

# Vietnam

## Market Profile 2011 - 2012

May 2011



## 1. Introduction

Vietnam is among the most vibrant, forward-looking and positive countries in the world. Its people have endured war and poverty for 120 years, and now - for the first time in six generations - they are experiencing peace and prosperity. As a result, they are taking full advantage of new opportunities.

Fifty-two percent of the population are under 30 years of age, and 26% are under 15. On the whole, they are motivated, disciplined, literate, educated and have a strong work ethos. They are not divided or distracted by race or religion. Literacy levels are higher than in America and there is a passion for education that is backed by Government and family spending.

Vietnam is the second largest country in South East Asia. Within a generation, its population will be larger than Japan. At 89 million (and with a further million people each year) it is four times larger than Malaysia.

Culturally, New Zealanders and Vietnamese tend to get along well and enjoy working together. In the past, New Zealand has been isolated by geography and Vietnam by 50 years of war. Innovation has been necessary for both countries to get ahead.

Vietnam is a politically stable socialist state, and it is following the Chinese model of socialist capitalism on its path to join the global economy. It is committed to the rule of law and has joined the World Trade Organisation. The economy has grown by about 6% per year in the last two years and is forecast to continue on a high growth path at 7.1% this year.

The major cities of Ha Noi and Ho Chi Minh are far exceeding the national growth rate and are achieving Gross Domestic Product (GDP) growth rates of 15%. The GDP remains at US\$1,156 per capita. However, the cities of Ha Noi, Da Nang and Ho Chi Minh are already on a purchasing parity basis close to US\$13,000. The wealthy in these cities can afford to travel overseas and to buy western products, education and food. The middle class has grown by 100% in the past five years. Out in the countryside, Vietnam is successfully pulling its people out of poverty. By 2015 the inflation rate is predicated to come down to about 5% and GDP is expected to grow rapidly to almost double the 2008 rate.

Vietnam is regarded as a mini, more manageable China. It is a developing market, but one with a good strategic fit with New Zealand capability.

Vietnam is part of the Association of Southeast Asian Nations (ASEAN) Australia and New Zealand Free Trade Agreement, which came into force on 1 January 2010. This agreement aims to eliminate tariffs between member nations.

The New Zealand-Vietnam Action Plan (2010-2013) was also signed in 2010, with the aim of building a comprehensive partnership across a wide range of sectors including trade, science and technology, education, defence, policing and customs.

There is a growing middle class in the cities with an appetite for Western goods and services.

Vietnam ranked 116th out of 178 nations on Transparency International's Corruption Perceptions Index in 2010. Red tape within Government is often identified as an issue.

## 2. Local Education System

There are 10,000 secondary schools in Vietnam providing morning and afternoon classes. Many students also attend extra tuition classes in the evening.

Secondary education comprises two levels:

- Basic secondary education, which lasts four years from grade six to grade nine. Those in grade six must be eleven years old and have primary education diplomas.
- High school education, which lasts three years from grade ten to grade twelve. Those in grade ten must be fifteen years old and have basic secondary education diplomas.

### Secondary and High School Education

The school year officially starts in September each year, although many international schools begin a month earlier in August. All schools have two academic terms each year: semester one for secondary schools runs from September to December, and semester two from January to mid-May.

Secondary school students sit a first semester exam in December, and a second semester exam between mid-April and mid-May. The national exams for year nine and twelve students are at the end of May and the national university entrance examination is in early-July.

### Tertiary Education

There are around 200 tertiary institutions. However, only universities that belong to the national system are considered high quality and only a small number of private universities measure up well.

