

EE551&EE561 : Travel blog @Lao PDR & Vietnam

Day 1 | July 8, 2019

The first date start on being at Don Mueang international airport. Our flight takes off at 8.40 a.m. from Don Mueang to Nakhon Phanom province. We use 5 commercial vans to Mukdahan province. We have lunch at Nut-Pob-Rim-Khong restaurant. The foods are very delicious especially Tom-Yum with red tail catfish. After that, we cross border at Mukdahan boundary post to Savannakhet of the Lao PDR. The first place that we go to visit is Savan park at Savannakhet. This area is called “Savan-SENO Special Economic Zone (SEZ)” that focus on imports and exports to be the center hub for investment, trade, and services in the region. The SEZ is located along the East-West Corridor (EWEC) linking Thailand, Lao PDR, and Vietnam. The government provides concession to the investors that they will receive special policies, such as tax holiday that it will start to collect after 2-10 years starting from profit making year, reducing corporate profit tax from 14 percent to 8-10 percent, the same personal income tax for both local people and foreigners at 5 percent, and taxes and customs duties exempted for all import raw material and export manufactured products. The reasons that investors should invest in SEZ are political and economic stability, strategic geographical location, rich natural resources, free from severe natural disasters, generous tax incentives, stable and low cost electricity supply, and special privileges on export since Lao PDR has GSP from 42 countries and NTR by USA. Another benefit of SEZ is one stop service center that investors can ask for all permissions in the area and they will get the results within 5 days. Lao PDR is landlocked country so it uses mainly land transportation. If Lao PDR wants to use sea freight, it will send the products to Da Nang port (Vietnam) and Laemchabang port (Thailand) to transfer the logistic methods. The objective of SEZ is to create employment to the citizen. These days, companies have to support capital to build human resources by signing contract to give a

scholarship to the employees. After that, the employees have to come back to work at the companies. This method will match between labors and companies' needs.

The interesting information is the effects of trade war between the United State of America and China make Chinese investors increasingly invest in Lao PDR especially in rubber industry.

But, the most interesting thing is logistic at Mae Kong river that is located along Lao PDR. Although the river is along the country, Lao PDR does not use this river to transport the products from SEZ to Vientiane, the capital city of Lao PDR, because the barriers from the different level of depth of the river that are depended on the amount of flowing water from China dam on Yangtze river where is upstream of Mae Kong river.

After that, we meet Royal THAI Consulate General and take a photo together. Then, we have dinner at Lao View Riverfront restaurant. Food is very delicious. Finally, we rest at the hotel in Savannakhet. This hotel does not near any market but it has casino inside the hotel.

Day 2 | July 9, 2019

Today we spend time around 4 hours to Vietnam. On the road, I see a man who ride a bike and carry puppies inside a net. This situation is very surprised for me but I realize that Vietnamese eat dogs.

At Lao PDR-Vietnam border, we change the vehicle from vans to bus. We have Khun Phupha who is our guide in Vietnam. He said that now Lao PDR is raining season but Vietnam is summer. So, we will feel hot a little bit more than Thailand and Lao PDR. Vietnam has 3 regions where is northern, central, and southern with 5 big cities : Ha Noi and Hai Phong in the north, Da Nang in the central, and Ho Chi Minh City and Can Tho in the south. The population is around 90 million people. In the past, Vietnam was colony of China around 1,000 years. After that, Vietnam was colony of France in World War II period for 100 years. Then, the southern of Vietnam was

dependency of the US for 21 years to fight with the northern of Vietnam. Moreover, the road that we are is the war area in the past. Men have to be soldiers so this city left only women, children, and elders. They have to dig a tunnel to stay underground until the war end. There are around 114 tunnels in this city. Vinh Moc tunnel is the biggest one that we will go there. The capacity of the tunnel is around 100 families or 380 people. It has 3 levels and 13 doors that are 7 mountainsides and 6 seasides. During the war, 17 children were born in the tunnel. The interesting thing is the citizens will separate their family members to many tunnels, in case of the tunnel is bombed. So, they will left members to continue the family.

