



VIRAC

**VIETNAM AUTOMOBILES
AND AUTO PARTS INDUSTRY REPORT**

LUX A2.0



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핵심 요약 - 1. 베트남 자동차 산업 현황

1 산업내 가치사슬 중 부가가치가 **가장 낮은** 단계 영위 중

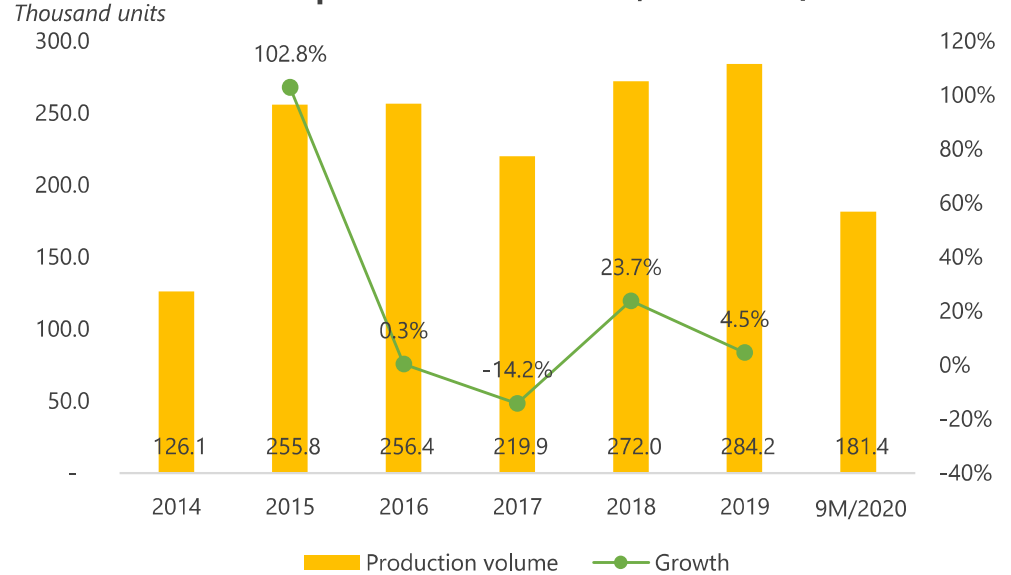
2 완성차 조립의 **마지막 부분에** 집중 (OEM 일본 5, 미국 2, 베트남 합작사 3 등)

3 인근국가(태국, 인도네시아) 대비 **약2.6배** 작은 규모의 완성차 소비 시장

4 '20년 9개월간 완성차 **18.1만대** 조립생산 vs **17.5만대** 소비

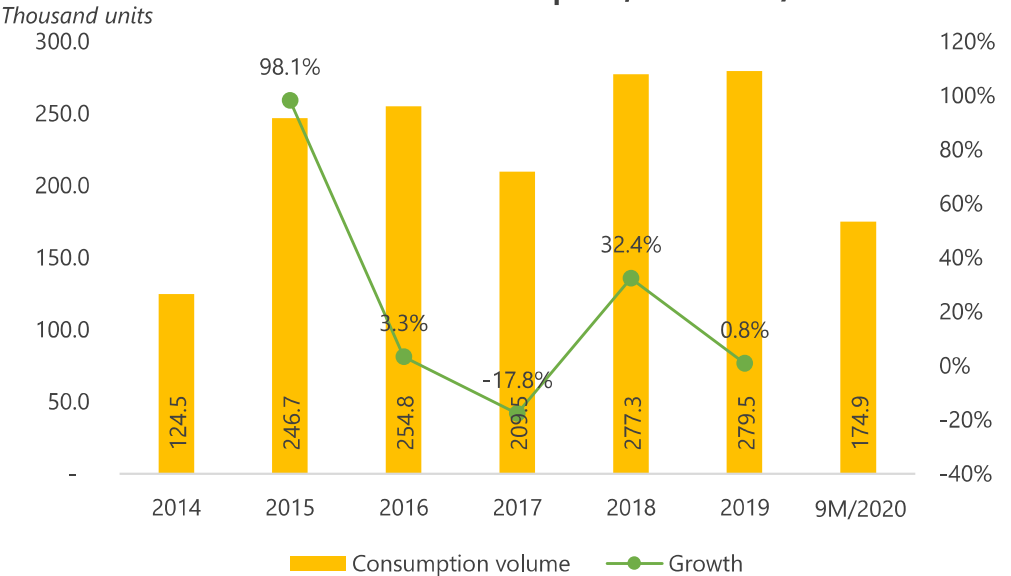
5 '20년 9개월간 수입차 소비 **65,074대**로 전년 동기비 **30.5%** 감소

