VIETNAM BUSINESS REVIEW

Vol 03, January 22nd 2020

Highlight

Vietnam's retail pie sweet but hard to get

What's in it today?

FINANCE

Ministry eyes tightening corporate bond issuance amid market's overheating

Vietnamese currency under bigger pressure in 2020

E-COMMERCE

Online Friday 2020 launched

START-UP

HCM City to build Centre for Innovative Startup

INVESTMENT

EVFTA makes Viet Nam more attractive to EU investors: German media

Ford expands Hai Duong facility

LOGISTICS

Delivery services to grow 30-40 percent in 2020

Stellar growth in store for ASEAN e-commerce logistics

RETAIL

Vietnam's retail pie sweet but hard to get

Starbucks, Coffee Bean, and Tea Leaf losing to Vietnamese chains

FINANCE

Ministry eyes tightening corporate bond issuance amid market's overheating

The Ministry of Finance will tighten regulations over corporate bond issuance because of an overheating market to protect investors and prevent risks which might arise from the abuse of this capital raising channel. The ministry has made public a draft decree to amend several points of the Decree 163/2018/NĐ-CP about corporate bond issuance for comments, which included amendments of conditions for corporate bond issuance, rates, issuance approach in domestic and international markets, information disclosure and reporting mechanism.

It was pressing to tighten the management as the market has seen rapid growth since banking credit for several sectors were narrowed, forcing firms to shift to bond issuance to raise capitals. The corporate bond market has been overheating development in recent years.

Statistics of Hà Nội Stock Exchange showed that 211 firms issued bonds worth totally VNĐ280 trillion (US$12.1 billion) in 2019, representing a rise of 25 per cent compared to 2018. The scale of the Việt Nam's corporate bond market expanded from 9.01 per cent of the country's gross domestic product (GDP) in 2018 to 11.3 per cent GDP in 2019 with a total of nearly VNĐ670 trillion worth of corporate bonds in circulation.

The ministry said overheating implied significant risks as a number of firms did not clarify the purposes of the capital raised from bond issuance, repayment plans and bond yields. Some enterprises even offer high yields which would negatively affect the rates of the overall market, the ministry said.

The ministry at the beginning of the last quarter of 2019 sent out warnings to bond investors., urging them to study carefully information about the issuer companies, issuance purposes, mortgage asset, payment commitment, bond yield and the financial situation of the companies. Under the draft, regulations about bond yields and bond transactions would be tightened.

Accordingly, bond yields would not be allowed to be higher than 20 per cent per year. This aimed to prevent firms from offering high bond yields which would negatively affect the capital market.

In addition, bonds issued in the domestic market would be restricted from trading among less than 100 investors while under the current regulation, the restriction was applied only in the first year. This aimed to protect bond investors, the ministry said. Two issuances must be at least six months apart, according to the draft.

Notably, issuer companies must ensure the outstanding value of bond issued would not exceed three times of their charter capitals. The Ministry of Finance said that this regulation would help prevent firms from issuing bonds in too large a volume and value which would bring risks to both issuers and investors.

Hà Nội Stock Exchange's statistics showed between January and November 2019, 28 out of 177 firms issued bonds worth three times higher than their charter capitals. Among them, 11 had bond issuance more than 50 times higher than their charter capitals and six had bond issuance more than 100 times higher. The ministry said some did not clarify their purposes of bond issuance and how they could repay the bonds.

The draft asked bond issuer companies to state in detail how the capital raised from bond issuance to be used. — VNS

Back to top

Vietnamese currency under bigger pressure in 2020

After being relatively stable last year, the foreign exchange rate of the Vietnamese đồng against the US dollar is forecast to be under greater pressure in 2020 due to both internal and external headwinds.

Finance expert Nguyễn Trí Hiếu told Việt Nam News that pressure on the exchange rate would be bigger this year as a greenback supply decline in the domestic market is forecast, driven by weaker foreign direct investment (FDI) inflows and exports.

"Due to a decline in global demand, Việt Nam's exports in 2020 may not be positive as last year and the Government even forecasts a trade deficit of about 3 per cent of export turnover this year," Hiếu said, adding that Việt Nam's imports are also likely to rise over the coming months, outpacing exports and putting pressure on the đồng.

"Besides, it is projected that FDI and remittance inflow to Việt Nam would also weaken in 2020 due to the global economic slowdown, providing less support to the đồng," Hiếu added.

Việt Nam received US$38 billion in total registered investment capital last year, up 7 per cent from $35.5 billion in 2018. The processing and manufacturing sector continued to attract the bulk of FDI at $24.6 billion, which accounted for 64.6 per cent of investment capital in 2019.

