



IT'S TIME TO RETHINK VIETNAM

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GROWTH IN U.S. EXPORT MARKETS 2015

(AS A PERCENT, BASED ON TOP 50 MARKETS) (SOURCE: CENSUS)



1. Vietnam	23.3%
2. Ireland	14.6%
3. Saudi Arabia	5.3%
4. Austria	5.3%
5. United Kingdom	4.7%
6. UAE	4.1%
7. Poland	1.6%
8. Germany	1.2%
9. Switzerland	0.5%
10. Spain	0.5%

GLOBAL **(7.2%)**

GROWTH IN U.S. EXPORT MARKETS

2016 (AS A PERCENT, BASED ON TOP 50 MARKETS) (SOURCE: CENSUS)



1. Vietnam	43.2%
2. Kuwait	20.3%
3. Qatar	16.7%
4. Norway	9.9%
5. Dominican Republic	9.4%
6. Ireland	7.0%
7. Philippines	4.5%
8. Italy	3.4%
9. France	2.8%
10. Switzerland	2.3%

GLOBAL **(3.3%)**

GROWTH IN U.S. EXPORT MARKETS

2015-2016 (AS A PERCENT, BASED ON TOP 50 MARKETS)

(SOURCE: CENSUS)

1. Vietnam	77.1%
2. Ireland	22.4%
3. United Kingdom	2.9%
4. Switzerland	2.4%
5. Spain	1.7%
6. UAE	1.2%
7. India	0.9%
8. Poland	0.0%
9. Germany	(0.0%)
10. Austria	(0.7%)
GLOBAL	(10.3%)



GROWTH IN U.S. EXPORT MARKETS

2015-2016 (IN USD MILLION, BASED ON TOP 50 MARKETS)

(SOURCE: CENSUS)

1.	Vietnam	4,418
2.	Ireland	1,749
3.	United Kingdom	1,548
4.	Switzerland	532
5.	UAE	271
6.	India	188
7.	Spain	173
8.	Poland	.8
9.	Germany	(8.3)
10.	Austria	(28.0)





TODAY'S AGENDA

- Why ASEAN?
- Why Vietnam?
 - More Trade Data
 - Growth
 - Demographics
 - Relations
 - Political Stability
- Why NOT Vietnam – Causes for Concern
- “What Patsy Taught Me About Vietnam”



WHY ASEAN?

- 10 countries – 626 million people.
- \$2.4 trillion economy.
- 3rd largest market in Asia; 7th in world.
- Second fastest growing economy in Asia.

(source: USABC)



WHY ASEAN?

- Largest destination of U.S. investment in Asia.
- 4th largest market for export of U.S. goods and services.
 - 560,000 American jobs are directly or indirectly supported by goods and services exports to ASEAN
 - Almost \$100 Billion of US goods and services exports go to ASEAN (2012)
- Young demographics and growing middle class. (source: USABC)



U.S. EXPORTS TO ASEAN

2016 RANKING OF ASEAN EXPORT MARKETS

14. Singapore	26.9
25. Malaysia	11.9
26. Thailand	10.6
28. Vietnam	10.2 (4x more than in 2007)
32. Philippines	8.3
36. Indonesia	6.0

*In USD billion (source: Census)





WHAT ARE WE EXPORTING?

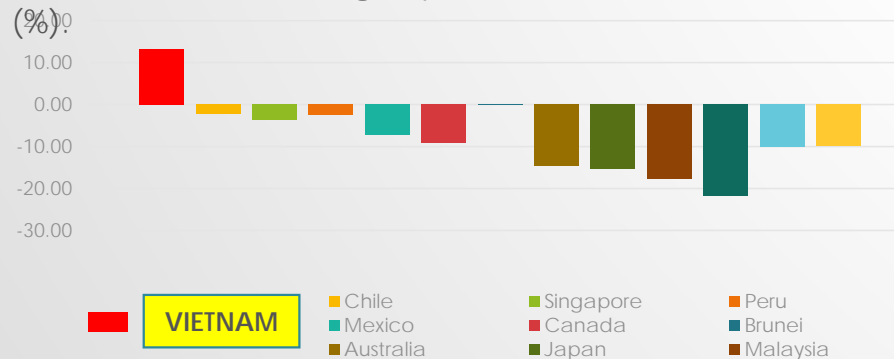
HTS	Description	USD Million
85	Electrical Processors and Controllers	1,663
76	Aluminum Alloy Hollow Profiles	1,229
88	Civilian Aircraft, Engines, Equipment, and Parts	866
52	Cotton	793
84	Turbines, engines, machines, motors	556
12	Soybean and soybean meal	413
23	Tree nuts and fruits (apples)	411

