

VIETNAM LEADING FOR-RENT
LOGISTICS & INDUSTRIAL DEVELOPER

BRIDGING THE GAP

**VIETNAM'S
FDI-DRIVEN INDUSTRIAL REVOLUTION**

February 2025



Agenda

01. FDI

The key engine of Vietnam economy growth

02. Ready-Built Factories

A strategic solution to access the global value chain

03. BW Industrial Development JSC

A catalyst for Vietnam's FDI-driven industrial revolution



01

FDI

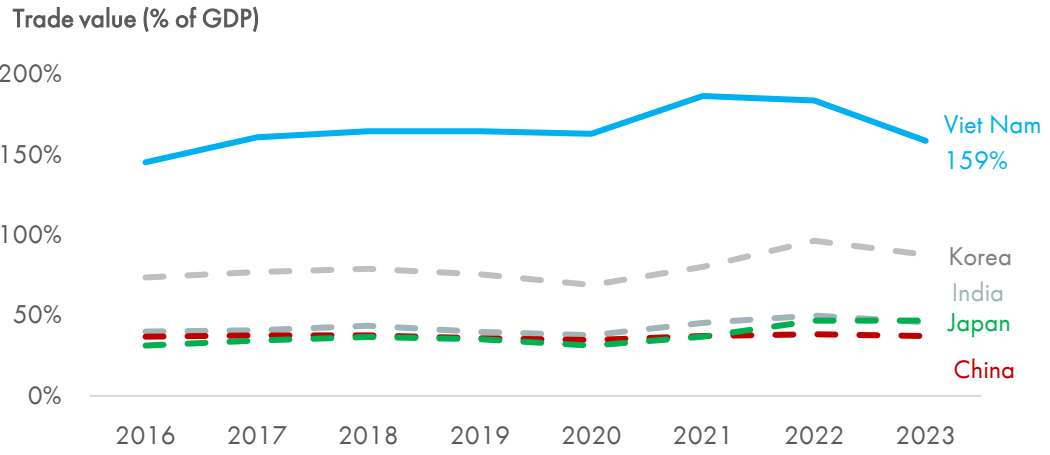
The key engine of Vietnam economy growth



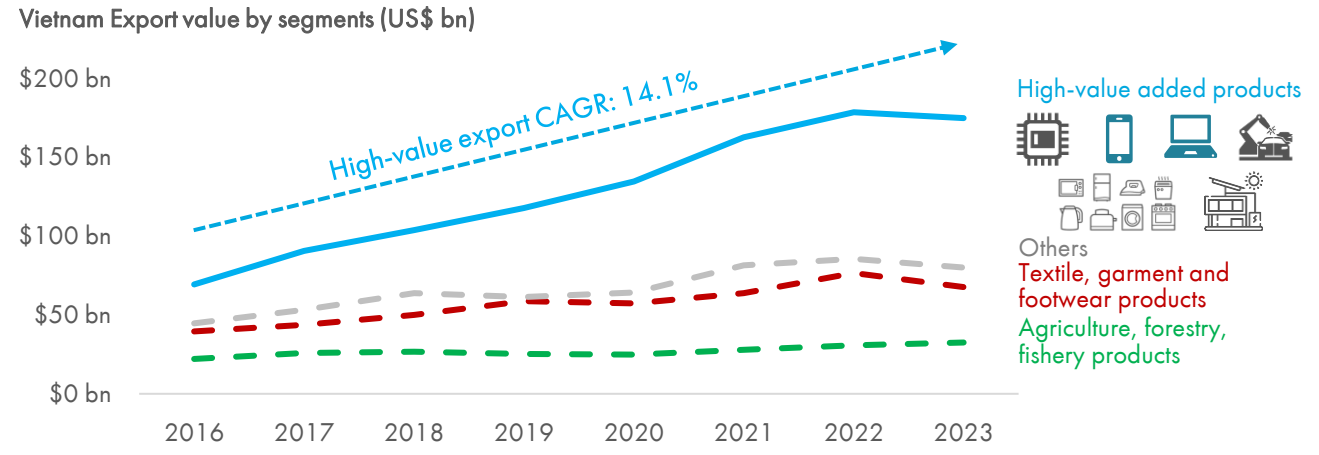
Vietnam manufacturing upgrade, from high-speed to high-value

By shifting to high-value manufactured goods, Vietnam reshapes its economy from "high-speed" to "high-quality"