However, it is forecast that infrastructure and human capital bottlenecks will see FDI to the manufacturing and processing sector ease this year.

Higher inflation would also put more pressure on the exchange rate, Hiếu said.

In fact, a shortage of meat in the country has seen inflation spike. Inflation was at 5.2 per cent year-on-year in December 2019, up from 3.5 per cent year-on-year in November 2019, led by a 9.2 per cent year-on-year inflation in food prices, up from 5.6 per cent year-on-year over the same period. This is likely to see Việt Nam ramp up imports of meat to deal with the shortfall, causing higher inflation in the coming months. As for external headwinds, according to Hiếu, though the US and China this month signed a first phase trade agreement, there are still a lot of disagreements between the two sides.

Moreover, as US President Donald Trump wants to use the trade war to gain an advantage over his opponent in his re-election campaign, the war cannot end in 2020, Hiếu said, adding this would continue to have a strong impact on US dollar and Chinese yuan in 2020, putting pressure on the đồng.

“The impacts will cause the đồng to depreciate by between 2 and 3 per cent in 2020,” Hiếu forecast.

The đồng remained relatively stable against the dollar last year, with the SBV’s reference exchange rate up some 1.45 per cent against the end of the previous year.

Limited weakening

Despite being under more pressure, experts also forecast the Vietnamese central bank would try to limit the depreciation of the đồng as the country is still stuck on the US’s currency manipulator watchlist. According to analysts from Fitch Solutions, a strong foreign reserves position should allow the central bank to safeguard the currency against excessive downside volatility to avoid potential punitive measures from the US due to currency manipulation.

“That said, we believe that the State Bank of Việt Nam (SBV) will seek to limit the pace of đồng weakening as Việt Nam remains on the US Treasury’s currency manipulator watchlist at its January 2020 report,” Fitch analysts told Việt Nam News, adding though they viewed the US taking punitive measures against Việt Nam as a quite unlikely scenario.

The analysts explained Việt Nam was included on the list as its goods trade surplus with the US continued to rise significantly, with the surplus reaching $47 billion over the four quarters through June 2019. “However, its current account surplus narrowed to 1.7 per cent of GDP, and while Việt Nam frequently intervenes in the foreign exchange market to maintain a close link to the US dollar, intervention was done both ways. Net purchases of foreign exchange was also only at 0.8 per cent of GDP in the four quarters to June 2019.”

The US Treasury adds a country to its currency manipulator watchlist if it meets two of three criteria: trade surplus with the US of at least $20 billion, current account surplus of at least 2 per cent of GDP and persistent, one-sided intervention in the currency equivalent to 2 per cent of GDP in six months of a year. Fitch analysts forecast the đồng to average just slightly weaker by about 1 per cent and to average VNĐ23,475 per US dollar in 2020.

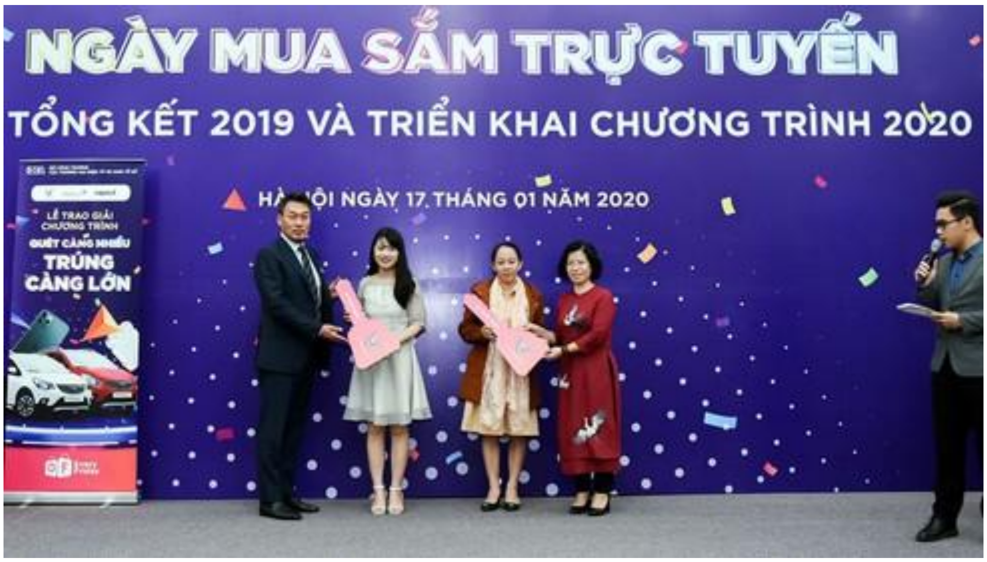
As for long-term outlook, the đồng would gradually depreciate against the US dollar due to its overvaluation and Việt Nam’s higher inflation vis-à-vis the US to average VNĐ23,650 per dollar in 2021, they predicted. VNS

