EXECUTIVE SUMMARY

Vietnam has the third-highest rate for startups in Southeast Asia. With accelerator programs, incubators and co-working spaces, Vietnamese cities are becoming fast-paced innovation hubs – especially Hanoi, Ho Chi Minh City and Da Nang. Today, Vietnam’s innovation ecosystem provides exceptional opportunities for Australia’s tech investors.

One factor driving this innovation ecosystem is a young population. With an average age of just 30, Vietnam’s citizens are tech-savvy and digitally active. High rates of internet connectivity and mobile penetration are driving e-commerce and enthusiasm for digital startups.

Government agencies are also contributing to growth. Central Government policies and programs are designed to help connect individuals and organisations – including overseas entities. Provincial administrations are actively supporting their own startup communities with incubators.

Meanwhile, overseas capital and enterprise are welcome. Foreign venture capital funds and international technology organisations are growing their own footprint in Vietnam’s innovation economy.

In this report, Austrade outlines the development of the innovation ecosystem in Vietnam. We identify the challenges and opportunities for potential Australian investors. And we look at who is driving change — in particular, in Hanoi, Ho Chi Minh City and Da Nang.

This report also includes research and first-hand insights from leading startups. At the back of this document, you will find a directory of some of the agencies and organisations that currently have the biggest impact on Vietnam’s innovation ecosystem.

If you have any questions, please contact the Austrade team either in Hanoi or Ho Chi Minh City. Our mission is to help Australian companies connect with potential partners. We look forward to introducing you to the one of the most creative, dynamic and fast-growing economies in Asia.

Austrade Hanoi
Australian Embassy
8 Dao Tan Street
Ba Dinh District
Hanoi
Email: vietnam@austrade.gov.au
Tel.: +84 24 3774 0300
Fax.: +84 24 3831 7757

Austrade Ho Chi Minh City
Australian Consulate-General
20th Floor Vincor Centre
47 Ly Tu Trong Street, District 1
Ho Chi Minh City
Email: vietnam@austrade.gov.au
Tel.: +84 28 3827 0600
Fax.: +84 28 3829 1656
The development of the startup community and the innovation ecosystem in Vietnam

Vietnam’s startup scene can be traced back to 2004, when venture capital fund IDG Ventures Vietnam was established, pouring more than US$100 million into the market. The fund invested in over 40 companies in tech, media, telecoms and consumer sectors across Vietnam. Since then, the startup era has evolved in three waves: The first wave (2004-2007); the second wave (2007-2010), and the third wave (2011 to the present day). Vietnam has seen phenomenal growth in the number of startups during this third wave, growing from 400 in 2012 to nearly 1,800 in 2015, and 3,000 in 2017. Today, Vietnam has the third-highest rate for startups in Southeast Asia. This recent, vibrant startup scene in Vietnam has not only attracted a growing number of foreigners who want to tap into the country’s emerging growth potential and skilled IT workforce. The Government is also readily supporting the community with various programs to develop a strong local IT workforce.

This recent, vibrant startup scene in Vietnam has not only fostered a new class of local entrepreneurs, but also attracted a growing number of foreigners who want to tap into the country’s emerging growth potential and skilled IT workforce. The Government is also readily supporting the community with various programs to develop a strong local IT workforce.

Vietnam’s startup scene has received tremendous support from the Government. In 2016, the ‘Year of Startups’ for Vietnam, Prime Minister Nguyen Xuan Phuc emphasised entrepreneurship as a key driver for economic growth and approved the ‘Supporting National Innovative Startup Ecosystem to 2025’ project, also known as Project 844, to build a platform for the sector’s growth. Since then, the community has received tremendous support from the Government. Co-working spaces, accelerators, incubators and programs for the startup community boomed in 2016. The community welcomed the launch of co-working spaces such as Toong, Up, Dreamplex, Circo, Hatch!, Nest, and HubIT. New accelerators were also launched, including Vietnam Silicon Valley (VSV) and Vietnam Innovative Startup Accelerator (VISYA), along with a range of incubators under government agencies, universities and institutes. The value of startup deals scaled new heights in 2016, reaching US$2.05 million in total transaction volume. This was mainly driven by fintech, which generated US$129 million in deal flow.4

This momentum continued into 2017, a year which saw Vietnam’s startup community grow not just in terms of quantity but also in terms of the quality of knowledge, impact and speed relative to the global community. Hundreds of millions of dollars were pumped into Vietnamese startups during this time. “2016 was a booming year, mainly driven by fintech, which generated US$129 million in deal flow.”

The Vietnamese startup community is strongly driven by the country’s three main cities: Ha Noi, Da Nang and Ho Chi Minh City:

Ha Noi: Arguably, Ha Noi is Vietnam’s best-kept secret for national startups. Many huge tech companies have been founded in Vietnam’s capital city, such as FPT, VNG, VC Corp, and Vat Gia, to name a few. The city has many programs, policies and support schemes aimed at creating a positive environment for the startup community.

Located in the centre of Vietnam, Da Nang is the powerhouse for economic growth in the central region. Although not as populated as Ha Noi and Ho Chi Minh City, Da Nang has somewhat of an edge in high-tech development. The city’s economic growth is driven by its low-cost environment, strategic location, developed infrastructure, robust engineering talent pool and Government support. Since 2012, Da Nang has rapidly built both IT infrastructure and high-tech zones to attract entrepreneurial talents to set up businesses in the city.

Ho Chi Minh City is the commercial centre of Vietnam’s economy and the biggest business hub in the country. Ho Chi Minh City has always been at the forefront of the innovation wave and startup boom, and is home to almost 50 per cent of the country’s startups.6 The key benefits for businesses located in this dynamic city are the ability to access a highly-educated workforce, a network of multinational companies, the biggest consumer market, and strong local government support for innovative entrepreneurship and tech startups. According to the Ho Chi Minh City Department of Science and Technology (DaST), tech-startups are split across the following sectors: ICT (41.1 per cent), agitech (20.13 per cent), e-commerce (16.11 per cent), IoT (8.4 per cent), food processing (6.71 per cent), tourism (3.36 per cent) and fintech (0.67 per cent).

Notes:
2. ‘Development of Roadmap for Development of All Aspects of Pre-incubation and Incubation in Vietnam for the Period 2015-2025’, Institute of Policy and Management, VNU University of Social Sciences and Humanities
4. K. McSpadden, ‘Number of Vietnam deals dropped in 2016, but were worth a whole lot more’, Yahoo News, 24 March 2017. Available at: <https://sg.news.yahoo.com/number-vietnamese-deals-dropped-2016-were-worth-whole-073608927.html> last accessed on 11 November 2018.
5. Department of Science and Technology of Ho Chi Minh City, Innovation and Startup Activities
Project 844 by the National Agency for Technology Entrepreneurship and Commercialization Development (NATEC) – Ministry of Science and Technology (MOST)

In May 2016, the Vietnamese Government issued Project 844 to build a platform to support the national startup ecosystem through to 2025. Project 844 was established in order to create a national startup portal to link policy-making agencies, ministries, localities, startup incubators, investors and startup businesses. It provides full details of the results of scientific and technological research, technologies transferred to Vietnam, and tens of thousands of domestic and foreign inventions. In addition, it includes state policies and procedures to establish startup businesses, and a list of experts and consultants. The portal is very useful in helping to promote connectivity within the national innovative startup ecosystem.

