



WANT - VIET NAM INTERNATIONAL MARKETS & RELATIONSHIPS

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CONSUL GENERAL OF VIET NAM

INTERNATIONAL MARKETS & RELATIONSHIPS

- **Viet Nam - The next Tiger in Asia**
- **Viet Nam - Australia Relations**
- **Why relations matter? Viet Nam WANT**
- **Why relations matter? WANT Viet Nam**
- **WANT - VIET NAM**

VIET NAM — The next Tiger in Asia



VIET NAM – The next Tiger in Asia

**A Big market:
90 million+
people**



**GDP:
USD 190
billion**



**GDP per
capita
USD 2,073**



VIET NAM: Asia's next tiger economy



- 90 million people - the world's 13th largest population.
- Mainland: 331,690 km². Population density among the world's highest (35,000/km²).



- Young population (63% under 35, median age 27)
- Adult literacy: 94%.

VIET NAM – The next Tiger in Asia

- A middle-income country
- 40th in the world vs. Australia: 12th (PPP terms)
- Having the fastest growing middle class in the Southeast

Asian region: **15 million in 2014 to 33 million in 2020**



VIET NAM – The next Tiger in Asia

- **A Global Agricultural Player: World's 2nd largest coffee producer; rice exporter; 1st Cashew nut Exporter...**
- **A Global Manufacturer:**
 - Phones and spare parts: Samsung
 - Textile and apparels
 - Computers, electronic products and spare parts: Intel
 - Footwear
 - Machines and equipment.

VIENT NAM: Remarkable growth in agro-food exports

✓ Agricultural trade balance improves as general trade balance worsens

✓ World # 1 or 2: Pepper, Cashew, Rice, Coffee, Cassava

✓ World #3 to 6: Tea, Rubber, Aquatic Products

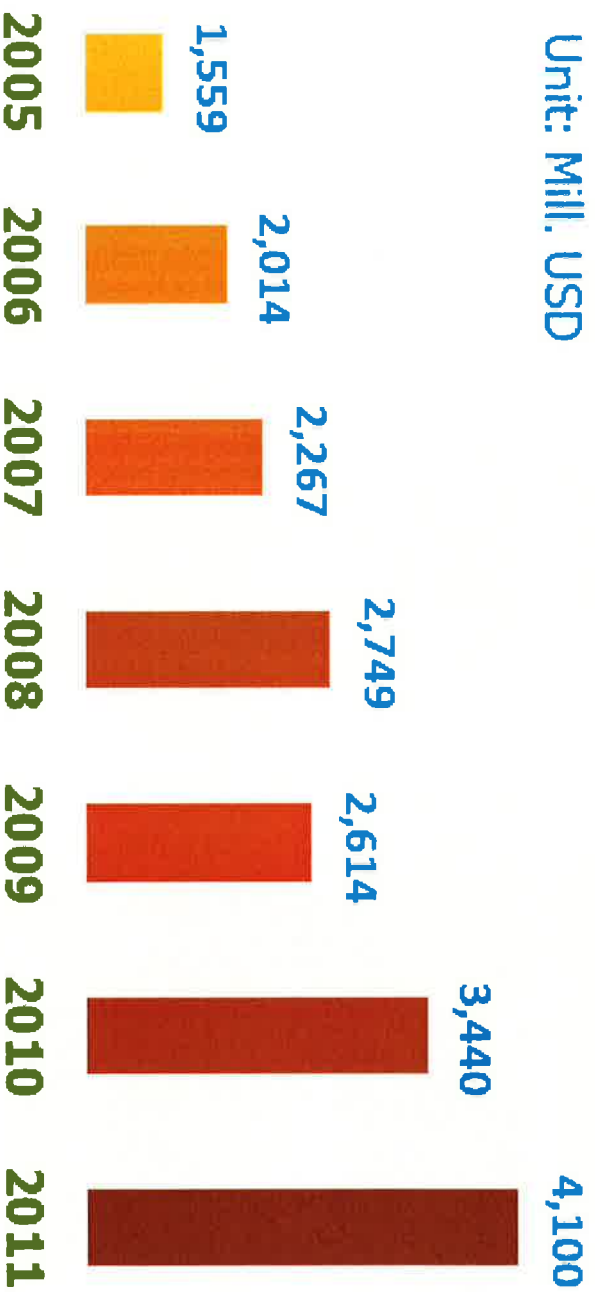




VIET NAM: Forest Products Exports

Export value of forest products 2005-2011

Unit: Mill. USD



VIET NAM: HANDICRAFS



VIET NAM: Asia's fastest-growing Economy

- Lift more than 35 million people out of poverty since 1990s.
- Poverty rate reduced from 58% (1993) to less than 10%.
- Significant long-term potential.
- Ideal location of regional economic progress.

