Week5

Today the class had another lecturer who was General Manager Siam Gas operating in Vietnam. Like SCG, Siam Gas introduced itself in Vietnam by acquiring a company named Super Gas Vietnam. In Vietnam, Super Gas had two branches in the northern region, Haiphong, and southern region, Ho Chi Minh City. Moreover, Siam Gas also operated in Singapore, China, and Easter Malaysia by acquiring their local companies. I also learned about the business model and network of Siam Gas Group. For example, the network in Thailand was interesting. Siam Gas had 7 terminal and jetties across Thailand such as Satupradit Terminal and Jetty – Bangkok which was very close to my location. The LPG business model of Siam Gas was very impressive. It had 3 final destinations for the usage of LPG which were cooking for household users and commercial users, industrial users, and automotive like motorists. Next, the lecturer reminded me that Vietnam was not divided into three parts, North, Centre, and South. It was more complicated than that for business study. There were North Mountains and Midlands, Red River Delta where Hanoi located in, North Central Coast, South Central Coast, Central Highlands, South East, and Mekong Delta. I also learned deeply in geography, demography, and economy of Vietnam which was not stunning since I also had studied those in other classes in EE551 and EE561 courses. The interesting one was the taxation. The VAT or Value Added Tax was 10% which was higher than in Thailand which was 7%. The Corporate Tax was 20%, but the rate for oil, gas, and natural resource industry was range from 32% up to 50%. There also had the Preferential rate for encouraged investments which were 10% and 17% for 15 years and 10 years respectively. The withholding taxes were not much different from Thailand. The next topic was about the Vietnam War such that I could understand more about background of Vietnamese. Back to business opportunity of Vietnam, Vietnam was very attractive nowadays due to many reasons such as being new open development country, new market, new generation of people, big population market, cheap wage and tax, and cheap infrastructure cost. The GDP still had a growth trend overtime while Government Debt was estimated to be decrease. Index of Transaction Transparency and Index of Shareholders' Power of Vietnam were as good as the developed countries like USA and Germany. Turning to employment sector, 39.6% of Vietnamese still worked in Agriculture, the least value added to GDP. 34.1% and 25.3% of them were in Services and Industry respectively. A large portion of services exported and imported were from Travel and Transportation. 20% of Vietnam exports went to USA and 10% of them to Japan, while Vietnam imports came from 30% from China and 17% from South Korea. Here was the climax of this class when I was on the topic of difference dimension to do business in Vietnam. The first point was that the law was not that clear and there existed the hiding tax and fee. These two factors encouraged the government officers asking for envelope, under table money, or other kinds of bribery. However, the corruption in Vietnam was different to Thailand because in Thailand people directly asked directly for a price, but Vietnamese officers did not tell the price of the bribery. Moreover, Vietnamese was like Chinese that the boy was preferable to the girl, so the parents raised the boy very neatly such that the girl could tolerate more in the harsh environment like working in the factory. Therefore, the business owners offered a labor-intensive job to a girl rather than a boy. There also a significant difference in Northern and Southern perspective towards marriage. The North did not allow divorce and the man could have another wife if his current wife was not good enough, while southern people casually divorced. Perhaps, this happened because the South absorb American culture. Likewise, Vietnamese people did not take their education seriously. One-night miracle was possible even in Master Degree. Money was still the key to get into any relationship with Vietnamese officers. There were many case studies relating to doing business in Vietnam such as the case of Pruk Sa Real Estate or SABECO.

Today, I visited Bangkok Fintech Fair 2019 in the morning. It was not as interesting as I thought. The speakers talked about the goals of making transaction more convenient using blockchain and more advanced financial innovation such as QR payment and digital finance networks across ASEAN. Two of the speakers came from Ripple and Ethereum which were the famous digital currency. To be honest, I did not see much of arbitrage opportunity or unfair advantages because the innovation would be available for all people who had digital banking application. It was like listening to financial research rather than how to be profitable with this innovation. However, I still found something interesting when they talked about the upcoming cryptocurrency of Facebook, Libra. They all agreed that this Libra was the "enemy" to banks, not partners. I felt shocked when they used the word "enemy" instead of "competitor". In my opinion, this innovation already existed according to the cryptocurrency. Therefore, the banks just tried to imitate the function of cryptocurrency. Next, I went down to the lower floor. There were many exhibition zones. It was crowded, so I could not ask the instructors at any booths for the specific information. All banks in Thailand had each booth here. The banks presented the identical thing which was picture of cashless society. This supported the trend that the big famous banks kept closing the insignificant branches, encouraging people using digital banking services. There still had a few booths which were not related to banking which were my point of interest. The first booth was the big drone for agriculture. Regardless of the cost and price of the drone, it was very good introducing farmers to this technology since it might increase their productivity and they could have the excess free time to study. The second booth was the face recognition. It was the camera that could analyze the people using only face, telling some information such as gender, age, and type of face like oval or round. In the afternoon, I was at Asian Development Bank or ADB. It was in the same category as World Bank and IMF that the members of the bank could borrow money, but ADB specialized in Asian region. Thailand was the member of ADB since 1966 where ADB launched. Despite its name, the two biggest shareholders of ADB were USA and Japan. In Thailand, ADB had 3000 employees. ADB also provided information to support investors. This bank was not much different from the other banks in the same tier. The most impressive thing about ADB was the consideration of sustainability. The speakers showed the SDGs of Sustainable Development Goals which I had learned in the class. There were 17 goals and ADB already achieved about half of them. ADB was very kind that it lent at fixed rate controlled by local government. ADB preferred to lend to the energy businesses, especially renewable energy. ADB had a partnership strategy across many countries which was called CPS. CPS was fully consistent with the direction of the Strategy 2030, adopting an approach to respond to Thailand's specific needs as an upper-middle income country and focusing on areas such as tackling climate change, making cities more livable and strengthening regional cooperation and integration.