

VIETNAM IT INDUSTRY



Content

- **Vietnam**
 - The fastest growing economy
 - A New High Tech Center
- **Vietnam – Your Emerging ICT Market**
- **Opportunities for Co-operation**
- **About VINASA**

Vietnam – Unique Area of growth for businesses

In South East Asia

Vietnam is not the Largest economy

But the Fastest growing economy!

- ✓ **Average GDP growth of ~8 % during the last 15 years**
- ✓ **Expected GDP growth over 5% for 2009 - the world goes down but Vietnam goes up !**
- ✓ **Safe and politically stable country**

Vietnam – A New High Tech Center

- ✓ **Now as a member of WTO, Vietnam is an attractive investment destination**
 - ▣ **FDI in 2008: US\$ 64B**
- ✓ **Young and well-educated population**
 - ▣ **70% of 87M population under 30**
 - ▣ **Literacy rate more than 90%**
 - ▣ **1.8M university/college students**
- ✓ **Emerging as a high technology center**
 - ▣ **Investment by IBM, Intel, Renesas, Foxcon , Fujitsu, Canon... to develop/manufacture high tech products**
 - ▣ **R&D outsourcing from Nortel, Alcatel-Lucent, NTT, Toshiba, Microsoft...**

Vietnam – Your Emerging ICT Market

Vietnam ICT is not Developed
But there are Abundant Opportunities

Needs ICT products/solutions for

- ✓ **87 million people**
- ✓ **21.8 mil. internet users**
- ✓ **75 mil. mobile phone subscribers**
- ✓ **400 000 enterprises**
- ✓ **Fast growing economy**

Vietnam – Your Emerging ICT Market

□ ICT industry

- ~ 10.8 B US\$ (38% increase over 2007) – about 5.4 B US\$ for IT industry
- ~ 300,000 workers – about 90,000 people in SW industry
- ~ 4,000 companies – about 800 software companies

□ Telecommunications

- 90 M phone/mobile subscribers
 - *US\$2 billion will be invested in 3G technology in three-years*
 - *Three Vietnam companies in world top 100 mobile service providers*
- 21.8 M Internet users (17th highest in the world)
 - *2.7M Internet broadband subscribers*
 - *International connection bandwidth: 64.6+ Gbps*

→ Top 3 fastest growing telecommunication markets in Asia



Vietnam – New destination for software outsourcing

- ❖ **Vietnam is in Top Ten of A.T. Kearney's Global Services Location Index 2009**
- ❖ **Ho Chi Minh City on KPMG 'locations to watch' for next outsourcing boom**
(KPMG Advisory , 2009)
- ❖ **- Ho Chi Minh City the 4th of Top 50 Emerging Outsourcing Cities**
- Hanoi the 11th of Top 50 Emerging Outsourcing Cities
(Global Services-Tholons, 2008)
- ❖ **Vietnam – the 3rd biggest partner of Japan in SW outsourcing (after China and India)**
(CICC, 2008)

Vietnam – Who already outsourced to Vietnam?



Microsoft



NORTEL

ORACLE

FUJITSU



TOSHIBA



FLEXTRONICS

HITACHI
Inspire the Next



FOXCONN

RENESAS

Vietnam software outsourcing – Why attractive?

- ✓ **Large talent pool**
 - **62,000 ICT students enrolment in 2008 and increases 25-30%/year**
 - **> 300 universities/colleges with ICT education**
- **Quality**
 - **Meet stringent quality requirements from world leading companies**
 - **Adoption of international quality standards: ISO, CMMi...**
- ✓ **Competitive Cost**
 - **40% lower than China & India (neoIT, 2006)**
- ✓ **Low Attrition**
 - **Less than 10%**
- ✓ **Strong government support for the software industry**
 - **Tax, training & education, software/high tech parks etc.**



Opportunities for Co-operation

- **Promote/Distribute your ICT products in Vietnam**
 - **The fastest growing and the most attractive ICT market in South East Asia (GfK, 2007)**
- **Your partner in South East Asia**
 - **Technical support**
 - **Localization**
 - **Testing, BPO**
- **ICT outsourcing**
 - **Tap into the Vietnam large pool of young talents**
 - ↳ **increase your competitiveness**



About VINASA

- **The only National Software Association in Vietnam**
- **More than 180 member companies but take 60% of Software production and 50% of SW workforce in Vietnam**
- **Head Office in Hanoi and Branch office in HCMC**
- **Main Function: bridge between Vietnamese and international companies**

Thank you very much!



www.vinasa.org.vn