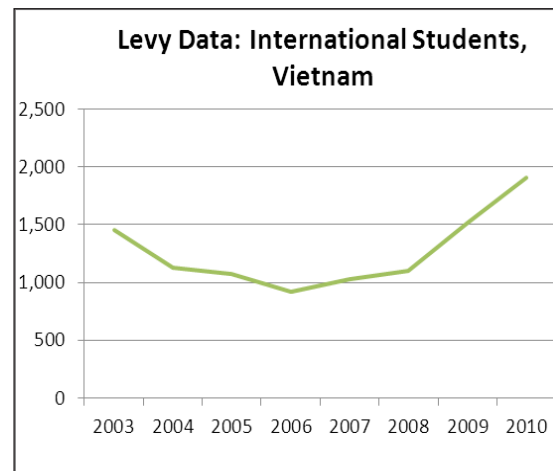
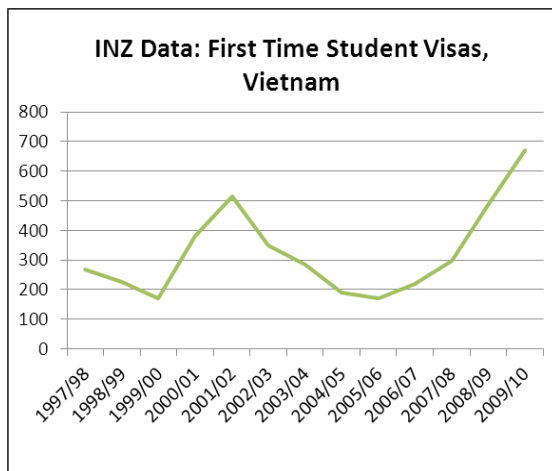
The first semester for universities and polytechnics runs from September to December and the second semester is from January to late-June. Students sit first semester exams in late December or early January and second semester exams in mid-July. June, July and August are holiday months for students, but many of them take on extra classes during this period.

### In General

A key concern for the Vietnamese Government is to reduce unemployment and to advance education for the general population. The Government has taken steps to improve the education system by amalgamating state universities, upgrading vocational training institutions, exploring distance learning, and expanding primary education programmes.

Progress has been good. However, it is estimated that around 1 million students who meet the entrance criteria are unable to secure a place in a university each year. The lack of places is partly because of infrastructure and cost but mostly because of the post-war baby boom.

### 3. General Advice for NZ Education Providers



\*The Department of Labour (Immigration New Zealand) and The Ministry of Education provide regular updates to the Visa and Export Education Levy Statistics. The latest statistical information can be found at [www.educationnz.org.nz/policy-research-stats/statistics](http://www.educationnz.org.nz/policy-research-stats/statistics)

#### Increase of Vietnamese Students

Vietnam has set itself the challenge of improving education standards to ensure it has the skills required to support the country's economic and social modernisation. The number of Vietnamese students in New Zealand has risen steadily from 184 in 2000 to 1,517 in 2009. This increase is largely due to Vietnam's strong economic growth and improved bilateral relations. Vietnam is ranked 13th in the top 20 source countries for New Zealand in terms of the number of full-fee-paying international students.

New Zealand has a reputation for having a safe and high-quality learning environment and it remains a favourite destination for many teenage students. However, the increased value of the New Zealand dollar against the US dollar and strong scholarship promotions from British, Australian, Singaporean and Malaysian institutions may have had an impact on the number of students interested in New Zealand.

Smaller, regional cities of New Zealand have grown in popularity among students from the south of Vietnam who have been encouraged by what they hear through word of mouth. Bigger cities like Auckland and Wellington are still the key choice for most students from the north of Vietnam.

#### Visa Requirements

All Vietnamese students studying in New Zealand require a visa. Students are required to have a conditional offer of placement for their formal studies and an offer of place for English language courses. Processing takes on average three weeks (provided applications include all the required information). Applicants are advised to apply well in advance, as they may need to attend an interview or provide further information.

#### Areas of Opportunity

Areas of opportunity for New Zealand exporters in the education and training sector in Vietnam include English language training, secondary schooling, undergraduate and postgraduate programmes, delivered in-market or abroad. Other areas include education system reforms, vocational training, training to facilitate Vietnam's entry into regional and global economies, and

upgrading the skills of Government officials, teachers and private sector personnel at all levels. Also emerging is a need for middle management training as businesses expand due to the growing economy.

**Agent Market**

Most Vietnamese families use the services of an agent. Agents provide ongoing communication services to families who do not speak English (particularly important for parents of younger students). They can also assist with visa documentation, and the transfer of funds. The number of agents is growing all the time, recommendations for reliable Vietnamese agents can be found online at the New Zealand Specialist Agent listing at [www.nzeducated.com/nzsave](http://www.nzeducated.com/nzsave)

Parents play a key role in making the final decision about their children’s study, so institutions should keep them well informed. Word of mouth also works effectively.