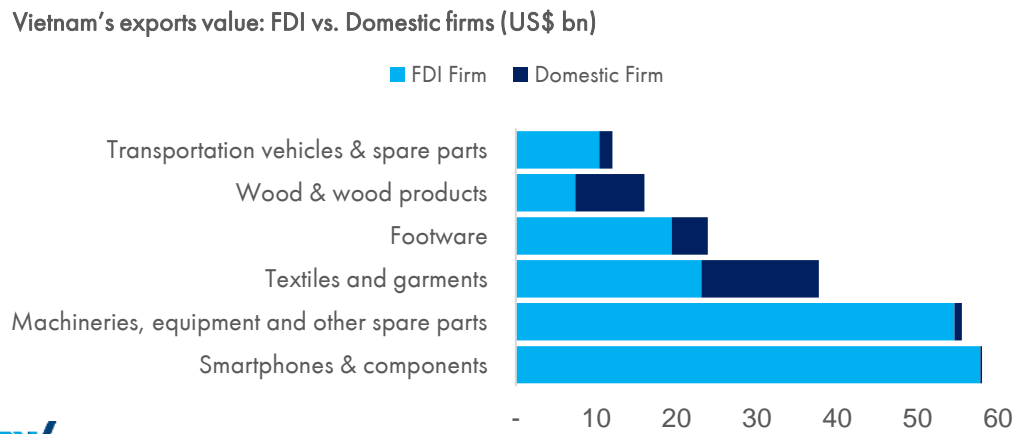
Vietnam established itself as an export-driven economy



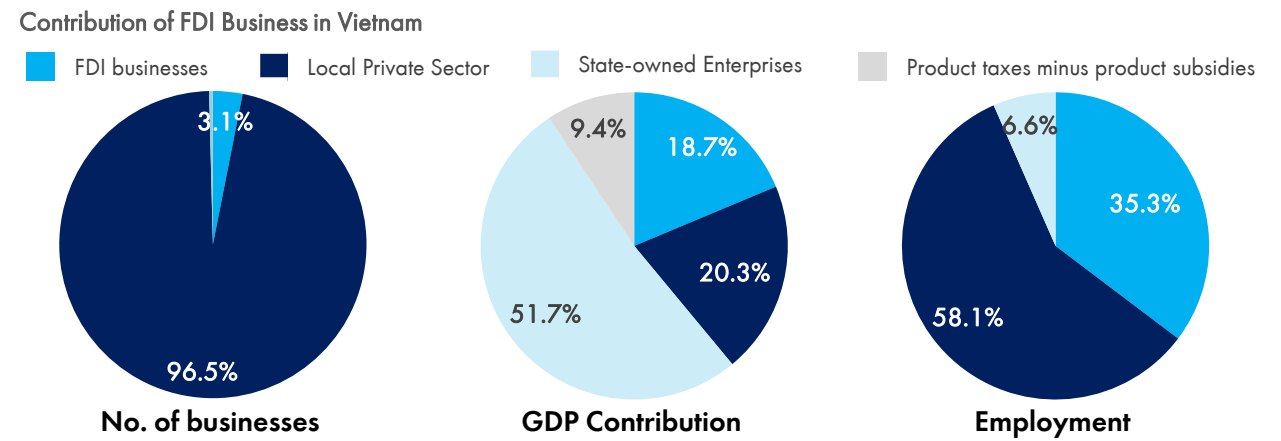
...transform from labour-intensive production to high-value added



FDI is crucial for high-value export and manufacturing



...hence facilitating high-value FDI to expand in VN is the top priority.



Vietnam is in the early stages of solidifying its position in global supply chains.

Vietnam is moving up the value chain, transitioning from a low-cost manufacturing hub to high-value production

Vietnam has emerged as one of the key players in global electronics supply chain,...

Top 10 global electronic exporters

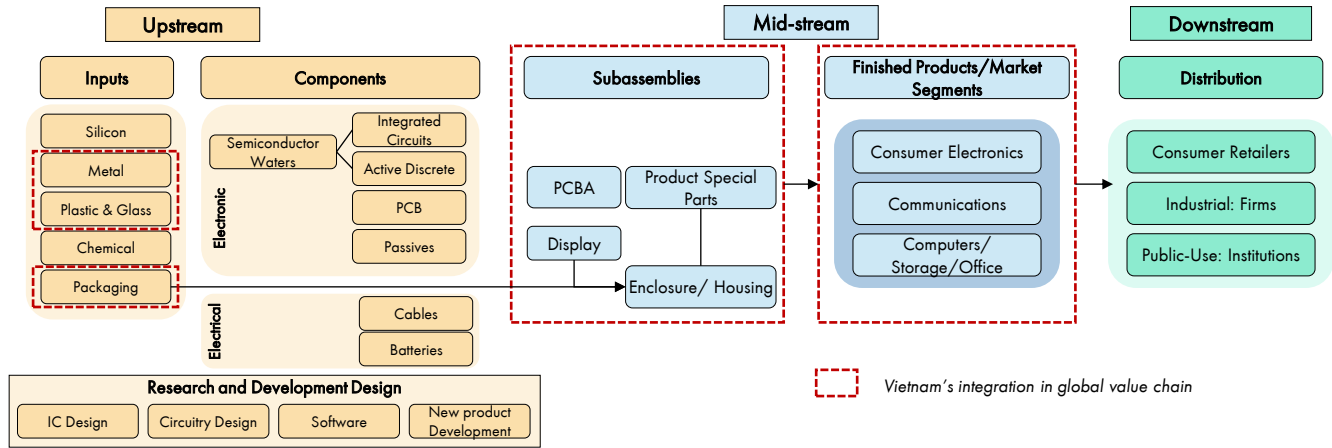
No	Exporters	Exported value (US\$bn)		% global export value	
		2019	2023	2019	2023
1	China ¹	971	1,235	35.9%	35.7%
2	Taiwan	147	223	5.5%	6.4%
3	USA	173	201	6.4%	5.8%
4	Germany	158	191	5.9%	5.5%
5	Viet Nam	97	190	3.6%	5.5%
6	Korea	154	171	5.7%	4.9%
7	Singapore	121	162	4.5%	4.7%
8	Malaysia	82	119	3.0%	3.4%
9	Mexico	80	103	3.0%	3.0%
10	Japan	103	102	3.8%	3.0%