VIET NAM: Asia's fastest-growing economy

- Viet Nam is expected to maintain the second fastest growing economy in ASEAN-5 in 2015 (IMF World Economic Outlook)
- *ANZ Bank*: Viet Nam's GDP growth of 6.5% in 2015 and 2016.
- Viet Nam will be among the best positioned traders in the world over the next two decades.
- Viet Nam's exports set to see double-digit annual increases, leading the whole of Asia in terms of growth (HSBC report).

VIET NAM: Internationally Competitive

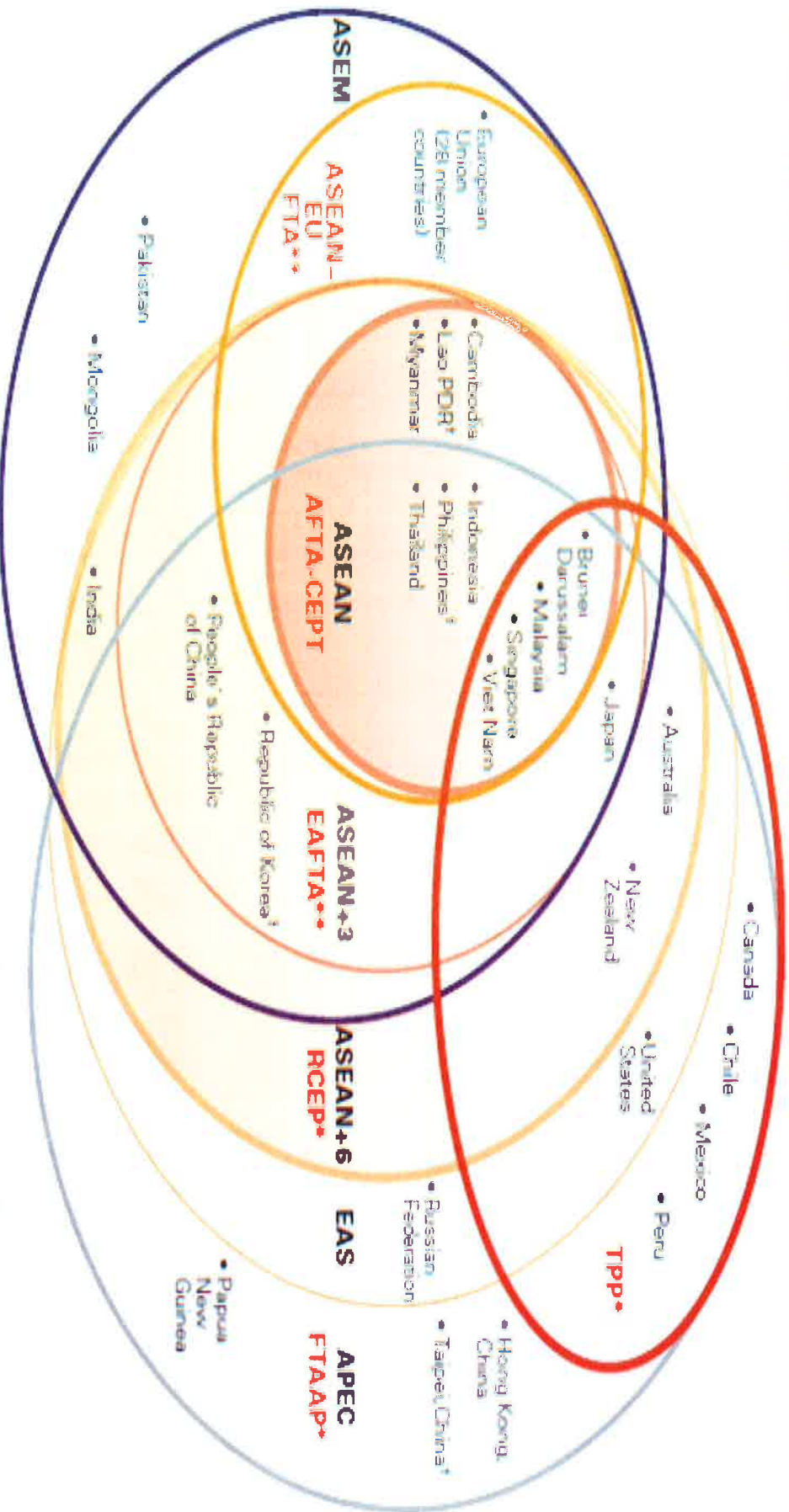
- Viet Nam has been becoming more internationally competitive and open to foreign investment.
- *Financial Times*, 21st April: Viet Nam was the 2nd most popular investment destination in the Asia-Pacific in 2014, ranked 5th for the number of FDI projects.

