

COUNTRIES/PROVINCE NAMES	VIETNAM	KAOHSIUNG	MALAYSIA	TAIPEI	GUANGDONG	SHANGHAI
Order of Healy Consultants' preference	1	2	3	5	5	6
Quick summary						
Recommended manufacturing estate? (names)	VSIP or Dinh Vu	Kaohsiung EPZ	Subang or Port Klang	Taipei FTZ	Shenzhen FTZ	Wai Gao Qiao FTZ
Quality of transportation infrastructures? (WEF ranking)	99/140	21/140	16/140	21/140	51/140	51/140
Proximity of sea port to this free zone?	20 km	9 km	5 km	2 km	17 km	5.5 km
Proximity of airport to this free zone?	140 km	3 km	70 km	23 km	32 km	30 km
Proximity of rail to this free zone?	20 km	10 km	24 km	23 km	18 km	14 km
Healy Consultants can apply Gov. grants for IFS?	Yes (but unlikely)	No	Yes	No	No	No
Healy Consultants can apply tax holiday for IFS?	Yes	No	Yes	No	No	No
Easy to repatriate earnings to the parent company?	No	Yes	Yes	Yes	No	No
Average monthly salary for factory workers? (US\$)	US\$210	US\$1,123	US\$650	US\$1,123	US\$438	US\$979
Average monthly rental for factory space? (sq metre)	US\$11	US\$20	US\$15	US\$22	US\$22	US\$18
Estimate of probability of IP infringement?	22%	10%	10%	10%	20%	20%
Estimate of probability of inventory theft?	12%	10%	8%	10%	15%	15%
Quality of local law protection for IFS?	Medium	Good	Good	Good	Medium	Medium
How long to complete business set up?	9 months	6 months	7 months	6 months	8 months	8 months
Total estimated engagement costs? (US\$, thousands)	60K	54K	50K	54K	58K	58K

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Incorporation and licensing considerations						
Recommended type of business entity?	LLC	Limited company	LLC (SDN BHD)	Limited company	WFOE	WFOE
Maximum allowed ownership for IFS Coating?	100%	100%	100%	100%	100%	100%
Minimum paid up capital? (US\$)?	US\$200,000	US\$100,000	US\$570,000	US\$100,000	US\$100,000	US\$200,000
Travel required during the engagement?	No	Yes	No	Yes	No	Yes
Minimum number of shareholders?	1	1	2	1	1	1
Capital injection required before incorporation?	No	Yes	No	Yes	No	No
Exact paid-up share capital dependent on project size?	Yes	Yes	Yes	Yes	Yes	Yes
Minimum directors required?	1	1	1	1	1	1
Resident director(s) required?	Yes	No	Yes	No	No	No
Lease agreement required before incorporation?	No	Yes	No	Yes	Yes	Yes
How long to register the legal entity?	3 months	3 weeks	2 weeks	3 weeks	4 months	4 months
License required to manufacture coating powder?	Yes, manufacturing permit required	Yes, operating license required	Manufacturing License from MIDA	Yes, operating license required	Environmental license, chemical processing license	Environmental license, chemical processing license
Feasibility & environmental impact study required for licensing?	Yes	Yes	Yes	Yes	Yes	Yes
How long to secure license approval?	3 months	3 months	4 months	3 months	3 months	3 months
Probability of timely Government approval?	40%	70%	60%	70%	60%	60%