Contribution to vendors list of major electronics manufacturers

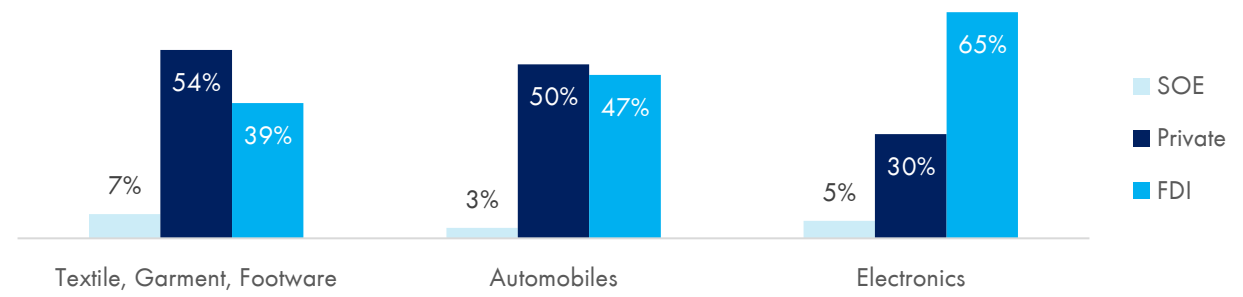
No	Economy	No. of Vendors (2023)			% Contribution (2023)		
		Apple	Dell	Samsung	Apple	Dell	Samsung
1	China ¹	157	187	37	33.3%	57.0%	18.4%
2	Taiwan	48	41	6	10.2%	12.5%	3.0%
3	USA	26	11	28	5.5%	3.4%	13.9%
4	Vietnam	36	18	29	7.6%	5.5%	14.4%
Global		471	328	201			

...mainly occupying mid-stream position, serves as an assembly hub for final electronic products. Vietnam would need to expand toward upstream and downstream to capture more value.

Electronics 3C Global Value Chain



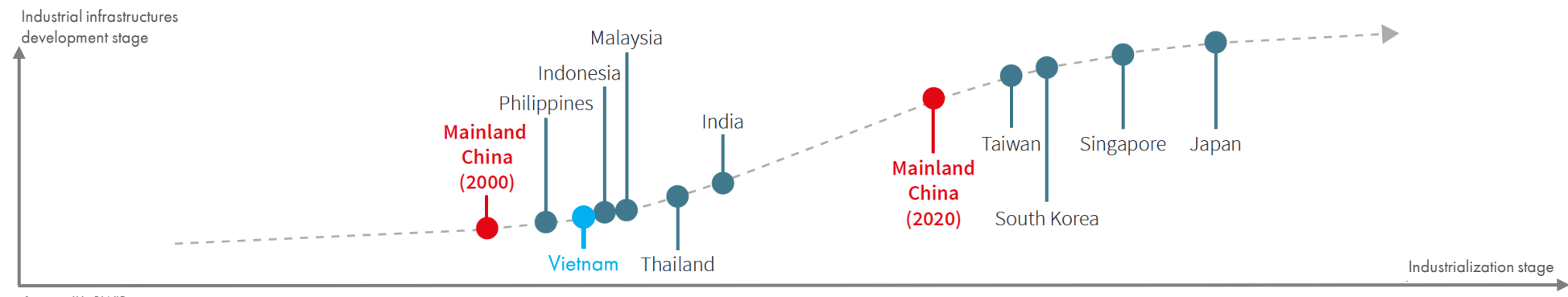
Supporting industries by business components



Manufacturing infrastructure is the key for supply chain evolution

Priority is providing high-quality universal facilities for advanced industries to facilitate their operations and investment efficiency

	Nascent-growth	Mature	Advanced
Key sectors	<p>Low-value added</p> <ul style="list-style-type: none"> • Woodwork • Textiles, Garment & Footwear • Paper and printing • Agriculture, forestry and fisheries 	<p>High-value added</p> <ul style="list-style-type: none"> • Heavy machinery • Refining • Automobiles • IT / EMS 	<p>High tech with leading innovations</p> <ul style="list-style-type: none"> • Biotech • Pharmaceuticals • Petrochemical • Semiconductor
Exposure to global value chain (GVC)	<ul style="list-style-type: none"> • Mostly labour-intensive • Low contribution to GVC with mainly the low-value added value chains 	<ul style="list-style-type: none"> • More capital-intensive & automation • High contribution to GVC with mainly the High-value added value chains 	<ul style="list-style-type: none"> • High capital, automation and robotics • Leading and shaping the GVC
Facility specifications	<ul style="list-style-type: none"> • Low specification of manufacturing facilities 	<ul style="list-style-type: none"> • Standardized modern specifications to meet higher demands of advanced sectors • Multi-story facility, Built-to-suit 	<ul style="list-style-type: none"> • Advanced specifications to optimize the production and capital investment • Automated facilities, Life Sciences, Data Centre
Facility development	<ul style="list-style-type: none"> • Self-developed facilities by manufacturers • Some ready-to-operate facilities by local landlords 	<ul style="list-style-type: none"> • Experienced industrial / logistics developers to provide the ready-to-operate facilities solutions to manufacturers capturing GVC expansion 	<ul style="list-style-type: none"> • Ready-to-operate facilities funds have become an investment instruments, particularly for sovereign funds, pension funds, insurance institutions and REITs



