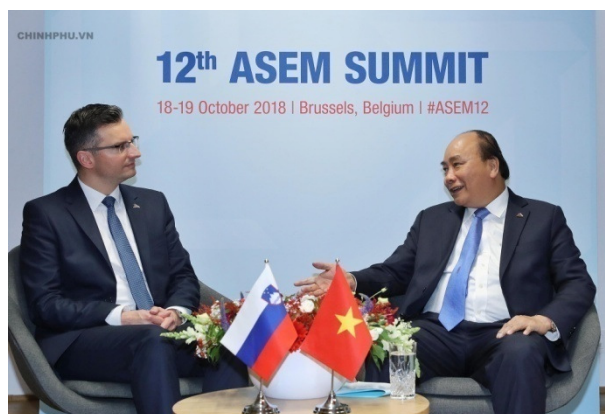




EMBASSY OF VIET NAM TO SLOVENIA

Business opportunities in Viet Nam



Ljubljana, 4 September 2019



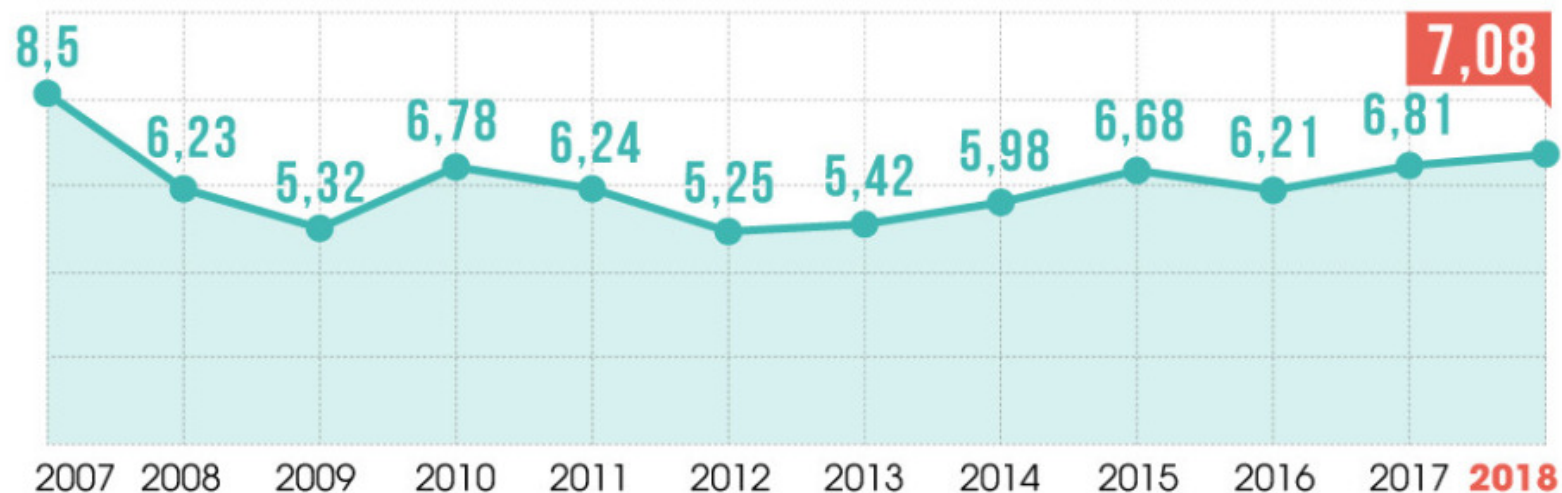
Contents

- Short video about why to choose Viet Nam (10 min.)
- Opportunities for Slovenian companies in selected sectors
- Services provided by the Viet Nam's Embassy to Slovenia

Why to choose Viet Nam?



Why to choose Viet Nam?



