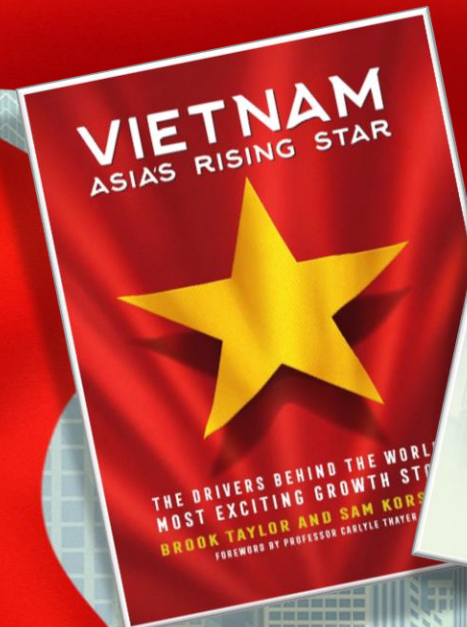


VIETNAM

ASIA'S RISING STAR

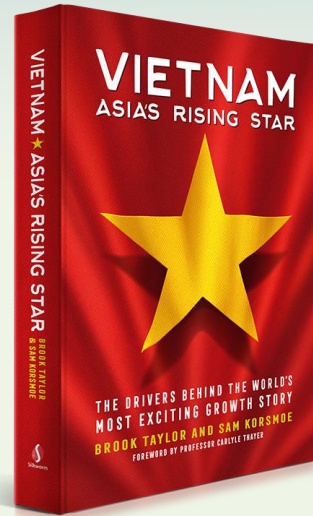
BROOK TAYLOR AND SAM KORSMOE
THE LECTURE SERIES





Brook Taylor

CEO of Asset Management
VinaCapital



Sam Korsmoe

Writer, Teacher, & Education Consultant
Saigon Writers Club

Brook Taylor

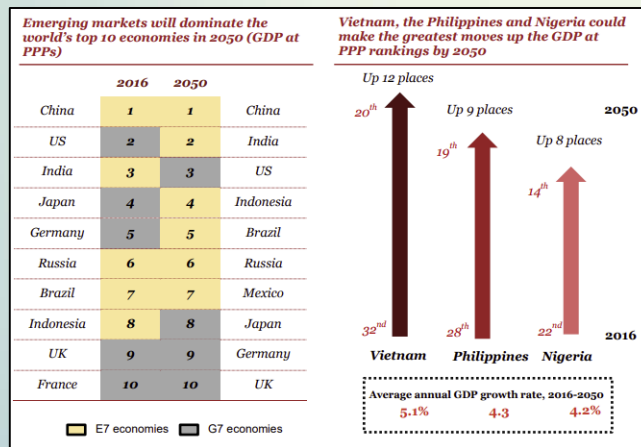
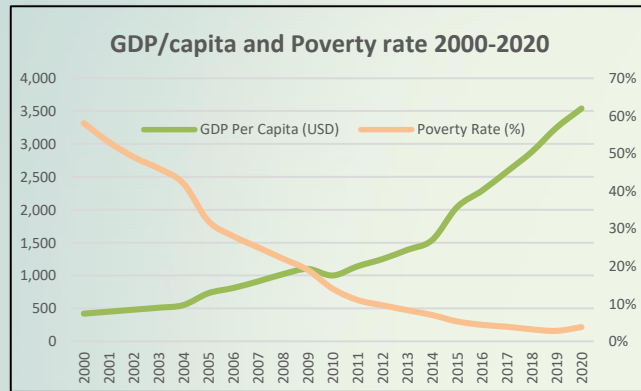
November 2019



Will they continue for another 25 years?

What is the best way to write about the future of a country like Vietnam?

For us *Better understanding*



Source: PwC World in 2050

For foreigners *Address misconceptions*

- ★ Vietnam is at war (war ravaged).
- ★ Vietnam is indistinct from other Southeast Asian countries.
- ★ Vietnam is a smaller version of China.
- ★ Long-term sustainable growth can only be achieved with a multi-party system.
- ★ Communist countries have non-market economies.
- ★ There is no accountability in one-party states.
- ★ The country's development is unplanned and unstructured.
- ★ Culture restricts the ability of women to contribute to the economy.

For Vietnamese *Build awareness*

- ★ Understand what is happening and why.
- ★ Build confidence in the fact that other countries have succeeded before.
- ★ Focus attention on the medium and long term.
- ★ Explain what the future looks like.
- ★ Help identify new opportunities being created.
- ★ Be proud of what has been achieved and what will come.