The national objectives outlined in Project 844 include:

- Building the online portal for the National Innovative Startup Ecosystem
- Developing service hubs for innovative startups under different Ministries and local governments
- Organising a national event for the startup ecosystem (Techfest) and large-scale local startup events
- Continuing to implement and expand the Vietnam Silicon Valley project
- Providing capacity building and services for startups via education and service organisations
- Developing infrastructure for startups, such as co-working spaces, prototype design labs, testing labs, and cloud services
- Promoting startup culture through a special media channel for startups on Vietnamese television and other international media
- Connecting Vietnam’s startup ecosystem with regional and international counterparts through exchange programs, study tours abroad, and inviting international startup-supporting organisations to Vietnam
- Helping to connect startups from Vietnam with international partners and investors, encouraging them to open international representative offices
- Encouraging the use of science and technology development funds in Ministries, local governments and enterprises to support innovative startups through means of loans, grants or investment
- Reviewing existing legislation and proposing necessary updates or new legal documents to promote an innovative startup environment.

The project is divided into two main phases: up to 2020; and from 2020 to 2025

- By 2020, the project aims to finalise the main legal framework for the startup ecosystem; launch the online portal for the National Innovative Startup Ecosystem; and support 800 startup projects, including 200 startup enterprises. Of these startups, 50 should have successfully raised follow-on investment from private venture investors or undergone mergers and acquisitions with a total value of around VND1,000 billion (about US$45 million).
- By 2025, it is expected that the project will have supported 2,000 startup projects and 600 startup enterprises. Of these startups, 100 should have successfully raised follow-on investment from private venture investors or undergone mergers and acquisitions with a total value of around VND2,000 billion (about US$90 million).
State funding will only be provided to support startups in their initial stages. Subsequently, support from private investors and organisations will play a vital role in ensuring the efficiency and sustainability of the startup ecosystem in Vietnam.

At the city level, local governments are very active in promoting and supporting their startup communities. In each city, local administrations have delivered noteworthy initiatives of their own.

**Ha Noi:**

As recently as September 2018, the People’s Committee of Ha Noi approved the ‘Support for Startup Business Development from 2018-2020’ project. Accordingly, a fund of VND73 billion (about US$3 million) has been committed to supporting local business innovation and startups. The scheme is designed to foster a favourable production and business environment, and to promote entrepreneurship and innovation. By 2020, the city aims to have established 400,000 new businesses and supported the development of 200 innovative startup enterprises.

“By 2020, the city aims to have established 400,000 new businesses and supported the development of 200 innovative startup enterprises.”

**Da Nang:**

In 2012, the People’s Committee of Da Nang issued Decision 08/2012 to support the technological innovation activities of the city. The Decision is designed to increase and master technology transfer, improve reception technology, and, at the same time, mount research and development activities to support businesses to embrace new technology, improve productivity and quality, and increase product competitiveness.

In 2015, Decision 9098 on the ‘Development of Startup Da Nang in 2016’ program was approved. Accordingly, the city developed a business incubator and compiled training materials for startups along with training curricula for mentors and members of the startup club. The city has also set up mechanisms and funds to support startups, and built connections between venture investors and investments with business incubators in universities, colleges, training institutions, and startup projects in Da Nang.

Thanks to early investment in technological innovation, the city has achieved significant milestones in terms of technology investment. Da Nang was one of 33 cities worldwide to receive an IBM Smarter Cities Challenge grant in 2012. The city has also topped Vietnam’s ICT Index for ten consecutive years. This indicates the city’s readiness to accelerate high-tech entrepreneurial activities, despite its relatively small population. In short, Da Nang’s infrastructure is better suited to the next wave of innovation growth compared to other cities.

The People’s Committee of Da Nang has also implemented a wide range of initiatives to boost startup communities. Since 2016, Da Nang has hosted many regional startup events to showcase its capabilities and foster the startup ecosystem, including a Startup Fair and Surf–Da Nang Startup Wave. In 2016, the city established the Da Nang Entrepreneurship Support Company (DNES), a US$1.3 million incubator, to run incubation programs. This incubator aims to support startups through its investors and partnership with local universities for skills development programs. DNES is the first business incubator operating under the public-private partnership model.

“Since 2016, Da Nang has hosted many regional startup events to showcase its capabilities and foster the startup ecosystem.”

---

Ho Chi Minh City: SIHUB was inaugurated in 2016, creating a co-working space to support the development of the local startup community. SIHUB’s mission is to support initiatives for innovation and startup businesses, acting as a catalyst and enabling the local government to provide a public platform for startup enterprises. SIHUB’s strategy and activities are in line with the city’s key industrial sectors: Food processing, electronics and IT, and mechanical engineering.

Also in 2016, the People’s Committee of Ho Chi Minh City signed Decision 5342 to provide support and incentives to innovative startups. Under this policy, individuals, groups and startup businesses with projects related to the city’s priority fields will receive a support fund of up to VND2 billion (about US$90,000) over a two-year period.7

In 2017, the Ho Chi Minh City DOST started SpeedUp, a fund of VND11.75 billion (about US$535,000), to invest in 14 startups all over Vietnam.

“The Ho Chi Minh City designed a four-year program (2016-20) to develop a startup ecosystem supporting small and medium enterprises with competitive capacity and global integration.”

The Government of Vietnam’s priority sectors

The Vietnamese Government has identified four key priority industries for Vietnam by 2050, including:

- Emerging technologies (AI, robotics and smart system)
- Education and training
- High-tech agriculture and food processing
- Green energy, environment, health & tourism.

Of these four industries, emerging technologies are the most important. They support the growth of other sectors, and set the tone for Vietnam’s ecosystem development.

Among the emerging technologies, interest in blockchain is growing rapidly. Indeed, Vietnam has the potential to become Southeast Asia’s blockchain innovation hub.8 Meanwhile, fintech has become an increasingly attractive sector. It has shown remarkable growth figures, with a total investment of US$129 million in 2016.9 Payment systems still account for the largest pool of fintech startups.

Emerging technologies (AI, robotics and smart system)
- Education and training
- High-tech agriculture and food processing
- Green energy, environment, health & tourism.