Source: JLL, BWID

Top concerns for FDI setting up production in Vietnam

Balancing the benefits and risks of new market entry and landing operation



1 Prolonged process to develop the facilities

Missing market and order delivery timings



5 Inadequate infrastructure and utility provision

Unmet quality facilities can have a negative impact on daily operations



2 High initial capital investment

Develop and maintain factory properties is not manufactures' expertise, and create high financial risk while entering new markets



6 Safety and ESG commitment

Noncompliance with safety and environmental requirements of facilities developed by third parties



3 Capital constraints

Limited source and less preferred terms for new market financing



7 Unfamiliar licensing processes & culture differences

Prolonged licensing process and lack of urgent supports when needed



4 Supply chain and logistic costs

Attach with the risk of choosing wrong locations to set up the operation



8 Labor resources and skill gap

Lack of skilful labour to conduct tasks with higher technical requirements

Comprehensive solutions are crucial to attract the FDI “Queen bees” into Vietnam

When policies to strengthen Vietnam's competitiveness require time to take effect, industrial infrastructure improvement can be a prioritized solution

- 1 | Prolonged process to develop the facilities
- 2 | High initial capital investment
- 3 | Capital constraints
- 4 | Supply chain and logistic costs
- 5 | Inadequate infrastructure and utility provision
- 6 | Safety and ESG
- 7 | Unfamiliar legal framework & culture differences
- 8 | Labor resources and skill gap



Policies to transform the economy to high-value added focus

- ✓ Maintain country's competitiveness without overly relying on low-cost advantages to attract FDI
- ✓ Streamline administrative process and have particular policies to attract high-tech sectors as semiconductors, electronics etc.
- ✓ Filter and prioritize high-value added projects that commit to a development timeline and optimize land use in terms of capital investment per unit land and positive economic impacts
- ✓ Upgrade the skillsets of labor forces to transform the economy to high-value added sectors and move up in the global supply chain

Industrial infrastructure requirements to maintain the FDI momentum

- ✓ Improve infrastructure connectivity between provinces and industrial hubs to create an ecosystem for high-tech sectors
- ✓ Ensure continuous utility provision for massive-scale production
- ✓ Encourage the development of eco-friendly industrial zones focusing on high-value added sectors
- ✓ Develop high-quality manufacturing facilities for FDI investors to quickly setup the operation in Vietnam as the successful case studies in developed countries in APAC

02

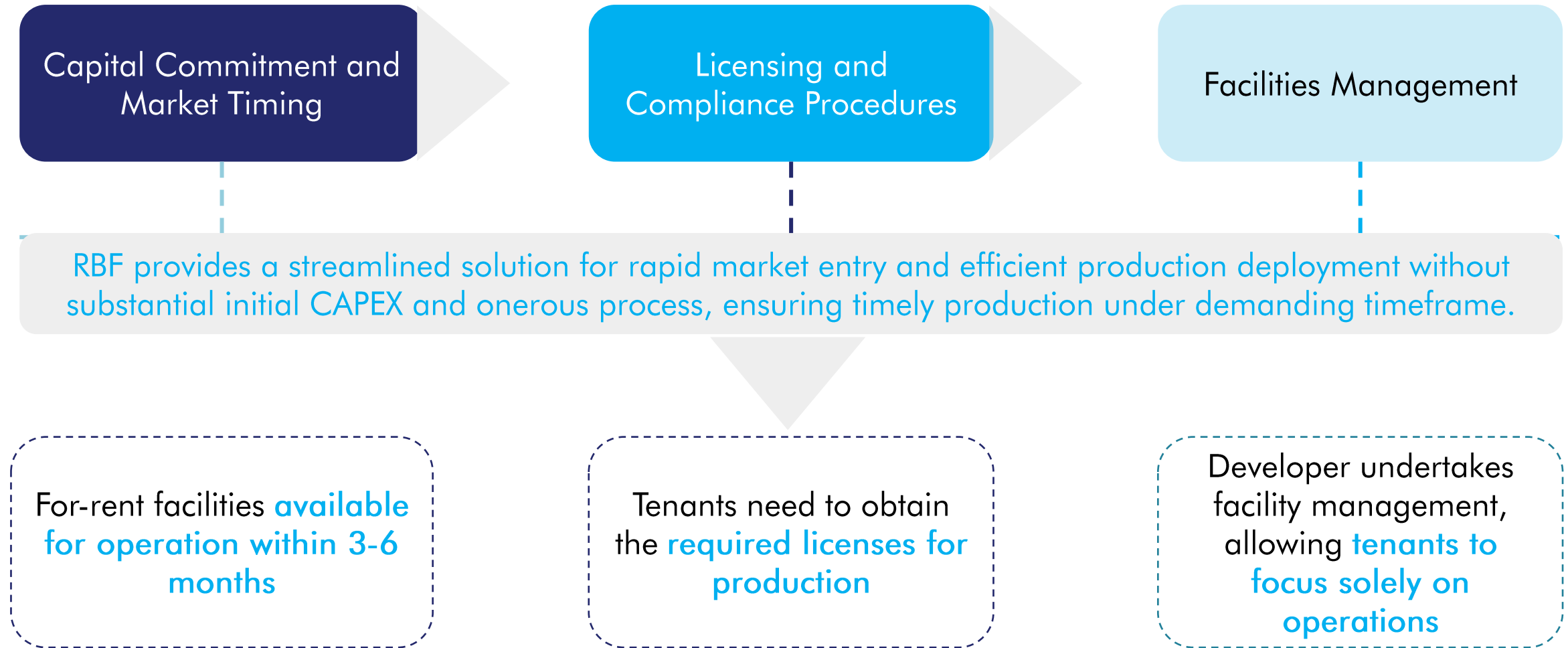
READY-BUILT FACTORY (RBF)