**Vietnam is the next Tiger Economy of Asia,
and it will grow and develop in a way
similar to how South Korea and Taiwan
grew as Tiger Economies of Asia.**

TWO QUESTIONS

Vietnam is the next **Tiger Economy of Asia,
and it will grow and develop in a way
**similar to how South Korea and Taiwan
grew** as Tiger Economies of Asia.**

1. What is a Tiger Economy?
2. Can Vietnam grow like South Korea and Taiwan did?

THE PAST

Vietnam's fights against
'the other'

Role of Culture
& Pragmatism

Political Change
(Command economy to *Doi Moi*
and a free market economy)

Free trade all the way

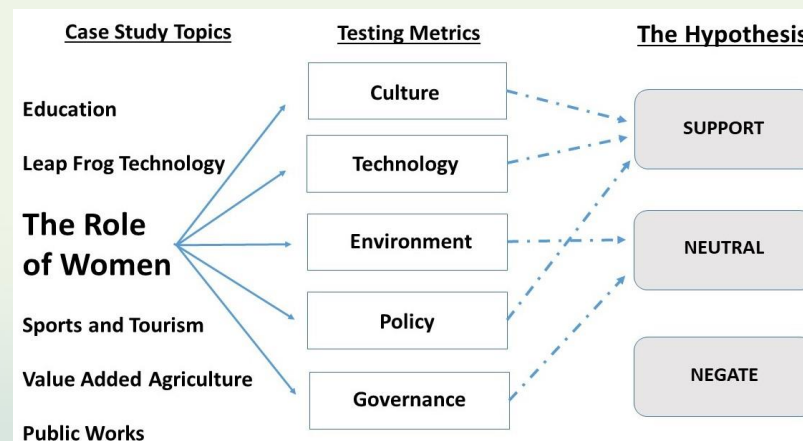
THE PRESENT

What is a Tiger Economy?

(Six metrics: numbers, exports, expertise,
industrialization, markets and leadership)

What are the numbers and
Vietnam's comparative advantages?

Six Case Studies



THE FUTURE

Our forecast for the future based
on GDP per capita growth of the
past 20 years

Base Case
(the same as the past 20 years)

Conservative Case
(slower than the past 20 years)

Aggressive Case
(faster than the past 20 years)

What is a Tiger Economy?

'A Tiger Economy is the economy of a country which undergoes rapid economic growth, usually accompanied by an increase in the standard of living.'

The Asian Economic Miracle Countries

Hong Kong, Singapore, South Korea, and Taiwan

SOUTH KOREA & TAIWAN OF THE 1980s & '90s

VERSUS

VIETNAM OF THE 2020s & '30s

Not an Apples-to-Apples Comparison, but still apt and with relevant connections

HISTORY

Post-war

Impoverished

Former Colony

Single Party State

CULTURE

Northeast Asian Culture

Single Ethnicity

Same Education Model

Confucian Influences

POLITICS

**Old Cold War
(USSR v. USA)**

**New Cold War
(China v. USA)**

Numbers

There is net growth of most business and economic metrics for at least 10 consecutive years

Exports

There is consistent movement up the value chain of export quality manufactured products

Industrialization

Industrial development is in place in terms of policy and the country's physical infrastructure is being built

Expertise

The workforce is becoming more highly skilled and educated in the public and private business sector

Markets

There is significant access to multiple global markets for Made-in-Vietnam products

Leadership

There is leadership coming into place that is more a meritocracy and less an oligarchy

DOES VIETNAM QUALIFY?

Numbers

Net growth for at least 10 consecutive years

Hard 'Yes'

Exports

Consistent movement up the export value chain

Soft 'Yes'

Industrialization

Industrial policy is in place with physical infrastructure being built

Soft 'No'

Expertise

A better educated and skilled workforce is in place and relevant

Soft 'Yes'

Markets

There are multiple global markets for Made-in-Vietnam products

Hard 'Yes'

Leadership

Strong leadership that is more a meritocracy than an oligarchy

Inconclusive

WHO ELSE IS A TIGER?

'A Tiger Economy is the economy of a country which undergoes rapid economic growth, usually accompanied by an increase in the standard of living.'

Numbers – Exports – Industrialization – Expertise – Markets – Leadership

Thailand

China

Indonesia

Petro States

Qatar

UAE

Poland

Argentina

Malaysia

Oman

Kuwait

Can they escape the Middle Income Trap?

SHARED AND SEPARATE

SOUTH KOREA & TAIWAN

Priority of Education

Investment in High Tech

Post-war Grit: The Greatest Generation

Most Coveted Nation Status

Commitment to Global Trade & Integration

Geography

Culture

Wealth Disparity

Political Stability & Intent

VIETNAM

Global Manufacturing: China Plus One

Mass Mobilization

Demographics and Urbanization

Role of Women

Natural Resources and Agricultural Wealth

Vietnamese Diaspora

Digitalization and the Internet

A Leverage Point – The New Cold War

Creative Destruction

The Vietnam Context

Leapfrog Technology

The Vietnam Context



What does Vietnam have?