The smaller regional cities of New Zealand have proven to be of growing popularity for students from the south of Vietnam who have been encouraged by what they hear through word of mouth. However bigger cities like Auckland and Wellington are still the key choice for most students from the north of Vietnam.

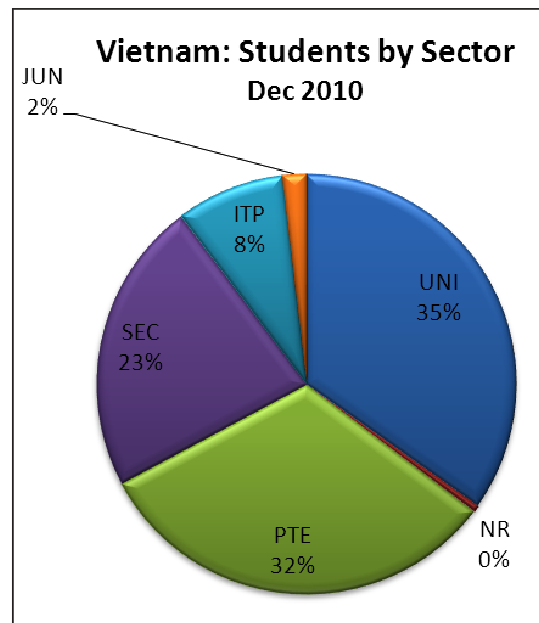
**4. Sector-Specific Advice for New Zealand Education Providers**

**4.1 Undergraduate & Postgraduate Courses**

There are 111 universities and 119 Institutes of Technology/Polytechnics (ITPs) in Vietnam’s higher education system. The total number of students is 1.5 million, 64% of which are full-time students and 36% are part-time. Undergraduate programmes take four years and Masters Programmes take two years.

Most Vietnamese students are interested in undergraduate and postgraduate courses. Tertiary students have a strong interest in business and computing, and there is a growing interest in tourism, hotel and hospitality, science, media and teaching.

New Zealand tertiary institutions should work closely with Vietnamese education agents and create new relationships with Vietnamese universities. They should develop new student/teacher exchange programmes, build and strengthen cooperation programmes, and participate in Vietnamese Government projects.



(UNI=Universities; NR=Not Recorded; PTE=Private Training Establishments; SEC=Secondary; ITP=Polytechnics; JUN=Junior (Primary, Composite, Contributing, Intermediate))

Interest is increasing in Vietnam for all or part of tertiary degrees to be delivered in Vietnam. Many competitor countries and institutions are offering courses in Vietnam. If New Zealand is to protect its existing share of the market and grow the number of students studying in New Zealand, it is advised to invest more in offshore delivery.

#### **4.2 Vocational & Technical Qualifications**

There are 300 colleges and schools which train technicians and workers in sectors such as agriculture, industry, health care, tourism, construction and transportation.

There are a number of higher education institutions offering courses leading to diplomas and certificates. In most provinces there are centres for general technical education and vocational training that offers short courses for high school students and vocational programmes.

The biggest challenge for Technical and Vocational Education and Training (TVET) in Vietnam is to maintain quality while training the number of students needed to meet the needs of the growing economy.

The demand for education and vocational training services within Vietnam is significant and represents a sustainable market opportunity. Each year, there are more than one million new entrants joining the workforce so reducing unemployment is a major concern of the Government. Raising education levels and advancing the population into higher value-added occupations is seen as one way of countering unemployment. This continuous need will drive demand for technical and vocational education in Vietnam. Because of the large number of students and the growth of the economy, Vietnam will not be able to train all of the people it needs, thus the need for foreign study.

As with undergraduate and postgraduate courses, New Zealand institutions need to work closely with Vietnamese education agents and create new relationships with Vietnamese institutions. New student/teacher exchange programmes should be considered, along with cooperation programmes and participation in Vietnamese Government projects.

Vietnamese students perceive an improvement in the courses offered at New Zealand institutes of technology and they have a growing appreciation for the practical side of these courses. The number of students applying to ITPs has increased as a result of feedback from graduates.

#### **4.3 Secondary Schools**

There are 10 million secondary students in Vietnam and the yearly intake is rising indicating a significant growth in student numbers. Class sizes are being reduced, but there is an estimated shortfall of 19,000 teachers.