A strategic solution to access the global value chain





RBF releases the key stresses of manufacturers expanding to Vietnam

Developed by seasoned professional industrial developers with solid track records and deep understanding to global manufacturing



RBFs as comprehensive strategic solutions for manufacturers

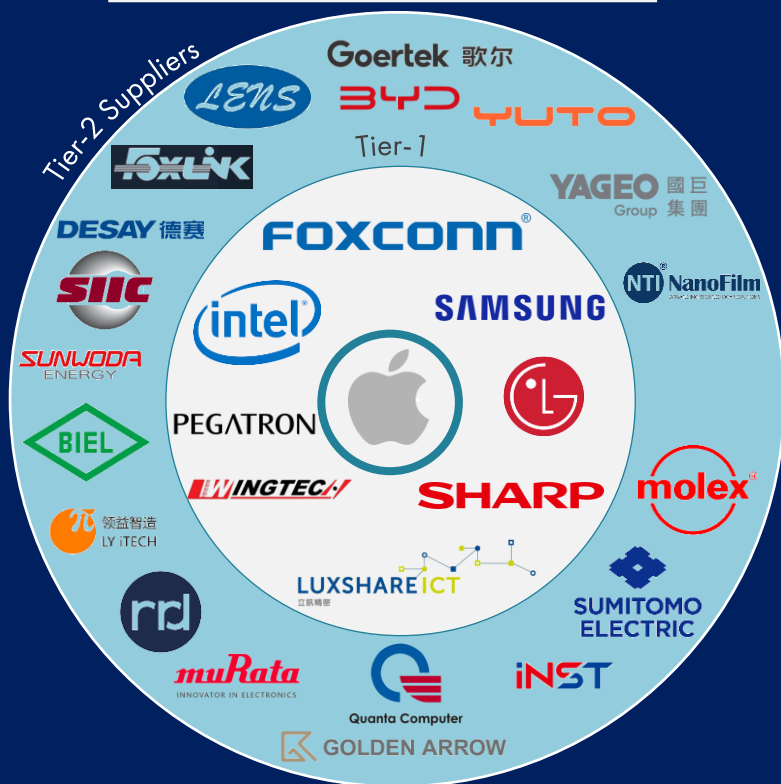
RBF is an ideal solution for FDI investment, serving as "incubators" for Vietnam's manufacturing expansion