Back to top

E-COMMERCE

Online Friday 2020 launched

The Department of E-commerce and Digital Economy under the Ministry of Industry and Trade announced on January 17 that the Online Friday 2020 program was deployed on January 3 through the website www.onlinefriday.vn and via Online Friday apps on both iOS and Androi



The organisers of the program state that the implementation of regular promotional activities will allow customers to enjoy a safe shopping experience and provide them with transparent information regarding product origin at exclusive preferential prices.

Businesses that choose to participate in the program will receive additional support in terms of advertisements and delivery through television channels such as VTV3 and VTV6, digital marketing solution providers as well as Viettel Post and VnPost.

To participate in the program, businesses must produce and distribute genuine products with exclusive price programs.

Last year's Online Friday (December 6, 2019) gathered many e-commerce floors with 95,000 genuine products joining the program while 720 new businesses had signed up for the scheme, bringing the total number of the participating businesses to 3,840.

According to statistics from 50 businesses participating in the program, the number of orders of the whole market reached over 3 million, up 67% compared to 2018.

Back to top

START-UP

HCM City to build Centre for Innovative Startup

The HCM City Department of Science and Technology announced the approval of the municipal People's Committee for the selection programme of an architecture design for the HCM City Centre for Innovative Startup.

Invited into this program are capable, prestigious companies and architecture consultation organisations which have excellent experience on similar constructions, the Sai Gon Giai phong reported.The organising board is going to ask participants to present three projects, each designed by one specific architect, and will choose the most outstanding one. The municipal Department of Science and Technology said that the evaluation board consists of 15 people, at least two-thirds of whom are senior architects.

This centre will be built on a public-private partnership basis. Particularly, the government is responsible for preparing the site, constructing the building and other areas for common activities, offering supporting policies like training, event organisation, contest holding. Meanwhile, private businesses and startups are in charge of designing and investing in suitable equipment of their needs for a smooth operation.

The introduction of this centre shows the determination of the municipal People's Committee in completing the city's innovative startup ecosystem in order to boost the establishment and development of innovative startups in HCM City. The centre is also supposed to be the link between domestic startup communities and their international counterparts.

The project for this centre was approved by the 9th HCM City People's Council in July 2019. The construction will begin in the first half of 2020./.VNA

Back to top

RETAIL

Vietnam's retail pie sweet but hard to get

As one of the most dynamic economies in the region, Vietnam's young retail market has great potential as it is increasingly more competitive and attractive to foreign investors. Trang Le, head of Research and Consulting Services at JLL Vietnam said that the real estate consulting firm said that with its population of more than 90 million, 70% of whom are between the ages of 15 and 64, potentially a key driver of strong market growth, Vietnam is attracting more retailers.

Meanwhile, other factors, such as the growth of tourism, help create more demand for retail. Infrastructure development also provides investors with more opportunities to develop retail projects outside central areas.

The potential of the Vietnamese retail market has attracted the attention of many regional mall and retail investors. The market has witnessed a surge in mergers and acquisitions (M&As) since 2014. One example is the Bangkok-based Berli Jucker's acquisition of Metro Cash & Carry Vietnam, the country's largest M&A deal, in 2016.

Another Thai giant, Central Group, acquired Nguyen Kim Trading JSC, Vietnam's leading electronics retailer, and Big C Vietnam, the second-largest supermarket chain based on the number of stores in the country. South Korea's leading retailer E-mart also joined the playground in 2015 with a US$60 million shopping mall in northern HCMC. Lotte Mart, which is also from the Northeast Asian nation, has been quite successful, with a series of supermarkets and shopping centers across the country.

AEON, one of the world's leading retail groups from Japan, is gradually expanding its network, with a fifth center in Ha Dong District of Hanoi going into operation last November. Its Japanese compatriot Takashimaya has been in Vietnam since 2016 in a prime location in the heart of HCMC.

Strong rental demand has made prospects brighter for shopping centers, especially for projects in the central business districts (CBD). In the third quarter of 2019, occupied space remained stable at about 90% of compound annual growth rates in both the CBD and non-CBD areas. The market is currently seeing tenants looking for properties larger than 1,000 square meters, making it difficult to find a suitable location at the existing retail centers.

