

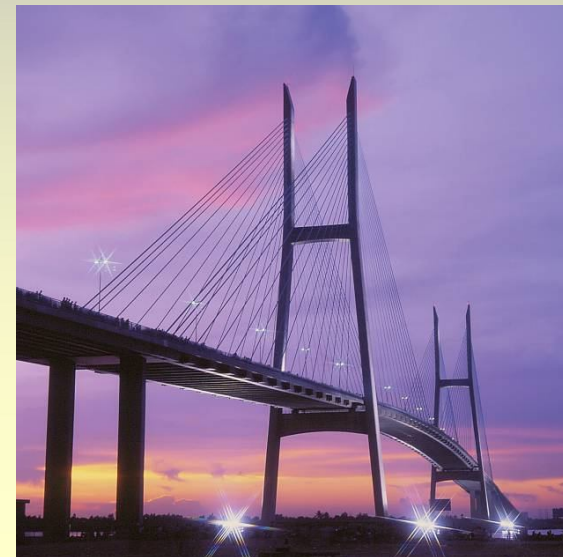


Viet Nam – a country undergoing a strong growth

Tran Thanh Hai
Embassy of Viet Nam in Italy

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- Favourable environment for investors



Overview of Viet Nam economy

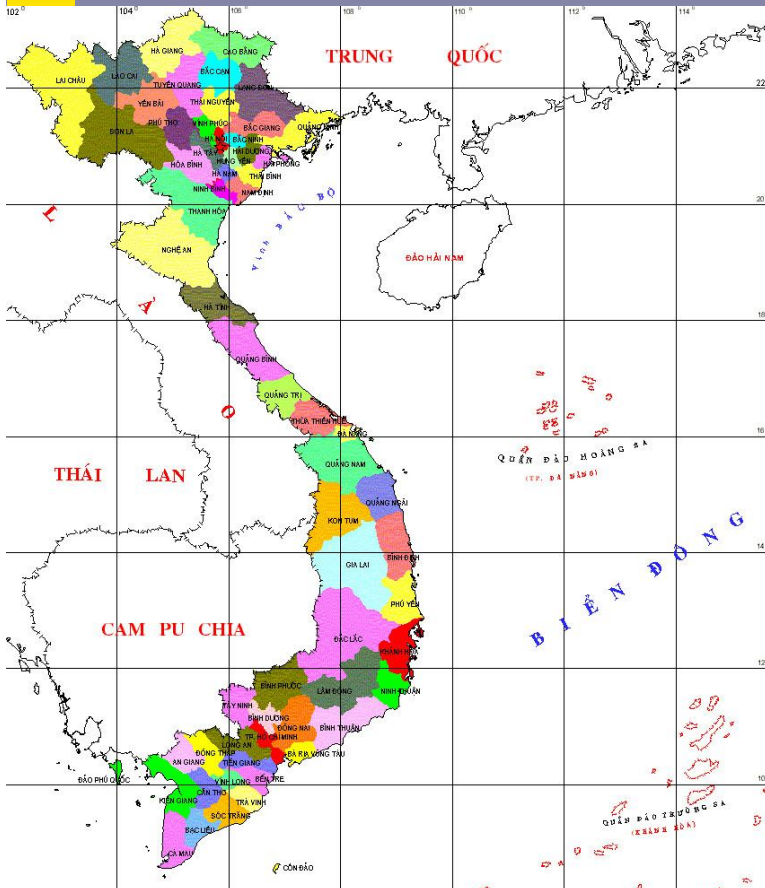
Viet Nam at a glance

Geography

- Centre of Southeast Asia
- Area: 331,698 sq. km
- Coastline: 3,260 km

Society

- Population: 86 mil.
- Labor force: 47 mil.
- Unemployment rate: 4.7%
- Literacy rate: >90%



Viet Nam economy /i

- Substantial progress was achieved from 1986
- GDP growth averaged 5-7% per year against the background of global recession
- Membership in ASEAN, ASEM, APEC
- Joined WTO since 2007

“Every 10 years, Viet Nam has built another economy.”