	<p>Owning factory</p> <p>~\$500-600 psm Of average sunken CAPEX cost</p> <p>Self-maintenance Create additional burden</p> <p>Immobilization Unable to move, upscale, or descale</p> <p>30-40s years Long-term leasehold (depends on IP)</p>	<p>Time to market – minimum 36 months</p> <table border="1"> <thead> <tr> <th>months</th> <th>0</th> <th>12</th> <th>24</th> <th>36</th> </tr> </thead> <tbody> <tr> <td>Land acquisition & construction</td> <td colspan="4">—————●</td> </tr> <tr> <td>Licensing</td> <td></td> <td></td> <td>—————●</td> <td></td> </tr> <tr> <td>Operation</td> <td></td> <td></td> <td></td> <td>—————→</td> </tr> </tbody> </table>	months	0	12	24	36	Land acquisition & construction	—————●				Licensing			—————●		Operation				—————→
months	0	12	24	36																		
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	<p>Leasing RBF</p> <p>~\$5 psm Of average rental OPEX cost</p> <p>Developer-managed Focus solely on operation</p> <p>Mobilization Ease of expansion or province relocation</p> <p>3-10 years With flexible lease term</p>	<p>Time to market – 6-7 months</p> <table border="1"> <thead> <tr> <th>months</th> <th>0</th> <th>12</th> </tr> </thead> <tbody> <tr> <td>RBF selection</td> <td>●</td> <td></td> </tr> <tr> <td>Licensing</td> <td>—————●</td> <td></td> </tr> <tr> <td>Operation</td> <td></td> <td>—————→</td> </tr> </tbody> </table> <p><i>RBF provides an optimal solution for manufacturing tenants seeking to quickly establish a production base without going through the complete land acquisition and construction process</i></p>	months	0	12	RBF selection	●		Licensing	—————●		Operation		—————→								
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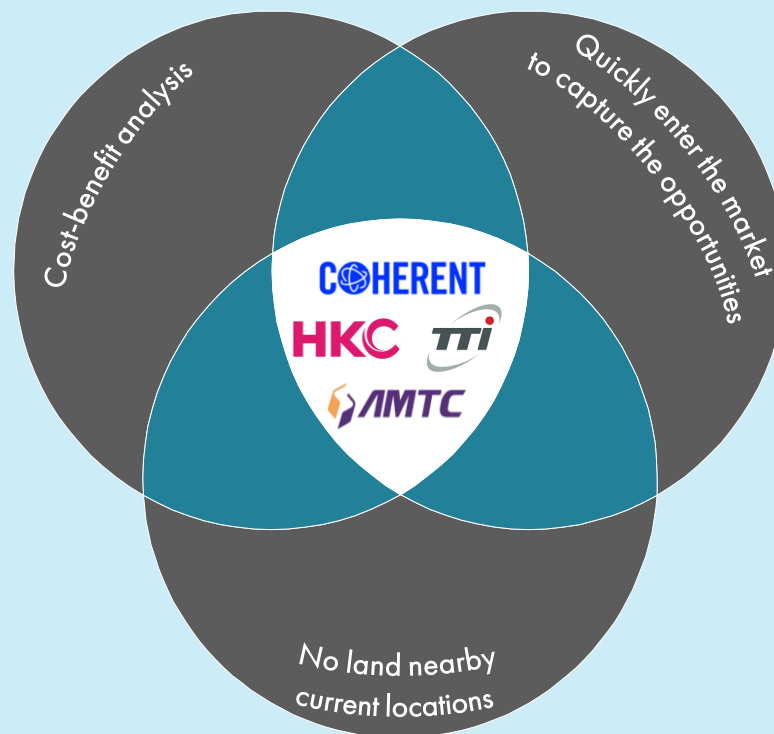
Perfect solution for satellite Suppliers and Vendors following QBs

RBF is suitable for both foreign and local manufacturers finding a professional solutions to optimize their production processes

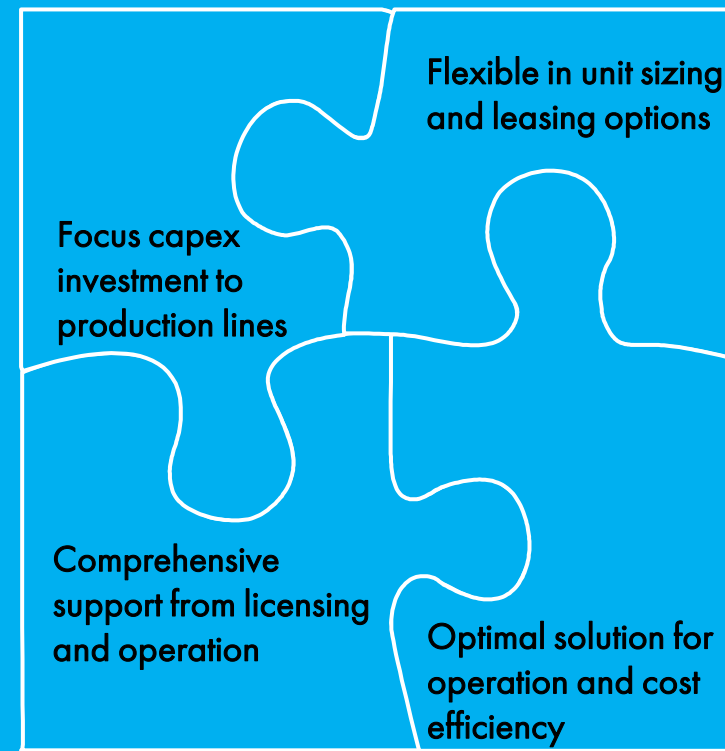
Tier-2 Suppliers of Giant Manufacturers (Queen Bee)



Large Manufacturers Seeking Quick Market Penetration / Expansion



Small-to-Medium Scales Manufacturers



03

BW Industrial Development JSC (BWID)

A catalyst for Vietnam's FDI-driven industrial revolution



BW Industrial Development JSC | Vietnam Leading For-Rent Logistics & Industrial Developer