Therefore, most tenants are waiting for future supplies or retail centers that are currently undergoing renovations and upgrades. Rents at these centers remain stable. A prime location in the CBD is still the

Back to top

preferred choice of retailers, recording the highest prices and strong growth.

"However, retail is still no walk in the park and players are being knocked out left and right by the fierce competition," stated JLL Vietnam.

This is evident in the withdrawal of major brands, such as Auchan; the shrinking domestic network of Parkson; and the series of foreign convenience store brands struggling to gain market share or having to transfer ownership to domestic rivals, with Shop&Go being a prime example.

"The ups and downs of popular brands in the market speak to the potential of the local retail market but also show that the apples are not for just anyone to pick," according to the firm.

In addition to the prerequisite of choosing a location that boasts a high population density with strong purchasing power, changes in consumer habits and competition from ecommerce has led to the development of new retail models. Retailing aligned with the target market is the decisive factor in a brand's success.

AEON's success with its "slow and steady" market entry strategy shows that it is crucial to understand consumer behaviors and select the right retail model. Working from a representative office in Vietnam since 2008, it was not until 2014 that AEON officially opened its first center, Aeon Mall Tan Phu Celadon, in HCMC. "Choosing the right model that offers a prime spot for families to shop and play in based on market trends has brought this brand a great deal of success in its five years of operation," said the market consultant.

However, for every success, there are multiple instances of failure, such as Parkson's less diversified tenant structure, which focuses too much on fashion and cosmetics, while paying little attention to dining and entertainment. The market has a significant supply of retail space from commercial podiums in apartment buildings. This type of retail real estate is struggling to find a suitable direction and model due to its limitations in scope and concept, inexperienced developers and fierce competition.

According to JLL, these investors should focus on providing utilities for residents first. Other models, such as shared office space, education systems or even smart lockers, should also be considered.

For the sake of success, retail operators need to conduct careful studies to better understand the trends that will shape the retail market. VIR

Back to top

Starbucks, Coffee Bean, and Tea Leaf losing to Vietnamese chains

In Vietnam, the five biggest coffee chains account for 15.3 per cent of the market share, of which, Highlands Coffee holds 7.2 per cent, while Starbucks, the second in revenue according to Euromonitor, has less than 3 per cent, showing that foreign players are losing to Vietnamese chains.

Vietnam is the world's second-largest espresso exporter, according to CNBC. Also, the market is a fierce battlefield for cafe chains. Gloria Jeans, an Australia-based coffee brand which owns about 760 coffee stores in over 65 countries, had to say goodbye to Vietnam after 10 years of trying to conquer the market.

Coffee Bar and Caffe Bene also opened fewer stores than expected. The Kafe, a coffee chain that was well-known in Vietnam years ago, also admitted defeated after three years, despite the $5 million investment from Cassia Investment (Hong Kong). Starbucks, entering Vietnam in 2013, has one store for every 1.7 million people in Vietnam, which is much lower than other ASEAN countries like Malaysia, Thailand, or Cambodia. As the world's second-largest espresso exporter, Vietnamese people are proud of their legendary thick, heavy brew sweetened with condensed milk.

Vietnamese espresso is brewed from robusta beans, which have a sharper, more bitter taste, and higher caffeine content than arabica. This type of coffee is used by the country from pop-up cafés to well-known coffee chains and even at home. However, Starbucks – and other Western cafés – brew drinks from arabica and their drink menus do not have Vietnamese consumers favourite drink.

According to Hai Lieu, founder of Letto Coffee & Tea, local cafés understand domestic customers and are better adapted to the market. "Local cafés are flexible in changing their menu. For instance, Highlands Coffee and The Coffee House added bubble tea, which is a popular drink among the young in Vietnam," he said.

Another reason drinkers spend more time in local cafés is that they offer unlimited and stable Wi-Fi, whereas foreign branded cafés usually limit internet connectivity. Due to these issues, Starbucks and other foreign branches have been left behind by Highlands Coffee. A report from Euromonitor in last April showed that the five largest coffee chains in Vietnam account for 15.3 per cent of the market, with Highlands holding 7.2 per cent.

Meanwhile, Starbucks is second in revenue thanks to opening new stores that pushed its market share to nearly 3 per cent. Previously, data from Vietnam Industry Research and Consultancy (VIRAC) showed that Starbucks Vietnam's revenue in 2018 was VND593 billion ($25.78 million), equal to about one-third of Highlands Coffee's. Meanwhile, The Coffee House came before Starbucks, for the first time, to stand in the second position in revenue with VND669 billion ($29.1 million).