Brief timeline of Vietnam in 1945, the king was overthrown by Ho Chi Minh. After that, the US came in Vietnam in 1954 and announced that the election would happen in 1956. But, it was not occurred so the war between the northern of Vietnam by Mo Chi Minh and the southern of Vietnam by the US began during 1966 until 1972. The result was the US defeated the war so the northern of Vietnam and the southern of Vietnam were merged together in 1972 until 1975.

One thing that I observe is Vietnamese use a lot of horn and use every times that they found another vehicles on the road. This action is very annoyed to me.

Lastly, we have a dinner at a beach with seafood menu. I see that Vietnam does not have fish sauce and cookers put salt into the seafood sauce instead of fish sauce. Its taste is weird for me. Tonight we rest at Sepon Boutique Resort near the restaurant.

Day 3 | July 10, 2019

Today plan is we are going to C.P. Vietnam and resting at Hue. Beginning with C.P. Vietnam, the original company is from Thailand. The objective is to improve life quality of Vietnamese and to be a food exports of the country. C.P. Vietnam plants corn for feeding animals, feeds chicken in sterile system, dissected meats and packaged the products, collects chicken's eggs,

feeds pigs that are developed from local gene, training for feeding pigs, produces aqua-foods for shrimps and fishes, feeds and transforms Pangasius, and cold storage according to HACCP standard.

The reason that C.P. corporation choose Da Nang is to be a factory to feed shrimp because they do the research to know where is the best place to feed shrimp before they invest. For example, the research shows that quality of water in Mae Kong river is not good since there is some soils including in the water. For Da Nang, the water has suitable quality of water for feeding shrimp. The factory is located near the farm and sea so it use short time of transportation for raw material to keep freshness. 40 percent of raw material come from small local producers with contract that they have to use foods and equipments from C.P. Vietnam only. For the rest 60 percent, C.P. Vietnam feeds shrimp by pumping sea water into the farm. They produce 4 product lines : frozen shrimp, frozen boiled shrimp, boiled shrimp for sushi, and soft shelf shrimp. All products are frozen goods and produced following the order from customers. Moreover, the company also receives OEM order and repackage following customers' need since C.P. Vietnam has food safety certification and ethical compliance certification to guarantee the standard and quality of products. Wastes from production process are water, shrimp shell, and shrimp shell. For shrimp shell, it will send to another manufacturers to turn it into animal's food. Some error products will be used in another product line. For example, the color of shell of boiled shrimp is not good enough so the company takes the shell off and exports in another products. Mostly, company use shrimp size around 30 to 40 pieces per kilogram. In C.P. Vietnam Hue factory, total employees are 1,400 people but there are only 4 Thai employees that are in four departments which are sales, quality control, engineer, and reception. Benefits of doing business in Vietnam are lower minimum wages and cheaper shipment cost at Da Nang port. Vietnam has better welfare than Thailand. For example, labors can leave 1 year their job in case of maternity, including male workers.

After that, we go to the Imperial Citadel Hue. It has 3 layers of the palace wall. The first layer is Kinh Thach Hue. The second layer is Hoang Thanh. The third layer is Tu Cam Thanh that is accepted for the king and family. All eunuchs in the third layer have to be sterilized. We enter only in the first layer because we do not have much time for the palace. One thing that I observed is odd number of cannons. Khun Phupha or our guide told me that odd number is lucky number and even number is unfortunate.

Next, we go to Thien Mu Pagoda or, in Thai, we called Wat Nang Pha (Angle temple). The amazing history of the temple is there were incidents of attacking Buddhists in the past. Abbot of the temple drove the blue sedan car which is one of exhibition in the temple at the present to Saigon city (or Ho Chi Minh city) and burn himself for protecting the religion. After he burnt himself, his heart became a stone. This situation make unbelievable story to the world and it can stop the treat.

Then, we go to Tomb of Khai Dinh. Normally, the graveyard of Vietnam's king is secret but there is only one tomb that expose to everyone. The graveyard is a mixture of Eastern architecture and Western architecture.