Global View

First-class For-Rent Facility Developer
Solutions & Facilities for Investors

Global Experience



Local Insight



Speedy Portfolio Development

1,008 ha

Land bank

4.5 mm+

Operating & Under Construction GFA ¹

\$3.0bn

Asset value under management

#1

Land bank

Products



Ready-Built Factories



Ready-Built Warehouses



Built-to-suit facilities

59 Projects

400+ High-profile tenants

12 Key Industrial Provinces

25,000+ Total Tenants' Workforces

1,000+ Total Tenants' Expats

45 projects ²

- ✓ Total land area: 782 ha
- ✓ Total GFA: 5,473k sqm
- ✓ Key tenant:



24 projects ²

- ✓ Total land area: 200 ha
- ✓ Total GFA: 1,676k sqm
- ✓ Key tenant:



5 projects ²

- ✓ Total land area: 26 ha
- ✓ Total GFA: 142k sqm
- ✓ Key tenant:



Note:

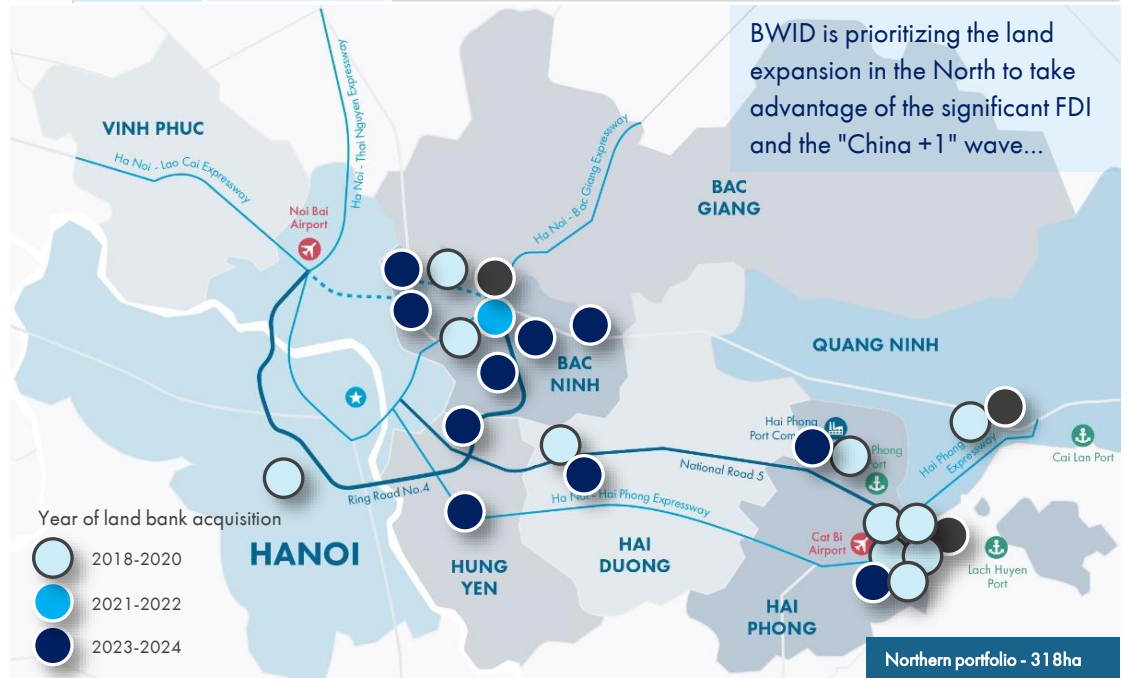
1. Data as of December 2024, BWID's portfolio consist of 3.2 million sqm of operating projects and 1.3 million sqm of project under construction
2. Some projects include both RBW & RBF unit, resulting in the total number of detailed projects breakdown to be higher than 59 projects

Portfolio covers all FDI manufacturing strongholds

BWID is consolidating its leading positions in the key industrial provinces, accounting for approx. 60% of national accumulated FDI

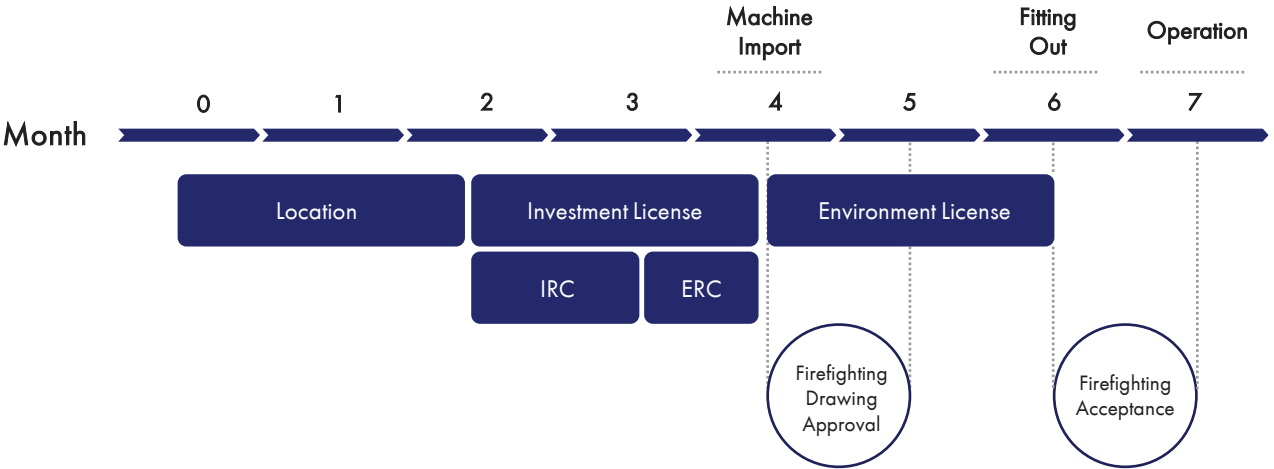
Accumulated national registered FDI contribution by group of regions by period