*It's all about
the people,*

Education

Urbanization

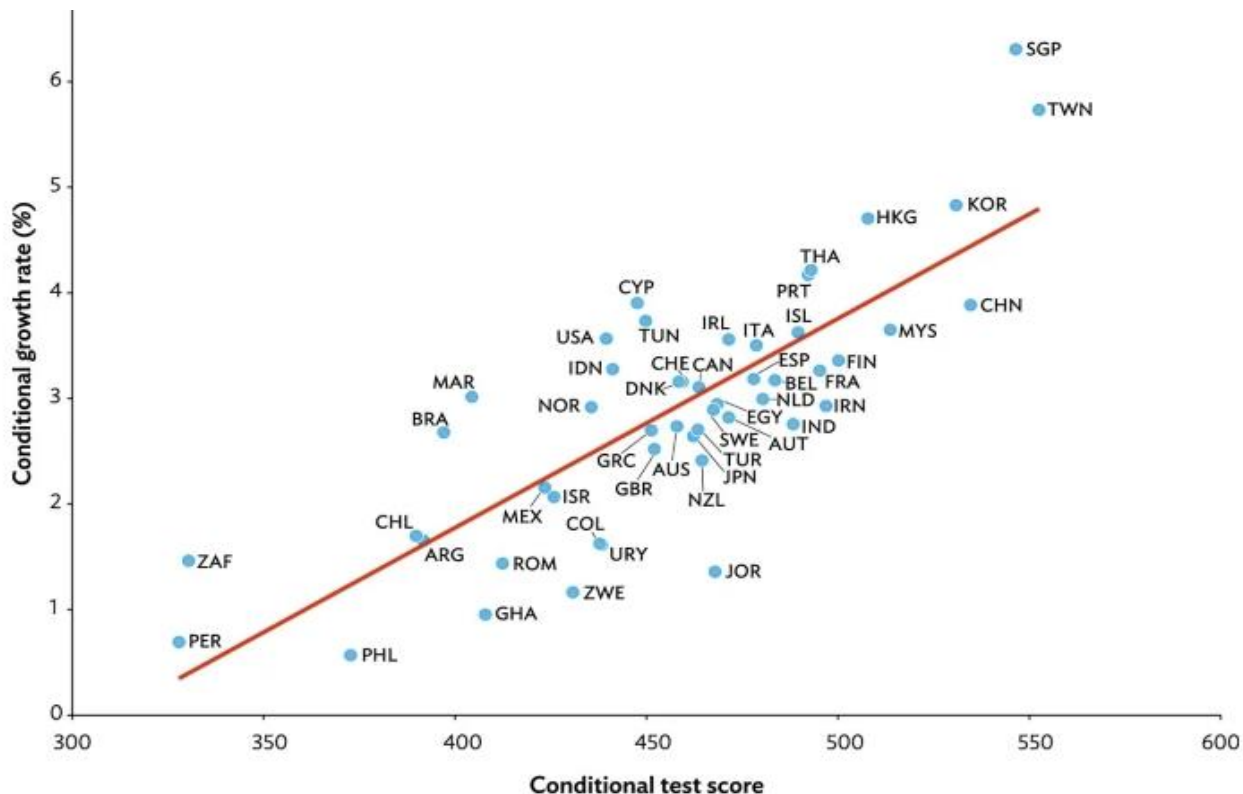
Demographics

*and there are 100
million of them*

Ranking	Country	Maths	Science	Reading	Overall
1	Singapore	575	561	543	1679
2	China	552	543	510	1605
3	Taiwan	547	537	515	1599
4	Japan	536	547	516	1599
5	South Korea	527	528	515	1570
6	Hong Kong	540	520	500	1560
18	United States	465	499	504	1468
34	Vietnam	469	472	462	1403
55	Malaysia	409	416	388	1213
63	Thailand	394	409	379	1182
69	Indonesia	366	383	359	1108
77	Philippines	355	356	347	1058

