

VINALOG LOGISTICS HUB - THE ASEAN LOGISTICS CENTER



A project that will adapt the Vietnamese infrastructure to the **International regulation** and will speed up **Vietnamese economical development** and strengthen its **strategic positioning within Southeast Asia**.

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Economic data of Vietnam



GDP (in billion USD)	245.22	2018
AVERAGE ANNUAL GROWTH RATE	7,1%	2018
GDP per capita (USD)	2.551	2018
INFLATION RATE	3.4%	2018
IMPORT OF GOODS (in billion USD)	258	2018
EXPORT OF GOODS (in billion USD)	290	2018
PUBLIC DEBT (in % GDP)	54.3%	2019
MINIMUM WAGE	188 USD/ month (increased by 5.7% in 2019)	

(Coface & World Bank figures)

Key economic sectors in Vietnam



- **Industrial sector** (34% of GDP) is an increasing sector. The main activities are within textile, the shoe industry is the main industrial activity of Cambodia.
- **Agricultural sector** (15% of GDP) is a stable sector. The main activities are rubber, rice, tobacco, fish etc.
- **Service sector** (43% of GDP) is an increasing sector. The main activity is tourism.
- **Construction sector** (38% of GDP) is an increasing sector with a yearly growth of more than 8%.

(OECD and World Bank figures)

Current Vietnamese economic situation



Exports from Vietnam between 2015 and 2019	+ 149%
Vietnam imports between 2010 and 2019	+ 144%
Evolution of ASEAN zone exports between 2015 and 2019	+ 111,9%
<i>(OEC and Knoema)</i>	

United Nations Conference on Trade and Development

Vietnam is one of the Asian economies most open to international trade. Foreign Direct Investment has grown 194% between 2010 and 2018 (World bank, 2019). **Vietnam has shown a real commitment to liberalize trade in recent years.**

Current Vietnamese economic situation



- Vietnamese economy is one of the most open to **international trade** and **foreign capital**.
- Exports have grown over 47,22% between 2010 et 2018 which proves a ramping up of **national production** (*World Bank*, 2016). Vietnam showed a real commitment to **liberalizing the exchanges** during these last years. The country has been a member of the **WTO** (WORLD TRADE ORGANIZATION) since 2007 and has also signed 16 **Free Exchange Agreements** (FTA) with:
 - Members of the **ASEAN**
 - **Eurasian** countries
 - Members of the **European Union**
 - **Transpacific** countries

Why care for logistics infrastructure?



Logistics added value :

- High level of **sanitary** rules
- High level of **safety** regulations
- Simplification of **flow management**
- Outside **Reliability** concerns on Vietnam's economic development
- Considerable savings **of waste** due to decay and breakages

“THERE IS NO STRONG ECONOMIC DEVELOPMENT WITHOUT A STRONG LOGISTICS ORGANISATION”



In Vietnam, the logistics matters are a **big issue**.

➔ In fact, in 2018, Vietnam is ranked **39th out of 160** countries in the world; instead of 64th in 2016; winning 25 ranks in 2 years. *(World Bank)*.

➔ The index of logistic performance of Vietnam was at **3,27** in 2018, while in 2016 it was at 2,98. *(Global performance (1=weak and 5=strong))*

This improvement prompts a speeding up of its development and its structuring.

VINALOG HUB SOLUTIONS's aim is to develop, in Vietnam, the First **International Logistics HUB.**



VINALOG HUB SOLUTIONS project is a real opportunity for Vietnam for the following reasons:

- Increase Political, Strategical and Economic influences within ASEAN members and of the whole South-East Asia region.
- Significant leverage of economic growth
- Qualified and not qualified job opportunities for the whole population
- Infrastructure development of road, air, railway and sea
- Massive booming of economic development

These new infrastructures would quickly improve:



- Safety and food hygiene
 - Efficient capacity of the farming sector
 - Development of food processing industries
 - Development of the service industry
 - Creation of qualified and unqualified jobs
 - Skyrocketing economic growth
- ➔ This is possible only if a logistics activity manages the flows of future economic development.
- ➔ In order to create this logistic industry, we can refer to the existing world logistics models which generate **6.500 billions USD** of turnover, **13,8 % of the world GDP** (Gross domestic product) and 75 million direct and indirect **jobs**.

