

VIETNAM

TRADE MISSION PROSPECTUS

RETAIL SUPPLY CHAIN & E-COMMERCE

Sunday 7th May 2023 in Ho Chi Minh City -
Saturday 13th May 2023 in Hanoi



BACKGROUND

Whitecorp International is an expert in providing international trade opportunities, coupled with the right introductions, frameworks and advice for fostering your ideas in internationalizing your business.

One of the best ways of gaining familiarity with a new region is to be part of a Trade Mission.

WhiteCorp International have run several Trade Missions to Vietnam over the past 10 years. This trade mission will focus on the following:

1. E-commerce
2. Manufacturing supply chain
3. Retail technology

Recent Trade Missions include:

- Vietnam Delegation (Master Electricians) August 2010 - 165 Delegates
- China (World Expo) Trade Mission May 2012 – 26 delegates
- Vietnam Trade Mission November 2013 – 14 delegates
- Israel Defence & Technology Trade Mission April 2014 (with the AICC) – 26 delegates
- Philippines Trade Mission January 2014 – 16 delegates
- Philippines & Vietnam Trade Mission January 2015 – 12 delegates
- U.S. Defence & Technology Trade Mission – April 2015- 26 delegates
- Vietnam Education delegation Trade Mission – October 2015 (with AICC) – 20 delegates

Partnering with the National Retail Association and Retail Global we will encourage trade and foster closer business relationships between Australia and Vietnam in this industry in retail.

Commercial outcomes derived from this mission extend beyond the bilateral trade statistics as they include joint ventures, technology transfer agreements, academic exchanges, partnership arrangements in third markets, cooperation agreements between Australian and Israeli business associations and an increase in trade.

This mission is themed around relevant Australian industry policy, and the objective is to deliver not only commercial benefits to the companies, but also make a contribution to the Australian economy.

Encouraging diverse representation from political leaders, public sector decision makers, academia, and broad private sector interests assists such outcomes.

TRADE MISSION LEADER



Dominique Lamb

CEO of the National Retail Association and Director of NRA Legal, Dominique Lamb has extensive experience providing industrial relations and employment law advice to a range of small, medium and large businesses across a range of industries. Dominique is also a Chair on the Retail Doctor Group Advisory Board, and Board Member on the Bleu Australia Advisory Board.

Dominique plays an integral role with the National Retail Association by liaising and advocating on behalf of retailers at a Federal and State Government level on all areas of policy which affect retail businesses both large and small, including but not limited to industrial relations, technical standards, product safety, loss prevention and city planning and infrastructure.

In her downtime, Dominique is a strong advocate for victims of domestic violence and has volunteered with the Women's Legal Service Queensland for over six years. Dominique was the President of the Women's Legal Service Queensland from 2020 – 2021, as well as being the Chair of their Dancing CEO's event which raised over \$500,000 in 2021.

Dominique brings a level passion and motivation to her role which is hard to equal. In 2011, she was awarded the Australian Institute of Management's Young Gun of the Year Award and in 2016 Dominique was a finalist in the Brisbane Women in Business Awards. In 2020, Dominique was also a finalist in the Queensland For Purpose & Social Enterprise Award category of the Telstra Business Women's Awards. Most recently, Dominique was awarded the prestigious Industry Person of the Year Award at Retail Global's 2021 Vendors in Partnership Awards.

Dominique is frequently featured across television, radio and print media as an industry expert for retail.

TRADE MISSION LEADER



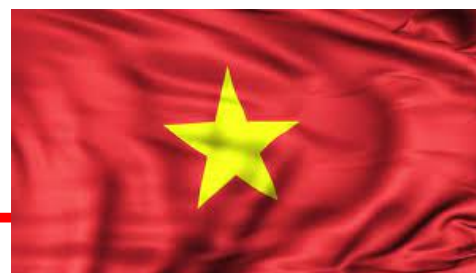
Ashley Hudson

Ashley has a passion for marketing, branding and all things growth which has shaped his career over the past 14 years. Having worked in Social Media, Branding Agencies, Scent Marketing, Sales consulting and completing an MBA in Marketing he found his passion for events bringing all areas of marketing under one umbrella.

Having worked around the globe for the past 8 years running events in the Middle East, North America, India, Europe and the UK, Ash brought a wealth of cross-cultural experience to Retail Global and now holds the position of CEO.

Retail Global runs major retail conferences with the aim of maximising the performance of small and large businesses. The conferences take place in Australia, New Zealand, the United States and smaller, bespoke events including the VIP Awards that opens #RetailWeek in New York each year as an official partner of the National Retail Federation of America's Big Show.