Priorities vary slightly, depending on each individual city’s inherent resources and capacities:

- The local government in Da Nang is focused on boosting growth in tourism, high-tech industries (ICT and software development), and the logistics sector. Thanks to a long-term focus on IT infrastructure, the central city has become a magnet for IT investors, both domestic and foreign. IT development has helped Da Nang to secure top position in the Vietnam ICT Index for the 10th consecutive year in 2018. Having more than 800 IT firms in operation has generated substantial export revenue for the city. In order to maintain its leading position in the ICT sector, the Da Nang Government is continuing to upgrade its IT infrastructure to lure more domestic and international investors.
- In Ho Chi Minh City, priority sectors include high-tech (i.e. precision engineering and automation), micro-electronics, IT, telecommunications, biotechnology applied to pharmaceuticals and the environment, new materials, new energy, nanotechnology, agritech, edtech, IoT and food processing.

Ho Chi Minh City has much to offer, including dynamic business opportunities, fast-growing and receptive consumer markets, an open culture and a strong business mentality. Understanding its advantages and potential, the Ho Chi Minh City People’s Committee has been very active in promoting and supporting the local startup community, issuing various policies and programs and setting up key organisations in the ecosystem. The city is striving to become Vietnam’s urban startup centre with the establishment of 500,000 enterprises by 2020.

Accordingly, Ho Chi Minh City designed a four-year program (2016-20) to develop a startup ecosystem supporting small and medium-sized enterprises to enhance their competitive capacity and global integration. The program’s core goal is to encourage innovative startups via scientific research and development. In an effort to realise this goal, the city established Saigon Innovation Hub (SIHUB), administered by DOST.


Over the past three years, the Vietnamese Government has successfully established key organisations and agencies which serve as fundamental platforms to support the ecosystem. There are two notable national agencies:

- National Agency for Technology Entrepreneurship and Commercialization Development (NATEC). This is a platform under MOST aiming to provide training, mentorship, business incubation, acceleration and financial aid to new startups.
- National Technology Innovation Fund (NATIF). Half of the fund capital in this program is allocated to science and technology research carried out by enterprises, with the other half used to provide preferential loans and/or guarantee commercial loans.

In terms of a national accelerator, Vietnam Silicon Valley (VSV) was established in 2014 as the first official premier accelerator in Vietnam. Operating under MOST, it is designed to provide acceleration programs for early-stage startups. The inauguration of VSV helped to address challenges that local startups had been facing. In particular, it is a tailored program to support growing startups in terms of leadership, business model development, market entry, product-market fit and fundraising. These missions are delivered through initiatives including a four-month VSV Bootcamp, the Startup 101 program and VSV Corner.

The Government has also revised a number of laws to support local startups:

- In June 2017, the Law on Technology Transfer was revised to promote technological advances and the commercialisation of technologies such as AI, IoT, edtech, O2O, e-commerce, fintech and agritech.
- A special tax scheme was also approved to provide the following incentives for eligible startups:
  - Businesses operating in the high-tech sector and/or in high-tech zones are eligible for preferential tax rates of 10 per cent and 17 per cent for 15 years and 10 years, respectively, as opposed to the regular rate of 20 per cent. Investors may also be eligible for additional tax holidays.
  - A four-year tax exemption and a nine-year, 50 per cent reduction for those qualifying for the 10 per cent Corporate Income Tax rate.
  - A four-year tax exemption and a five-year, 50 per cent reduction for those operating in certain areas.
  - A two-year tax exemption and a four-year, 50 per cent reduction for those operating in certain areas or in some industrial zones.
  - For R&D projects, 10 per cent of businesses’ annual profits can be placed into a tax-deductible fund before tax is levied.

In terms of global exchange programs, over the past two years Vietnamese startups have had a wide range of opportunities to meet with global partners from Korea, Japan, Taiwan, Hong Kong, Thailand, the U.S., Israel, Finland, Singapore, and others to exchange knowledge on AI, IoT, edtech, O2O, e-commerce, fintech and agritech.
Challenges facing Vietnam’s innovation ecosystem

Startups in Vietnam have great potential to grow, however, the community also faces a number of challenges. Most local startups are small in scale, at seed stage, have limited ability to make a breakthrough, and are in need of further incubation. Some of the prominent challenges currently faced by startups in Vietnam are:

Ability to access finance: In 2016, the major financial sources of domestic investors came from three major venture capital firms: IDG Ventures Vietnam, Cyber Agent, and DFJ VinaCapital. Altogether, they invested over US$120 million in funding and consulting for several brands. However, it is hard to convince local investors to take risks and invest in early-stage startups. More often than not, these startups have to bootstrap at the beginning. While early-stage startups may rely heavily on funding from angel investors, this type of investor is new to the scene and has not had much impact in the community to date.

Talent and entrepreneurship skills: Most qualified and talented entrepreneurs are foreign-educated, often in Western countries. These entrepreneurs are usually Vietnamese who have returned to their home country to establish a business. However, those who stay in Vietnam are often not given enough quality training in business, making it more difficult for them to start and run a successful company.

While local startups create very good technologies, there is a lack of skills in business and entrepreneurship. Although Vietnam is in the top three in Southeast Asia in terms of number of startups, not many of these enterprises are equipped with the necessary skills to develop a sustainable business model, or to pitch for projects. As a result, many local startups have limited opportunities to connect with the regional ecosystem.

R&D capabilities: Significant improvement is needed in the current science, technology and innovation capabilities of Vietnam. The national innovation system is in a nascent, fragmented state, and R&D is still a peripheral activity both in business and the public sector. Stronger innovation capabilities are essential for enterprises to better position themselves, and the Government needs to invest more and support the development of advanced technological capabilities, including R&D.

Fragmented ecosystem: Despite increasing support from the Government, the ecosystem still operates in a silo. To increase efficiency, there needs to be more cooperation among different stakeholders, broader institutional capacity building, and support from the Government in terms of incentives, access to financial resources and simplified Government administration.

Intellectual Property (IP) issues: The country also needs to enhance its legal framework around protecting IP. Vietnam is a member of the World Trade Organization and World Intellectual Property Organization, and the country’s IP legislation covers most aspects of IP protection required by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

However, Vietnam needs to strictly enforce the provisions of these agreements, and the Government should do more to raise awareness of the importance of IP issues to Vietnamese startups. Vietnam has been on the “IP” Watch List in the United States Trade Representative’s Special 301 Report for over a decade, and remains so in 2018.
THE FUTURE OF VIETNAM’S INNOVATION ECOSYSTEM

Potential for growth

Vietnam is the third-largest consumer market in Southeast Asia. The population has reached 96 million while the average age is just 30. The country’s young, growing population will be the next generation of consumers and will bring significant opportunities for entrepreneurs tapping into this emerging market. The country is also well connected, with over half the population having access to the internet and more than a third using smartphones.

