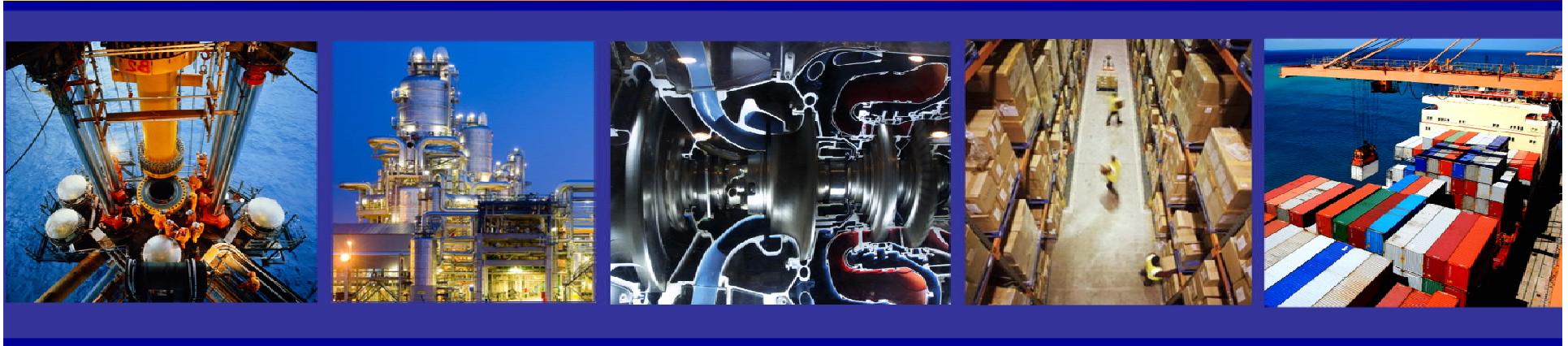




Boston Strategies International, Inc.
Ho Chi Minh City, Vietnam
June 5, 2008



Supply Chain Management in Vietnam

Global Economic Trends and Containerized Trade Growth Development

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Agenda

- The Vietnamese Economy in Context
- How Will Supply Chain Trends Affect Vietnam?
- Strategies for Maximizing Supply Chain Benefits