VIET NAM: Internationally Competitive

- Member of: APEC, WTO; network of free trade agreements: ASEAN Free Trade Area; ASEAN–Australia–New Zealand FTA (AANZFTA).
- A party to the Trans-Pacific Partnership Agreement (TPP) and Regional Comprehensive Economic Partnership (RCEP) negotiations.
- 20th member of the Cairns Group in Dec. 2013 (agricultural exporting countries).

Centrality of Regional Connection

Figure 1.6 RCEP, TPP, and Other FTAs



AFTA = ASEAN Free Trade Area; APEC = Asia-Pacific Economic Cooperation; ASEM = Asia-Europe Meeting; ASEAN = Association of Southeast Asian Nations; CEPT = Common Effective Preferential Tariff; EAFTA = East Asian Free Trade Area; EAS = East Asia Summit; EU = European Union; FTA = free trade agreement; FTAAP = Free Trade Area of Asia and the Pacific; Lao PDR = Lao People's Democratic Republic; RCEP = Regional Comprehensive Economic Partnership; TPP = Trans-Pacific Partnership.

Notes: * under negotiation; ** proposed; * expressed interest to join the TPP.

Source: Authors.

VIET NAM: Internationally Competitive

- Growth potential of the domestic market
- Proximity to markets or customers and business climate
- The average monthly wage in Vietnam was \$197 in 2013 compared with \$391 for Thailand and \$613 for China
- in 2019, manufacturing labour costs per hour in China will be 177 % of those in Viet Nam



VIET NAM-Major Industries

- **Manufacturing** - a large part of Viet Nam's burgeoning economy.
- **Agriculture, Forestry and Fishing** - an Engine room of agribusiness, fuelled by Vietnam's regional connectivity.
- **Trade Services** - Large-scale trade services sector and continuing to grow



VIET NAM: Emerging industries

- **Food Processing** - supply for the demands of a growing Asia Pacific region
 - Quality and cost-effective services available in Vietnam.
- **Software** - a great information technology opportunity
 - The quality
 - Low cost of locally educated workers.
- **Environmental technologies** - an upturn in environment technology investment.



VIET - OZ RELATIONS

- **High-level bilateral visits**
(Governor-General, Prime Minister and a range of portfolio minister's.
- **On 18 – 20 March 2015, Prime Minister of Viet Nam H.E. Mr Nguyen Tan Dung visited Australia.**
 - Underscore the strength and breadth of Australia-Viet Nam ties; lift the relationship to a new level
 - Deepen and intensify the Enhanced Comprehensive Partnership, reflecting the increasingly strategic nature of the bilateral relationship.