Viet Nam economy /ii

- Inflation rate (consumer prices): 6,8% (2009)
- GDP: \$89 billion (2008)
- GDP per capita: \$1,000
- GDP growth: 5.32% (2009)
- GDP - composition by sector:
 - agriculture: 19.4%
 - industry: 42.3%
 - services: 38.3%

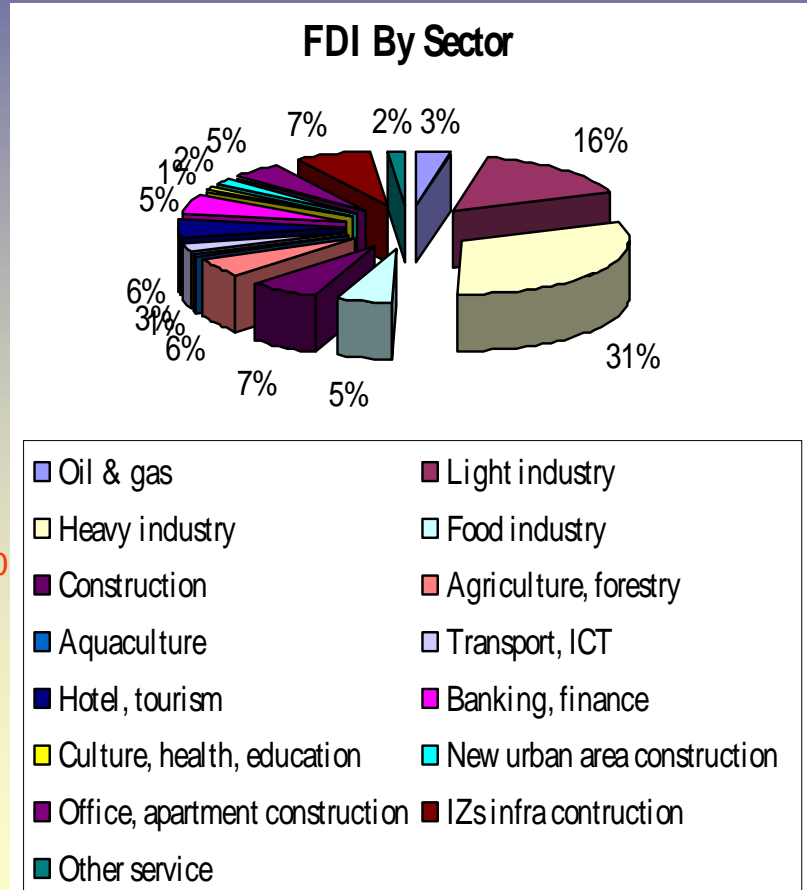
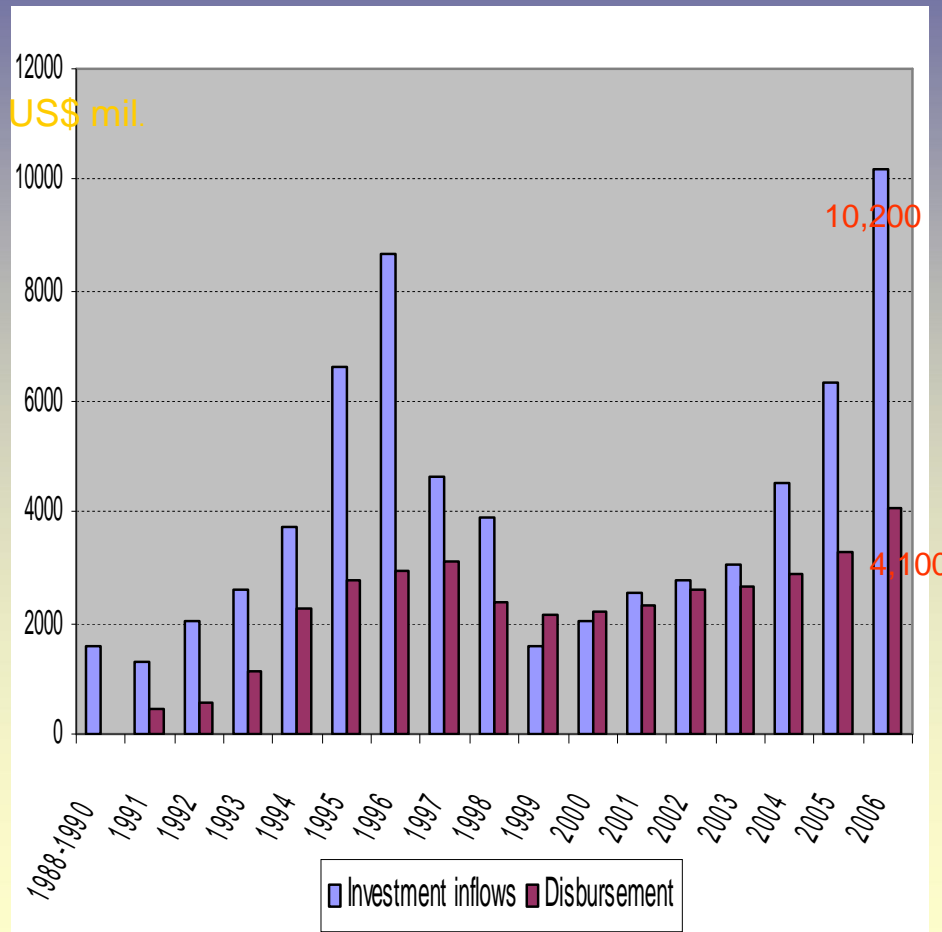