However, the return on sales (ROS) of Starbucks was nearly equivalent to Highlands Coffee (VND27 billion – $1.17 million) in 2018, whereas, The Coffee House only collected VND2 billion ($86,960).

The middle class is rising in Vietnam, and the market value for coffee and tea retailers in Vietnam is greater than $1 billion, according to Euromonitor Worldwide.

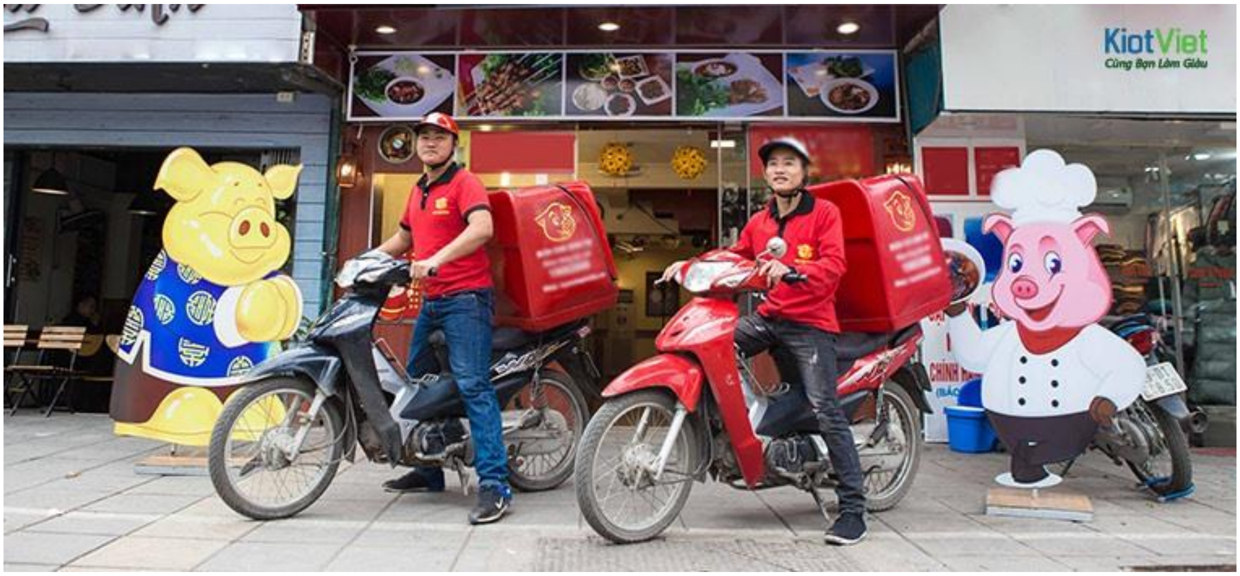
Native Vietnamese chains are opening in greater numbers and performing better than their foreign counterparts. Native chains charge much less for espresso, adapt faster, to new traits and have an enormous foothold in the market. VNI

Back to top

LOGISTICS

Delivery services to grow 30-40 per cent in 2020

The logistics sector is forecast to continue growing strongly this year, with expansion in both retail and e-commerce channels.



The Việt Nam E-commerce and Digital Economy Agency (IDEA) forecasts that the Vietnamese e-commerce market will reach US$10 billion this year. The agency also estimated that delivery services would record a revenue growth of 30-40 per cent, with the market growing 20 per cent and large companies taking a bigger share.

In a Google-Temasek report on e-commerce in ASEAN countries, the Vietnamese e-commerce market is estimated to increase from $4.6 billion last year to $23 billion by 2025.

The strong growth of e-commerce is beneficial for other supporting industries, such as logistics and e-payment services. However, the competition in the delivery industry is high as new competitors entered the market in the 2018-19 period, such as Grab Express.

The European Union − Việt Nam Free Trade Agreement (EVFTA) is expected to take effect from the second half of this year. FDI capital is expected to continue creating demand for business-to-business (B2B) transport and seaport services. E-commerce growth will increase the business-to-customer (B2C) and customer-to-customer (C2C) transport.

IDEA achievements in 2019 and tasks for 2020

Last week, the Việt Nam E-commerce and Digital Economy Agency (IDEA) organised a meeting to summarise its work last year and deploy tasks for this year.