Prime Minister Dung's Visit on 18 March

2015



Viet Nam - Australia Governmental Meeting

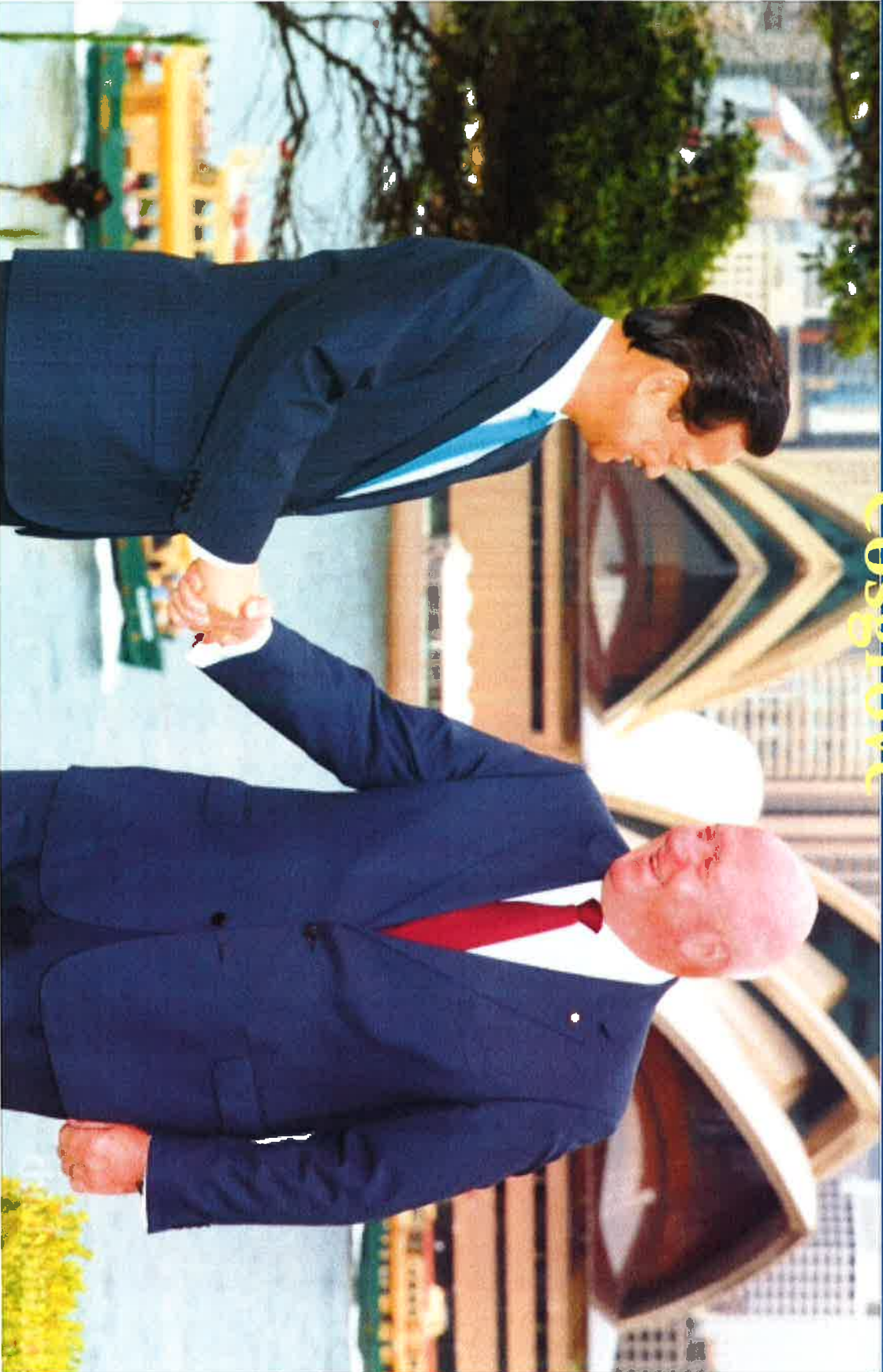


Planting a tree in Canberra



Meeting with General Governor Peter

Cosgrove



Meeting with Hon. Bronwyn Bishop



VIET - OZ TRADE

- The ASEAN - Australia - New Zealand Free Trade Area (AANZFTA) has strengthened Australia's economic ties with Vietnam.
- **Total two-way trade: \$7.4 b.,**
- Viet Nam is the **14th biggest** trading partner of Australia
- Australia is the **8th biggest** trading partner of Viet Nam
- **320** Australian FDI projects in Viet Nam, at **\$3 b.**

VIET - OZ TRADE

Australia's major exports to Viet Nam in 2013-14:

- Services (1,084 m., mainly education related)
- Crustaceans (562 m.)
- Wheat (496 m.)
- Ferrous waste & scrap (214 m.)
- Aluminium (138 m.)

