

# BUSINESS COST

## 1 Labor cost

As of 31/12/2013

### 1.1 Entry-level salary for selected position

( USD 1.00= 21,500VND)

No	Position	USD/month	VND/Month	Remarks
1	Worker (general industry)	110 - 180	2,500,000 - 4,000,000	Regular employment
2	Engineer ( Mid-level engineer)	250 - 400	5,500,000 - 9,000,000	Engineer from vocational school or university, experienced
3	Manager (Head of department)	410 - 1,000	9,000,000 - 22,500,000	University Graduate, experienced
4	Legal minimum wage	84 - 119	1,900,000 - 2,700,000	Varies from Zone 1 - 4 based on Decree 182/2013/NĐ-CP
5	Bonus payments (Fixed bonuses and variable bonuses)	1 month at least		depend on company policy
6	Social security burden ratio	Employer's burden: 21%	Employee's burden 9.5%	(Social Security including social insurance; health insurance; unemployment insurance & Trade Union Fee)

### 1.2 Over time regulation ( payment is compared to basic salary rate) based on Labor Law 2012

1	Overtime on weekdays	150%
2	Overtime on weekends	200%
3	Overtime on holidays	300%
4	Working time ( night shift) from 10:00 PM to 6:00 AM or from 9:00 PM to 5:00 AM	150%

## 2. Transportation cost

		USD/month	VNĐ/Month	Remarks
1	Container transport ( 40" container) (1) Export to USA (2) Export to EU (3) Export to Japan	(1) 2100 (2) 2,400 - 2,900 (3) 500		From Saigon Port to (1) Nearest port - Los Angeles/Long Beach/Oakland (2) Nearest port - Hamburg/Rotterdam/Antwerp (3) Yokohama
2	Taxi fare (per km)	0.7- 0.9	15,000 - 18,500	Varied by car & brand (Mai Linh, Vinasun, Phuong Trang, etc)
3	Regular gasoline price (1 liter)	1.12	24,210	RON 92 10% VAT included, price set by Government
4	Diesel oil price (1 liter)	1.06	22,960	DO 0.05S 10% VAT included, price set by Government

## 3. Telecommunication expense

		USD/month	VNĐ/Month	Remarks
1	Telephone installation fee (1) In Ho Chi Minh City (2) In Hanoi & Other areas	(1) 7 - 11.5 (2) 8- 13	(1) 150,000- 250,000 (2) 190,000- 300,000	By Vietnam Posts & Telecommunication 10% VAT included, Price varied by area
2	Telephone charge (1) Monthly basic charge (2) Call charge per min	(1) 0.95 - 4 (2) 0.01 - 0.05	(1) 20.000 - 80,000 (2) 200-800	10% VAT included Call charge per min varied due to connection in same region and/or different region
3	International call charge (per min)	Varied by country		10% VAT included
5	Mobile Phone charge (1) Subscription (2) Monthly basic charge (3) Call charge per min	(1) 2.38 (2) 2.33 (3) 0.042 - 0.05	(1) 50,000 (2) 49,000 (3) 890 - 1100	10% VAT included Provided by Vinaphone, Mobifone, Viettel.
6	Internet connection fee (broadband) (1) Initial contract fee (2) Monthly basic charge	(1) 50 -95 (2) 50- 280	(1) 1,000,000 - 2,000,000 (2) 1,000,000 -6,000,000	10% VAT included (2) full service package, Unlimited use, maximum speed

#### 4. Cost of public utility

		USD/month	VND/Month	Remarks
1	Electricity rate for business use (per kWh) (1) Charge for production (> 110Kv) (2) Charge for services (> 22KV)	(1) Normal 0.06 Low 0.04 Peak 0.11 (2) Normal 0.01 Low 0.06 Peak 0.17	(1) Normal 1.277 Low 792 Peak 2,284 (2) Normal 2.104 Low 1,199 Peak 3,607	Rate is covering from different power grid, provided by Vietnam Electricity Corporation (EVN). Please Contact us for further details.
3	Water rate for business use (per m3) (1) Charge for production (2) Charge for services	(1) 0.45 (2) 0.79	(1) 9,600 (2) 16,900	10% VAT included Rate applied in HCMC
5	Gas rate for business use	60 - 70	1300.000- 1500.000 /45kg.	Provided by Petrolimex, 10% VAT included

#### 5. Land and office rental, construction cost

		USD		Remarks
1	Industrial estate rents (per sq.m)/~50 years)	22 - 110		Contact VIIP for further details
2	Office rent (monthly) (per sq.m)	13 ++ - 24++		Centre business district
3	Housing rent for foreigners (monthly)	600 - 1,200 - 2,500		Service apartment, > 80 sq.m, well-furnished, including convenient utilities
4	Construction cost (per sq.m)	220 - 300		Not include VAT Average cost per sq.m including M&E, Office area, guard house, etc Contact VIIP for further details

#### 6. Tax

		USD/month	VND/Month	Remarks
1	Corporate Income Tax (CIT)	22%	Standard	Law on CIT
		10% - 20%	Preferential	Varied by zone (1/2/3/4) and product/technology
2	Personal Income Tax (PIT)	5% - 35%		Law on PIT
3	Value-added Tax (VAT)	0%, 5%, 10%		Varied by products
4	Tax on interest remitted	Max 5%		Decree 122/2011/ND-CP
5	Tax on dividends remitted	0%		Law on CIT
6	Tax on royalties remitted	Max 35%		Decree 712/2013/UBTVQH13