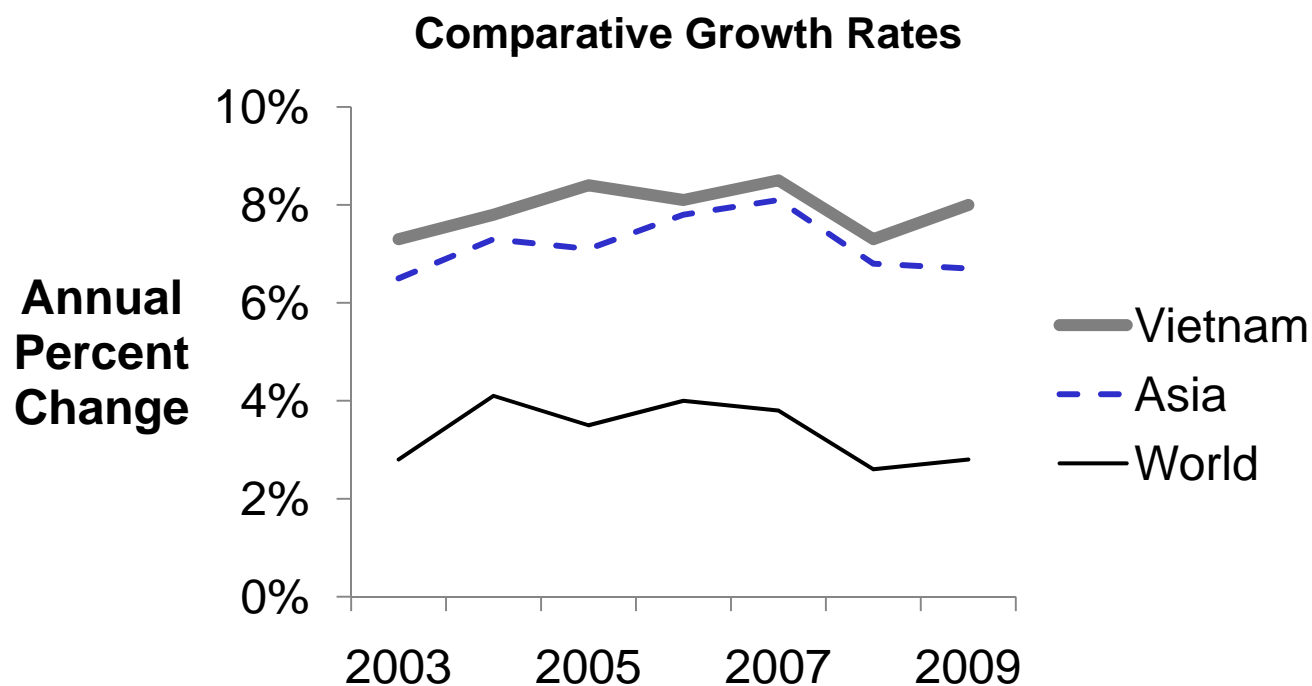


The Vietnamese Economy in Context



Strong performance and bright prospects

- Consistent and strong GDP growth
- Long-term productivity improvement
- Growing international stature and presence

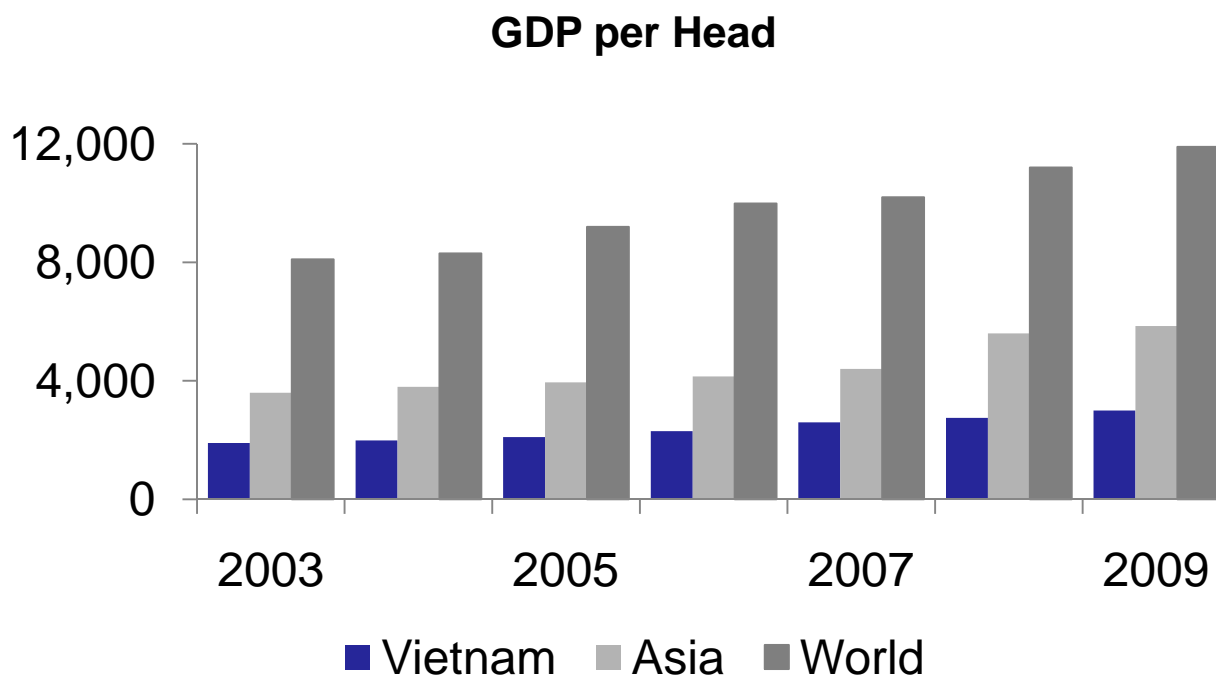


Source: Boston Strategies International analysis of EIU data



Some trends that could jeopardize the growth

- Low, sluggish GDP per capita
- Decreasing working age population
- > 20% inflation (April)
- Trade deficit