Infrastructure



- Highways: 86,327 km
- Railways: 3,219 km
- International airports: 3
- International seaports: 11
- 139 industrial zones with area of 29,392 ha
- 8 economic zones with area of 323,940 ha
- Electricity output: 53.8 billion kWh

FDI flow in Viet Nam 1986-2006



Trade

- Exports: US\$63 billion (2008)
- Main exports: crude oil, marine products, rice, garments, footwear, furniture, coffee, rubber, tea, electronics ...
- Trading partners: US, EU, Japan, China, Singapore, Korea, Chinese Taipei, ...

Trade

- Imports: US\$79 billion (2008)
- Main imports: machinery and equipment, oil products, fertilizer, steel products, raw cotton, grain, vehicles...



Bilateral economic links

Trade with Italy

- Export from Viet Nam to Italy
 - US\$804 million (2009)
 - Footwear, garment, seafood, furniture, coffee bean, natural rubber, tourist items, plastic items, cashew nuts, ...
- Import from Italy to Viet Nam
 - US\$574 million (2009)
 - Industrial machines, motorcycle, leather material, electric appliances, chemical, cloths, animal feeds
- "*Made in Italy*" means quality and reliability

Investment from Italy to Viet Nam

- Top investors in Viet Nam
 - Chinese Taipei, Korea, Singapore, Japan, US
- Italy has 34 investment projects, valued US\$162 million, of which 5 new projects in 2009, valued US\$ 49 million
 - Piaggio, Datalogic, Danieli, Bonfiglioli
 - Ariston Thermo, PanaPesca
 - UniCredit, Intesa SanPaolo,
 - Illy, Paccorini, Perfetti Van Melle
- Italian investment fall in heavy industries, manufacturing, services, agriculture

Investment from Italy to Viet Nam

- Be present in 14 provinces
- Priority areas:
 - infrastructure
 - mechanics
 - "green" technologies, renewable energy
 - distribution
 - consumers' goods
- Support from Italy
 - SIMEST: export credit
 - SACE: export insurance
 - ICE



Favourable environment for investors

Why to invest in Viet Nam?

- Socio-political stability
- Continuous economic growth
- Abundant human resources
 - High level of literacy, IT-savvy
 - Labourious, hard-working
 - New generation of corporate leaders
 - Huge market for consumption
- Low cost of materials and inputs
 - Electricity, water, telecoms, air freight



Why to invest in Viet Nam?

- Trade regime becomes more open and transparent following WTO entrance
- Favorable FDI policies
 - Simplification of investment procedures
 - Compliance with international practices
- Convenient for outsource and processing industries
 - Located at the heart of Southeast Asia
 - Enjoy preferential tariffs by FTAs
 - Risk diversification

How can Italian SME be successful?

- Understand the country, and the people
 - "You cannot do business if you don't like the people"
 - Invest your time, effort, money to understand
- Only when you understand the country, you will know which products you can sell:
 - not what you have, but what Vietnamese want
- There are similarities between Italian and Vietnamese
 - open, friendly, easy to talk

- Find a right partner
 - Terruzzi Fercalx SpA has a lime plant in Viet Nam
 - Visited Viet Nam several times
 - The first time they met, they did not talk about business, but about food, scenery, football and ... ladies :)
- Field visit is strongly recommended, provided it is well prepared

- Italian products mean: good quality, delicate design, creation embedded, reasonable price
- Imports from Italy is in increase
 - Industrial boom requires lots of machine, equipment
 - Higher income, higher consumption
 - Import barriers are lifted

Recommended sectors for Italians

- Textile, garment, leather, footwear
- Furniture, marble
- Machinery, home-use appliances
- Mechatronics, information and biological technologies
- Food processing
- Infrastructure facilities: highways, ports, airports, bridges, tunnels, industrial complexes, etc.
- Services: education, construction, health, culture

What can be done with us?

- Provide general and specific info about Viet Nam
 - Database of laws and regulations
- Assist in applying for R/O, branch and investment licenses
- Advise on doing business in Viet Nam
- Help in seeking an appropriate trading or investment partner
- Support dispute mediation
- Facilitate visa processing

... More development

- 1/2007: Prime Minister Nguyen Tan Dung
- 11/2008: Minister Claudio Scajola
- 12/2009: President Nguyen Minh Triet
- 7/2010: Deputy Prime Minister Nguyen Sinh Hung
- 2010: A business mission led by Berlusconi to Viet Nam ???



Conclusion



518 years ago,
Colombo
discovered America

Will his successors
"discover" Viet
Nam?



How to reach us?

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