Automobile production in Vietnam, 2014 - 9M/2020



Source: VIRAC, VAMA

Vietnam automobile consumption, 2014 - 9M/2020



Source: VIRAC, VAMA



핵심 요약 - 2. 베트남 자동차 부품시장

1 Tier 1 : **83**개사 (순정부품 제조업체 21개사 포함)
Tier 2, 3 : **138**개사, 기타 178개사

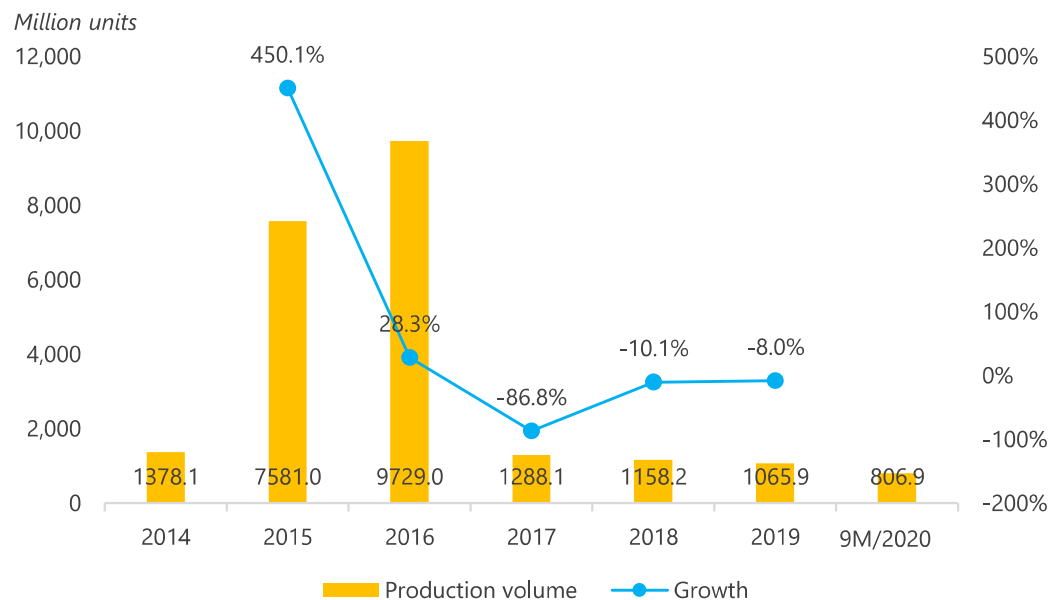
2 일본 부품업체가 부품제조시장 주도(개사) :
일본(177), 베트남(136), 대만(57) 등