Source: OECD

Correlation between education levels and economic growth



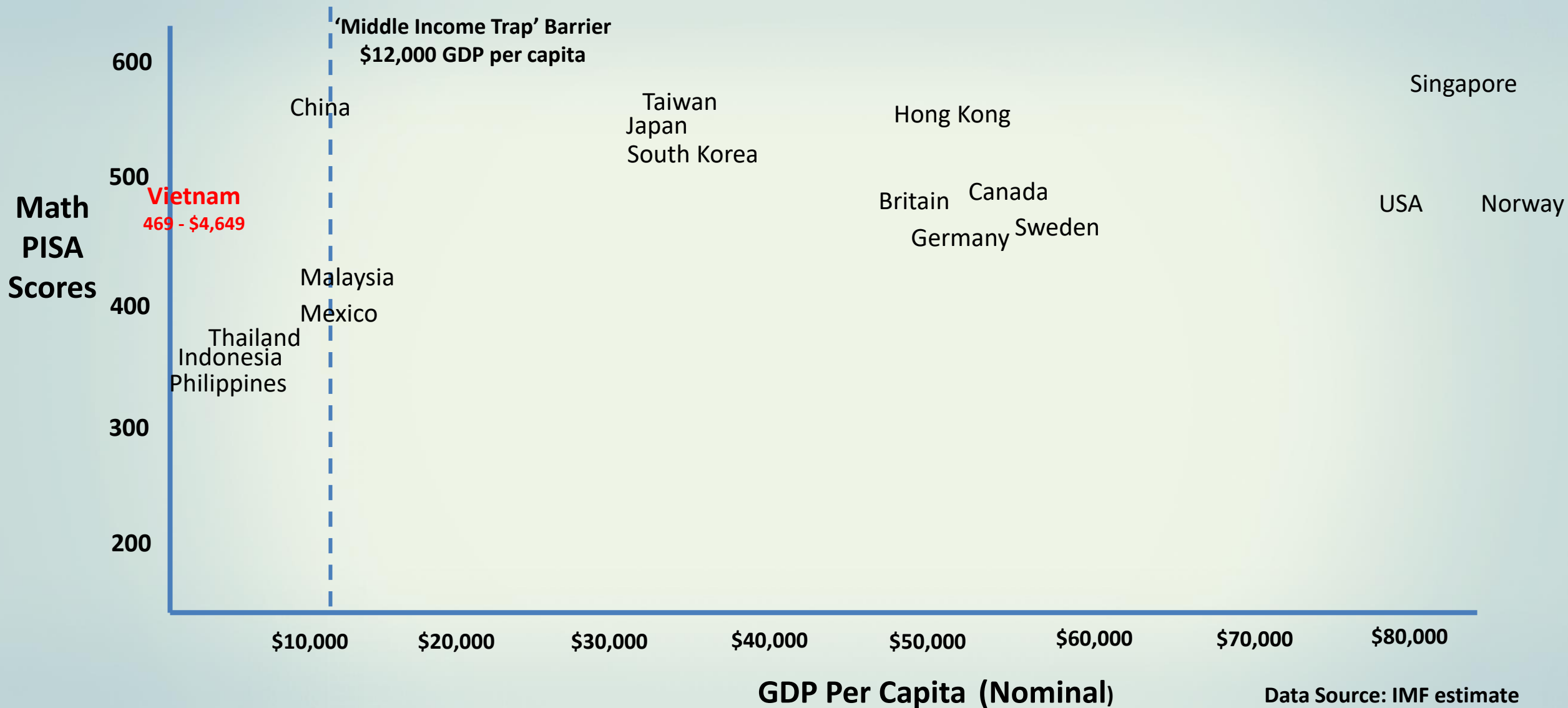
OECD Report 2022 for PISA scores

Standardized math test scores of 15 year old students

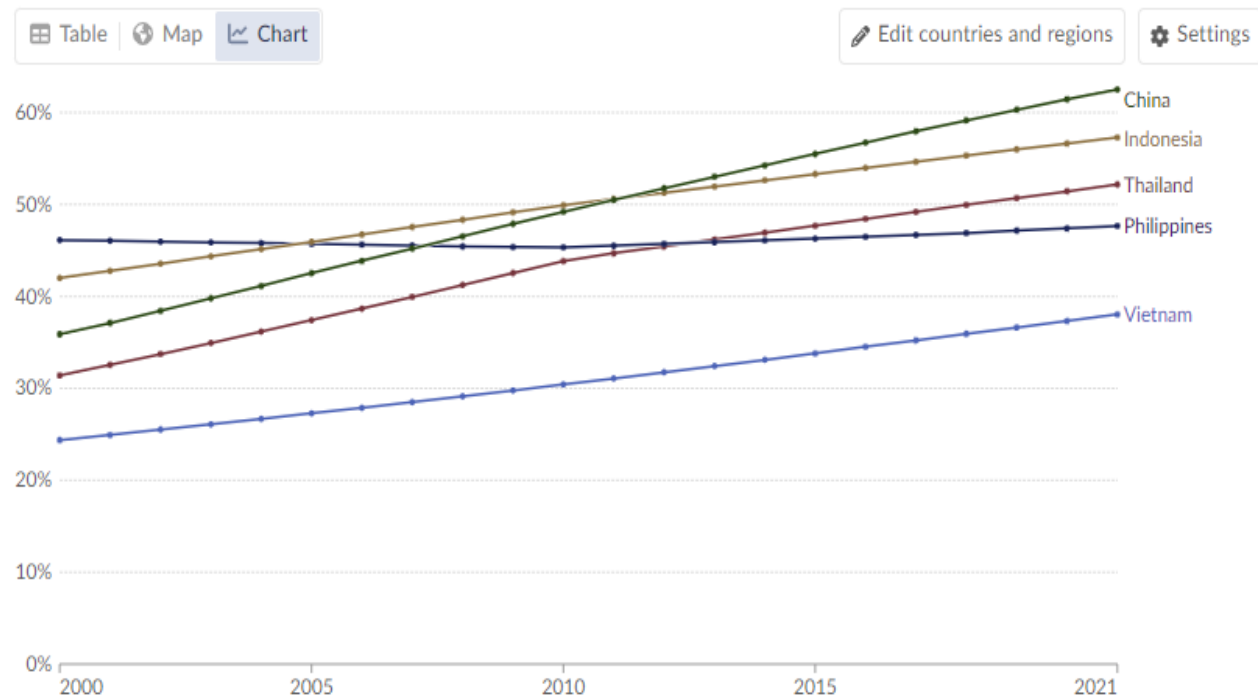
World Bank Data for GDP/Capita (nominal)