Assessing IDEA's results in the past year, Deputy Minister of Industry and Trade Cao Quốc Hưng emphasised that 2019 was a highlight and an important milestone for the agency as it successfully developed the general plan on national e-commerce development in the 2021-25 period and successfully organised the online shopping festival (Online Friday).

Reporting on the achieved results, IDEA director Đặng Hoàng Hải said the agency had completed institutions and policies on e-commerce and the digital economy last year.

For the task of supervising and inspecting the implementation of the law on e-commerce and handling violations, the agency received 1,850 responses and handled nearly 1,570 on the e-commerce activity management portal last year.

Notably, the Ministry of Industry and Trade successfully organised 2019 Online Friday to strongly promote the development of e-commerce and the digital economy in Việt Nam, contributing to the development of the economy under the Government's orientation on promoting technology and seizing the opportunity of Industry 4.0.

The event attracted more than 11.9 million interactions across the system, 35,000 downloads of mobile applications, and 1.6 million QR code scans.

Entering 2020, IDEA's director identified the key tasks of the year, which are to continue gradually improving the legal framework for e-commerce and the digital economy; supervise and inspect the implementation of the e-commerce law; promote online public services; modernise the handling of administrative procedures; continue implementation of the e-commerce development programme and programmes to support enterprises applying e-commerce; and strengthen international co-operation in the field of e-commerce. — VNS

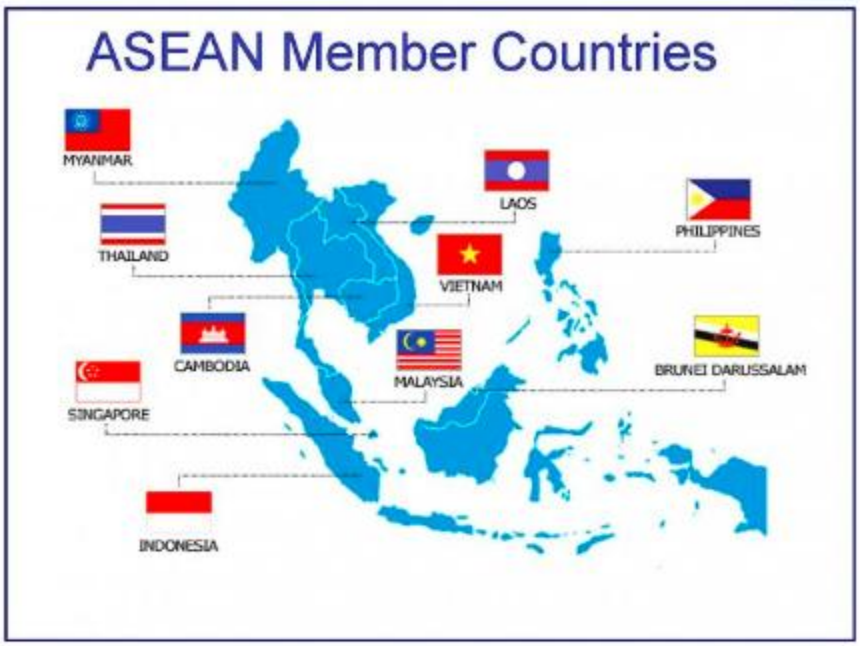
Back to top

Stellar growth in store for ASEAN e-commerce logistics

The Southeast Asian e-commerce logistics market is projected to grow at a CAGR of 20.6 per cent to 2023, providing substantial opportunities for collaboration, according to a recent research report.

The Association of Southeast Asian Nations (ASEAN) e-commerce logistics market has been undergoing rapid growth owing to the development in technological infrastructure, increasing e-commerce sale and growing e-commerce market, according to Orion Market Research.