Source: Boston Strategies International analysis of EIU data

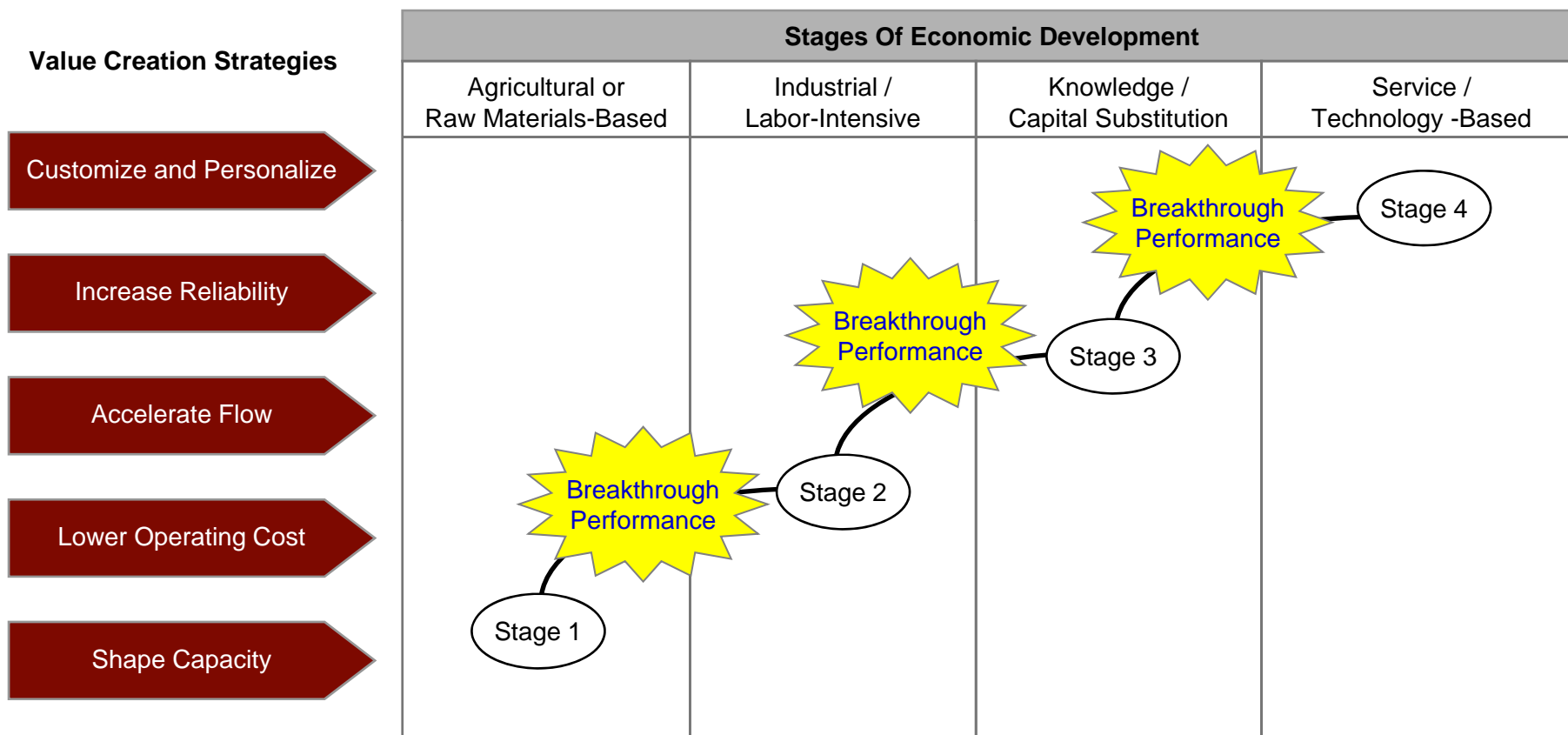


How Will Supply Chain Trends Affect Vietnam?