3 다수의 기업이 **오토바이 부품과 자동차 부품**의 혼합 생산

4 자동차 부품 소비량 : '20년 9개월간 부품 **8억690만개** 소비로 동년비 **26.3%** 감소

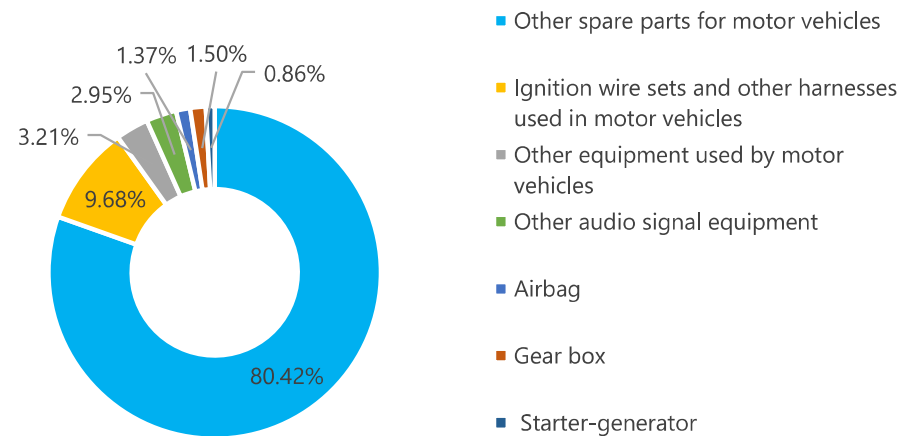
5 현재의 부품생산 현지화율은 **10%대로** 낮은 상황

Completed auto parts production volume, 2014 - 9M/2020



Source: VIRAC, GSO

Production of components and spare parts, 9M/2020



Source: VIRAC, GSO



핵심 요약 - 3. 산업 발전 가능성

1 현대타일콩, 타코, 빈패스트 등 베트남 자동차 제조 및 조립 업체 성장 중

2 가계소비지출 증가, 베트남 정부의 강력한 자동차 산업 육성 의지와 우대정책 전개

3 '20년7월부터 베트남내 제조 및 조립된 자동차의 등록비 50% 인하 조치 단행

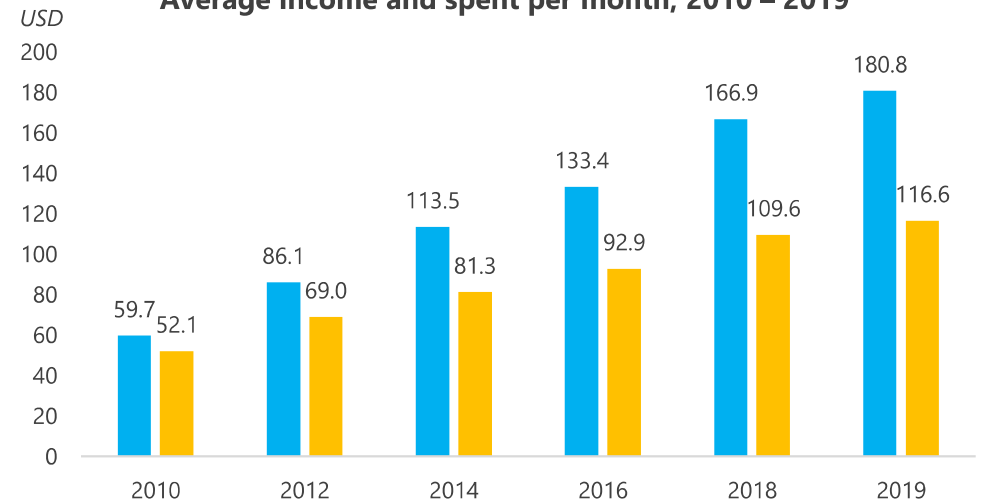
4 자동차 소유비율 상승여지 풍부 : (대/1천명) 베트남 16, 인도네시아 55, 태국 196, 말레이시아 341

5 베트남 정부와 현지 완성차 제조 및 조립업체들의 강력한 부품현지화율 제고 의지

Localization rate of key auto parts OEMs in Vietnam, 2019

	Company's average	Passenger cars	Truck	Bus	Target
THACO TRUONG HAI AUTO	15% - 18%	15 - 18%	35 - 45%	60%	60%
TC MOTOR	~12%	35% (Hyundai Accent)			40%
HONDA	~25%	30% (Honda City) 15% (Honda CR-V)			40%
TOYOTA	~20%	37% (Innova)			45%
VINFAST	Less than 10%	Less than 10% (Fadil)			60%