Country	PISA Score	GDP Per Capita
Vietnam	469	\$4,347
Taiwan	547	\$34,432
South Korea	527	\$33,121
Singapore	575	\$84,734
Japan	536	\$33,834
China	552*	\$12,614
Hong Kong	540	\$50,697
Malaysia	409	\$11,649
Thailand	394	\$7,172
Philippines	355	\$3,726
Indonesia	366	\$4,940
USA	465	\$81,695
Norway	468	\$87,962
Sweden	482	\$56,305
U.K.	489	\$48,867
Germany	475	\$52,746
Canada	497	\$53,372
Mexico	395	\$11,496

INTELLECTUAL CAPITAL BASE



Share of the population living in urban areas, 2000 to 2021



Benefits of urbanization

- ★ More job opportunities
- ★ Increased productivity
- ★ Lower cost and more benefit from infrastructure
- ★ Access to better services like education and healthcare
- ★ More diversity and cultural exchange
- ★ Greater skills development
- ★ Improved efficiency
- ★ Greater technological advancements

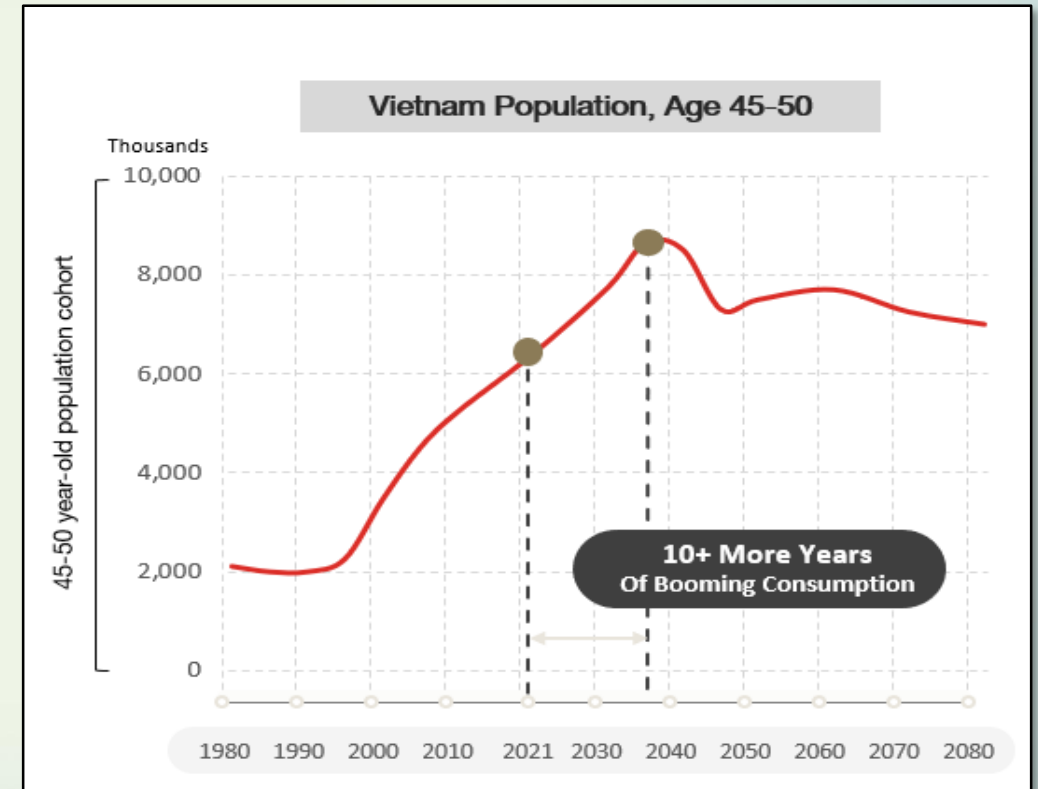
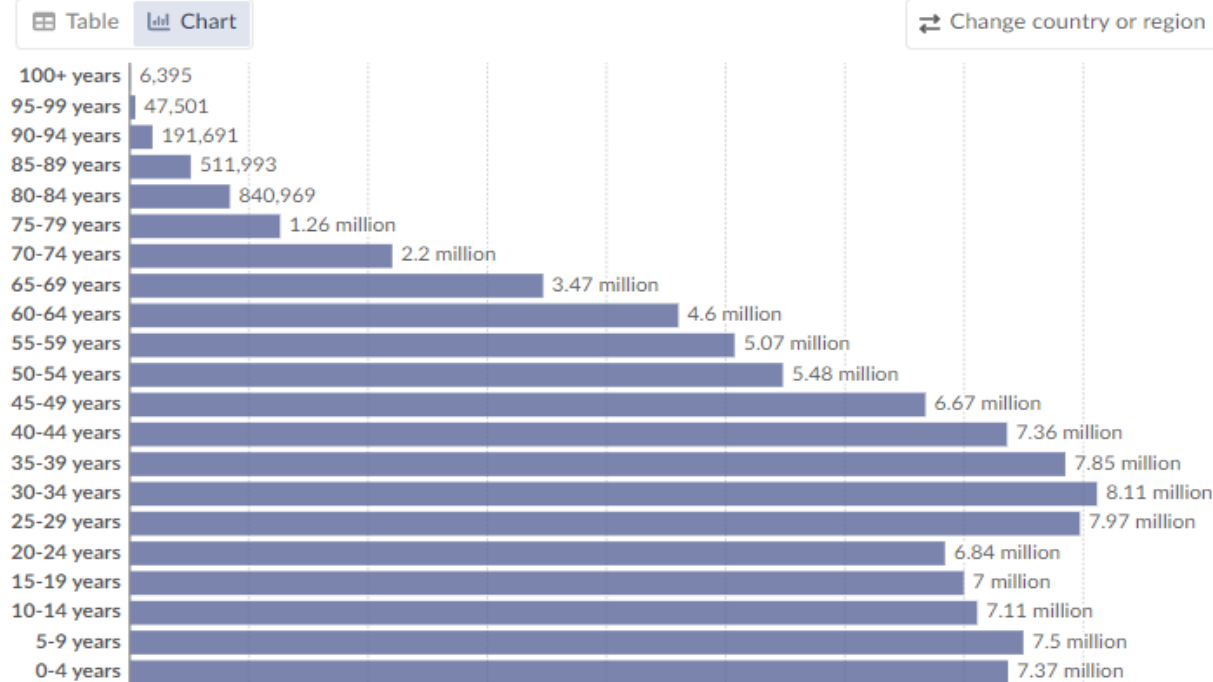
Current urbanization rate is 3.4%.

This equates to 1.27m people moving into the cities each year.

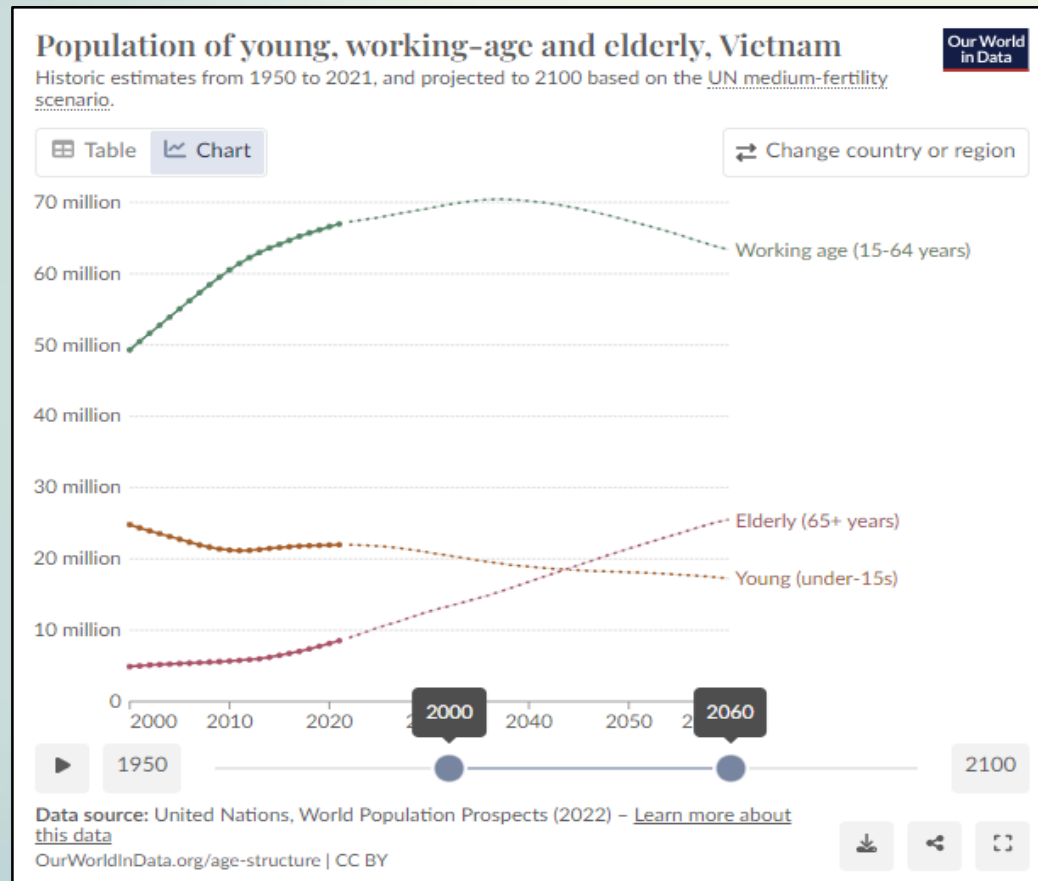
About 1,500 people move into HCMC each day