OTHERS: Dried distilled grains, scientific equipment, medical devices, plastics, vehicles and semi-trailers, wood, cereal/grains, beverages/wine

Of major Asia-Pacific markets, VIETNAM is the only country that grew as a market for U.S. agricultural exports in the last two years (2014 – 2016) – over 11%.

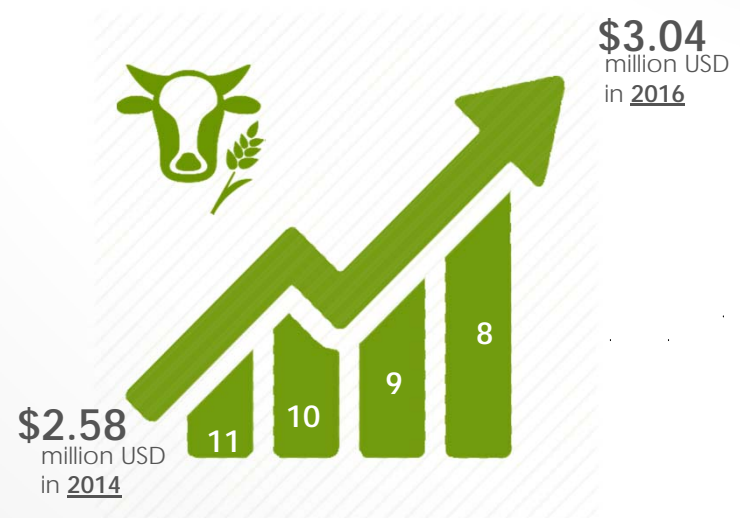
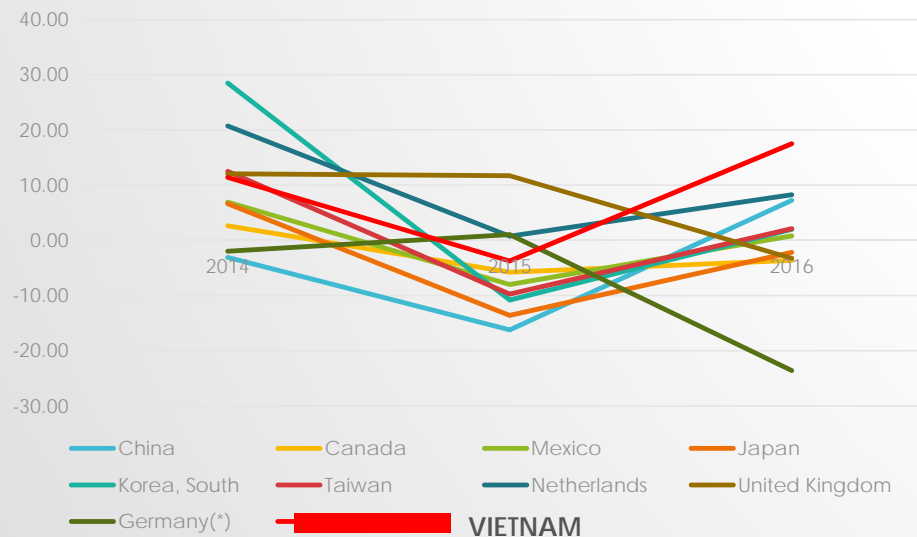


Growth rate of U.S ag exports to TPP countries from 2014 – 2016



VIETNAM jumped from **#11** highest value destination for U.S. ag exports in the world to **#8** in just one year (2015 – 2016).

GROWTH RATE OF TOP 10 HIGHEST VALUE DESTINATION FOR U.S AG EXPORTS FROM 2014 - 2016 (%).