Australia's major imports from Viet Nam:

- Crude petroleum (1,947 m.)
- Telecom equipment & parts (764 m.)
- Furniture, mattresses and cushions (192 m.)
- Footwear (165 m.)
- Services (878 m., mainly recreational travel)

VIET - OZ EDUCATION

- Australia is a leading study destination for Vietnamese students.
- About **30,000** Vietnamese students studying in Australia.
- **10,000** students undertaking Australian education and training courses in Vietnam per year.
- Viet Nam is **4th** largest Int'l students for Australia.
- **13,331** Australian students have participated in short-term, exchange program in Viet Nam (from 2008).
- **150** students travel to Viet Nam in 2015 in the New ²⁸Colombo Plan in designing, architecture...

VIET NAM - WANT



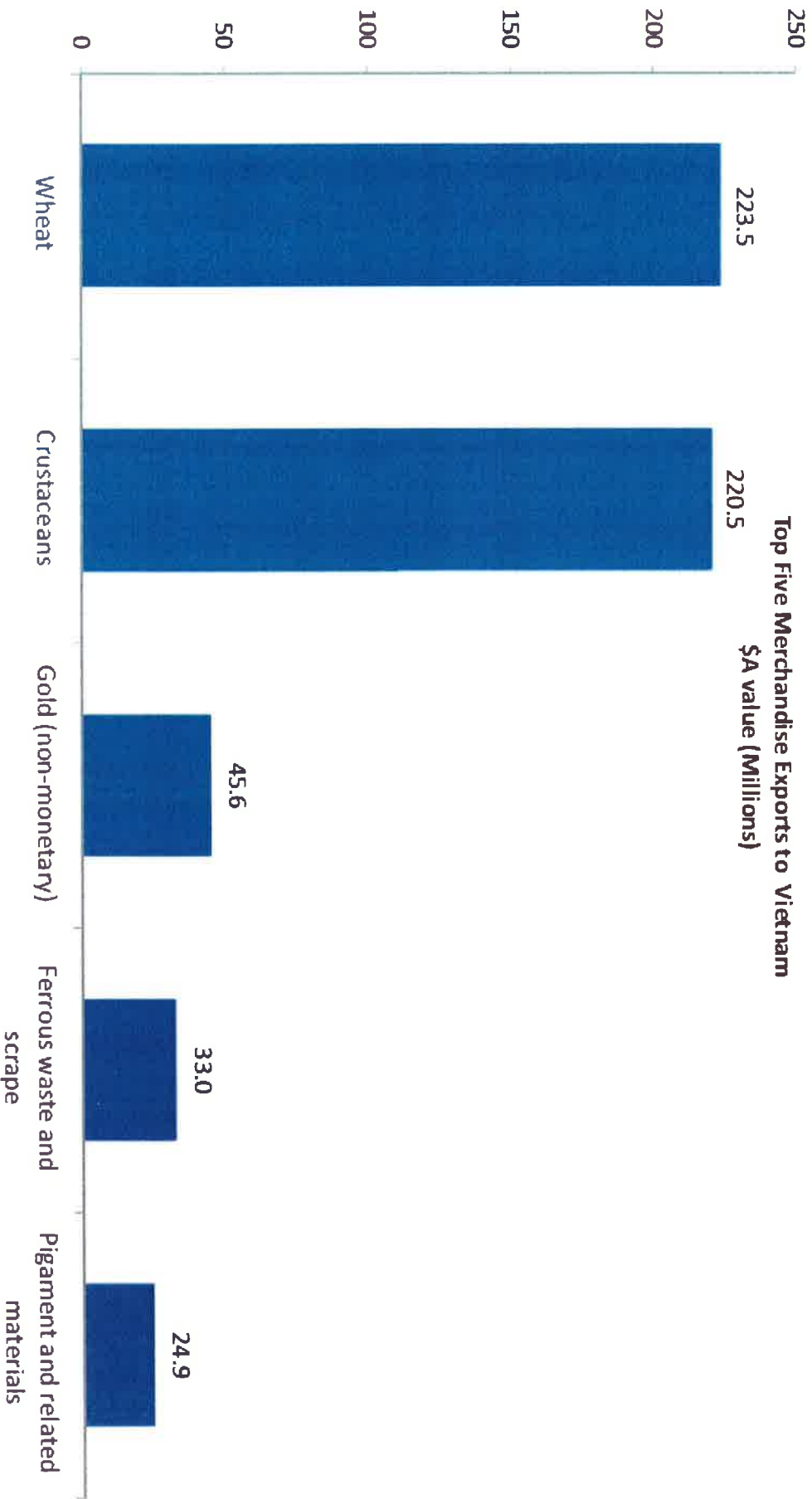
VIET NAM WANT

- Viet Nam is the **10th biggest** trading partner of WA
- **\$1.185 billion** of trade turnover in 2014.
- **150%** increasing from 2012
- **2nd biggest** export market for Australia live trade exports. **180,000** live cattle were exported from Australia to Vietnam in 2014.
- **3rd biggest Importer** of agricultural products from WA, surpassed South Korea; after China, Japan.
- Viet Nam was the **3rd largest** noodle and beer consumer in Asia in 2014.