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Other appointments of resident staff required?	No	No	No	No	No	No
Manufacturing & logistics considerations						
Recommended city for company registration?	Haiphong	Kaohsiung City	Selangor State	Taipei	Shenzhen	Shanghai
Number of coating powder manufacturers in area? (est.)	41	3	9	4	262	115
Recommended manufacturing estate? (names)	VSIP or Dinh Vu	Kaohsiung EPZ	Subang or Port Klang	Taipei FTZ	Shenzhen FTZ	Wai Gao Qiao FTZ
Attractive State for a manufacturing business?	Yes	Yes	Yes	Yes	Yes	No, permit issues
Attractive State for an export-oriented business?	Yes	Yes	Yes	Yes	Yes	Yes
Government grants for manufacturing?	No	Yes	Yes	Yes	Yes	No
Tax holidays available for export business?	Yes	No	Yes	No	Yes	Yes
Tax incentives for manufacturing start-ups?	Yes	Yes	Yes	Yes	Yes	No
Total country population? (in millions, IMF, WEO)	93m	24m	30m	24m	1,378m	1,378m
Domestic market size? (in US\$ billions, IMF, WEO)	200b	519b	300b	519b	11,391b	11,391b
Purchasing power? (GDP per capita IMF, WEO)	US\$ 2k	US\$ 22k	US\$ 11k	US\$ 22k	US\$8k	US\$8k
Standard payment terms by local customers (days)?	30-50% upfront, rest 5-15 days after receipt of deliverables	Depends on company	Depends on company	Depends on company	30% upfront, 50% before shipment of goods, 20% after receipt of deliverables	30% upfront, 50% before shipment of goods, 20% after receipt of deliverables

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What are the top 3 professions in the area?	Sales workers, unskilled factory workers, craft and trade workers	Craft & machine operation related workers/ Service and sales workers/ Technicians and associate professionals	wholesale & retail workers, semi-skilled factory workers, logistics workers	Craft & machine operation related workers/ Service and sales workers/ Technicians and associate professionals	Retail & wholesale, factory workers, tech manufacturing, logistics	Retail, business Services, manufacturing
What are the top 3 industries in the area?	Shipping, electronics, cement and steel manufacturing	Food manufacturing, chemical products manufacturing, chemical materials manufacturing	Business services, Manufacturing, Construction	wholesale and retail trade industry/ manufacturing industry/ professional, scientific and technical services industry	Retail & wholesale, factory workers, tech manufacturing, logistics	Industry, wholesale and retail trade, financial intermediation
Estimated monthly office rental per sq m?	US\$37	US\$17	US\$20	US\$25	US\$23	US\$30
Estimated monthly factory space per sq m.?	US\$11	US\$20	US\$15	US\$22	US\$22	US\$18
Estimated monthly warehouse rental per sq m?	US\$5 (2011 estimate)	US\$6	US\$9	US\$8	US\$22	US\$6.2
Rental costs in industrial parks higher than above?	Yes	Yes	Yes	Yes	Yes	Yes
Average monthly electricity prices? (per Kwh)	US\$0.08	US\$0.16	US\$0.13	US\$0.16	US\$0.18	US\$0.17
Average annual inflation rate in the area?	2%	-0.3%	1.5%	-0.3%	2.3%	2.7%
Frequency of power outages (number per month, WB)	0.2	Not ranked	0.1	Not ranked	0.1	0.1
Airport with direct flight to the United States?	No	No	No	Yes	Yes	Yes

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IFS to fly from LAX to what airport?	Hanoi intl airport	Taipei then Kaohsiung	KLIA	Taipei Intl Airport	Guangzhou Airport	Pudong Airport
Quality of internet and Wi-Fi? (Akamai ranking)	Average (92/135)	Excellent (5/135)	Good (54/135)	Excellent (5/135)	Average (101/135)	Average (101/135)
Employment considerations						
Possible employee pool in the area?	1.1 million	2 million	2 million	1.9 million	7.2 million	19.4 million
Unemployment rate in locality?	3.4%	3.78%	2.4%	3.78%	2.4%	4.1%
Average employee monthly earnings in the area?	US\$242	US\$1,241	US\$650	US\$1,241	US\$731	US\$1,232
Other large employers within one-hour travel time?	GE & BridgeStone	E&Y	JTI & Petronas	Microsoft and 3M	ZTE, Huawei, BYD	GE and Siemens
Other US companies present within 100 miles?	See this link	Click link	Click link	Click link	Click link	See this link
EU companies within 100 miles?	See this link	See this link	Click link	See this link	Click link	See this link
Population with a high school degree or higher (%)?	Unknown	36%	55.5%	70%	20%	21%
Number of technical training schools within 100 miles?	Over 200	155	Over 50	155	Over 200	Over 300
Number of trained electricians in the country? (est.)	Over 2,000	Over 1,000	Over 1,000	Over 1,000	Over 1,200	Over 1,200
Minimum monthly wage?	US\$139	US\$632	US\$250	US\$632	US\$323	US\$323
Payroll taxes? (% gross salary)	No	No	Yes	No	No	No
Average social insurance benefits (% of salary)?	22%	Varies	11%	Varies	35%	35%
Average skilled labour monthly salary?	US\$340	US\$1,300	US\$950	US\$1,300	US\$746	US\$1,905