TRADE IN SERVICES

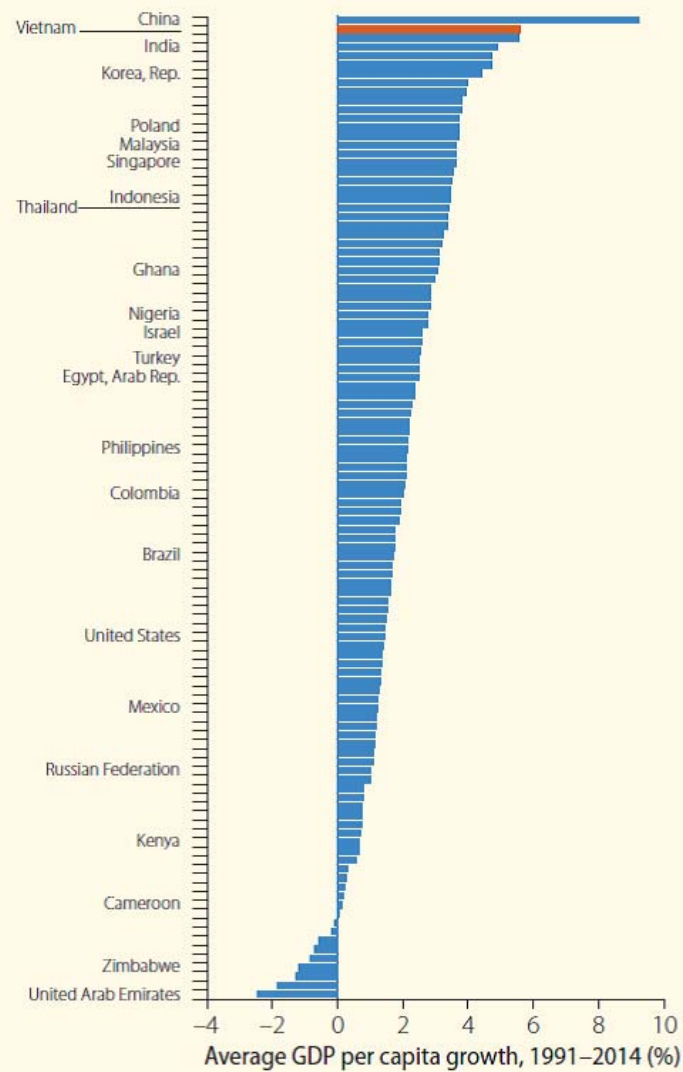
- Over \$2 billion in U.S. exports of services in 2015.
 - \$694 million in education – 34%
 - \$496 million in travel and tourism – 24%