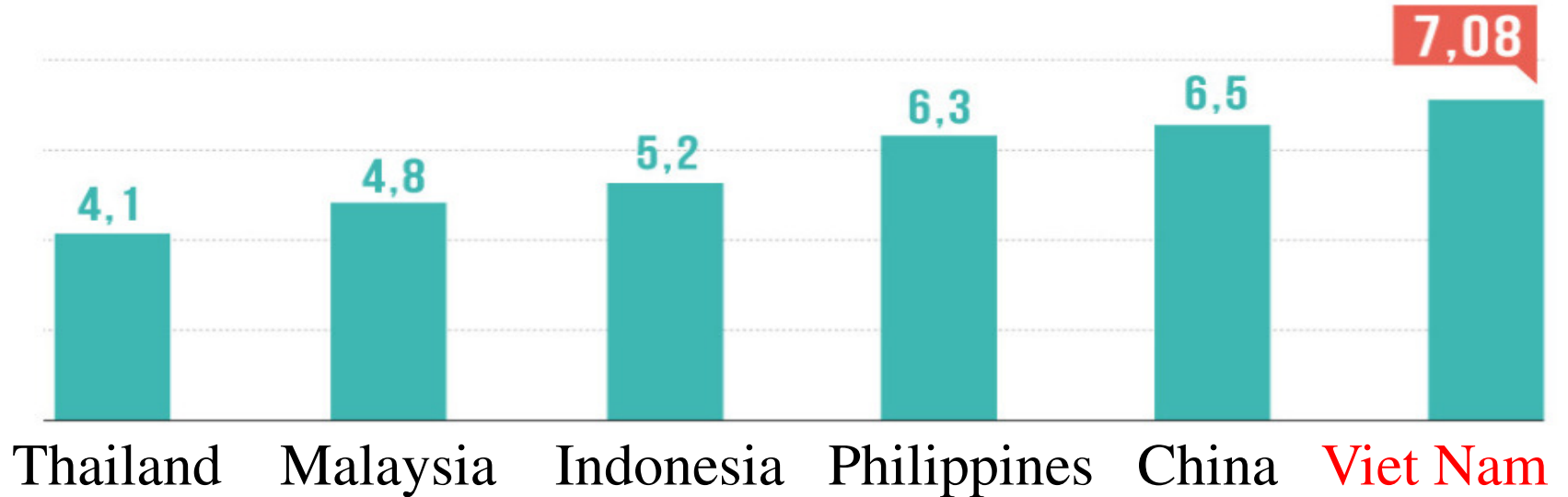
Total GDP: 240 billion USD (nominal, 45th place in the world),
708 billion USD (PPP, 33rd)

GDP per capita: 2,552 USD (nominal), 7,482 USD (PPP)

Inflation: 3,5% (2018), 3,5% (2017), 4,7% (2016), 0,6% (2015)

Why to choose Viet Nam?

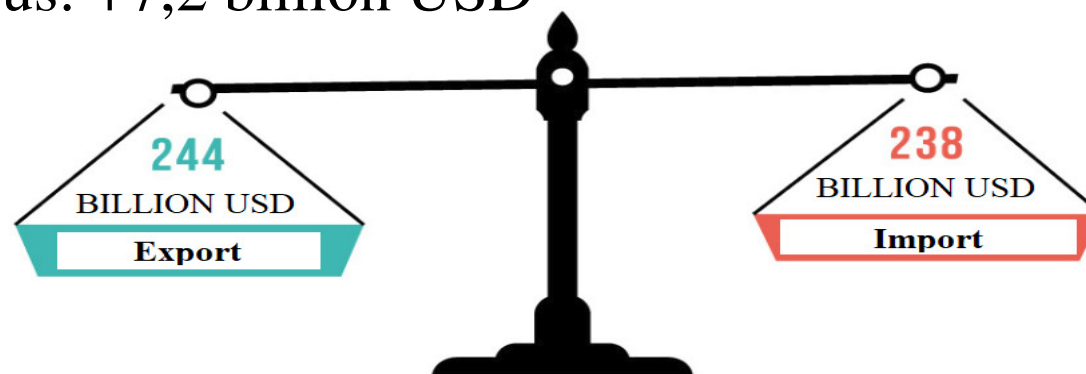
GDP Growth (%) vs other countries in the region



Why to choose Viet Nam?