VIETNAM OVERVIEW



Vietnam has been a development success story. Economic reforms since the launch of Đổi Mới in 1986, coupled with beneficial global trends, have helped propel Vietnam from being one of the world's poorest nations to a middle-income economy in one generation. Between 2002 and 2020, GDP per capita increased 2.7 times, reaching almost US\$2,800. Over the same period, poverty rates (US\$1.90/day) declined sharply from over 32 percent in 2011 to below 2 percent.

Thanks to its solid foundations, the economy has proven resilient through different crises, the latest being COVID-19. Vietnam was one of only a few countries to post GDP growth in 2020 when the pandemic hit.

WHY VIETNAM?

Vietnam is one of the world's fastest developing nations and the third-largest market in southeast Asia.

Some of the key elements that make Vietnam an attractive location for business development include the low cost to start a business, regulations that encourage foreign investment and its government's openness to the global economy, its strategic location with direct access to some of the world's main shipping routes, stable GDP growth, and competitive labor costs.

Factors in Vietnam's growth include its young population, stable political system, relatively low inflation, strong manufacturing sector, and increasing FDI inflows.

E-COMMERCE INDUSTRY

In Vietnam, e-commerce is on the rise, increasing from roughly 28% in 2017 to nearly half of the population by 2020. The United Nations claims Vietnam is going to be a huge e-commerce transaction by 2025. According to Statista, the country's e-commerce sales will be nearing \$32.3 billion by 2025.

VIETNAM'S VIBRANT ECOMMERCE



Vietnam's eCommerce predicted to grow

4.5X in 6 years to **AU\$ 78B.**



eWallet usage is at **20%** and rising.

Predicted to grow **3X** by **2025.**

Favourite shopping platforms by user base



Top 3 eWallets dominate **90%** of the market.



53% of online shoppers purchase **food items**, the #1 category on eCommerce.

67%

of Vietnamese use social media; the top 3 platforms are



Clothing, footwear & cosmetics is the #2 most popular category at **43%.**

95%

of Internet users watch **video content**; it has the highest advertising engagement rate.



The success of various Vietnamese-originated e-commerce platforms, like Tiki, Shopee, Lazada, or Thegioididong, demonstrates Vietnam's ability to nurture e-commerce. Moreover, Sendo.vn received a US\$51 million investment from Japan's SBI Holdings.

Vietnam provides one of the most favorable regulatory conditions in the ASEAN area for starting e-commerce. As of 2021, Vietnam is a signatory to thirteen free trade agreements (FTAs), which allow the import and export of commodities with reduced or zero customs tariffs.

By 2030, Vietnam's digital economy is being forecast to be worth \$220 billion, garnering the attention of major brand names such as Goldman Sachs and JD.com.

The Vietnamese government's dedication to the digital transformation of the economy has actively fueled the development of the country's e-commerce. Foreign investment in this sector is a profitable opportunity that also has the potential to support the sector's growth.

RETAIL SUPPLY CHAIN

Market Overview

According to the Vietnam Textile and Apparel Association (VITAS), 2018 was a success-ful year for the textile and garment industry with a total export turnover of over 36 billion USD, up over 16 percent year-on-year, making Vietnam one of the three biggest exporters of textiles and garments in the world.

The upcoming enforcement of new generation free trade agreements is a positive factor supporting for production and business activities of the sector in 2019.

On that basis, VITAS has set a target of 40 billion USD in export turnover, up 10.8 percent compared to 2018. The sector is expected to enjoy a trade surplus of 20 billion USD, and create employment and increase income for 2.85 million workers- accounting for more than 12% of the industrial workforce and nearly 5% of the country's total labor force

Vietnam textile and garment industry consists of two major parts: textile and garment. The textile sector includes fiber spinning, shuttle weaving, dyeing and finishing. The garment sector uses the main material as fabric and some other accessories such as thread, lace, button, etc., through designing, cutting and using the sewing machine to make the final garment. The textile and garment enterprises are businesses operating in the field from spinning, weaving, dyeing, and finishing fabrics to materials such as thread, laces, buttons, cutter, auxiliary equipment and final products.

Main markets

The products of Vietnam's textile and garment industry are sold in both domestic and foreign markets. In the domestic market, they are sold in markets, retail stores, supermarkets, trade centers and accounts for about 14%. The products of Vietnam's textile and garment industry are exported to more than 180 countries and territories worldwide (Le Hong Thuan, 2017). In particular, the main markets are the United States, the EU, Japan, Korea, and some other markets such as ASEAN, Canada, China, and Taiwan.

Global Brands

As for garments consumed domestically, distribution activities are being carried out by some Vietnamese brands which are familiar with consumers such as Format, NEM, Seven AM, Eva de Eva, Chic-land, Ivy Moda, Elise, Ninomax, Canifa, Aristino.