Average income and spent per month, 2010 - 2019



■ Average Income ■ Spent per month

Source: VIRAC, GSO



핵심 요약 - 4. 우리기업 진출전략 포인트

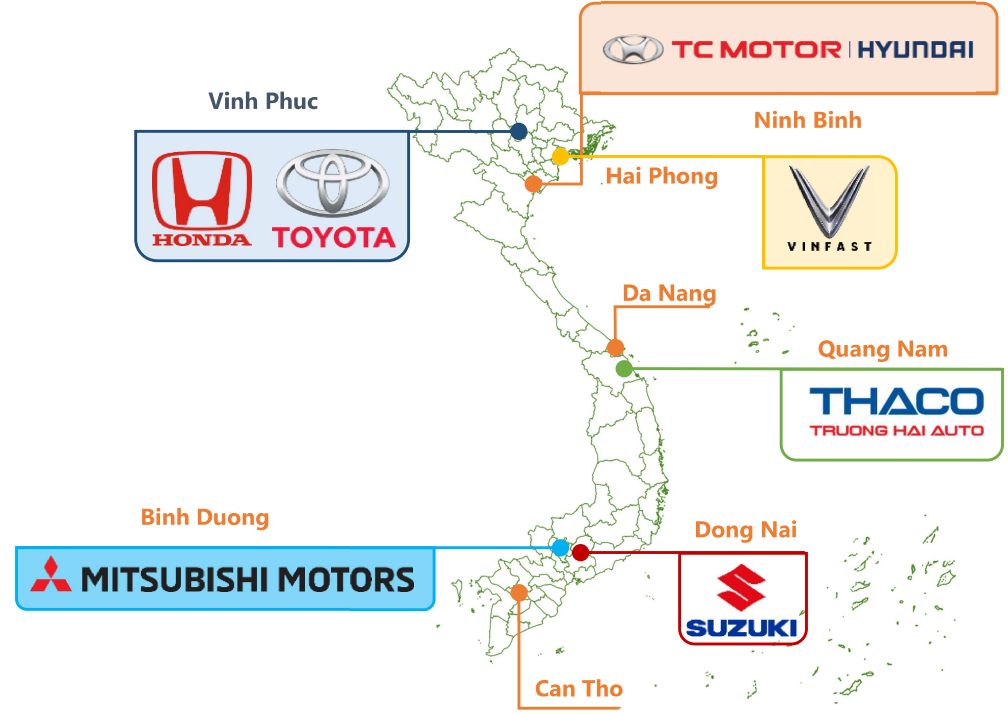
1 10여개의 완성차 제조 및 조립공장 위치 감안 : 주로 북부(하이퐁-빈패스트, 빈푹-토요타, 혼다, 닌빈&꽝닌-현대 타잉콩)와 중부(꽝남-타코)에 집중

2 소규모 분산 제조, 부품 공급업체 부족, 숙련인력 부족으로 인한 높은 제조 비용 감안 필요, 인근국가 대비 **생산비용 약20% 고가**

3 젊은 인력과 저렴한 인건비 활용 가능, 베트남 정부의 자동차 산업 육성 의지 강력

4 현지업체와의 합작투자를 통한 점진적인 중기적 진출 전략

5 베트남내 소비시장 겨냥과 병행한 아세안 역내 생산거점 구축 전략 동시 구사



Automotive designed capacity in Vietnam

OEMs	Existing capacity 2019	Planned new capacity 2020	Expected total capacity 2025
Thaco	207	120	327
TC Motor	102	150	252
Honda	10	10	20
Toyota	50	20	70
VinFast	250	250	500
Total	619	550	1,169