From the perspective of the startup community, this growing population of young coders, engineers, and entrepreneurs – part of a new generation driving economic growth and technological innovation – defines the market. At the early stages of the first wave of startups, Vietnam had barely any IT companies but now there are close to 14,000 IT businesses spanning hardware, software, and digital content.

The population structure shows huge potential for the growth of technology sectors. Among Vietnam’s 96 million people, 67 per cent are internet users, 57 per cent are active social media users, and 73 per cent are unique mobile users. The speed of growth in Vietnam is particularly fast – with the annual percentage of internet users increasing 28 per cent (equivalent to 14 million people). Meanwhile, active social users recorded 20 per cent growth.

Moreover, Vietnamese attitudes toward technology are very positive and a source of great potential: 61 per cent of people believe that new technologies offer more opportunities than risks, and 63 per cent prefer to complete tasks digitally whenever possible. This bodes well for new product ranges focusing on the consumer segment.

The Vietnamese Government sees the technology sector as the linchpin of the country’s economic growth. Vietnam has invested heavily in many high-tech parks, including Quang Trung Software City, Hoa Lac High-tech Park, Saigon High-tech Park, and Da Nang Hi-tech Park. The Government has also passed economic policies encouraging both domestic and international entrepreneurs to start businesses.

In general, Government policy is quickly changing in favour of investment. While the Government previously had a laissez-faire attitude toward local and foreign startup investment, they are now taking a more active role to encourage funding and provide tax breaks and other incentives for investment.

These factors make Vietnam an exciting destination for foreign business in the tech era. MOST runs the annual Techfest conference, which has been a huge success since it was first held in 2015. The conference attracted hundreds of foreign investors and achieved a US$1.5 million investment fund. In 2017, the conference wrapped up with an investment commitment worth US$45 million.

The local startup community is growing strongly throughout Vietnam’s main cities and foreign investment is expected to rise with the new government incentives. More and more graduates are also choosing to seek venture capital funding to launch startups. In short, Vietnam has all the necessary ingredients for an explosion in innovation: A young, educated population and a sizable returning diaspora serving as a catalyst.

Challenges

Australian exporters and investors may encounter a variety of challenges:

- The Vietnamese startup ecosystem can be relatively difficult to navigate for foreigners who are new to the market given its fragmentation and lack of transparency.
- While the e-payment sector offers huge potential, it has already been occupied by a large number of players (27 organisations have been granted licenses to operate in this space in Vietnam) and therefore can be hard to crack. There is also a high chance that Chinese players will target the Vietnamese market; early indications of this can be seen in Chinese investment recently pouring into the e-commerce market in Vietnam.
- The skills gap in the country is significant. The burning question for the ecosystem is: “How do we train startup founders in Vietnam to think beyond just Vietnam?” Some of matters that need to be addressed include: developing leadership skills; cultivating an entrepreneurial mindset; lifting language barriers; and sharpening soft skills. In terms of skills development, Australia is in a great position to help facilitate this.
- Regarding ‘smart cities’, companies often look to work with central/local government in their smart city and urbanisation master plan. In reality, it is difficult for new companies to enter this market. Master plans for key smart city projects across Vietnam are underfunded and at times lack the overarching coordination and frameworks needed to put ideas into practice. Working directly with systems integrators assisting provincial or city authorities in designing and implementing smart city frameworks is the most likely pathway to entry.
- Blockchain technology will be significant in the future. Blockchain and fintech seem to be highly promising, though penetrating the market in this field can be a challenge. Tuly innovative fintech startups with a problem-solving focus will have a better chance of winning new business.

What does it mean for Australia?

- Vietnam needs to start entrepreneurial development in the early stages of the learning process. At the later stages of education, Vietnam needs strong R&D capabilities. Those needs offer huge opportunities for educational development and collaboration.
- Vietnam as a regional hub: According to Jeff Diana, Chief People Officer of Atlassian, the first Australian tech unicorn, “Vietnam is quickly becoming an investment and tech hub for local and international enterprises, and Ho Chi Minh City is at the heart of this transformation...The industry is still fairly nascent here, but we are starting to see the market mature from either packaging software or outsourcing to a product environment. This is leading to an increase in startups focused on e-commerce and product development.”
- Edtech and opportunities for online courses: Topica Edtech Group, a leading online education provider in Southeast Asia founded by Bobby Liu, believes that there are tremendous opportunities in Vietnam, particularly for the edtech market, which will be worth US$250 billion by 2020. In a meeting with Austrade, Mr Liu discussed the opportunities for online courses, especially in subjects like hospitality and software architecture, where Australian education and training is highly regarded. In his view, the ASEAN Economic Community and its regional labour mobility policy is a demand trigger. Having internationally recognised qualifications will be a regional passport to neighbouring countries. And with edtech as the catalyst, he sees strong potential for growth in online courses.
- Access to a pool of highly-skilled programmers with reasonable labour costs: Across Vietnam, hundreds of well-trained IT and software engineering students graduate each year. Many are recruited right out of school by companies like Cisco, Fujitsu, HP, IBM, Intel, LG, Samsung, Sony and Toshiba.
- Opportunities to tap into the agriculture feeding Vietnam’s 96 million people: The amount of land under agricultural production in Vietnam is huge (around 12 million hectares) and the country has a significant proportion of its population engaged in agricultural work. This offers ample opportunities for startups in agitech. According to Mr Dam Quang Thang, Adviser for the National Startup Program, there are several favourable factors supporting the growth of agitech startups.

Firstly, agriculture in Vietnam has come under pressure over the years from over-exploitation, salt-water intrusion, erosion, and land pollution. As a result, the sector is now crying out for high value-added, high-yield produce. Many startups have been established to address these problems, yet only a few have been successful to date.

Secondly, Vietnam’s growing middle class has driven demand for safe food and organic products. Traceability and high quality can be efficiently achieved with high-tech solutions. Some Vietnamese startups have applied new technologies to the supply chain; however, the success rate is not overwhelming.

In the early stages of its development, the Vietnamese startup ecosystem can be relatively difficult to navigate for foreigners who are new to the market given its fragmentation and lack of transparency. There is also a high chance that Chinese players will target the Vietnamese market; early indications of this can be seen in Chinese investment recently pouring into the e-commerce market in Vietnam.

Regarding ‘smart cities’, companies often look to work with central/local government in their smart city and urbanisation master plan. In reality, it is difficult for new companies to enter this market. Master plans for key smart city projects across Vietnam are underfunded and at times lack the overarching coordination and frameworks needed to put ideas into practice. Working directly with systems integrators assisting provincial or city authorities in designing and implementing smart city frameworks is the most likely pathway to entry.

Blockchain technology will be significant in the future. Blockchain and fintech seem to be highly promising, though penetrating the market in this field can be a challenge. Tuly innovative fintech startups with a problem-solving focus will have a better chance of winning new business.

What does it mean for Australia?