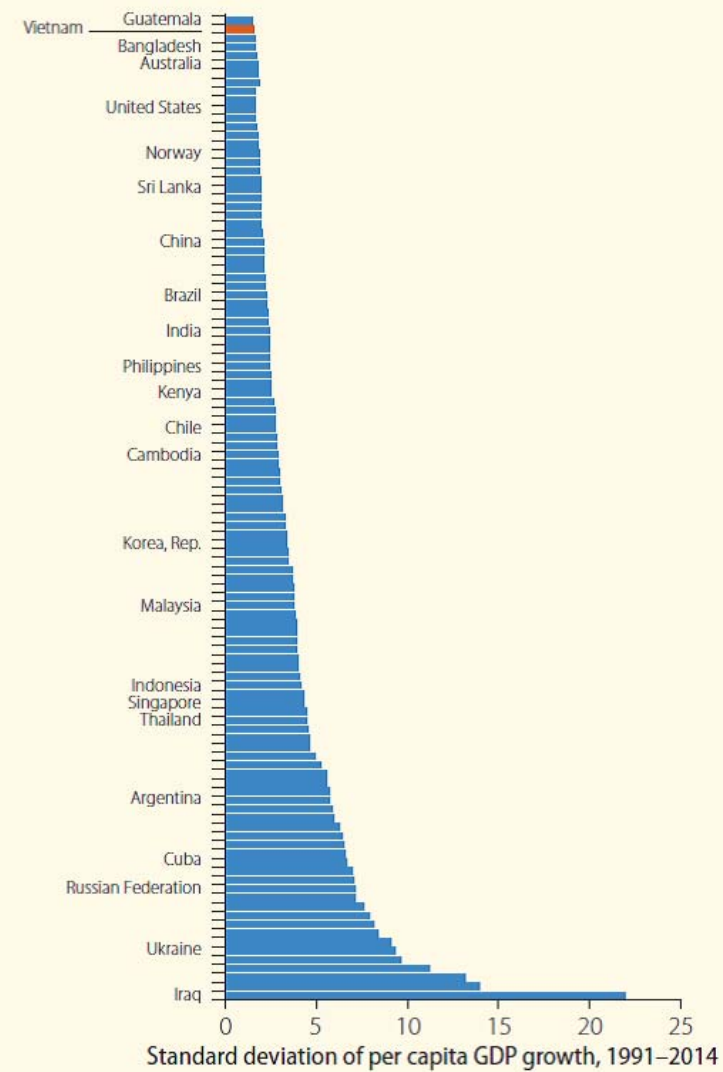
VIETNAM'S GDP GROWTH

(SOURCE: WORLD BANK)

a. Vietnam has had one of the fastest GDP per capita growth rates since the early 1990s ...

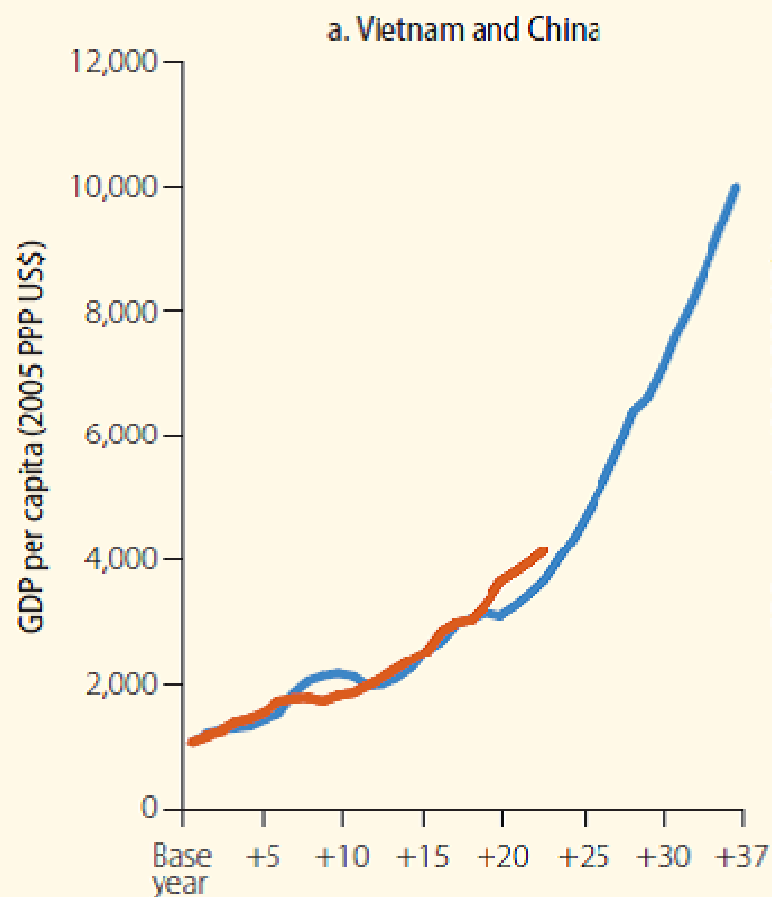


b. ... catalyzed by economic stability ...