In the evening, we rest at hotel in Hue. After I have a dinner, I get information from the reception of the hotel so I walk to Vincom plaza to see products in supermarket. I observe that there are many products that have foreign language on the package of products. Most of them are Thai and South Korea. Next, I continuously walk to Trang Tien bridge to see colorful lighting along the bridge. It has walking street beside the bridge along the river. Most of shops are souvenir products such as hand fan, traditional hat, and so on. Surprisingly, there are no garbage on the road and in the river. While I go back to the hotel, I try brown sugar milk with black bubble at House of Cha and traditional Vietnam sweet beside the street. For the milk, the taste is good but, in case of the sweet, it is wired for me.

Day 4 | July 11, 2019

Today we have to spend time around 3-4 hours to Da Nang city because Vietnam policy has speed limitation at 70 kilometer per hour for outside the city and 50 kilometer per hour for inside the city. In the past, one side of the river is residential area. These days, city expands to both sides of the river. There are a lot of hotel investment in the city, including Novotel hotel from Thailand. In Da Nang, it has an international airport at the central of the city. When we arrive at Da Nang city, we go to Vincom plaza Da Nang branch to see what is the differences between two branches. In the evening, ajarn gives a mission to our group to buy somethings that remind to Vietnam within 400,000 VND and present in the class on Monday. So, we go to the local market and buy traditional hat (65,000 VND), hand fan (25,000 VND), Vietnamese doll (60,000 VND), mirror (30,000 VND), 2x magnet (60,000 VND), and Vietnamese cart model (105,000 VND). The final balance is 55,000 VND.

After I have a dinner, I go out with my group members to walk around the hotel, along the river, and inside the city. I observe that many bubble milk tea shops and Korean BBQ buffet along the street. Many Vietnamese buy bubble milk tea and sit in front of the shop beside the road to walk with their friends and look the view or car on the road. In additional, there is GrabBike beside the tea shop to delivery to the customers. In my opinion, it never happens in Thailand because, we just grab and go for bubble milk tea.

Another observation between Hue and Da Nang city is the amount of traffic light and vehicle of Da Nang city is more than Hue. It is difficult to cross the road. Almost 100 percent of Vietnamese drivers do not stop for people who wait for crossing the street.

Lastly, while we are going back to the hotel, we want to buy somethings in the minimart. Unfortunately, minimart shops in Vietnam do not open 24 hours as well as 7-11 convenience shop in Thailand.

Day 5 | July 12, 2019

After we eat the delicious breakfast at the hotel, we go to Linh Ung temple on Son Tra island. There is Lady Buddha in the temple. Weather of this day is very hot and dry. On the island, we can see Da Nang city and beach as a panorama view which is very beautiful. After that, we eat Pho or traditional Vietnamese noodles before we go to SCG cement.

In the past, cement industry was used to be state-owned company. The lecturer of SCG is our Thammasat University alumni. The presentation begins with the comparison of macro economic between Vietnam and Thailand. It shows that GDP of Vietnam is increasing with high growth rate and the gap of GDP between Vietnam and Thailand is narrower because of higher population and socialism in Vietnam and aging society in Thailand; even though Thailand has higher GDP per capita than Vietnam. In construction sector, houses in Vietnam grows higher rate than Thailand at rate 1.56 percent per year and 0.97 percent per year respectively. Contrasty, trend of Vietnamese is extended family with usually 3 generations living together and unlikely to separate family after new marriage. On the other hands, Thailand often found single family with high tendency for new house after marriage.

At the beginning of doing business, cement sector in Vietnam market is monopolistic competition. It is not really free trade or perfect competition. SCG takes over local cement brands, such as Prime brand and Song Yan brand. The reason is no need to wait for construction, low price of license, be able to active in day1 with improving original management. SCG tries to upgrade Song Yan brand to middle brand for catching mass customers by putting some Thai words on the package to improve their belief since central Vietnamese trust Thailand products. In Vietnam, there are a lot of faked products, such as Adidas shoes, Tissue, and so on. Moreover, the belief of Vietnamese is the most importance of structure in house is cement. They will use the best cement to build the house since the house is built for once in someone's life. No one believe that high quality

with low price. If the product is good, no need to sell at low price. So, SCG also create their own brand into the market with high positioning brand.