Total foreign trade turnover: 482 billion USD

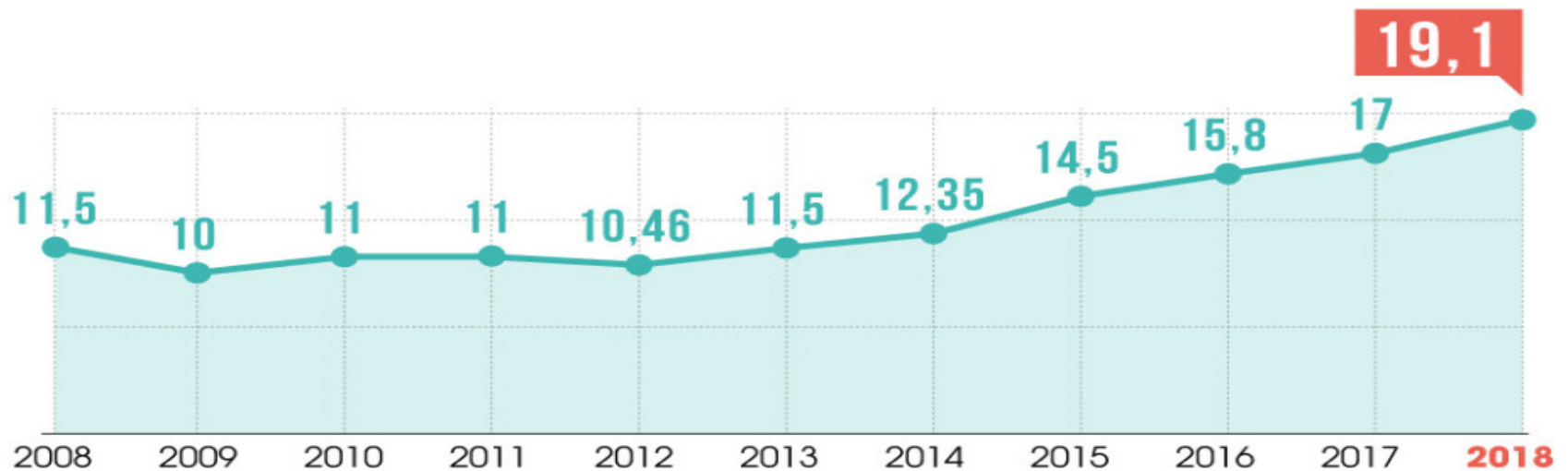
Trade surplus: +7,2 billion USD



Largest trading partners: China (107 billion USD), Korea (66 billion USD), USA (60 billion USD), EU (59 billion USD), ASEAN (56 billion USD), Japan (38 billion USD), Taiwan (16 billion USD)

Why to choose Viet Nam?

New FDI: 25,6 billion USD (top-20 globally)



Major FDI partners: Japan (8,6 billion USD), Korea (7,2 billion), Singapore (5 billion)

Why to choose Viet Nam?

In PWC report
2018:

**Fastest growing
economy in ASEAN**

7.1% GDP growth
in 2018

ADB's Asian Development Outlook, 2018

**#68th
in Doing Business index**

↑ 14 places from 2016

World Bank's Doing Business Report, 2018

**Administrative
reform**

670 Investment and business
conditions under the management
of the Ministry of Industry and
Trade were loosened

Ministry of Industry and Trade, 2017

**A wave of bank
listing**

9 commercial banks
consider listing in 2018,
expected to spur interest in
Vietnam's stock market

**>5,000
foreign deals**

45.1% increase in foreign
capital inflow into Vietnamese
businesses compared to 2016

Foreign Investment Agency, 2017

**US\$3 billion
trade surplus**

while exports topped US\$214
billion, a 21% increase from
2016

*General Department of Vietnam
Customs, 2017*

A key FDI destination

Vietnam is one of the most
frequently recommended
investment destinations.