Five supply chain strategies

Supply Chain Maturity Model



Source: Boston Strategies International



Areas for growth and advantage in Vietnam

- Assets: higher productivity to realize economies of scale
- Cost: lower port costs to reduce landed cost
- Reliability: mitigate congestion to increase reliability
- Flexibility: some case studies in excellence

Supply Chain Status

Supply Chain Strategy	Importance for Vietnam	Opportunities
Asset productivity	****	Major port productivity improvements
Low cost	***	Unpaved roads raise time and cost
Reliability	**	Congestion undermining reliability
Flexibility	*	Success stories of IT excellence

Source: Boston Strategies International

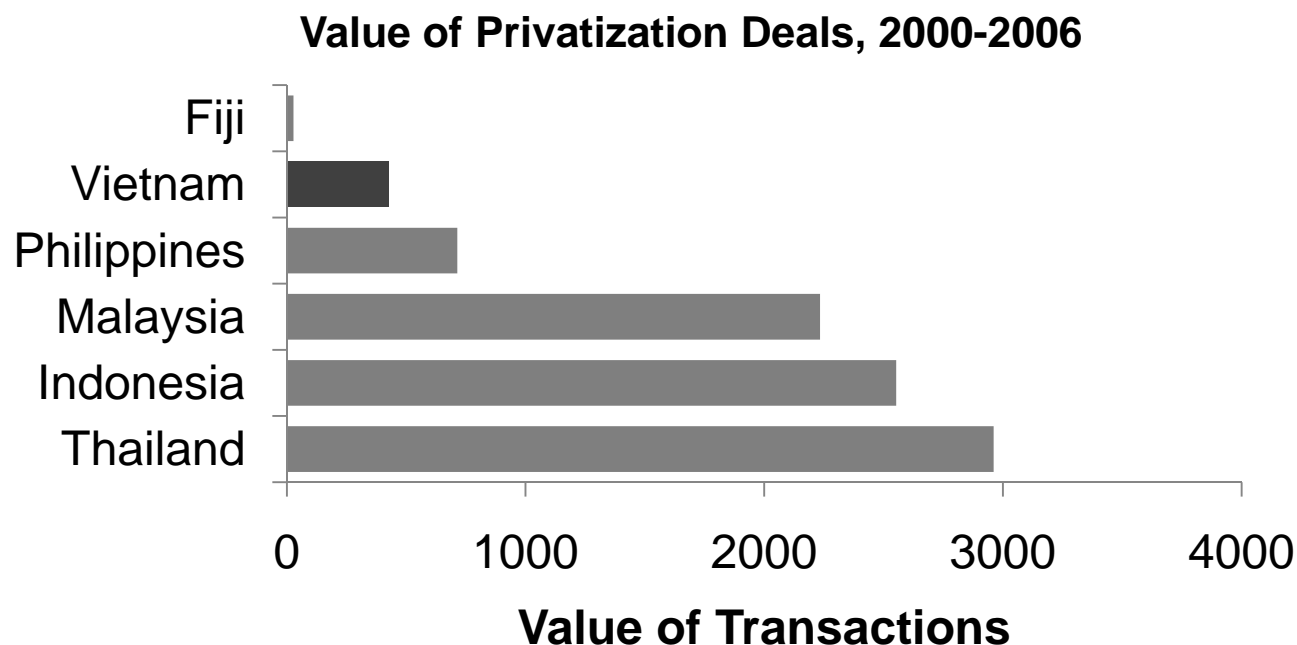


Strategies for Maximizing Supply Chain Benefits



Incentives for supply chain efficiency

- 2000-2006 equitizations
 - 125, of which 117 under \$10m in value
 - Limited deals in freight transport
 - Next to last in Asia (by value)
- Current push for private investment (50% of requirements)