SCG receives 30 years license of limestone concession which the location is near the factory. SCG chooses the location where is near river or sea because of logistics to reduce the cost to win the game. One river that SCG uses for transportation is Yan river. SCG uses heat power from boiling water and use stream to generate electricity for 30 percent of total usage in the factory. Cost of production in Vietnam is lower 10-15 percent than Thailand because of lower electricity cost and lower minimum wages but it also has higher transportation cost and marketing cost. Salary of employees in SCG Vietnam is 60 percent of fixed earnings and 40 percent of incentive that considers with KPI and productivity. The company also provides social insurance and health insurance to all workers.

After that, we go to Hoi An. In the past, Hoi An is a very prosperous city because it is a shallow sea port city for small ship. Nowadays, we use bigger ship that has larger capacity so we use deep sea port to be the destination. Weal is moved to Da Nang city. Hoi An is the most famous destination for foreign travelers in central Vietnam because it is ancient city and beautiful night market. For dinner, ajarn gives 200,000 VND for one student to find foods by himself or herself. So, my group go to Hoi An night market to eat local food. We see a lot of colorful lamps which are very beautiful and memorable for me in the market. Many Vietnamese elders sell candle with paper bowl that looks like Krathong in Thailand. They believe it will leave your sadness to the river. In the market, there are a lot of souvenir shops which are similar to each other. In my opinion, it likes psychology method to convince travelers who see the same things a lot to buy them. While we walk back to the hotel, we found some street foods along the river and many Vietnamese eat foods, drink beers and sit there along the river.

Day 6 | July 13, 2019

In the sixth day, we go to Ba Na Hill where is the theme park on the mountain. We have to use cable car to go up there. Its building style looks like french village that is so beautiful. We can see the landscape view of Da Nang city from the park. My group play Alpine coaster which is a type of roller coaster with bobsled-like cars on tracks installed on a sloped hill (Definition of Alpine coaster from wikipedia) and Drop tower which is a type of amusement ride incorporating a central structure or tower that is vary in height (Definition of Drop tower from wikipedia). After that, we sit a cable car to another mountain to see Golden bridge and Debay wine cellar. Then, we go down to the floor and spend time around 30-40 minutes to check-in hotel for last night in Da Nang and Vietnam. In the evening, we go to Hong Dae BBQ buffet for dinner. It has many problems during the dinner. For example, we have to wait for a long time for serving that is bad management in the restaurant. During cooking the BBQ, it has a lot of smoke and air conditions are out of services. And, the last surprising situation in the restaurant is twice power off. Instead of delicious BBQ, the atmosphere in the restaurant is very bad. Ajarns and some students go back to hotel or find a new restaurant. For our group, we walk along the street and cross the river. There is dragon sculpture which looks like Chinese agriculture with changeable lights on the bridge. After that, we found Son Tra night market that looks like Jatujak market in Thailand. We order mango smoothie and we observe that merchant puts milk into the smoothie but, in Thailand, we just put fresh mango and ice together and mix them. The taste is a little bit wired for me. While we go back to the hotel, we see many locks on the fence along the river. It is similar to Seoul Tower in South Korea.

Day 7 | July 14, 2019

We check-out from the hotel at 11 o'clock. After that, we go to the Museum of Cham Sculpture where is one of Vietnamese tribe agriculture. Cham tribe is near Cambodia. They respect

Hinduism. When they build a house, they will set doors at eastern side. After that, I go to local gem and stone shop. Then, we go to Da Nang international airport. I observe that the duty free shop at the airport is Lotte duty free that is own by South Korea's company.