The Consumer Market

Population by age group, Vietnam, 2021



Vietnam has a labor force of 60 million



Ratio of female to male labor force participation rate (%)

Vietnam – 87.7

Cambodia – 86.1

United States – 83.1

China – 82.9

European Union – 81.6

Thailand – 78.6

Singapore – 77.3

Japan – 75.0

South Korea – 73.7

Malaysia – 66.0

Indonesia – 65.8

Philippines – 64.2

India – 27.4

Source: International Labor Organization, 2021 estimates

What does Vietnam have?

*It's all about
the people,*

Education

Urbanization

Demographics

*and there are 100
million of them*



The VinFast Story

Taiwan

IT Hardware Investment in China

High-tech Investment in Taiwan (TSMC 1987)

Appeal to Overseas Chinese (Morris Chang)

Political Finesse with its Status Quo

South Korea

The *Chaebol* Model

Olympic Games (1982) & FIFA World Cup (1996)

Work & Study Ethic

Political Finesse with its Status Quo

The Vietnam Diaspora

5,000,000+

United States
2,200,000

Japan
372,000

France
350,000

Australia
300,000

Canada
250,000

Taiwan
200,000

Germany
70,000

Vietnamese Overseas Remittances in 2023 – \$14 billion (estimate from World Bank)

Estimate for the Philippines in 2023 – \$32 billion from 15 million Overseas Filipinos (2019 estimate)

AI Developments (from the news)

United States

Meta for VR Headsets
Intel for IC assembly, packaging, and testing
Microchip
Marvel
Qualcomm
Synopsis
Cadence
Savarti
Uniquify
Amkor

Taiwan

GVC
Faraday Technologies

South Korea

Samsung Electro Mechanics
Galaxy Smartphones

Germany

Infeon Product Development

Japan

Renesas Electronics (largest design unit outside of Japan)

Government Goal: 50,000 semi-conductor engineers by 2030
Currently: 5,000

What might stand in the way?