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Average unskilled labour monthly salary?	US\$172	US\$710	US\$370	US\$710	US\$323	US\$323
Mandatory labour unions?	Yes	No	No	No	Yes	Yes
Employment contracts in writing?	Yes	Not required	Yes	Not required	Yes	Yes
Maximum number of working days per week?	6	6	6	6	6	6
Minimum notice to dismiss employees?	2 weeks	3 weeks	4 weeks	3 weeks	4 weeks	4 weeks
Minimum redundancy indemnity?	2 weeks	2 weeks	10 days	2 weeks	1 month	1 month
No competition clause in employment contract allowed?	Yes	Yes	Yes	Yes	Yes	Yes
Minimum annual number of paid leave?	12 days	7 days	8 days	7 days	5 days	5 days
Probability of timely approval for work permits?	30%	45%	50%	45%	70%	70%
Accounting and tax considerations						
Corporate income tax rate? (%)	20%	20%	24%	20%	25%	25%
Alternative minimum turnover tax? (%)	No	12%	No	12%	None	None
GST/VAT rate on local sales? (%)	10%	5%	6%	5%	17%	17%
Annual tax filing required?	Yes	Yes	Yes	Yes	Yes	Yes
External audit of the financial statements required?	Yes	Yes	Yes	Yes	Yes	Yes
Can Healy Consultants apply for IFS audit exemption?	No	Yes	Yes	Yes	No	No
Easy to repatriate earnings to the parent company?	No	Yes	Yes	Yes	No	No

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Is repatriation as dividends the easiest legal way?	Yes	Yes	Yes	Yes	Yes	Yes
Max yearly profit remittances abroad?	Yes (annual earnings)	US\$50m	None	US\$50m	None	None
Capital controls applicable on earnings sent overseas?	Only FX controls	Yes (US\$50m)	Yes	Yes (US\$50m)	Yes	Yes
Double taxation avoidance treaty with the USA?	Yes	No	No	No	Yes	Yes
Withholding tax on dividends distributed to USA?	0%	20%	0%	20%	10%	10%
Withholding tax on interest paid to USA?	10%	15%	15%	15%	10%	10%
Registration of a holding company recommended?	Yes	Yes	Yes	Yes	Yes	Yes
Average customs duty of export products?	0%	0%	0%	0%	0%	0%
Average customs duty for imported products?	5.8%	2%	4.3%	2%	4.5%	4.5%
<i>39073090 polyester and epoxy resin</i>	0% (MFN)	4%	Not listed	4%	Not listed	Not listed
<i>39079990 hybrid powder coating</i>	0% (MFN)	2.5%	Not listed	2.5%	Not listed	Not listed
<i>32081000 polyester powder</i>	Not listed	Not listed	25%	Not listed	10%	10%
<i>32099010 epoxy based powder</i>	Not listed	6.5%	Not listed	6.5%	10%	10%
<i>38249090 powder coatings additives</i>	Not listed	Not listed	0%	Not listed	Not listed	Not listed
Average China import duties from country? (non-agricultural)	0.1%	0.2%	0.1%	0.2%	NA	NA
<i>39079990 Polyester thermosetting powder coating</i>	0% (MFN)	2.5%	Not listed	2.5%	Not listed	Not listed