There is a huge market for secondary study in New Zealand as it is regarded as a safe and beautiful country. New Zealand is also recognised as being a high quality study destination. The number of students studying at secondary level continues to grow and the trend for students to spend several years overseas is likely to continue since the ultimate goal for many students is a foreign tertiary qualification.

Given these changes, New Zealand secondary schools should work closely with Vietnamese education agents and create new relationships with Vietnamese secondary schools. They should consider the development of new student/teacher exchange programmes.

#### **4.4 English Language**

English language skills of Vietnamese students are improving due to an increase in the number of English language schools in Vietnam. However, learning English within a Vietnamese environment is very difficult and the value of language training in a western environment is well understood. Most students studying in New Zealand require an initial period of language study or a foundation programme before starting their mainstream/academic studies.

New Zealand language schools continue to receive a large number of inquiries from students approaching agents. The course length required is commonly 24 weeks or more. Parents continue to show particular interest in language schools with links to a high school or a tertiary institution to ensure a study pathway for their children.

Given this, New Zealand secondary schools should work closely with Vietnamese education agents and create a staircase from English language study to high school or a tertiary institution to better meet the needs of Vietnamese students.

There is also strong demand for teaching English language to Vietnamese teachers and professors. For more on this see the following section.

## **5. Future Trends in the Market**

### **Numbers of Students**

International student numbers from Vietnam show a steady and progressively strong growth each year. The total number has increased from 8,525 in 1999 to 32,727 in 2008. This represents average growth of 16 % per year.

### **English Language**

The Vietnamese Ministry of Education and Training (MOET) has recently allowed tertiary institutions and secondary schools to teach in English. Some key subjects that will be taught in English at secondary schools are mathematics, physics, chemistry and information technology. Therefore, there will be a significant need for English language training for around 1 million teachers and professors. Half of these teachers need to be trained before the new programme commences. The Government is encouraging overseas institutions to work with local institutions to undertake English training fulltime in Vietnam, or partly in Vietnam and partly in New Zealand. This is a great opportunity for New Zealand English providers.

### **More Courses**

There is an increasing demand for a broader range of courses as the market matures. Aviation, airport technology, ICT, food technology, tourism, defence, and rail are examples of potential niche areas. The Ministry of Education and Training (MOET) and the People's Committees also have training programmes for their officials at both undergraduate and postgraduate level.

### **PhD Study**

In 2010 the MOET started a programme to produce 20,000 PhD holders by 2020. The Vietnamese Government has allocated 50 scholarships for officials to complete their PhD study in New Zealand.

### **More Lecturers**

To provide for Vietnam's 1.5 million tertiary students, Vietnam has around 53,000 lecturers, or one lecturer for every 28 students. Vietnam is striving to have 4.3-4.5 million students by 2020, which means that it needs 220,000 more lecturers to be trained in that time.

### **Better Education System**

The Vietnamese Government recognises the need to upgrade its education system to better meet the needs of the large population and a growing economy. As a developing country, Vietnam is

receiving assistance from international donor organisations such as the Asian Development Bank (ADB) and the World Bank to improve education. The Government is also encouraging foreign investment in the education sector in Vietnam. Australia now has two tertiary institutions operating in Vietnam.

## 6. Competitor Activity & Statistics

Vietnamese students study in well established markets such as the United States, the United Kingdom, Canada and Australia. There are also increasing numbers of students going to Singapore, the Netherlands, Germany and France.

Asian countries offer lower cost options while European countries like the Netherlands, Germany and France offer a large number of free tuition courses and scholarships. New competitors include India, Malaysia, South Africa, China and Korea.

Competition from other countries is fierce, and the newspapers show a constant parade of competitive activity. Most countries hold exhibitions and seminars, and participate in commercial education fairs.

### Market Share

In 2010 there were approximately 100,000 Vietnamese students studying abroad, of whom 75% were privately funded. The market share of Vietnamese tertiary students was available in 2007, but figures have not been updated since.

Country	Share of Vietnam Market (2007)
United States	22.1%
Australia	14.5%
United Kingdom	6.0%
New Zealand	1.9%
Canada	1.6%

## 7. Strategy

New Zealand institutions need to visit Vietnam regularly to demonstrate their strong commitment to the market and to their agents. Keep agents informed including by email, phone calls and fax as often as possible. Do not expect to have students enrolled after the first visit; long-term relationship building with agents is required.