How can we apply our concept in Vietnam ?



In partnership with:

- National Know How (Government agencies, Local partner)
 - Creation of a free zone area
- Provincial developments (Development agencies)
 - Provide land in order to develop our 110.000 m² mixed Warehouses
- Supply-chain management and Logistics Real Estate Know How (Vinalog)
 - Adapt our know how to local needs
- A political will
 - facilitate administrative authorizations

And by making sure that all partners of this project are sharing the same view on the development of the Vietnamese Supply Chain.

THE COMBINATION OF NATIONAL AND INTERNATIONAL SKILLS WILL SPEED UP THIS INTERNATIONAL LOGISTICS AND INDUSTRIAL PROJECT

Which plan should be carried out?

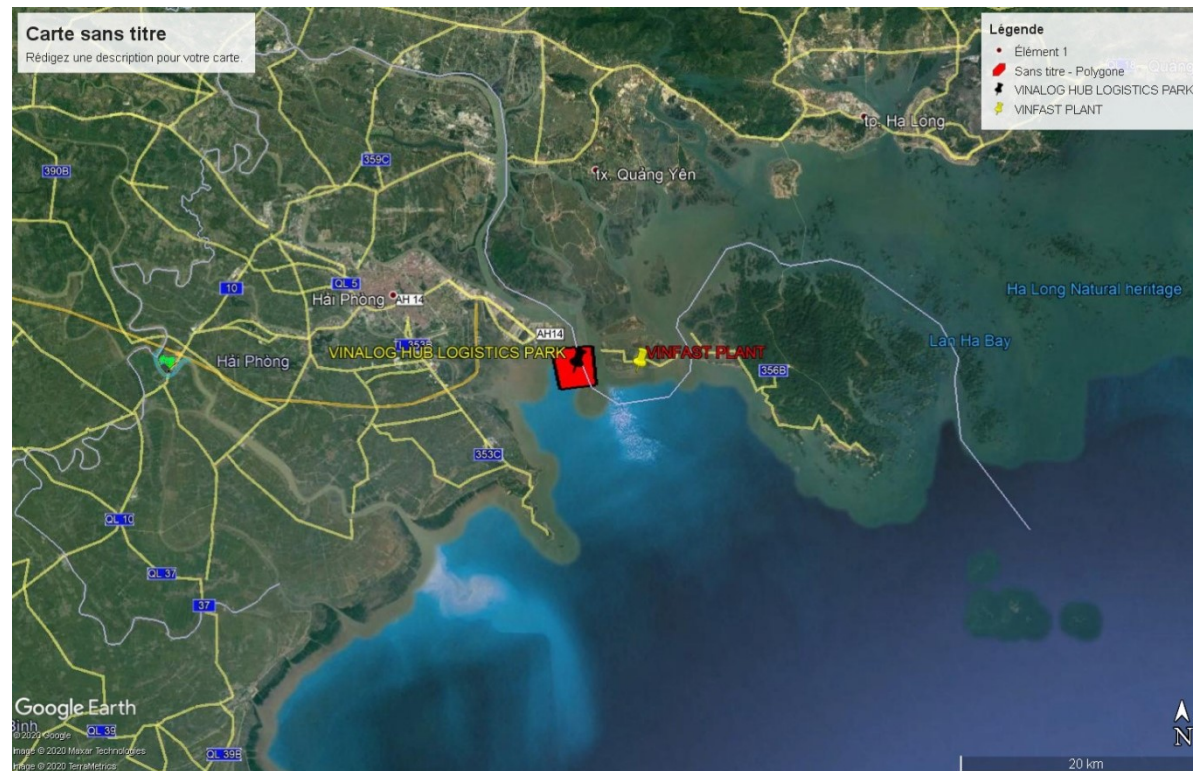


- Step 1 :** Find a land of 12 ha where we can implement the International Logistics Hub – **Land already found**
- Step 2 :** Draw an architectural feasibility on the selected land – **Work In Progress**
- Step 3 :** Make the Financial feasibility of the first building – **Work in Progress**
- Step 4 :** Ask for the Permit of construction & Investment agreement – **To be done**
- Step 5 :** Commercialize and find first tenant – or build on a spec basis – **To be done**