- Vietnam as a regional hub: According to Jeff Diana, Chief People Officer of Atlassian, the first Australian tech unicorn, “Vietnam is quickly becoming an investment and tech hub for local and international enterprises, and Ho Chi Minh City is at the heart of this transformation...The industry is still fairly nascent here, but we are starting to see the market mature from either packaging software or outsourcing to a product environment. This is leading to an increase in startups focused on e-commerce and product development.”
- Edtech and opportunities for online courses: Topica Edtech Group, a leading online education provider in Southeast Asia founded by Bobby Liu, believes that there are tremendous opportunities in Vietnam, particularly for the edtech market, which will be worth US$250 billion by 2020. In a meeting with Austrade, Mr Liu discussed the opportunities for online courses, especially in subjects like hospitality and software architecture, where Australian education and training is highly regarded. In his view, the ASEAN Economic Community and its regional labour mobility policy is a demand trigger. Having internationally recognised qualifications will be a regional passport to neighbouring countries. And with edtech as the catalyst, he sees strong potential for growth in online courses.
- Access to a pool of highly-skilled programmers with reasonable labour costs: Across Vietnam, hundreds of well-trained IT and software engineering students graduate each year. Many are recruited right out of school by companies like Cisco, Fujitsu, HP, IBM, Intel, LG, Samsung, Sony and Toshiba.
- Opportunities to tap into the agriculture feeding Vietnam’s 96 million people: The amount of land under agricultural production in Vietnam is huge (around 12 million hectares) and the country has a significant proportion of its population engaged in agricultural work. This offers ample opportunities for startups in agitech. According to Mr Dam Quang Thang, Adviser for the National Startup Program, there are several favourable factors supporting the growth of agitech startups.

Firstly, agriculture in Vietnam has come under pressure over the years from over-exploitation, salt-water intrusion, erosion, and land pollution. As a result, the sector is now crying out for high value-added, high-yield produce. Many startups have been established to address these problems, yet only a few have been successful to date.

Secondly, Vietnam’s growing middle class has driven demand for safe food and organic products. Traceability and high quality can be efficiently achieved with high-tech solutions. Some Vietnamese startups have applied new technologies to the supply chain; however, the success rate is not overwhelming.

In the early stages of its development, the Vietnamese startup ecosystem can be relatively difficult to navigate for foreigners who are new to the market given its fragmentation and lack of transparency. There is also a high chance that Chinese players will target the Vietnamese market; early indications of this can be seen in Chinese investment recently pouring into the e-commerce market in Vietnam.

Regarding ‘smart cities’, companies often look to work with central/local government in their smart city and urbanisation master plan. In reality, it is difficult for new companies to enter this market. Master plans for key smart city projects across Vietnam are underfunded and at times lack the overarching coordination and frameworks needed to put ideas into practice. Working directly with systems integrators assisting provincial or city authorities in designing and implementing smart city frameworks is the most likely pathway to entry.

Blockchain technology will be significant in the future. Blockchain and fintech seem to be highly promising, though penetrating the market in this field can be a challenge. Tuly innovative fintech startups with a problem-solving focus will have a better chance of winning new business.

Fintech and Vietnam’s drive towards financial inclusion: Vietnam has one of the lowest bank penetration rates in ASEAN (with just 30 per cent of adults having a bank account and 3.8 bank branches per 100,000 people). However, the country’s high digital readiness (individual Internet user rates stand at 47 per cent, mobile subscriptions at 128 per cent and smartphone penetration at 36 per cent), means that Vietnam has high potential for fintech innovation to help achieve financial inclusion.

Opportunities for fintech startups are in e-KYC (Know Your Customer), SME lending, wealth management and payment solutions, with payment being the most crowded space for local fintech startups. In addition, with total insurance penetration standing at only 1.7 per cent of GDP (life and non-life) and life insurance penetration at only 7 per cent, insurtech is another area of potential commercial opportunity.

Finally, cybersecurity solutions have become an increasingly important requirement as financial services organisations are moving toward the digitalisation of their products and services. Vietnam will benefit from high-quality cybersecurity solutions to ensure data privacy and protection. The State Bank of Vietnam is working towards building a regulatory framework to enable better fintech development in Vietnam.

Medical technologies and digital health opportunities: Vietnam is witnessing an increased demand for higher-quality and more cost-effective healthcare services. The main drivers of this trend are economic and population growth and a rising middle class (Vietnam has seen average annual GDP growth of 6.6 per cent in the last decade and over half of the country’s 96 million people are forecast to enter the middle class by 2035) as well as an increased prevalence of chronic disease.

To address these issues, telemedicine and the application of advanced technologies such as big data and artificial intelligence in preventative healthcare, medical diagnosis and treatment have begun to be utilised. Ministry of Health is driving a national agenda towards smart healthcare systems with the rolling out of electronic medical records in 2019. Digital health solutions including cybersecurity, health information systems and cloud solutions are required. Foreign startups may consider partnering with local players to better penetrate and capture this market.
1. Vietnamese Government Agencies

Department of Science and Technology (DOST) of Ho Chi Minh City
Website: www.dost.hochiminhcity.gov.vn

DOST is the Government department responsible for Ho Chi Minh City’s administration of science and technology activities, and the development of science and technology potential. DOST is under the umbrella of Vietnam’s Ministry of Science and Technology (MOST) and is also responsible for the development of Ho Chi Minh City’s startup community and innovation ecosystem.

National Agency for Technology, Entrepreneurship and Commercialization Development (NATEC)
Website: http://natec.gov.vn

NATEC is a national platform under MOST to promote the startup economy in Vietnam by providing training, mentorship, business incubation & acceleration, and financial aid to new startups and enterprises. In 2013, NATEC was assigned by MOST to assist in the implementation of a technology commercialisation project, which follows the Silicon Valley model in Vietnam.

NATEC is the first point of contact for Government and industry surrounding entrepreneurship. The agency runs the National Startup Ecosystem Support Project, which aims to:

› Develop policies and official programs to support an innovative startup ecosystem. The most successful program is TechFest, the national event for startup and technology communities

› Build an online portal in order to provide and centralise information and services for the startup community

› Promote startup culture and raise awareness about startups and entrepreneurship through communications and education

› Enhance networking and connect Vietnam’s startup ecosystem with the world

› Hand-pick and invest in supporting agencies for startups, such as business incubators/accelerators, and/or co-working spaces

› Provide capability development and training for innovative startups

› Develop infrastructure for the startup community

› Encourage existing funds to support the startup community
2. Government funded organisations

**Da Nang Entrepreneurship Support (DNES)**
Website: http://dnes.vn

DNES is a Da Nang-based incubator focused on helping seed-stage startups to take off and creating a startup ecosystem for Da Nang. DNES’s activities fall under three pillars:

- **Incubation**: The incubator provides hands-on support with learning, office space, mentorship and networking opportunities. Selected startups participate in a program focused on fundamentals such as product-market fit, go-to-market, HR and fundraising. DNES features a co-working space as a creative, collaborative shared workspace in which entrepreneurs can work and connect. Most service users are Vietnamese, and around 80 per cent of its client base are local digital workers, freelancers or startups.