VIET NAM WANT

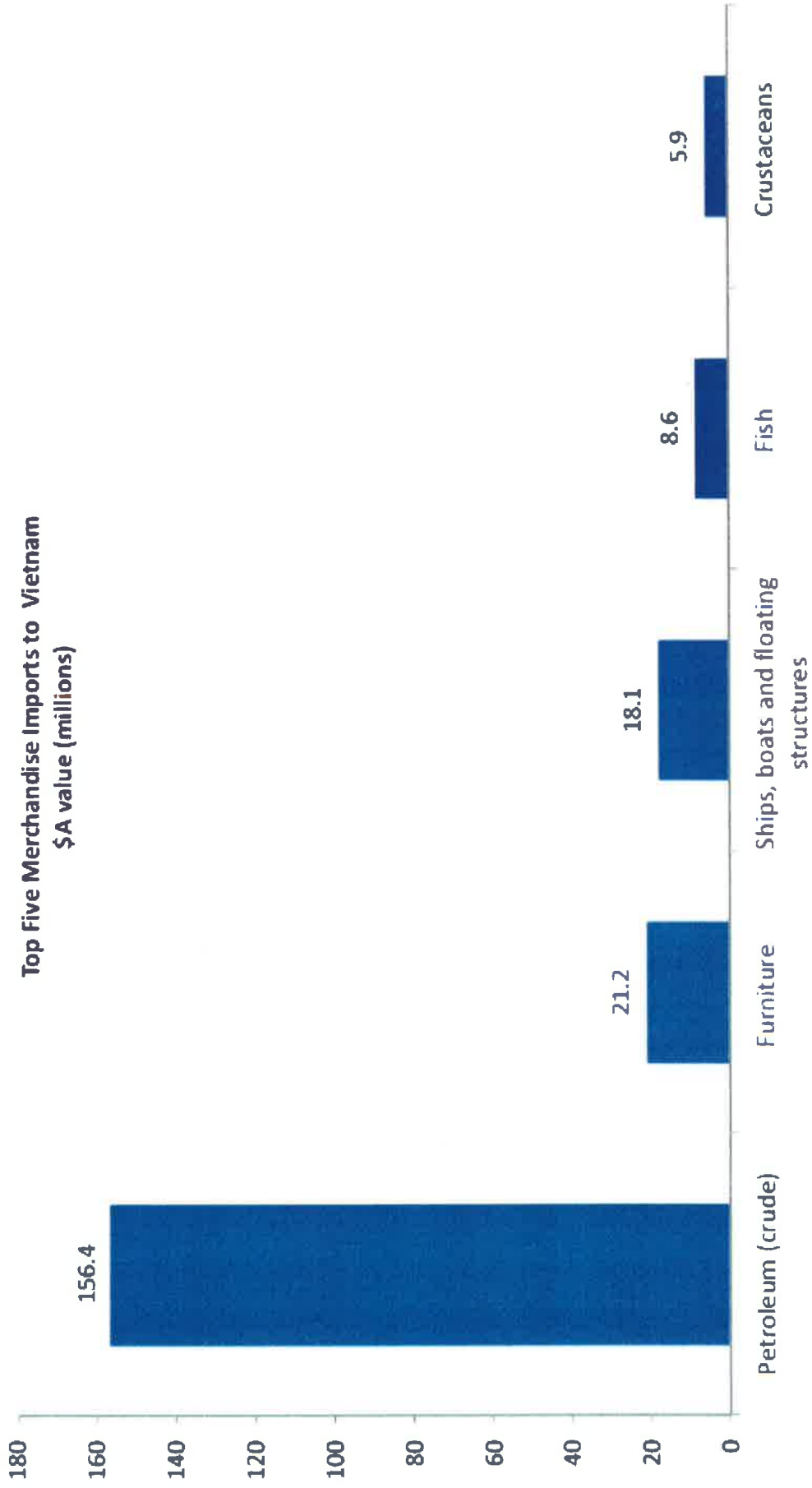
- Viet Nam - WANT have complementary economies
- Trade relations were also strengthened by shared time zones.
- In 2014, Perth International Airport recorded over 72,000 West Australians visiting Vietnam, while 6,000 Vietnamese visited WA.
- Local Vietnamese student numbers are now about 2,000 and rising
- There are calls for the WA Government to establish an official trade office in Vietnam.