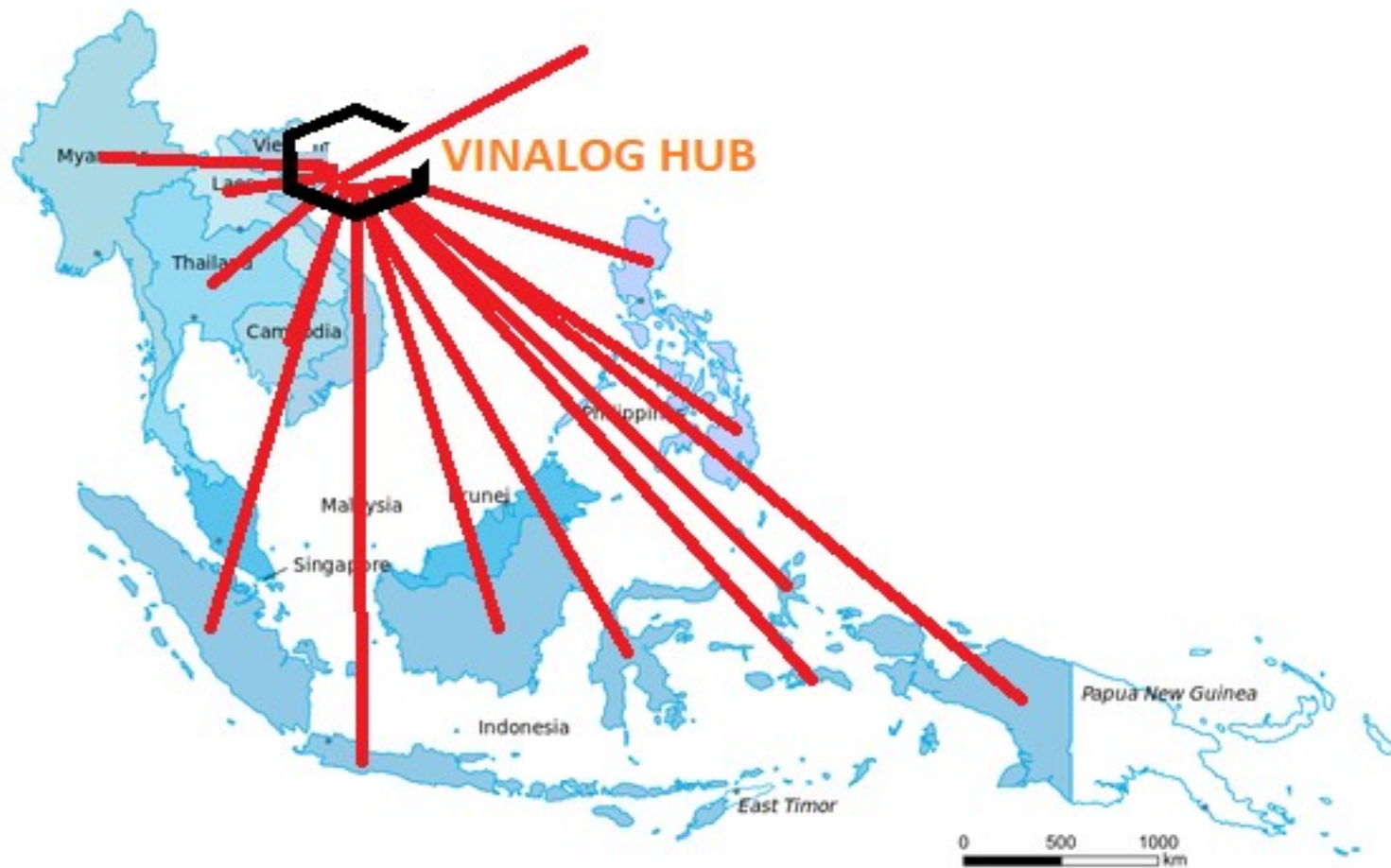
First ASEAN Logistics Hub roll out



Vinalog Hub is located in North-East Vietnam, in the heart of the ASEAN Economical zone. Right on the Deep Sea port of Hai Phong.



VINALOG Strategic position Versus the ASEAN Market

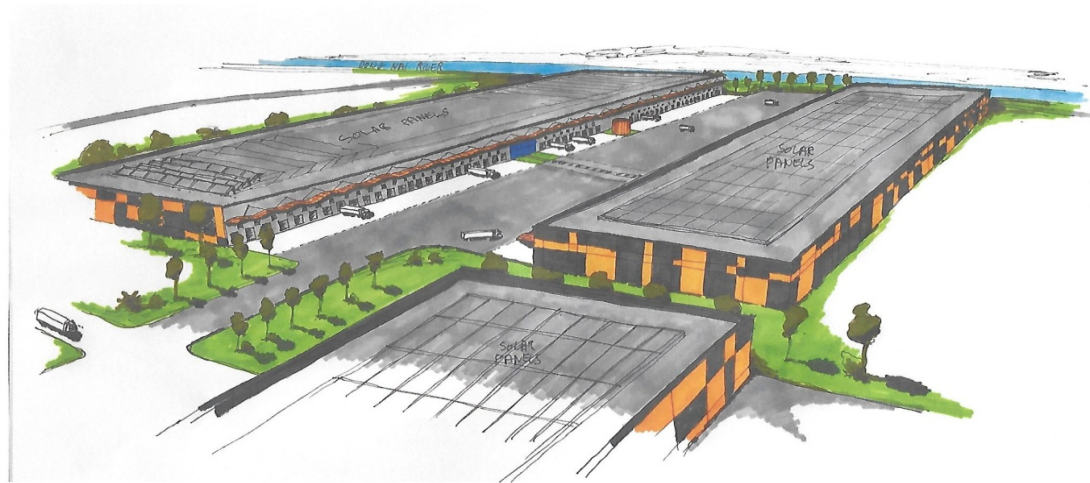


Details of the Vinalog Logistics Hub



Size : 12 Ha of Class A Warehouses

5 class A buildings – Multi-temperature – Infrastructure optimisation – Local rents value -International Health & Security standards



Conclusion



What perspectives within 5 years?

- Creation of the **1st International Logistics Hub of Class A Warehouses** in the ASEAN zone
- Creation of more than **5.000 jobs** (directly and indirectly).
- Development of the **real estate construction** since the Vietnamese logistics Hub will have to be equipped with more than 12 ha of Class A logistic Warehouses.
- Development of the **environmental standards** since all the warehouses will be equipped with photovoltaic panels in order to become self-sufficient in their energy consumption according to the requirements of the COP 21.
- Speed up of **foreign international investment funds** (effective logistics organization is one of the main criteria for international industrial companies in their decision to invest or not in a new country).
- Establishment and / or development of **industries related to logistics** (handling equipment, forklift trucks, racks, computer equipment, radiofrequency systems, etc.).
- Thanks the standardization of the **International regulation, those new infrastructure will speed up the international agriculture, food and other consumer goods industries.**
- A solution for management, real-time traceability and therefore **reliability of public goods flows** and so-called "**buffer**" **stocks** that every nation must have in order to cope with possible natural disasters, social movements, etc.



VINALOG HUB-SOLUTIONS

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