	Northern provinces with BWID's presences ¹	Southern provinces with BWID's presences ²	Other provinces
2024	29%	32%	40%
2023	26%	33%	41%
2022	25%	34%	42%
2021	25%	32%	43%
2020	22%	30%	48%
2019	22%	31%	47%
2018	13%	18%	70%



Enjoying expedited time to operation and BWID's comprehensive support, extending beyond the licensing process

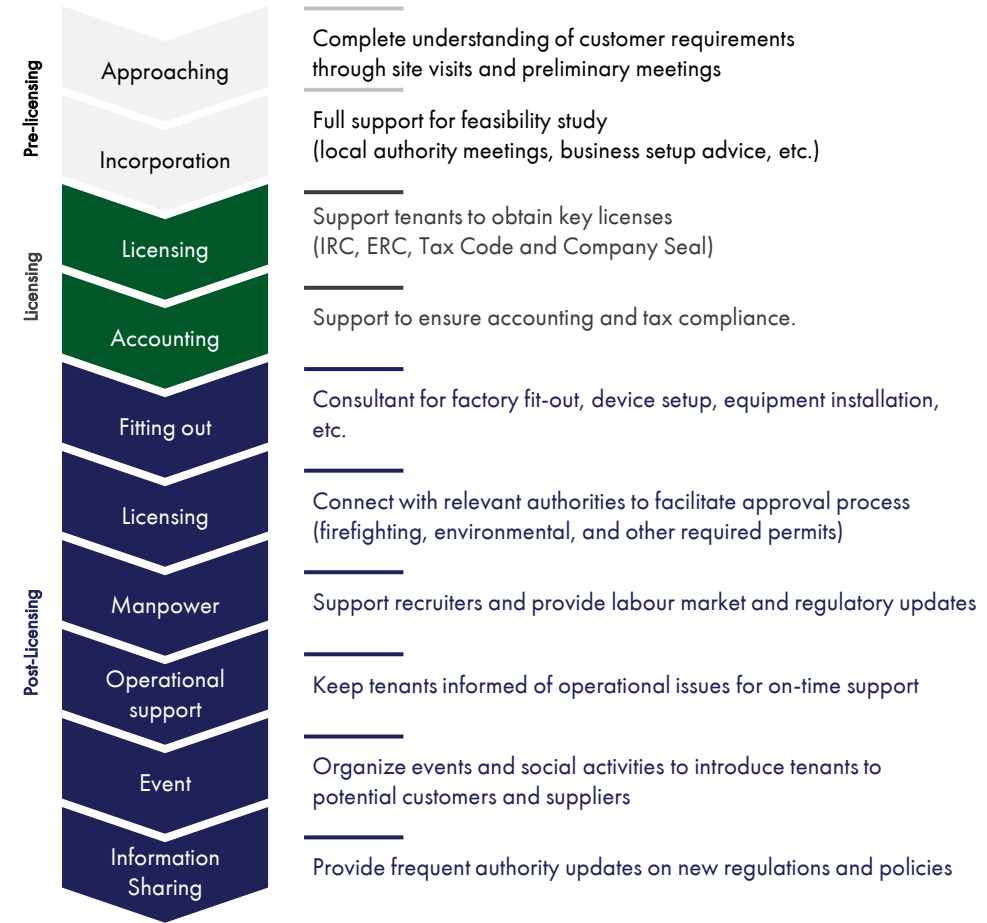
Actual timeline to set up a business with BWID's support



Who authorizes what ?

Workstream	In charge
Location	Developer/Tenant
Investment License	Industrial Park Authorities
Environment License	Industrial Park Authorities Department of Natural Resource and Environment
Firefighting Drawing Approval Firefighting Acceptance	Provincial Police

BWID's service extend beyond business setup assurance





THANK YOU

Contact Us

Hotline: (+84) 28 710 29 000

Email: leasing@bwidjsc.com

HEADQUARTERS

Floor 8 & 9, Pearl Plaza Tower
561A Dien Bien Phu, Ward 25, Binh Thanh
District, Ho Chi Minh City, Vietnam

BINH DUONG OFFICE

Floor 17, Becamex Tower
230 Binh Duong Boulevard, Phu Hoa
Ward, Thu Dau Mot City, Binh Duong
Province, Vietnam

HA NOI OFFICE

11th Floor, ROX Tower
No. 54A Nguyen Chi Thanh Street,
Lang Thuong Ward, Dong Da District,
Hanoi, Vietnam