Vietnamese exports are expected to increase from major buyers as Auchan, Best Buy, Carrefour, Fossil, Hong Kong Disneyland, K-Swiss, Li & Fung, Marks & Spencer, Quiksilver, Swarovski, Target and Tesco, Under Armour, Lacoste, Primary, PVH, SANMAR

Market breakdown

CMT (Cut - Make - Trim): this is the easiest export method of textile and garment industry and brings the lowest added value. Businesses following export method of CMT only need the basic understanding of design patterns and the ability to produce finished product.

OEM/FOB (Original Equipment Manufacturing): The activities under the FOB have significantly changed based on forms of the actual contractual relations between suppliers and foreign buyers and are divided into 2 types

(FOB level I and FOB level II). Regarding FOB level I, businesses will purchase inputs from a group of suppliers specified by buyers. This method requires garment enterprises to bear the financial responsibility for the procurement and transportation of materials. Regarding FOB level II, businesses will receive product designs from foreign buyers and take full responsibility for sources of raw materials, production, and transportation of raw materials and finished goods to ports specified by buyers. The bottom line is that businesses must find the material suppliers with capability of providing special materials, and having confidence in the quality and delivery time

ODM (Original Design Manufacturing): this method of production for export includes the design and production process of purchasing fabric and materials, cutting, sewing, finishing, packaging and shipping products. The ability to design reflects the higher level of knowledge of the providers and Distributing / Marketing Spinning Textile sector Dyeing/ finishing Fabric Brand Garment sector Design Raw materials sourcing Cutting/ sewing CMT OEM/FOB ODM OBM Weavi Business & IT 02/2018 50 therefore will bring higher added value for products. ODM businesses create designs, finish products and sell them to buyers, which are most of the owners of major brands in the world. OBM (Original Brand Manufacturing): this method of production is improved based on method of OEM, but the manufacturers are responsible for their own designs and sign domestic and foreign goods' supply contracts for their own brands. Manufacturers in developing economies following OBM method mainly distribute products in their domestic market and markets of neighboring countries

Footwear

Many of the largest footwear brands in the world – Nike, Adidas and Puma, among others – all have factories in Vietnam. In fact, Vietnam is the fourth largest producer of footwear in the world. Only China, India and Brazil make more. And with the Trans-Pacific Partnership (TPP), this market will continue to grow. There's a good chance the shoes you're wearing right now were made in Vietnam.

Furniture

According to the Italian Centre for Industrial Studies, Vietnam is ranked number eight in the world in terms of furniture exports. Large furniture retailers around the world send their designs and specifications to Vietnamese manufacturers, which they then build and export. More recently

however, local companies have been expanding their design capabilities. These companies intend to develop their own research and development programs, so they won't have to rely on foreign companies anymore.

Coffee

The highlands of central Vietnam are perfect for growing the Robusta strain of coffee, and even though Vietnamese people drink a lot of it themselves, there's still plenty left over for exporting. In fact, Brazil is the only country in the world that exports more coffee than Vietnam.

Leather

If you're a tourist in Vietnam and aren't opposed to wearing leather, we highly recommend you get some custom pieces made. You can find so many amazing, fashionable pieces of clothing and accessories here, and all for a great price – especially in a place like Hoi An.

Fruit, vegetables and nuts

Anyone who's ever been to a fruit market in Vietnam knows all about the wonderful variety of fruit and vegetables that are available here. This segment of the economy is growing quickly as well, increasing by approximately 43% in 2017. And here's a strange fact to finish off with: Vietnam is the largest exporter of cashew nuts in the world.

Labour Force

Incomes of laborers in the textile and garment sector are not high at about 5.6 million VND/person/month (AU\$350.00)

Labor quality in textile and garment enterprises has received much attention, investment and improvement in recent years, but labor productivity is still slightly lower than other countries in the region.

Size of Business

There are about 6,000 companies operating in the textile and garment sector in Vietnam, of which small and medium enterprises account for a large proportion. In terms of ownership, about 84% of textile and garment enterprises are private; 15% are foreign invested enterprises and about 1% is SOEs. By sector, about 70% of enterprises are in of the garment sector, 17%

of enterprises are in the textile/knit sector, 6% of enterprises are in the yarn sector, 4% of enterprises are in the dyeing sector and 3% of enterprises are in the supporting industries. 02/2018 Business & IT 51 In terms of geography, enterprises in the north occupied about 30%, enterprises in the central and highlands occupy 8%, enterprises in the south occupies about 62%.