*AmCham's ASEAN Business Outlook Survey
2018*

2017 total FDI inflows reached
US\$36 billion, a record over the past
10 years and is set to look brighter
in 2018

Foreign Investment Agency, 2018



Opportunities in agromachinery

- About 70-80% of agricultural machinery used in Viet Nam is imported. Viet Nam mainly imports from: China (which offer cheaper alternatives), Japan (with well-known brands of Yanmar, Kubota, Iseko) and Korea (Daedong).
- In 2017, Vietnam spent nearly 180 million USD to import harvesters and transplanters, mainly Japanese brands of Yanmar and Kubota harvesters, tractors,
- The largest domestic manufacturer of agricultural machinery is VEAM Corp. who accounts for 40% of whole domestic production capacity.



Opportunities in agromachinery

- According to the market research of Vietko Vietnam JSc., farmers in the North and Central region each year about 22,358 harvesters (1 harvester can serve 120ha / year - 2 crops / year) and 38,189 tractors (1 Tractors can serve 90ha / year - 2 cases / year).
- As for the Mekong Delta, every year farmers need to use nearly 6,000 large-capacity harvesters (one harvester serves 360ha / year - 3 crops / year) and nearly 10,000 tractors.
- **In total, around 28,500 harvesters and 48,000 tractors, transplanters.**



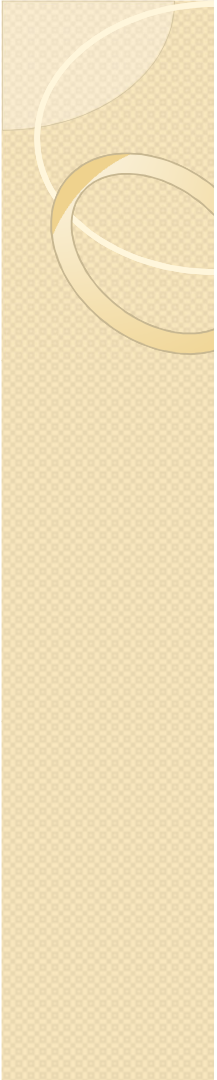
Opportunities in forestry industry

- According to statistics of Viet Nam Customs, in 2018 export turnover of wood and wooden products of Vietnam reached 8.91 billion USD, an increase of 15.7% in comparison with 2017. Of which, FDI companies amount to the export turnover of 3.93 billion USD, up 8.9% vs 2017.
- Main export markets are: USA (3.9 billion USD), Japan (1.2 billion USD), China (1.1 billion USD), Korea (937 million USD), UK (289 million USD), Australia (193 million USD), Canada (166 million USD), France (130 million USD)



Opportunities in forestry industry

- According to the Vietnam Timber and Forest Products Association, Vietnam's wood processing industry always maintains the annual growth from 8-15%. If the production of the sector in 2000 only reached 220 million USD, after 17 years, this figure in 2017 is 8 billion USD.
- By 2020, the total output of the industry is estimated at 13.34 billion USD with average productivity of USD 25,000 / person / year. At that time, the industry would be expected to employ 533,720 workers.



Opportunities in metallurgy and mechanical engineering

- Mainly focused on steel industry
- Metallurgy and mechanical engineering - priority industrial sectors
- In 2018, production of steel products is 24.2 million ton, up 15% vs 2017.

Import turnover of iron and steel products: 9.9 billion USD (13.53 million ton), of which: 46% is from China, 16% - Japan, 14% - South Korea.



Opportunities in supporting industry

- <http://support.gov.vn/>
- Currently, there are a lot of State support programs
- By 2020, supporting industrial products should meet 45% of essential needs for production (70% by 2030) for domestic consumption. 25% of industrial production should be exported.



