@uni-leipzig.de)

**Sebastian Kratsch**

Project Manager – City of Leipzig

Phone: +49 (0) 341 123 5853

E-mail: [sebastian.kratsch@leipzig.de](mailto:sebastian.kratsch@leipzig.de)