Source: Boston Strategies analysis of World Bank data



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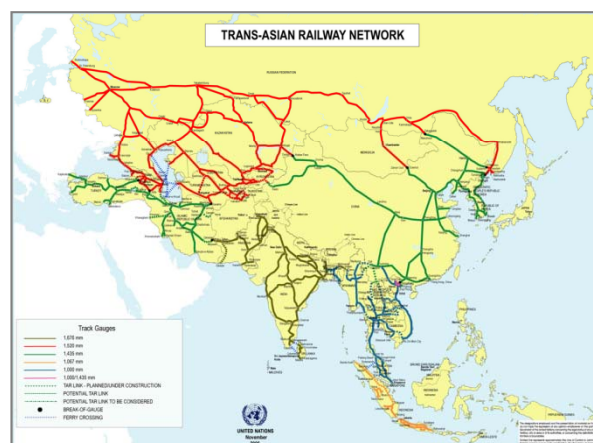
Lowering cost and extending access

- Economic growth
- Competitive advantage
- Sustainable development

East-West Corridor



Trans-Asian Railway



Asian Highway



Sources: Vietnam Trade Office, UNESCAP



Linking to regional hubs

Possible High-Potential Links

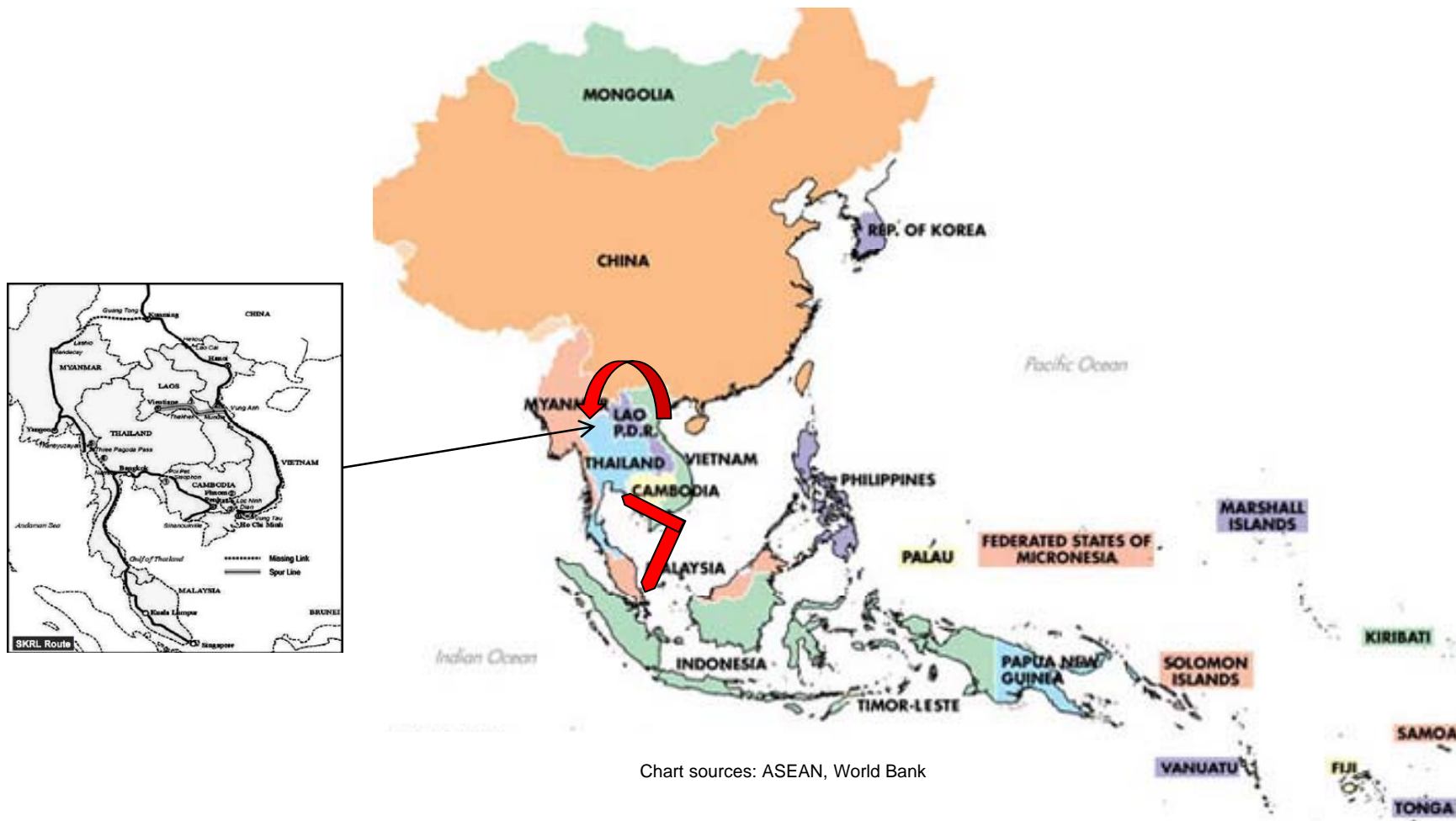


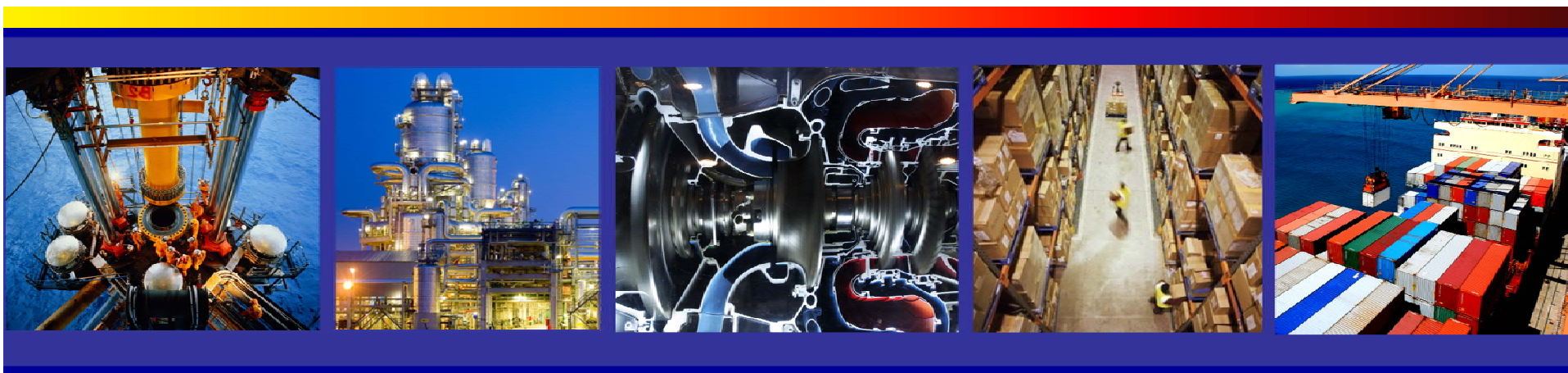
Chart sources: ASEAN, World Bank

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Boston Strategies International is a global management consulting firm that helps market leaders achieve competitive advantage through supply chain management through:

- **Supply Market Analysis** that helps identify emerging issues that affect their supply chains
- **Supplier Enablement** that facilitates global growth and local content requirements
- **Supply Chain Optimization** that reduces project and life cycle costs



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