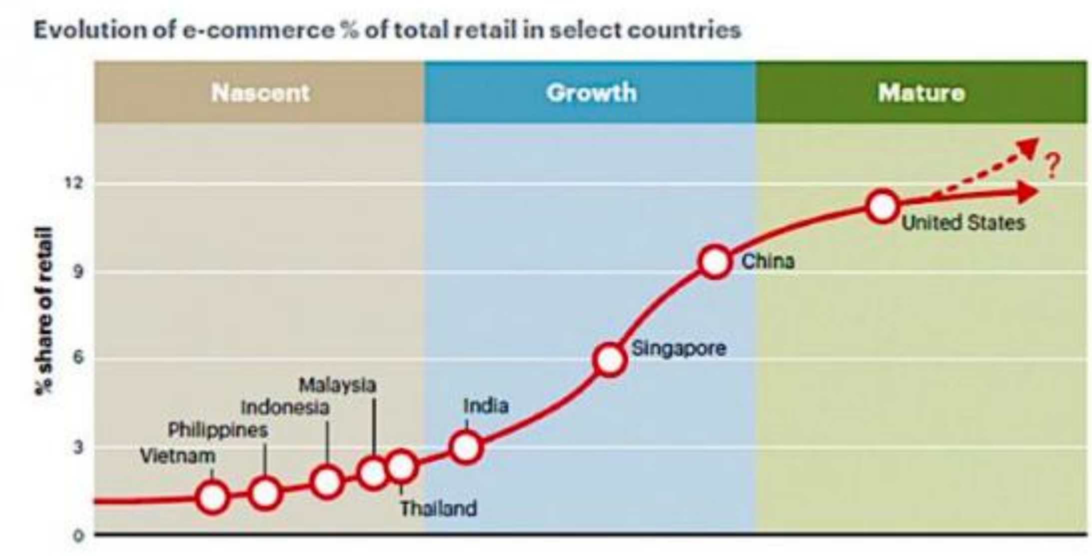
The ASEAN free trade area (AFTA) enables the smooth flow of goods from one country to another and its fueling rapid expansion of logistics companies. The growing population in major economies such as Indonesia and large numbers of Internet users in the region have increased online e-commerce transactions which is also driving the ASEAN logistics market.



Major players that are contributing to the growth of the ASEAN e-commerce logistics market include: FedEx Express, Avanti Worldwide Express (AWE), DTDC Express, Ixpress Logistics, United Parcel Service (UPS), EMS Indonesian Post, SF Express, C.H Robinson, and DPEX, according to Orion.

The ASEAN region has unique delivery challenges and despite the cost effectiveness and capability of logistics providers in countries like Malaysia and Thailand, there remain obstacles, particularly around last-mile delivery. Large networks of small logistics players are common in metro regions in countries such as the Philippines and Vietnam, however, shipping to the rural areas poses a number of challenges.

To combat this logistics challenge, companies have an opportunity to collaborate with existing or new players, according to Orion. Collaboration not only solves logistic problems, but also enhances the market presence of the logistics players by enabling them to penetrate more deeply into the market.



Source: Singapore Economic Development Board (EDB).

"The ASEAN e-commerce logistics industry is growing at a significant rate and is expected to grow significantly in the coming future owing to increased Internet penetration rates, consumer spending and the entrance of many new market players in the region," the Orion report says.

According to Orion analysis, Malaysia, Thailand, Indonesia and Singapore contribute significantly to the e-commerce logistics market and are expected to grow at a CAGR of 22.4, 21.8, 21 and 16.4 per cent respectively. This growth of the e-commerce market in the region will continue to open up the scope of collaboration amongst logistics players, Orion concludes.

Back to top

INVESTMENT

EVFTA makes Viet Nam more attractive to EU investors: German media

Viet Nam is earmarking environmentally friendly, high tech investment to best serve the sustainable growth of the country. The message was delivered by Minister of Planning and Investment Nguyen Chi Dung at the Vietnam Business Forum (VBF) in Ha Noi on 17 Jan 2020. Foreign investors, especially those from the European Union (EU), will find it more appealing to invest in Việt Nam when the EU- Việt Nam Free Trade Agreement (EVFTA) comes into effect, according to German broadcaster Deutsche Welle (DW).

In a story posted on its website, DW said the trade agreement would be the most ambitious the EU has ever negotiated with a developing country, which abolishes 99 per cent of customs duties, eliminates bureaucratic hurdles by aligning standards for goods like cars and medicine, and ensures easier market access for both European and Vietnamese companies.

The EU Parliament's International Trade Committee (INTA) is expected to present a draft resolution of the EVFTA tomorrow. If the European Parliament accepts the resolution during its plenary session in February, the EVFTA will come into force one month later. The trade deal is a positive step for the economies of both Việt Nam and the EU, DW quoted Vietnamese Ambassador to Germany Nguyễn Minh Vũ as saying.

In the context of trade tensions and rising protectionism, the EVFTA provides a strong signal of support from both sides for globalisation and unwavering commitments to a free and rules-based trade system, he said. The Vietnamese diplomat also believed that the pact will significantly deepen the strategic partnership between Việt Nam and EU economically and politically.

Việt Nam's economy has grown by an average 6.5 per cent in the last five years, and foreign direct investment has played a large part in this. The EVFTA is expected to help Việt Nam lure more foreign investment.

Currently, the EU is Việt Nam's 5th biggest foreign investor. It is reasonable to hope that the figure will increase significantly, Ambassador Vũ said, adding 62 percent of investors from the EU have a positive opinion of doing business in the Southeast Asian country.

