

majority of filing cases have not seen application of the 30-day preliminary review and have been subject to complex and uncertain evaluations which last for months.

In addition, local departments of planning and investment have had difficulties in applying the new Law on Investment as documents guiding the implementation of the law have not been issued. This could increase cases in which the licensing authorities have to seek opinions from other relevant authorities, which may contribute to delays in the M&A process.



Hopes escalating for post-pandemic growth in M&A

“We hope that new decrees and circulars providing detailed and favourable regulatory guidance will be issued soon to support the competition and investment authorities in dealing efficiently with M&A transactions and to effectively reduce the time gap and uncertainties in the procedures, helping boost the recovery of M&A activities when the pandemic settles down,” Duyen said.

According to Vietnam M&A Forum Research Team, a number of mega deals are expected to be secured in 2021. Foreign investors from South Korea, Japan, Singapore, 15

and Thailand will continue to dominate the market with the value of deals reaching up to \$500 million. At present, Vietnam’s M&A market remains attractive to investors despite the impact of the global health crisis – in particular, in the second and third quarter of 2020 Vietnam witnessed more M&A deals after the country successfully contained the summer wave of infections.

That being said, Vietnam is hopeful about potential for post-pandemic M&A growth. Some experts have forecast that the main sectors that will contribute to the recovery of value in Vietnam are telecommunications, energy, infrastructure, pharmaceuticals, education, and e-commerce.

Sam Yoshida from RECOF said that Japanese companies are concerned with stability of global supply chains. Vietnam is not only competitive as a location for manufacturing, but also it stands at the crossroads in terms of free trade agreements with major economic zones and so is well positioned.

“Additionally, more Japanese companies are paying attention to sustainability and technology innovations, and they are eagerly looking for opportunities to apply their expertise, such as in renewable energy, smart cities, AI, and more in Vietnam, where the people are open to new ideas,” he said. “As for the pandemic, we highly evaluate Vietnam’s success in keeping the pandemic under control, and this fact makes the country even more attractive for the Japanese investors.”

**(Source: VIR)**