- **Community building**: Training workshops, masterclasses, talk shows, competitions, startup fairs and networking events.

- **Investment**: Future investment, equity and deal flow.

**Saigon Innovation Hub (SIHUB)**
Website: http://web.sihub.vn

SIHUB is the Ho Chi Minh City Startup and Innovation Support Centre administered by the Ho Chi Minh City DOST. The centre was established to assist Ho Chi Minh City in its efforts to develop into a startup and innovation city. Its role is to function as a centre of connectivity for activities of the startup and innovation communities. Through SIHUB, the Ho Chi Minh City DOST is able to direct, coordinate and share public resources for the startup community.

SIHUB aims to integrate domestic and international resources to boost Vietnam’s economic development by focusing on measures to promote international integration, startups and innovation. By 2018, SIHUB had established ties with the innovative and startup communities in South Korea, Malaysia, Germany, Thailand, Finland, the USA and Taiwan.

In its strategic program to 2020, SIHUB announced ten programs designed to connect local startups with international partners. The ten programs are Global Partnerships, Global Strategic Alliances, Global Events, Global Education, Global Research, Global Entrepreneurship, Global Social Impact, Global Culture, Global Policy and Global Think Tank.

3. Government funded programs

**Innovation Partnership Program (IPP)**
Website: www.ipp.vn/en

The Vietnam–Finland IPP is an Official Development Assistance program financed jointly by the Governments of Vietnam and Finland. IPP is in its second phase (IPP2), running from 2014 to 2018, with a budget of €11 million. IPP supports Vietnam’s overall goal of becoming an innovation-driven knowledge economy. The program’s objective is to create lasting impact in the Vietnamese innovation ecosystem by supporting the scale-up of practices tested on the ground for entrepreneurship and innovation training in universities, financing innovative companies and creating cross-border business.

IPP targets long-term benefits for the Vietnamese economy and innovation system. The program works with key national and international partners to scale-up practical innovation and entrepreneurship training. IPP also improves local support mechanisms and programs for new, innovative Vietnamese companies. It connects key actors in the ecosystem to build a strong foundation for Vietnam’s next-generation entrepreneurs and promotes innovation and business partnerships between Vietnam and other countries, particularly Finland.

**Mekong Business Initiative (MBI)**
Website: www.mekongbiz.org

MBI is a development partnership between the Asian Development Bank and the Australian Government to accelerate innovation growth in Cambodia, Laos, Myanmar, and Vietnam. MBI’s philosophy is that sustainable business growth needs to be catalysed by innovation, flexibility, and a willingness to take risks. MBI’s operation falls under three pillars:

- **Business advocacy**: MBI partners with enterprises to advise governments to formulate policies that encourage entrepreneurship.

- **Access to finance**: MBI collaborates with financial service providers to explore opportunities in alternative finance, including venture capital, angel investment, and fintech.

- **Support for innovation**: MBI promotes business incubators and accelerators, pilots innovative business models, and increases knowledge bases.

MBI’s Innovation Challenge promotes the incubation and acceleration of enterprises by helping startups to access a larger pool of resources. In addition to assisting startups to access finance, MBI supports mentorship programs to help startups develop their business management skills. The program also extracts bottom-up policy lessons from piloting innovative business models in partnership with young (and especially female) entrepreneurs.

MBI has organised different acceleration programs and competitions in four sectors: Mekong Agriculture Technology Challenge, Fintech Challenge Vietnam, Smart City Innovation Challenge, and Mekong Innovative Startup Tourism.
4. Accelerators

Google Launchpad Accelerators
Website: https://developers.google.com/programs/launchpad/accelerators/

Google is a household name, so it is no surprise that the company is also an innovative leader in the startup ecosystem. Google has various entrepreneurial startup initiatives around the world through its multifaceted, technology-based network. One such initiative is Google’s ‘Launchpad Accelerator Program’, an exclusive application-only campaign to train and mentor aspiring startups from over 40 different countries. ELSA, an English training tool developed by Vu Van from Vietnam, is a highlight for the country. Despite Australia not being included in this initiative alongside Vietnam and other Asian countries, Google has expressed their eagerness to engage and connect Australian entrepreneurs with other startups in the Google network. It is worth noting that the startups successfully accepted into Google’s Launchpad program demonstrate world-class innovation and provide a great opportunity for collaboration.

Vietnam Innovative Startup Accelerator (VIISA)
Website: www.viisa.vn

VIISA is an accelerator program and seed-stage fund with US$6 million to invest to build global-ready startups in Vietnam. The accelerator is backed by Dragon Capital, FPT and Hanwha. VIISA provides a unique training program backed by market research, knowledge and insight gathered from learning and observation. Successful applicants under VIISA’s acceleration program will receive US$15,000 in funding and other support in the form of resources and training. The latter includes technical resources, office accommodation and access to world-class mentors and suitable investors.

In 2018 alone, VIISA had 12 accelerated startups, raised US$5 million from external funding, and became the number one accelerator in Vietnam.

Vietnam Silicon Valley (VSV)
Website: www.siliconvalley.com.vn

In 2013, the Vietnamese Government, through MOST, launched the VSV initiative dedicated to allocating resources to create an environment nurturing the growth of Vietnamese startups. The initiative seeks to create an ecosystem of innovation and technology commercialisation in Vietnam. It aims to do this by combining Vietnam’s entrepreneurial spirit and innovative nature with the most successful practices the USA has to offer in startup development and mentoring, accelerators, venture capital funding and investing.

VSV provides different supporting programs for startups, investors, incubators and accelerators. In particular:

- **For startups**: VSV organises tailored programs for fast-growing companies to support leadership development, business model development, market entry, product-market fit and fundraising. These programs are VSV Bootcamp, Startup 101 and VSV Comet.

- **For investors**: VSV provides practical startup investment training and co-investment opportunities to enable investors to assess and invest in the best early-stage startups in Vietnam. Programs run by VSV include VSV Funds, VSV Investor Bootcamp and Angel Camp.

- **For incubators and accelerators**: For organisations wanting to build their own startup ecosystem, VSV provides them with a transfer program about investing in startups in Vietnam. This includes information on how to run an accelerator or co-working space, and connects them with VSV’s investment network.

Zone Startups
Website: http://Vietnam.zonestartups.com

Zone Startups Vietnam is part of the global network of Zone Startups accelerator programs. This network sources forward-thinking founders and strong, visionary teams to become fast-growing market leaders.

The program gives hands-on strategic and tactical guidance for startups looking to drive market validation and customer acquisition, as well as providing access to investors, corporate partners and advisors.

