

Opportunities in Vietnam for foreign investors

Thai Thuan Nguyen, Managing Director, VinaCapital tells Hubbis about the opportunity Vietnam represents for foreign investors.

V IETNAM IS A GROWING OPPORTUNITY for foreign investors and will continue to be at least in the near term, according to Nguyen.

According to her, all the macroeconomic factors are in Vietnam's favour. "The GDP's expected to grow in the order of about 7% per year, inflation is continued to be controlled, and the currency continues to be stable," she explains.



THAI THUAN NGUYEN
VinaCapital

In terms of the stock market, Nguyen expects that Vietnam will be admitted into the MSCI Emerging Index in the next three to four years, which will take the country's financial markets into a new stage of development.

Foreigner investors can participate in Vietnam's market in many ways, according to her. One is to open a securities brokerage account and buy stocks directly, she says, where the only caveat is the foreign ownership limit—49% for most listed companies. "Some companies that have already reached their limit are not available for other foreign investors," she explains.

Foreigners can also buy ETFs, of which there are a couple of major ETFs, one out of the US, and one out of Europe, she adds. "Three, is they can buy UCITS funds," she notes. "There's a couple of UCITS funds in Europe that invest predominantly, or exclusively, in Vietnam that foreign investors can buy."

The final option is for foreign investors to buy the locally domiciled, open-ended funds, she says. "Right now, we have over 20 mutual funds, domiciled in Vietnam, and those are all available to foreign investors, as well as domestic investors."

In terms of what sectors investors should look at, Nguyen points to the moving parts of an emerging economy. "Most of the growth is fueled by domestic consumption as an emerging economy," she says. "Domestic consumer goods products are always major stocks and major sectors for investors to participate in."

Nguyen says she is also quite positive about middle-income real estate, as the number of young people who want to own affordable homes is on the rise. "Transportation and logistics continue to be an important industry for this economy," she says, adding that a growing economy will need warehousing, roads, and waterways. ■