Opportunities in supporting industry

- Metal and plastic spare parts and components, electronics, electricity, electronics should meet 60% of the demand for products and spare parts by 2020 (80% by 2030)
- Mechanical industries, automobiles, agricultural machines, electronics ... are given priority. Domestic enterprises producing spare parts and products are to participate in regional and international markets.
- Textile and footwear industry: To achieve the domestic supply rate of 65% in the textile and garment industry and 75-80% in the footwear industry.



Opportunities in supporting industry

- Example: To make a car, between 30,000 and 40,000 accessories and parts are needed, but in Viet Nam more than 90 per cent of these accessories and parts are supplied by parent companies or other foreign companies.
- According to the Ministry of Industry and Trade of Viet Nam, there are 358 businesses involved in automobile production, including 50 automobile assemblers and 214 accessories makers.



Opportunities in mobility industry

- In 2018 more than 352,200 units were bought in Viet Nam, ranking fourth in the ASEAN region after Indonesia (1.1 million units), Thailand (950,000), and Malaysia (560,000).
- The average number of cars per 1,000 people in Viet Nam is still low (at 23 cars per 1,000 people).
- With an increase in income, a “golden demographic” with the number of people having good earnings now accounting for 52 per cent of the population, demand for cars among young families and car consumption is expected to increase strongly.



Opportunities in mobility industry

- Between now and 2025, the domestic automobile manufacturing industry is predicted to grow by 18.5 percent, and 13.5 percent between 2025 and 2035, with output reaching 531,600 units by 2025 and 1.76 million units by 2035.
- Car sales are predicted to grow 22.6 percent by 2025, and 18.5 percent, after 2025. The double-digit growth in production and sales are largely based on the growth in the middle class, GDP, and disposable income.



Opportunities in mobility industry

- There is a plan to construct 227 km (9 lines) of urban train in Ho Chi Minh City and 411 km (9 lines) of urban train in Ha Noi. Only 4 lines are in the construction phases
- Development of urban buses
- Competition in the airline industry



Opportunities in environment industry

- For the capital Ha Noi with population of around 8 million people, the total household waste amounts to has 7.000 ton/day and increases 15% on annual basis; the total amount of all waste types might amount to over 10.000 ton/day.
- For Ho Chi Minh City, the economic center of Viet Nam with over 10 million of people, total amount of waste is 13.000 ton/day, of which: 8.300 ton is household, 1.500 ton is industrial, 1.200 ton is construction materials, 22 ton is from healthcare systems and the rest of around 2.000 ton is sludge. It is said that over 70% of residential waste goes to the landfill.