Meanwhile, Erwin Schweisshelm, former head of the Friedrich-Ebert Foundation in Việt Nam said that the EVFTA is part of the EU's wider economic strategy in Southeast Asia. The EVFTA would be the EU's second free trade agreement with a member of the Association of Southeast Asian Nations (ASEAN), a

Back to top

bloc with ten members and a population of 600 million people. In November 2019, the EU-Singapore free trade agreement entered into force. “In the long term, there could be an ASEAN-EU agreement,” he said.

The article also said that Việt Nam has already ratified six of eight International Labour Organisation (ILO) standards, and commended the country’s adoption of a revised Labour Code in November 2019 , allowing the creation of independent trade unions at the enterprise level that do not have to join the Việt Nam trade union. — VNS

Back to top

Ford expands Hai Duong facility

The investment follows a strong and steady climb in the demand for Ford vehicles in the country – including record sales of more than 32,000 vehicles in 2019 – and healthy growth forecasts for Vietnam’s burgeoning automobile industry.

“With this additional investment, Ford Motor Company is expressing our continued confidence in the future of Vietnam’s auto industry, as well as underscoring our commitment to the market and to meeting the increasing demand for Ford vehicles in this country,” said Andrea Cavallaro, operations director at Ford’s International Markets Group.

The additional funding will bring Ford’s total in Vietnam to more than $200 million. The additional sums towards the Hai Duong facility will come in two stages over a two-year period, with the aim of being completed by mid-2022. The construction will expand the facility across an additional 60,000 square metres of land, bringing the total area to 226,000sq.m, adding a new body and paint shop, trim modification shop, and rearranging the logistics area.

The investment will allow Ford to procure new manufacturing tools and equipment, including the latest technology-connected robots, to improve the plant’s efficiency and ensure the highest quality Ford vehicles for Vietnamese customers.As does the current Hai Duong facility, the expansion will follow Ford’s strict global manufacturing and environmentally-responsible processes and systems.

Ford currently assembles three highly-competitive vehicle models in the Vietnamese market – the EcoSport urban SUV, Transit commercial van, and the newly-launched seven-seat Tourneo MPV. The expansion of the Hai Duong factory opens up new opportunities for Ford to increase the number of locally-assembled vehicles. “Ford is among the three fastest-growing auto brands in the country, with three of the six vehicles we sell in Vietnam leading their respective segments,” explained Pham Van Dung, managing director of Ford Vietnam. “The new investment in local production will help us grow even further and serve even more customers.”

One of the most important elements of Ford's investment is its people. The new investment will add more than 500 direct jobs in Vietnam, nearly doubling its current total, as well as helping to create thousands more indirect jobs across Ford's supplier and dealer networks in Vietnam.

The additional investment in the Hai Duong facility coincides with Ford celebrating its 25th anniversary in Vietnam. Ford was one of the first investors in the country after the United States-Vietnam relations were normalised in the 1990s. "We take pride in having been one of the first foreign companies to invest in Vietnam in 1995, and in our ongoing role in contributing to the development of the Vietnamese auto industry as well as the economy overall," said Dung.

In addition to its record business growth, Ford has been an active and engaged corporate citizen across Vietnamese communities, including road safety education through Ford's Driving Skills for Life driver safety programme. Since being launched locally in 2008, more than 15,000 people have participated in training sessions across the country, free of charge.

"Today's investment announcement is a great way to help celebrate Ford's 25th anniversary of operations in Vietnam by underscoring our long-term commitment to the market and further contributing to the auto industry's ongoing growth and success," said Dung

Back to top

For more information, please contact us:

SEIKO IDEAS - 14th Anniversary

Research & Consulting Division

Our services	Marketing Research Business Matching Investment Consulting Translation - Interpretation Training (Language & Soft skills)
Our clients	Think tanks, Universities Japanese & Vietnamese Government Organizations Manufacturers, Retail companies Advertisement agencies, Mass media
Head Office	Floor 5th – A Chau Building No.24 Linh Lang Str., Ba Dinh Dist., Hanoi, Vietnam
Rep. Office	〒220-0012, 8F Wework, Ocean Gate Building 3-7-1 Minatomirai, Nishi ward, Yokohama Kanagawa, Japan
Telephone	+84-24-6275-5246 ; +84-24-6273-6989
Fax	+84-24-6273-6988
URL	www.seiko-ideas.com
PIC	Tram Nguyen (Ms.)
Email	tram.nguyen@seiko-ideas.com