

Vietnam's Startup and Innovation Ecosystem

Vietnam is one of Southeast Asia's strongest performing economies, growing at approximately 6% per annum since the start of the decade. Vietnam is also a major software development hub in Asia and tech giants such as Lazada and Sea Group have tapped on the market for its abundance of software development talent. Vietnam's startup ecosystem has approximately 3,000 startups, which cumulatively raised US\$800 million in 2018, a three-fold increase from 2017 where it raised US\$291 million. There are 30 incubators and 10 accelerators in the market.

Touted as the business hub of Vietnam, HCMC has a vibrant startup ecosystem fuelled by local entrepreneurs, and a strong supply of graduating technical talent to support the growing ecosystem. The city is also home to Vietnam's first unicorn, VNG, an online gaming and platform company with 100 million users globally. With a large domestic consumer market and a strong supply of talent, Vietnam has become an attractive destination for both investors and startups alike.

Aside from the private sector, the Vietnamese government has been increasingly supportive of tech startups. It aims to increase the number of enterprises to one million by 2020 and is backing startups by upgrading infrastructure and policies. SIHUB, launched by the Ho Chi Minh City Energy Conservation Centre, provides facilities for startups and spearheads innovation ventures with the aim of developing HCMC into a startup city. Tech complexes such as the Saigon Silicon City Centre have also been set up to support tech startups. Funding for startups has become more accessible, through avenues such as SpeedUP, a fund of about US\$520,000, by the Ho Chi Minh City Department of Science and Technology.

The National Agency of Technology, Entrepreneurship and Commercialisation (NATEC), under the Ministry of Science & Technology, set up Project 844 in 2016 to promote startup development.