Export profile with Vietnam 2013



Source: Australian Bureau of Statistics

Import profile with Vietnam 2013



WANT VIETNAM

- Australia: good reputation for hygiene and quality products
- Australia has excellent supply of R & D, Project management expertise and cooperative effort.
- Australia offers many competencies in improving quality and productivity
- Construction Assistance
- Research and development of water and waste treatment; Food science Research, Agricultural research and training

WANT VIET NAM

- Right moment to diversify products, services in wider range other than resources, oil and gas.
- WANT is right place for such pivot in the same time zone.
- Agriculture; aquaculture,
- Science and Tech
- Education
- Healthcare
- Chain of production



WANT VIETNAM

- Rubber waste utilization for energy;
- Forestry plantation advice
- Online trading platform development for agricultural products
- Encouragement of investment
- Assistance in commodity and agribusiness finance



WANT VIET NAM

- Dry rice farming technology, feedlots;
- Australian farm experience



WANT VIET NAM WAY AHEAD

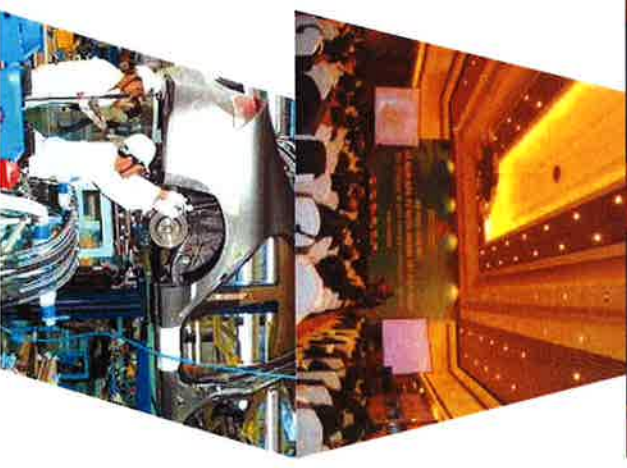
- Viet Nam provide: tea, coffee, electronics, televisions, mobile phones.
- Extensive Labor Production
- Export product range should build on a more comprehensive interconnection of:
 - Resources
 - Agricultural products,
 - Agricultural services,
 - Social and Cultural Exchanges
- Build up on the existing Enhanced Comprehensive Partnership.
- ³⁸ Interconnected in the Regional Production Chain

WANT VIET NAM WAY AHEAD

- Truly partners.
- Information sharing between businesses and governments boosted positive tourism and business outcomes.
- Increasing the exchange of industries, businesses, education and people 2 people.
- More interactions, exchanges will result in more business and trade.
- For trade, the profit is important but for Vietnamese people the relationship is also important

WANT VIETNAM WAY AHEAD

- Visits from State Governments, Local Governments will support trade and relations.
- NT's Deputy Chief Minister Willem Westra van Holthe visiting Viet Nam on *23rd April*
- **WA beef industry representatives visits Vietnam *18th April:***
 - Enhanced the strong bond with Viet Nam,
 - Build on developing increased trade and relations,
 - Strengthen relationship with Asian neighbours, build up the confidence.



