

# [Pestle analysis of vietnam market report sample](https://assignbuster.com/pestle-analysis-of-vietnam-market-report-sample/)

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## Economic Environment

Vietnam is an attractive market and it presents investors with many investment and trade opportunities. As a result, the education service provider company will enjoy the economies of scale in the market. Vietnam economy is in an upward trend following its implementation of various economic reforms. In fact, Vietnam economy is among the fastest growing economies in the Southeast Asia and for the last five years, the economy has an element of sustainable growth since 2001. The economic growth of the country stood at 6. 3% in 2009 and 6. 8% in 2010. Nevertheless, its GDP per head in the country stands at 1327 US dollars that indicates a growth from 2008m when it stood at 1047 dollars in 2008. Ideally, economic growth within the market will play a great role in enhancing success of the entry of the Education Service Provider. Economic growth improves the standards of living thus making education consumers to have the ability to buy the available education services (International Country Risk Guide all).   
On the other hand, the economic policies of the country have not played a great role in cutting down the inflation rate of the market. Although the Bank of the state of Vietnam has been directing the government to employ a restrictive monetary policy, it seems not to work. Inflation in the market influences other rates. For instance, high inflation rates have led to increased interest rates. High interest rates may discourage the borrowing for the Education Service Provider Company in the Vietnamese market. Ideally, this implies that the company will have capital generation problems. Nevertheless, high inflation will indicate that the company will increase the price of its products and services to a match with the inflation rates. Ideally, the consumers of the products and services will not be in a position to afford them thus affecting the market for the products and services (Jeannet 200).

## Technological Issues

Following the rapid advancement in technology, Vietnam has also made use of advanced technology. For instance, the country has well developed telecommunication systems that enhance proper dissemination of information within its market. Nevertheless, the country has well-structured information technology systems that play a great role in enhancing information sharing and marketing among the world countries. Ideally, the use of advanced technology in the market the Education Service provider Company will enjoy faster and efficient dissemination of information within the market. Using internet will help the company to exchange ideas with other companies in the same industry. Furthermore, the company will also increase efficiency in the marketing of its products and services via the internet. As a result, the company has a great opportunity to share its products and services to many countries of the world without any difficulties Vietnam is an attractive market and it presents investors with many investment and trade opportunities. As a result, the education service provider company will enjoy the economies of scale in the market (Blythe 126).

## Political Factors

Vietnam is a politically stable country found in the Asia. Its political stability opens doors for any investor willing to invest in the market. In fact, the Education Service Provider Company stands a great chance of opportunities in the market. Peaceful environment within the market offers the company a great business opportunity. Nevertheless, the rooming terrorist attacks among the Arab countries possess a great threat to the company. It is recommendable for the company to venture in a market segment that is prone to terrorist attacks.

## Social-cultural issues

The social status of the Vietnam market stands high following the country’s great passion for education. Although the country remains poor with a low income, the country has a great record for high education attainment. Nevertheless, the social and cultural dynamics of the people of Vietnam require any investor to put into consideration the family and home. As a result, the Education Service Provider Company requires making its business appointment s early in advance to avoid causing disruption to the family matters. Adherence to family and home requirements will help the company to succeed in the market.

## Legal Issues

Vietnam market like any other international market is subject to legal provisions. Ideally, this clearly indicates that for any investor who wishes to enter the market must adhere to business law of the market. For instance, Vietnam market calls for the investors wishing to venture the market to have to apply. Nevertheless, there is a great need for every company wishing to enter the market to have a foreign investment licenses that are usually regulated by the department of planning and investment. Furthermore, if the company wishes to open an office in that market, then it should have representative office license and branch license. As a result, the Education Service Provider Company needs to adhere to the above-mentioned legal provisions in order to succeed in the Vietnam market. Failure to adhere to these legal provisions will expose the company to lawsuits hence fines that will reduce its profits (American Chamber of Commerce in Vietnam all).

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