

Essay 18 July

The guest lecturer today gave us on a new dimension of investing in Vietnam since normally people always say that Vietnam has many advantages but they didn't talk about disadvantages. Before doing the business in Vietnam, we should do the market research first especially the culture because there are seven different regions which are North mountain and midland, Red river delta, North central, South central, Central highland, Southeast, and Mekong delta. For some of the case study like in the North part, people usually cook dinner at home while in the Southern part they always eat outside. MK suki invested in Ho Chi Minh city and they got a success same as KFC but when MK expanded to Hanoi, no one eat there since North people want to eat fresh food but fresh food in there meaning is the one that still alive, not the dead one. Another Thai company that faced some obstacles at the beginning is CP. Because in the Northern part of Vietnam, every house feed chicken and fish by their own so CP can sell only pork. One of the reasons that they do everything by themselves is the Vietnam war so people become poor.

In the different perspective from guest, I think it's a good real dimension not too optimistic. First problem is the law is not clear and something is complicated to do. For example, in the case of 60 LPG brands in Vietnam. The ministry of trade in Vietnam had a new regulation by having 300,000 cylinders to be in the industry since the government want to retain only big company but there are sme lobbying so after that they change to cut that regulation off and it's bad for company that invested in cylinder already. Second is the standard of living of the people. There are problems in the university level which is the curriculum is too many and too specific so the students know only few things moreover, the certificate can be bought if you have money. Third, there are hiding tax and fee like even though you run the business accurately, the officers still find something to make you wrong

and give them some envelope. Last is the culture of the price war. The company intense on cutting price and concern about the quality later.

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We went to Bangkok Fintech Fair 2019 at Bank of Thailand and it open me to another view that I've never looked at it before. I listed to the ASEAN connectivity and it's interesting. The upcoming trend of cross border payment is the rise of digital payment and the ubiquity of QR payment. The factors are the new infrastructure and the new technologies but the problem that they are facing is you need to have the same account type to connect. And now they're developing the network to connect on different regions on the bank, blockchain, mobile money, online wallet and so on.

The culture of Asia is we're relying on cash and credit card which is risky since we need to use the future money not the current money that we have. The model that interesting is from the US and China in the cashless society for example the Alipay from Alibaba group but it's still a long way to go.

Another interesting issue is the Libra currency that Facebook is going to launch. It's quite reliable in my opinion because Facebook is a big company and trustable and they can connect people around the world so the cashless society will become more real but it cause the disadvantage to the bank on both central bank and commercial bank because libra will become the competitor against the bank. Facebook do the libra which is good for the industry but we have to catch an eye on how they are going to manage the risk and Facebook have to concern about the allowance by each country since the central bank can prohibit using Libra because the bank will have the instability but at the same time if there is no libra, there is still others anyway. I think it's an interesting platform since it can solve the problem about connectivity of the world.