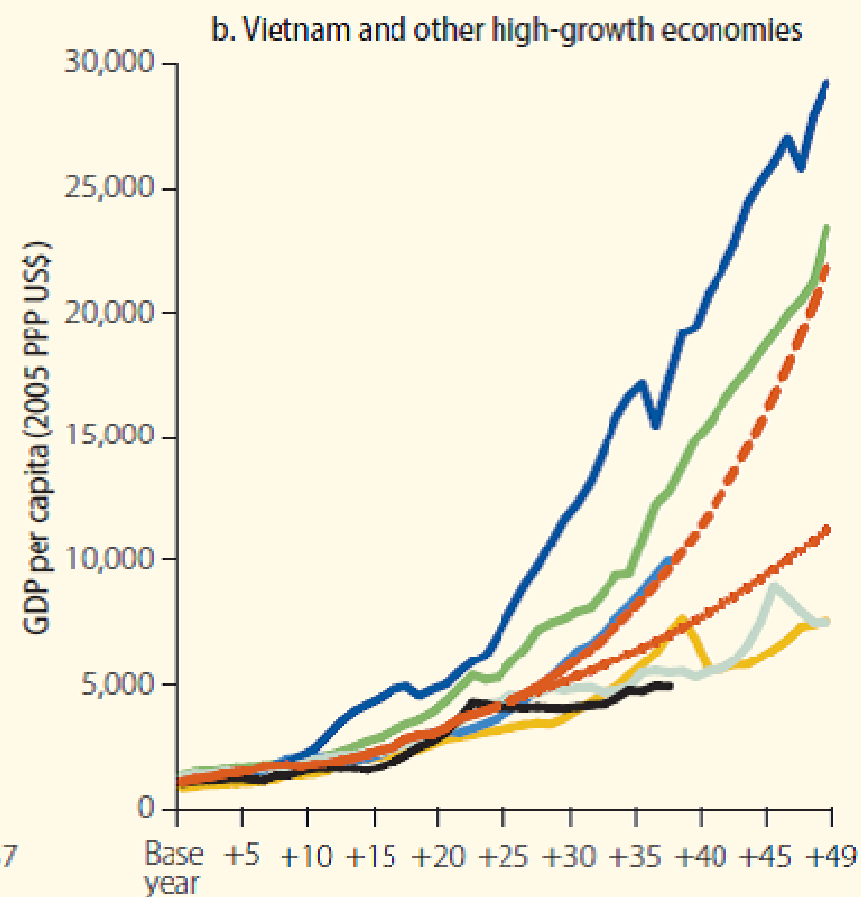


VIETNAM'S GDP PREDICTION

(SOURCE: WORLD BANK)



— Vietnam
— China, 2001
— Korea, Rep.
— Taiwan, China
- - - Vietnam (7% per capita growth)



- - - Vietnam (4% per capita growth)
— Brazil
— Thailand
— Egypt, Arab Rep.

GROWTH, GROWTH, GROWTH

- GDP average growth of 5.5% since 1990...and 6% from 2000 to 2014...and 6.45% from 2015-2016.
- **Prediction 1:** Strongest average GDP growth till 2050, exceeding 5.1 percent a year (source: PWC).
- **Prediction 2:** Will move from the 32nd largest economy to the 20th by 2050 (source: PWC).
- 20% of GDP is attributed to FDI.





DEMOGRAPHIC DIVIDEND

- 14th most populous country – 93 million!
- Age structure: 24.1% 15 and under
- Median age: 30.7 years
- Labor Force: roughly two workers per dependent, with labor force of about 55 million.
- In the early 1990s, 60% of the population lived below the poverty line. In 2014 – 13.5%. (source: World Bank)

BEING VIETNAMESE

- **Optimistic:** 95% believe that future generations will be better Off (source: Pew Research)
- Consumer sector = opportunity
- Ethnic Viet: 85.7%
- Religion:
 - Buddhist: 9.3%
 - Catholic: 6.7%
 - None: 80.8%
- Population is growing old at a faster rate than any nation in history, doubling from 7% to 14% in 15 years.