Zone Startups offer an innovation consulting practice that lets corporate clients explore and embrace new ideas and technologies alongside leading-edge startups. For high-potential startups, the program can provide seed capital and support for future financing efforts.

Zone Startups is operated by Ryerson Futures, a Toronto-based accelerator. In 2013, Ryerson launched its first acceleration partnership with the Bombay Stock Exchange in Mumbai. In 2016, it created Zone Startups Calgary in partnership with GE Canada, and Zone Startups Sports + Media in partnership with Rogers. In 2018, it launched Zone Startups Vietnam in Ho Chi Minh City.

Zone Startups Vietnam aims to use B2B solutions to accelerate startups, connecting them to companies with operating system problems that need to be addressed and resolved. This formula is being replicated in Canada and India, where Zone Startups has had notable success in helping startups to sign multi-million dollar contracts with leading corporations.
HATCH!
Website: www.hatch.vn
HATCH! is a sustainable ecosystem builder. HATCH! is the organiser of HATCH! FAIR, one of the largest annual startup exhibitions and conference events.

HATCH! is the first non-profit fund to support startups in Vietnam. SVF supports projects with outstanding ideas by providing their founders with leadership skills development, technological consulting, management skills improvement, investing connections, and product commercialisation in domestic and international markets.
The foundation has supported the creation and development of innovation programs for the startup ecosystem, engaging with stakeholders such as universities, incubators, co-working spaces, laboratories, mentor communities, investor clubs, and local and international enterprises.

From 2016 onward, HATCH! expanded its activities within the areas of community building, co-working spaces, laboratories, mentor communities, investor clubs, and local and international enterprises. It also empowers the provincial ecosystem by sharing frameworks, transferring knowledge, developing communities, and enhancing local advocate competencies.

In recent years, HATCH! has spent resources to support social-impact startups. In 2017, HATCH! VENTURES collaborated with UNDP to launch the Social Impact Incubation Program. The program is the first of its kind to demonstrate future partnership between the public and private sectors in encouraging socio-economic development through social-impact startups.

5. Ecosystem builders

Startup Vietnam Foundation (SVF)
Website: http://svf.org.vn
SVF is the first non-profit fund to support startups in Vietnam. SVF supports projects with outstanding ideas by providing their founders with leadership skills development, technological consulting, management skills improvement, investing connections, and product commercialisation in domestic and international markets.

From 2016 onward, HATCH! expanded its activities within the areas of community building, co-working spaces, laboratories, mentor communities, investor clubs, and local and international enterprises. It also empowers the provincial ecosystem by sharing frameworks, transferring knowledge, developing communities, and enhancing local advocate competencies.

In recent years, HATCH! has spent resources to support social-impact startups. In 2017, HATCH! VENTURES collaborated with UNDP to launch the Social Impact Incubation Program. The program is the first of its kind to demonstrate future partnership between the public and private sectors in encouraging socio-economic development through social-impact startups.

6. Incubators

Business Startup Support Center (BSSC)
Website: www.bssc.vn/en
BSSC was established under Decision 4532/QĐ-UBND of the People’s Committee of Ho Chi Minh City. The Decision led to the restructuring of the Center of Youth Economic Information Consultancy into a business support centre under the Vietnam Youth Federation. BSSC’s mission is to give practical support to young entrepreneurs entering the business world. In particular, BSSC helps young Vietnamese to ground their business ideas and, through its network, integrates and shares experience and knowledge with them. The organisation aims to connect useful resources and build a solid foundation for startups enterprises.

SVF is the first non-profit fund to support startups in Vietnam. SVF supports projects with outstanding ideas by providing their founders with leadership skills development, technological consulting, management skills improvement, investing connections, and product commercialisation in domestic and international markets.
The foundation has supported the creation and development of innovation programs for the startup ecosystem, engaging with stakeholders such as universities, incubators, co-working spaces, laboratories, mentor communities, investor clubs, and local and international enterprises. It also empowers the provincial ecosystem by sharing frameworks, transferring knowledge, developing communities, and enhancing local advocate competencies.

SVF also runs its own acceleration program called ‘LeaderUp Accelerator’. This three-month intensive leadership program provides training in leadership, teamwork, strategic mindset, financial management and soft skills, among other competencies.

From 2016 onward, HATCH! expanded its activities within the areas of community building, co-working spaces, laboratories, mentor communities, investor clubs, and local and international enterprises. It also empowers the provincial ecosystem by sharing frameworks, transferring knowledge, developing communities, and enhancing local advocate competencies.

In recent years, HATCH! has spent resources to support social-impact startups. In 2017, HATCH! VENTURES collaborated with UNDP to launch the Social Impact Incubation Program. The program is the first of its kind to demonstrate future partnership between the public and private sectors in encouraging socio-economic development through social-impact startups.

RMIT Vietnam – Centre of Digital Excellence
Website: www.rmit.edu.vn
RMIT Vietnam has grown rapidly since opening its doors in 2001. RMIT has a long history of involvement in research in Vietnam, from the supervision of Vietnamese PhD students to breakthrough research in the fields of education, the environment and economic reform.

In 2016, RMIT established the Centre of Digital Excellence (CODE) as a catalyst for digitally-driven impact in training and education. With full access to RMIT’s excellent facilities in Ho Chi Minh City and Ha Noi, CODE works closely with its partners to achieve digital impact, inclusion and innovation across a range of exciting industry and government R&D collaborations in Vietnam and beyond.

In 2018, CODE launched a year-long schedule of innovative initiatives and events. These included gaming R&D in March, Cyber Security in April, mixed-reality classes in May, the Edtech Vietnam conference in June, a Blockchain Summit in September, and a Digital Anthropology workshop in December.

CODE has established a network with local ecosystem builders to enforce its operation and expand its network within the startup community. CODE also provides incubation programs and facilities for early-stage startups.

Saigon Hi-Tech Business Incubator (SHBI)
Website: http://shtpic.org
SHBI is a non-profit subsidiary of the Board of Management of SHTP, established under a Decision of the People’s Committee of Ho Chi Minh City in August 2006. SHBI’s mission is to promote entrepreneurship and incubate young technology enterprises, helping them to overcome difficulties and grow sustainably.

SHBI prioritises the following high-tech areas:
- Micro-electronics, ICT, and telecoms
- Mechatronics and automation
- Nanotech, renewable energy, and new materials
- Biotech, environmental tech, and pharmaceuticals.

SHBI provides a 12 to 36-month incubation program to support early-stage startups. The incubation program is followed by a four to six-month acceleration program, through which startups receive coaching from industry experts and entrepreneurs.

In 2018, CODE launched a year-long schedule of innovative initiatives and events. These included gaming R&D in March, Cyber Security in April, mixed-reality classes in May, the Edtech Vietnam conference in June, a Blockchain Summit in September, and a Digital Anthropology workshop in December.

