

## News Release

# UOB survey reveals that one in four Asian enterprises keen to expand into Vietnam

**Singapore, 10 November 2016** – According to the *United Overseas Bank (UOB) Asian Enterprise Survey 2016*<sup>1</sup>, Vietnam is likely to see increasing investments from its neighbours Malaysia, Thailand and Singapore in the next three to five years.

Enterprises from Malaysia (38 per cent), Thailand (35 per cent) and Singapore (29 per cent) have ranked Vietnam as their top three expansion destinations. They are among the 28 per cent of all respondents who chose the country as their favoured expansion destination in the next three to five years.

These Asian enterprises are drawn to Vietnam's stable political and economic climate (41 per cent), large and growing customer demand (40 per cent) and its favourable tax and regulatory environment (35 per cent).

With economic growth of 6.7 per cent in 2015 and a young workforce where 60 per cent of its 90 million-strong population is under 35 years old, Vietnam is proving to be an attractive investment destination. In the first half of 2016, the country received a record US\$11.3 billion in foreign direct investment (FDI), up 105 per cent from the same period last year<sup>2</sup>.

Mr Eric Tham, Head of Group Commercial Banking at UOB, said that the findings from the *UOB Asian Enterprise Survey 2016* reaffirmed the entrepreneurial spirit of Asian enterprises' as they continue to seek new markets for growth.

"According to the survey, the top industry sources of foreign investment into Vietnam are from the manufacturing, healthcare and pharmaceuticals, construction and real estate, as well as energy and natural resources sectors. These sectors are key as the country aims to build a strong foundation to support its long-term economic growth.

<sup>1</sup> This survey was conducted by UOB in May and June 2016 among 2,500 Asian enterprises across China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand. The objective was to explore how Asian enterprises are capitalising on business opportunities amid global and regional economic trends and trade flows.

<sup>2</sup> Source: "Doing Business in Vietnam", International Enterprise Singapore, <http://www.iesingapore.gov.sg/Venture-Overseas/Browse-By-Market/Asia-Pacific/Vietnam/Country-Information>

“Investments into Vietnam will also create more jobs and boost income. This in turn will open the doors for new economic opportunities as Vietnam’s growing urban population and expanding middle class start spending more on consumer goods, and on healthcare services to ensure their personal health and wellbeing. In addition, Vietnamese enterprises will benefit from collaborating with foreign companies in the areas of knowledge sharing and skills transfer,” said Mr Tham.

### **Helping Asian businesses navigate the challenges of expanding into Vietnam**

UOB today hosted its first investment forum in Ho Chih Minh City to help more than 200 Asian businesses explore the business potential and opportunities available in the country.

One company that has ventured into Vietnam to expand their business is CKL Holdings Pte Ltd (CKL Holdings), a food and beverage conglomerate with manufacturing facilities in Ho Chi Minh City for the production of beverages.

Mr Chia Chor Meng, Group Chairman of CKL Holdings, said, “We first set up a production plant in 1996 in light of Vietnam’s huge consumer market, lower operating cost, availability of work force and abundant natural raw materials. By having research and development facilities there, we are also able to manufacture and sell products that suit the tastes of the local population. We also tapped Vietnam’s conducive export environment to distribute our products to 60 countries worldwide. Last year, we established our second factory, which is five times the size of the first, to meet increasing customer demand.”

Vietnam’s government is increasing its efforts to attract foreign investment. One example is the Memorandum of Understanding (MOU) signed between the Foreign Investment Agency (FIA) and UOB in 2015 aimed at increasing investment and trade between Vietnam and Southeast Asia. The MOU is Vietnam FIA’s first such collaboration with a bank.

Mr Tham added that while Vietnam’s economy may be affected by global market uncertainties stemming from a precipitous drop in oil prices and tepid consumer demand in the West, Vietnam’s rapid development presents many opportunities for Asian enterprises.

“The global economy may be slowing down but the Vietnamese economy is still seeing growth. Asian companies that are able to seize the arising opportunities, and produce the products and services needed

to meet the rising demands of Vietnam's middle class, will have a unique opportunity to build strong and sustainable regional businesses," said Mr Tham.

The *UOB Asian Enterprise Reports 2016* can be found on [www.UOBAsianEnterprises.com](http://www.UOBAsianEnterprises.com).

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#### **About United Overseas Bank**

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's and AA- by Standard & Poor's and Fitch Ratings respectively.

In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices.

UOB plays an active role in the community, focusing on art, children and education. It has, over more than three decades, held the longest-running art competition in Singapore, the UOB Painting of the Year, which has since been extended across Southeast Asia. In recognition of its contributions to the arts, UOB was conferred the Singapore National Arts Council's Distinguished Patron of the Arts Award for the twelfth consecutive year in 2016. UOB also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run which is held in China, Indonesia, Malaysia, Singapore and Thailand.

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