GROWING MIDDLE CLASS

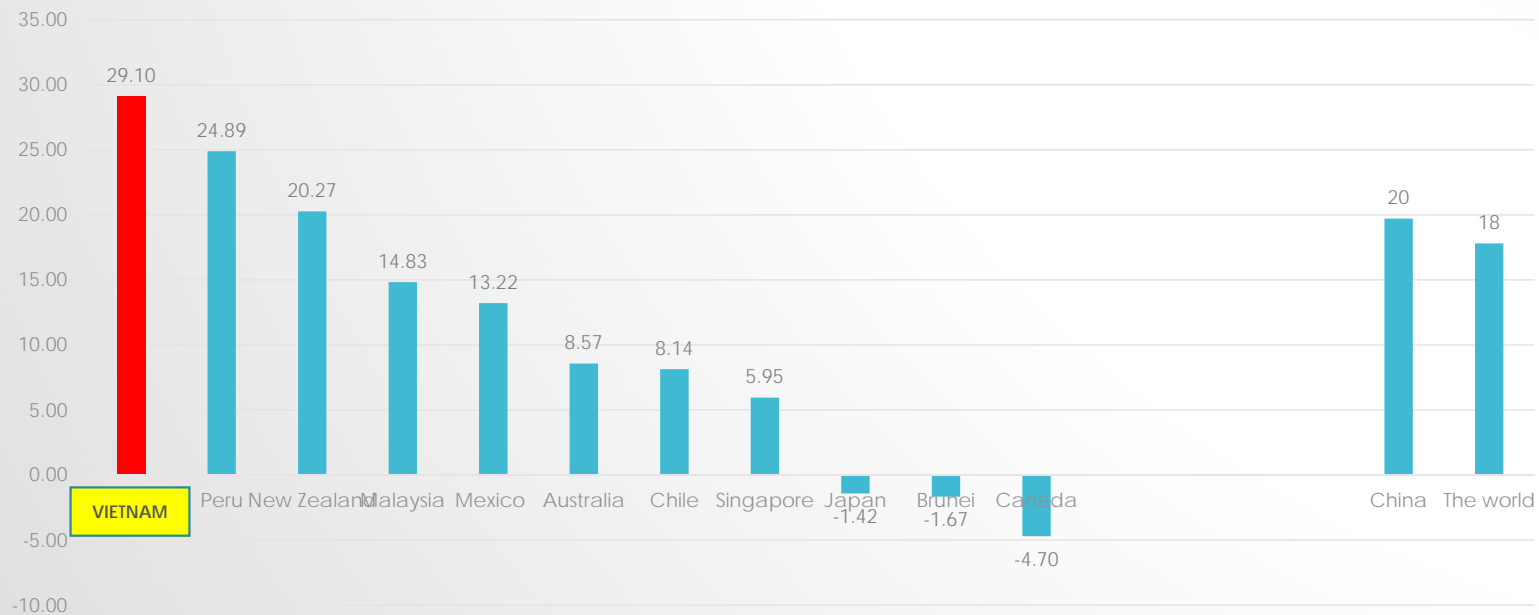
- Fastest growing middle class in Asia (source: Boston Consulting Group)
- Ranked 12th of happiest economies (source: Bloomberg 2017 Global Misery Index).
- Fastest global growth of ultra-rich - 170% over the next decade (reaching 540 UHNWIs) . (source: Knight Frank Wealth Report).
- Vietnamese among most optimistic consumers globally.
- 96% of Vietnamese perceive themselves as middle class...2X greater than reality! (source: HILL ASEAN)
- 15.4% increase in Vietnam travelers to U.S. – 99,000 visitors in 2015. 3rd largest market in ASEAN (source: USDOC/NTTO)

VIETNAM as a source of students to the U.S. has increased by **30%** in the last two academic years, more than any other major Asian economy.

STUDY ABROAD



Growth rate of international students to the U.S
by country of origin from 2013/2014 to 2015/2016 (%).



Vietnam was the



6th

largest source of
international students in
the U.S in 2015/16.



5

(over 21,000 students in that
academic year)

Thank You...
for your support...



4



3



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U.S.-VIETNAMESE RELATIONS

- 95% of Vietnamese say most people are better off in a free market economy.
- 95% say growing trade ties are good. Public and government supported TPP.
- 76% have favorably view the United States.
- Of note, young people, ages 18-29, were particularly positive at 89%.
- 56% see the U.S. as the world's leading economic power. (source: Pew Research)





POLITICAL STABILITY

- Among top 10 percent globally in ability to convert wealth into well-being - ranked 4 out of 149 countries assessed. (source: BCG's Lotus Nation Report)
- Above average in converting economic growth into well-being improvements. (source: BCG's Lotus Nation Report)
- GVN goal of obtaining \$8000-9000 GDP per capita by 2020 - 2.5X 2010 level.
- Still lags behind ASEAN neighbors in terms of infrastructure and governance. Up to \$140 billion is needed in infrastructure by 2020.



CONCERNS

- Banking System: NPLs, low government reserves
- SOE reform slower than planned
- Aging Infrastructure
- High debt, decreasing development assistance
- Legal system: Still New and Developing
- Education and Skill Mismatch
- Transparency and Corruption
- Quickly aging population

What I learned about doing business in Vietnam from Patsy





WHAT DRIVING IN VIETNAM HAS TAUGHT ME

- Go slow, take your time, don't expect to get there quickly.
- Get some experience before venturing too far.
- Always look ahead, don't worry about the past.
- Have confidence (i.e. don't show fear).
- Be in the right frame of mind. Find your zen.
- Be open to doing things differently...
- ...but don't waiver on your values.



USCS Industry Groups in Action



THANK YOU...

CAM O'N