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Export to China – average shipping time?	6 to 15 days	1 to 6 days	10 days	2 to 8 days	NA	NA
Export to China – theft or shrinkage ratio?	Data not available	Data not available	Data not available	Data not available	NA	NA
Export to China – in US\$ b? (latest year available)	US\$25	US\$145	US\$53	US\$144	NA	NA
Business climate & compliance considerations						
Ease of doing business ranking? (WB)	82/190	11/190	23/190	11/190	78/190	78/190
Type of political regime?	One party State/Communist	Semi-presidential republic	Constitutional Monarchy	Semi-presidential republic	One party State/Communist	One party State/Communist
Strength of judicial branch?	Weak	Strong	Strong	Strong	Weak	Weak
Family structure? (matriarch/patriarch/other)	Patriarchal	Patriarchal	Patriarchal	Patriarchal	Patriarchal	Patriarchal
State religion or main religion?	Officially atheist	Buddhism	Muslim	Buddhism	Officially atheist	Officially atheist
Political stability (fragile State Index 2016)?	Elevated Warning	Not ranked	Warning	Not ranked	Elevated Warning	Elevated Warning
Stable diplomatic relations with the United States?	Average & improving	Good & stable	Good & stable	Good & stable	Average	Average
Reliability of domestic transportation infrastructure?	Average	Good	Excellent	Good	Good (coastal provinces)	Good (costal provinces)
Reliability of international transportation infrastructure?	Good	Good	Good	Good	Good	Good
Reliability of electrical infrastructure?	Average	Good	Good	Good	Good (coastal provinces)	Good (costal provinces)
Reliability of water infrastructure?	Average	Average	Good	Good	Average	Average

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Number of terrorist attacks per year?	Less than 1	0	0	0	14.6	14.6
Any noteworthy natural hazards?	Typhoons	Typhoons and earthquakes	No	Typhoons and earthquakes	Earthquake, snowstorms	Earthquake, snowstorms
Crime rate – murders per year (per 100,000 people)	3.3	3.0	2.3	3.0	1.0	1.0
Crime rate – % sales lost due to theft/vandalism	0.4	Not listed	1.4	Not listed	Not listed	Not listed
Drug addiction rate?	Not available	Not available	Low	Not available	Not available	Not available
Is there a large US expatriate community?	Unknown	Yes	Yes	Yes	No	Yes
Mercer Survey Ranking for global cities?	155/230 (Hanoi)	Not ranked	86/230	84/230	137/230	101/230
Is it easy to convert foreign driving permit?	No	Yes	Yes	Yes	No	No
Fluency in English?	Low proficiency	Moderate	High proficiency	Moderate	Low proficiency	Low proficiency
Average life expectancy at birth?	76 years	80 years	75 years	80 years	76 years	76 years
Cancer rates (% population)	Around 0.3%	0.42%	0.12%	0.42%	0.45%	0.45%
Air pollution ranking? (WHO)	Not ranked	Not ranked	45/108	Not ranked	72/108	99/108
Environmental ranking? (EPI)	131/180	60/180	63/180	60/180	109/180	109/180
Link to main environmental protection law?	See this link	Click link	Click link	Click link	Click link	Click link
Link to main anti air pollution law?	See this link	See this link	Click link	See this link	Click link	Click link
IP protection ranking? (EPI IP ranking)	85/128	24/128	26/128	24/128	55/128	55/128

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Link to main IP protection law?	See this link	Patent Act 2014	Click link	Patent Act 2014	Click link	Link
Corporate banking considerations						
Recommended corporate bank account?	SCB Hanoi	HSBC	Citibank	Citibank	HSBC	Bank of China
How many US banks with local branches?	1 (Citibank)	1	3	7	3	5
How long to secure corporate bank account numbers?	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks
Travel required to complete account opening?	No	Yes	No	Yes	No	No
Quality of bank customer services?	Good	Good	Excellent	Good	Good	Good
Will the company have a dedicated bank officer?	Yes	Yes	Yes	Yes	No	Yes
Quality of online banking services?	Good	Good	Excellent	Good	Good	Good
E-banking in English and accessible from the USA?	Yes	Yes	Yes	Yes	Yes	Yes
Government controls foreign currency transactions?	Yes	No	Yes	No	Yes	Yes
Resident bank signatory required?	No					
Multicurrency corporate bank accounts available?	Yes					
Multicurrency debit/credit cards available?	Yes					
E-banking in English and accessible from the USA?	Yes					