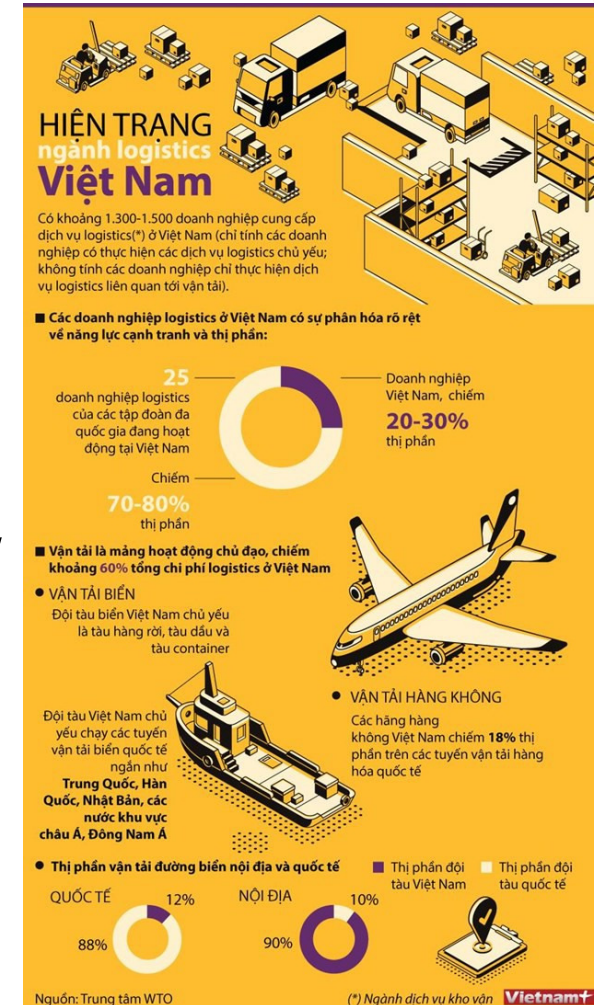


Opportunities in renewable energy

- By the end of 2018, 285 hydroplants were put into operation with a total capacity of 3,322 MW; 8 wind power plants with total capacity of 243 MW and 10 biomass power plants with total grid capacity of about 212 MW. There is 10,000 MW registered solar energy production capacity, only 86 MW are operational.
- In total, the amount to 2.1% of total electricity generation. Viet Nam plans to reach 25% by 2030, 45% by 2050.
- Potential of wind industry in Viet Nam: 713,000 MW
- Potential of solar energy: 43.9 TOE/year

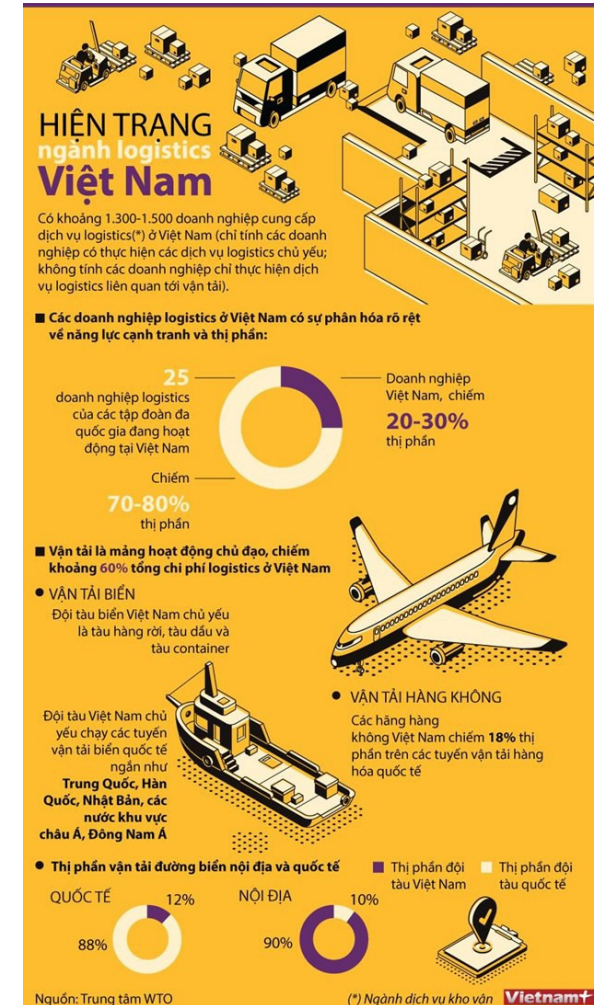
Opportunities in logistics

- Market size of 40 - 42 billion USD, annual growth of 14 - 16%
- 3.000 companies, including 25 world leading transnational companies such as DHL, FedEx, Maersk Logistics, APL Logistics, CJ Logistics, KMTCC Logistics...
- Foreign companies account for 70-80% of market share



Opportunities in logistics

- Container shipment via ports: 67,7 million TEU
- E-commerce market currently at 10 billion USD/year and is expected to grow 20-35%/year during next 5 years
- According to World Bank, Vietnam currently ranks 64/160 countries in terms of logistics development and 4th in ASEAN after Singapore, Malaysia and Thailand.





Services provided by the Embassy

- Providing basic information about Vietnamese market, industry overview
- Assisting in search for the local partners in Viet Nam
- Profile screening of companies
- Introduction of lawyer offices for company setup, legal advises or trade / contract disputes
- Advising on participation in local trade fairs, exhibitions
- Arranging the meeting with relevant stakeholders

THANK YOU FOR THE ATTENTION!

Trade Office

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