If there is any change in staff, institutions should advise the agents to avoid miscommunication and loss of contact.

New Zealand institutions should establish relationships with Vietnamese institutions. They should develop student/teacher exchange programmes, strengthen and build cooperation programmes and participate in Vietnamese Government projects. Public seminars with agents are also useful.

## 8. Helpful Hints

- Entry is not possible into Vietnam without a visa. You should get a letter of invitation from your Vietnamese business partners to help with your visa application. If you are going to be a regular visitor, consider getting an APEC Business Travel Card which provides accredited business people with streamlined access to participating APEC countries.
- Remember the Asian concept of 'face'. You should practice giving "face" (for example praise) and saving 'face' (for example do not be directly confrontational in a group).
- Vietnamese business people are becoming increasingly accustomed to dealing with Western business partners and, once trust has been established, are willing to speak openly.
- In Vietnam, developing relationships is very important and this applies to education as much as other sectors. Education agents play a key role in the recruitment of students and it is important to invest time in developing and maintaining good relationships with agents. Agents act as a liaison between the family of the student and the New Zealand institution throughout the time the student is studying in New Zealand.
- Vietnam's consumer class is growing, providing a market for English language, secondary and tertiary students. But there are many countries competing to recruit students, a task that requires patience and dedication. Seek niche opportunities wherever possible in order to obtain competitive advantage.
- Watch that you don't succumb to the most common error among newcomers - drawing the wrong conclusion from the enthusiastic reception you get. You may find it possible to quickly sign a memorandum of understanding with a potential partner (similar to the one they just signed with several other visiting hopefuls). When you do make progress in meetings, it is worthwhile to set out the next steps to be taken and the time frame.
- From Vietnam you might also find the cost of international calls and faxes excessive, at about US\$4 a minute. Try to arrange for calls to be either made collect or to receive calls at your hotel at fixed times. Most hotels have business centres with internet access, although the network is not always reliable and can still take time.
- Vietnam is similar to New Zealand in that it has different political and commercial centres. It may be worth your while to visit both the commercial centre of Ho Chi Minh City and the Government centre in Ha Noi.
- You'll find that credit card facilities are becoming more widely available; Visa is the most widely accepted. US dollars are widely accepted although the Dong is supposed to be the only acceptable currency.
- Vietnamese is spoken throughout Vietnam and is the language for official business. English is widely used among businesses, although not with fluency. Native speakers should be sensitive to their partners' ears. Clear and slow verbal communication is recommended.
- Vietnam is five hours behind New Zealand time, except during New Zealand's daylight savings time when Vietnam is six hours behind New Zealand.

For the latest travel advice visit [www.mfat.govt.nz/travel](http://www.mfat.govt.nz/travel)

## 9. Public Holidays & Term Dates Tables

### Public Holidays

New Year's Day	1 January
Lunar New Year	3-6 February
In lieu of Lunar New Year	7-8 February
Reunification Day	30 April
Labour Day	1 May
National Day	2 September

For updated public holiday information, see <http://www.worldtravelguide.net/vietnam/public-holidays>

### Term Dates

#### Secondary Schools

Term 1	First week of September to late-December
Term 2	Second week of January to the third week of May

#### Tertiary Level

Term 1	Second week of September to the end of January
Term 2	First week of February to late-June

## 10. When to Visit

Representatives of New Zealand institutions should avoid visiting the market at holiday times, especially around the Lunar New Year (or Tet) period. Examination times should also be avoided. These run from late April to early June. Outside of the holiday and exam periods, the months of March, April, October and November are the most active times of the year for marketing. However, if institution representatives are visiting agents only, then there is a larger window of time.

## 11. Climate

Vietnam has a tropical monsoon climate. Though often steamy and warm, the weather can change significantly from one area to another.

In Ho Chi Minh City the temperature remains almost constant (25-30°C) while in Hanoi September to November is the best time to visit. In the north, the cloudy, wet winters (December - January) are cold (sometimes less than 10°C) but with 100% humidity.



[www.educationnz.org.nz](http://www.educationnz.org.nz)