Impact of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

CPTPP member countries agreed to eliminate duties on 97% to 100% of tariff lines for imports from Vietnam that qualify under the applicable rules of origin. For example, Canada agrees to eliminate duties in 95% of tariff lines, which accounts for 78% of the total value of exports from Vietnam.

Global Case Study - Coates Cotton

Coats is the world's leading industrial thread manufacturer and a major player in the Americas textile crafts market. At home in some 50 countries, Coats employs 19,000 people across six continents. Revenues in 2017 were US\$1.5bn.

The geographic location of Vietnam is an important part of the global footprint of Coats. It is a major hub in South East Asia for worldwide apparel sourcing. As Asia moves from being primarily a manufacturing base to also being one of the world's largest consumer markets, including an increasing demand for high-end garments, the manufacturing output from its factories is increasing.

Digital is a key pillar of the Coats strategy and Vietnam was an early adopter of Coats eComm, the industry leading customer tool to make thread ordering easier and faster. It manufactures many of Coats' newest and most innovative products including EcoVerde, the first range of premium threads to be made from 100% recycled post-consumer re-cycled core spun thread. It also produces flagship thread ranges such as Epic as well as Performance Materials yarns.

The additional capacity makes the Hung Yen site one of Coats' largest manufacturing units. It will enable dyeing and finishing operations to be increased by over 40% and also provides additional warehouse space. The site, which is already a leader in many of the internal manufacturing performance metrics of Coats, demonstrates the company's recognition of the growing customer base in the north of Vietnam.

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SETTING UP IN VIETNAM

Vietnam is ranked 70 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. The rank of Vietnam deteriorated to 70 in 2019 from 69 in 2018. source: World Bank

The government has done an ambitious structural reform, which tackles economic challenges such as public debts, SOE equitization, non-trade barriers as well as environmental sustainability, social equity and emerging issues of macroeconomic stability.

However the bureaucratic nature of Vietnam's economy, frequently changing regulations, the importance of personal contacts and cultural specifics make a trusted local business partner a valuable asset. Established trading companies are a viable alternative.

PROGRAM DETAILS

This five-day Trade Mission program will offers a Group Program that will visit companies and organisations and attend briefings based on the interests of the group. More information once Expressions of Interest are received.

Registration fees include:

- General administration costs
- Group Program for the duration of the Mission
- Group meetings for the duration of the Mission
- Special receptions and dinners for the delegation
- Specialised industry briefings and visits in Vietnam
- Internal transport arrangements within Vietnam for all official Trade Mission activities (not private travel or travel for individual meetings whether or not accompanied by our staff)

Program Fee

- Early bird bookings (on or before 15th December 2022 - \$5299)
- Regular booking fee - \$5999 (plus GST where applicable)

Please note that the above fees do not include meals (unless provided by host companies), accommodation costs, international and internal airfare, and local travel undertaken on a private basis or travel for individual meetings whether or not accompanied by staff.

DRAFT AGENDA

Day 1 – Ho Chi Minh City (Saigon)

- Briefing on ‘How to do Business in Vietnam’
- 1 on 1 business matching –
- Site visit to successful Australian company in Vietnam
- Networking event with AusCham Vietnam, keynote speakers, network with Australian and Vietnam business people.

Day 2 – Ho Chi Minh City (Saigon)

- Site Tours to visit local, Australian and international companies directly relevant to your business
- High level networking dinner with The Australian Consul general, Head of Vietnam for ANZ, BlueScope and others

Day 3 – Ho Chi Minh to Da Nang

- Morning engagement program with Vietnamese companies involved in e-commerce solutions
- After lunch - Flight to Hanoi
- Free night to roam Hanoi "old town" Anh

Day 4 – Danang & Surrounding area

- Hanoi business engagement program with Vietnamese supply chain
- Evening cocktail networking event poartnered with Austrade
- Meet vietnamese retail supply chain companies that are already working with Austrade to look at supply opportunities into Australia

Day 5 – Danang to Hanoi

- Meet with Vietnamese trade powerhouse - Vietnam Chamber of Commerce & Industry who will provide a briefing on vietnamese labour, manufacturing, and supply chain sectors

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- After lunch meet with the association leaders of various Vietnamese industries relevant to the retail industry

evening

- High level boardroom dinner with VIP guests including:
 - The Australian Ambassador
 - The Israeli Ambassador
 - The President of VCCI
 - Heads of Trade - Vietnam Department of Foreign Affairs

Day 6 - Free time

Australian flight departures

How can your business benefit from developing trade relationships with Vietnam?

Reach out to discuss this mission series, and how this may be your gateway to new markets, supply chain, ideas & investment.

For more information , call 0417417006 or email

Simon@Whitecorpinternational.com.au

[REGISTER HERE](#)

THANK YOU