Domestic

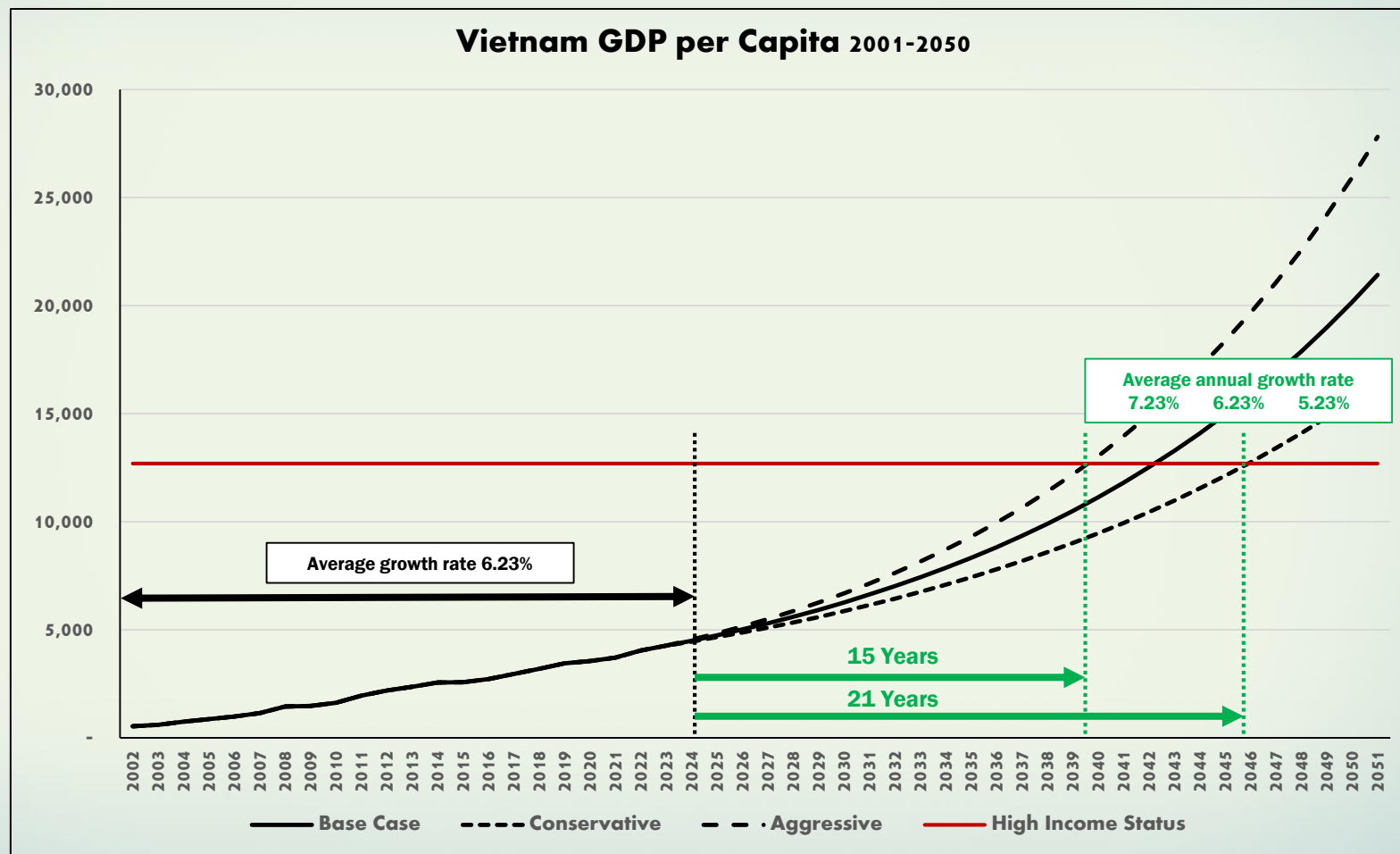
The wealth gap
Systematic corruption
State capacity
Aging demographics

Domestic and International

Free trade reversal
Environmental factors
Cultural shifts

International

Slowing international growth
Geopolitical actions



Q & A

Lecture One – The Future of Vietnam

Lecture Two – Is Vietnam a Tiger Economy?

Lecture Three – Escaping the Middle Income Trap

Lecture Four – The Next 30 Years

Lecture Five – The Role of Culture

Lecture Six – The Role of Women

Lecture Seven – The Economic Trifecta

Lecture Eight – Technology Tools of the Future

Lecture Nine – The China-USA Card

Lecture Ten – The One Party State

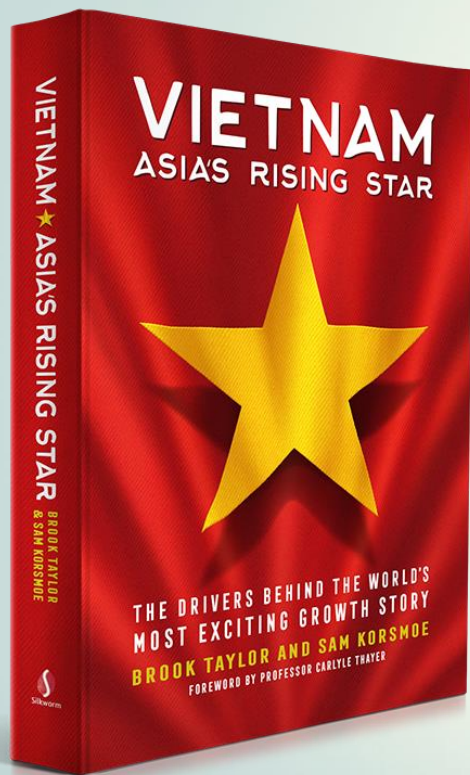
Vietnam - Asia's Rising Star

THE DRIVERS BEHIND THE WORLD'S
MOST EXCITING GROWTH STORY

*"Vietnam – Asia's Rising Star should be read
by anyone with an interest in Vietnam and anyone
else with an interest in the future of Asia."*

Carlyle A Thayer

Professor Emeritus, University of
New South Wales, Canberra



Silkworm Books



Quang Van JSC





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