From the ajarn's question (If we were an investor, what would you want to plan to sell/service to Vietnamese consumers?), I will choose international school which contain the curriculums for kindergarten until high school. School will provide the language lessons, which mainly will be English and Vietnamese. It also does the courses for other languages by establishing the language institution that Vietnamese would like to learn additional language such as Thai, Chinese, Korean, and so on. International school will have the restriction in term of ages of the students who will attend the school. On the other hands, language institution has no restriction. Everyone who are interested in studying and prating languages skills could come to study the courses that school provides. The reason that I choose international school and language institution is I observe that there is other languages on the packages just to attract Vietnamese customers and Vietnamese cannot communicate with us in English. For example, Thai language on tissue package is “แป้งกระดาษที่ได้ปลุกจากป่า”. It means that paper powder that has awakened from the forest. And, Vietnamese buy this product because they believe in Thai product with Thai words on the package.

Discuss the following questions:

What surprises/impresses you most during the trip?

In my opinion, I surprise Vietnamese culture or action about driving car and riding a bike on the road. First thing is they always use horn when they see someone to warn them that they are coming and be careful. Second point is the drivers will not stop for people who wait to cross the road without the traffic light. So, we have to say to our mind that “Move forward and Don’t stop”.

How do you see East-West economic route (R9-from Mukdaharn to Laos to Danang) as connectivity in the region? (more potential? problems? or any issues? border crossing?)

For logistic view, I think it is very potential to transport from Mukdaharn province from Thailand to Lao PDR to Da Nang in Central Vietnam to deliver another countries by sea route. Moreover, there is no tariff in the ASEAN members. But, there is some problems at Lao PDR-Vietnam border. I found that they are less strictly examine the products during pass the border. And, time of transportation in Vietnam has to expand because the policy of speed limitation on the road. (50 kilometers per hour in the city and 70 kilometers per hour outside the city)

For investors, they can invest in Lao PDR and get benefits from lower minimum wages, lower electricity cost, and lower collecting tax as well as SEZ or Savan-SENO Special Economic Zone. So, they can reduce the cost of production. Then, they can transport the products along East-West economic route to Da Nang and continuously deliver to another countries by sea route since Lao PDR is landlocked country (No sea connectivity).

How do you see Laos and Vietnam in the next 5-10 years?

From the GDP growth and GDP per capita information of Lao PDR and Vietnam, it shows that they are rapidly grow in a few years. So, foreign direct investment will be increasing in every year because of natural resources, human capital, and lower production costs. For Lao PDR, they might be one of production base instead of Thailand and they will increasingly trade with China since Vientiane, the capital city of Lao PDR, is on the One Belt One Road route of China. For Vietnam, they will be the main production base instead of Thailand for sure since they have many advantages, such as lower minimum wages, higher labors, higher natural resources, sea connectivity, and so on. Nowadays, Vietnam tries to promote domestic travel since they have 3 regions where are different cultures and weathers. So, in the future, travelers in Thailand will go to Vietnam instead.

Can you imagine yourself working/living in Laos and/or Vietnam? Why/Why not?

If I live in Lao PDR, I can understand Lao PDR language since our languages are similar to the northeastern of Thailand. I can watch Thai TV drama and listen to Thai music. For food, I think it might be also similar to the northeastern of Thailand but I have to beware dog meat since, in that area, people eat dog meat. For me, it is disgusting. On the other hands, my life facilities will be reduced. No more 7-11 convenience shop.

If I live in Vietnam, I will be a person who is the best for crossing the road. For food, I can eat everything in this trip so I think I do not have any problems about food. In my opinion, the most barrier is language. I have to learn Vietnamese language to communicate with others.

Note : Honestly, If I can live in Thailand, I will choose this choice :)

Feedback for the trip

This trip is very fun and excited. We have to change the hotel and the city everyday so, at night, I can walk around the hotel to see local lifestyle and culture of the people. It widely opens my aspects. Unfortunately, the weather is very bad (it is so hot). In my opinion, If we have more time to walk in the Imperial Citadel Hue, I think it will be awesome because it reads the review on the internet. Its agriculture is quite similar to Chinese's culture. It is very interesting to go inside to see the palace. At last, I want to say thank you to ajarn to make this trip happen.