CODE has established a network with local ecosystem builders to enforce its operation and expand its network within the startup community. CODE also provides incubation programs and facilities for early-stage startups.

In 2018, CODE launched a year-long schedule of innovative initiatives and events. These included gaming R&D in March, Cyber Security in April, mixed-reality classes in May, the Edtech Vietnam conference in June, a Blockchain Summit in September, and a Digital Anthropology workshop in December.

CODE has established a network with local ecosystem builders to enforce its operation and expand its network within the startup community. CODE also provides incubation programs and facilities for early-stage startups.
7. Venture Capital Funds

**DFJ VinaCapital**
Website: www.dfj-vinacapital.com

As part of the VinaCapital family of funds and a member of Draper Fisher Jurvetson (DFJ), DFJ VinaCapital is one of the first venture capital funds in the country. VinaCapital is Vietnam’s leading asset manager, with over 200 companies under management. Meanwhile, DFJ is the world’s premier venture capital network with over 600 portfolio companies funded globally. These extensive networks enable DFJ VinaCapital to provide a rich source of support and partnerships for investee companies. DFJ VinaCapital’s goal is to leverage the strong growth and potential of the Vietnamese technology sector, focusing on technology companies that:

› Cater to Vietnamese consumers
› Utilise the Vietnamese workforce as a supplier of goods and services
› Have been founded by a member of the global Vietnamese diaspora.

VinaCapital has invested a total of US$30 million across nine different startups throughout its history.

**Dragon Capital**
Website: www.dragoncapital.com

Dragon Capital was founded in 1994 and is Vietnam’s longest-established independent asset manager. It has over US$3.14 billion in listed equity, clean tech, fixed income and real estate for international investors, sovereign wealth funds and endowments.

In 2016, FPT and Dragon Capital signed a cooperation agreement to establish VIISA in order to finance startup firms in this market, making it one of the first national startup initiatives to be implemented. VIISA was established in response to the national program to build Vietnam’s startup ecosystem launched by MOST.

VIISA is an open-ended fund with the participation of many large enterprises and investment funds, of which FPT and Dragon Capital Group are the founders.

**Microsoft Vietnam**
Website: www.microsoft.com/vi-vn

Microsoft has made significant, concrete efforts to establish a sustainable startup ecosystem in Vietnam. With the strong partnerships and network infrastructure in the country, Microsoft has been able to support local and international startups to advance their operations. Microsoft Vietnam acknowledges the benefits of bilateral relations and international collaboration, expressing its interest in exploring opportunities with Australian enterprises seeking to enter the Vietnamese market. Below are a few of the many initiatives that Microsoft Vietnam has engaged with in the wider community:

› US$3 million investment into YouthSpark for Vietnam to support the development of young leaders within the country
› Memorandum of Understanding signed between Microsoft Vietnam and VSV to support the development of technology application within the startup community
› Young Women in Science, Technology, Engineering and Maths program.

**O2 Financial**
Website: www.o2financial.vn

O2 Financial is reinventing the way finance works in Vietnam to create a more inclusive society. O2 Financial provides a portfolio of different technology-enabled solutions to companies and individuals reducing transactional friction and making lives easier. The company is strongly focused on the overall user experience to make sure their products offer win-win solutions to their stakeholders.

O2 Financial’s solutions are applied to enhance employee engagement, foster connection and interaction between the employees, and create new experiences for reward programs.
In 2008, Topica Edtech Group was founded as an education technology company whose mission is to promote high-quality online education among learners in Southeast Asia. Topica Edtech Group began as an edtech startup in Ha Noi and has quickly expanded into neighbouring countries. It is now a leading online education provider in the region.

Under the group, there are different business operations that together foster the fast-growing edtech sector in Southeast Asia:

- **Topica Uni** cooperates with 16 universities including top-tier institutions in the USA, the Philippines and Vietnam to provide high-quality online degree programs. Several accredited U.S. universities recognise credits from Topica-powered programs.

- **Topica Founder Institute**, launched in 2011, is an early-stage startup accelerator. After three years, it had incubated a number of technology startups, who raised nearly US$15 million. The most notable of these was Appota, which raised a Series C round in April 2017.

- **Topica Native** is an online English speech tutoring platform in Thailand, Indonesia and Vietnam.

- **Topica Technologies** provides English speech tutoring via Google Glass, lessons on smartwatches, smartphones, and in a 3D virtual environment.

- **Topica People** is a platform dedicated to improving education across Southeast Asia.

...
Austrade would like to thank our industry friends and stakeholders in the innovation startup ecosystem for their assistance in producing this guidebook. Based on the facts, findings and analysis of key indicators, we have been able to identify opportunities within the innovation space to promote Australian enterprises, ideas and innovation. Australia has consistently proven that we have world-class capacity in innovation and technology. With emerging opportunities in global markets such as Vietnam, Australian entrepreneurs will continue to make valued contributions toward technological advancements that benefit both local and global communities.

Austrade has done its best to ensure the accuracy of the information outlined herein. However, we also acknowledge that, despite thorough and stringent efforts in the preparation and delivery of this guidebook, it is by no means a comprehensive report of the entire ecosystem. The purpose of this document is to provide support and guidance for Australian startups to better understand the general framework of Vietnam’s innovation landscape as a potential market for expansion.

We would like to acknowledge and thank the organisations and key stakeholders who have played a significant role in assisting Austrade to develop this guidebook. Their efforts and support will provide an important contribution to Australian market entrants, who in turn, will play an important role in deepening the bilateral trade and investment relationship between Australia and Vietnam.

- Business Startup Support Center
- Da Nang Entrepreneurship Support
- Department of Science and Technology Ho Chi Minh City
- DJF Vinacapital
- Dragon Capital
- Google Launchpad Accelerators
- HATCH!
- Innovation Partnership Program
- Mekong Business Initiative
- Microsoft Vietnam
- National Agency for Technology, Entrepreneurship, and Commercialization Development
- OZ Financial
- RMIT Centre of Digital Excellence
- Saigon Hi-Tech Business Incubator
- Saigon Innovation Hub
- Silicon Straits Saigon
- Startup Vietnam Foundation
- Topica Edtech Group
- Vietnam Silicon Valley
- Vietnam Innovative Startup Accelerator
- Zone Startups
ABOUT AUSTRADE

The Australian Trade and Investment Commission — Austrade — contributes to Australia’s economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- develop international markets
- win productive foreign direct investment
- promote international education
- strengthen Australia’s tourism industry
- seek consular and passport services.

Austrade helps companies around the world to identify and take up investment opportunities in Australia as well as to source Australian goods and services. Our assistance includes:

- providing insight on Australian capabilities
- identifying potential investment projects and strategic alliance partners
- helping you to identify and contact Australian suppliers

austrade.gov.au
austrade.gov.au/Vietnam