“Sisters are doing it for themselves in Margaret River”

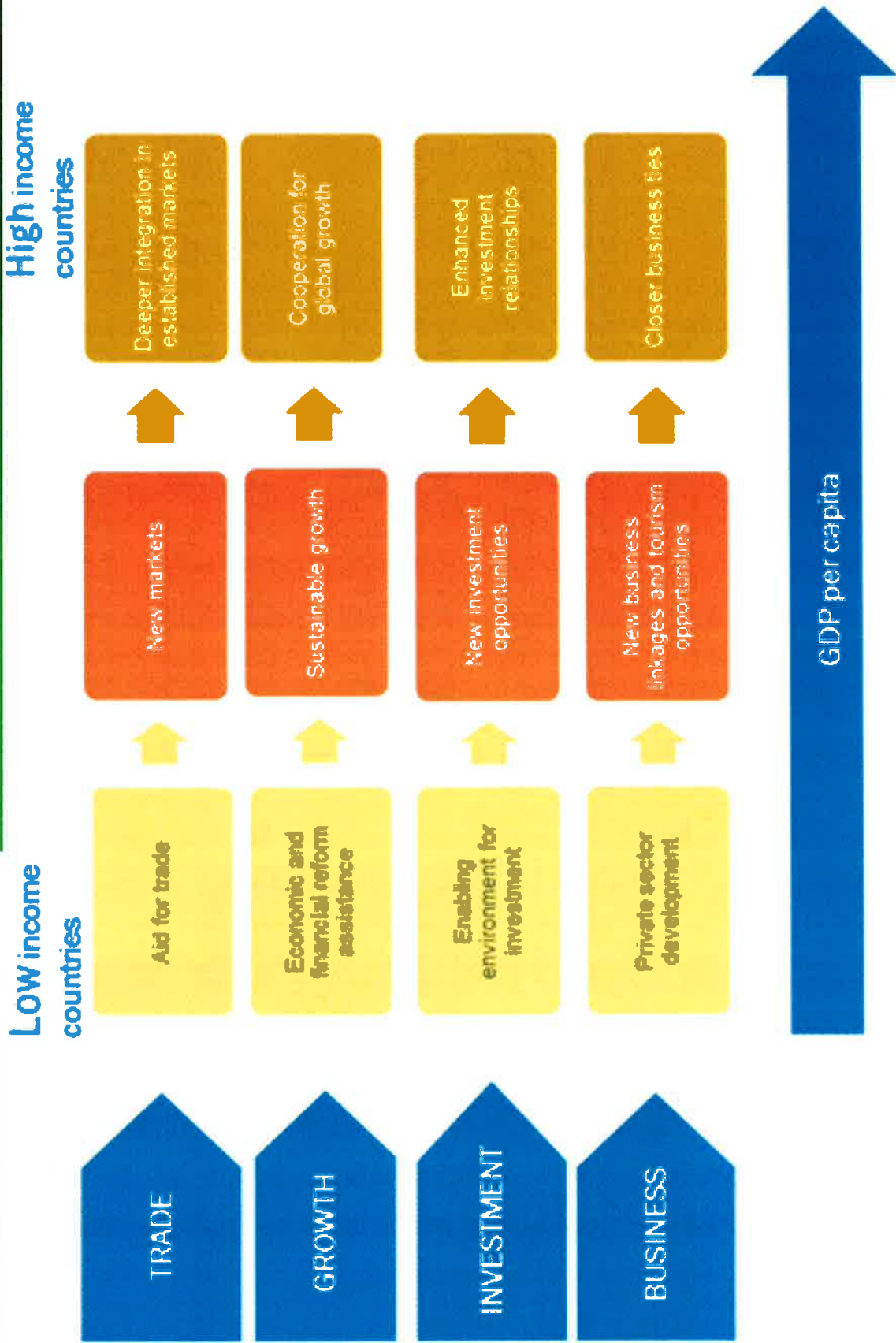
- **Local Government Relations:**
- Vietnam and Margaret River became officially linked under the world’s first Sister Caves Agreement
- An important relationship to develop as a foundation for future economic and cultural opportunities
- Potential to enhance economy relations and create jobs

WANT VIETNAM WAY AHEAD

- Continual collaboration between industries, governmental bodies: keep the momentum going, ensure the grow.
- Cultural link through Vietnamese diaspora in Australia, cultural exchanges.

**TRADE WILL COME WITH RELATIONS,
ENHANCED BY RELATIONS !**

Australia Government support



Conclusion

- The Vietnamese Government encourages the enhanced trade and relations between Viet Nam and Australia.
- Commit to ensure a favorable, stable and safe environment for doing business with Viet Nam.



AGENDA FOR WANT VIET NAM 2015

Create your own Agenda

Feel,

Think,

Act, and

Participate in the

Interconnected WANT VIET NAM !