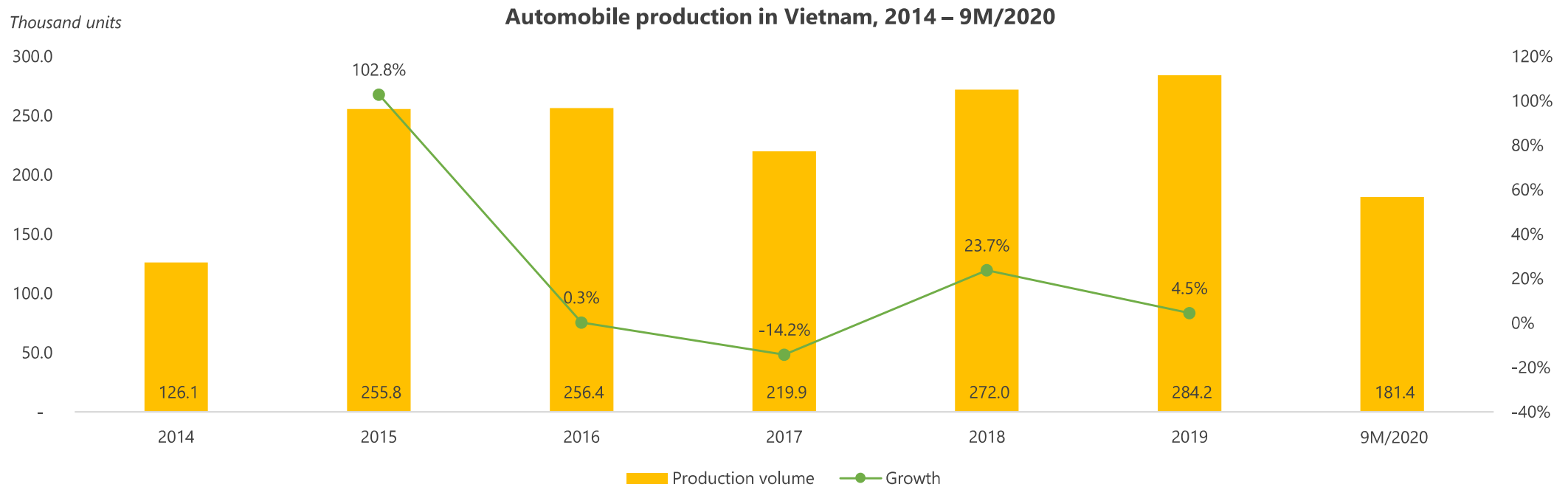
Source: VIRAC

The image shows a wide-angle view of an automotive assembly plant. In the foreground, several silver car chassis are positioned on a production line. Multiple white robotic arms are actively engaged in the assembly process, with some reaching towards the car frames. The background is filled with the complex infrastructure of the factory, including overhead beams, lighting, and other workstations. The overall atmosphere is one of a busy, modern manufacturing environment.

**VIETNAM
AUTOMOBILES
MARKET
OVERVIEW**



1.1. Automobiles market overview



Source: VIRAC, GSO

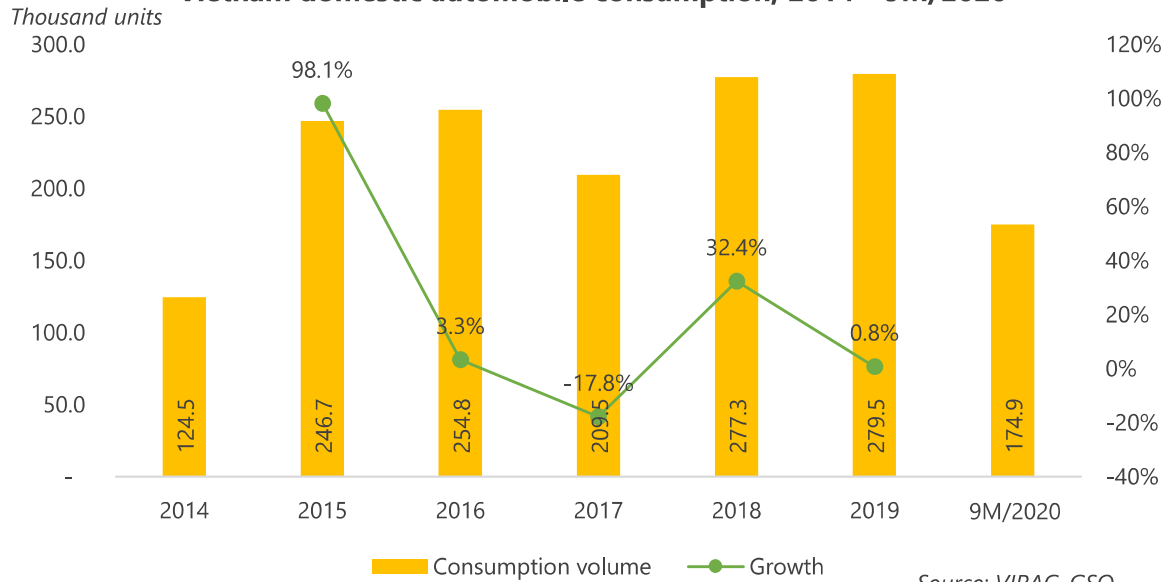
In the first 9 months of 2020, the number of cars produced and assembled nationwide reached 181.4 thousand units, a sharp decrease of 48.7% compared to the same period in 2019. There were many factors affecting volume of domestic car production:

- In the first and second quarters, the effects of the epidemic on the entire production chain already took its toll on Vietnam's imports. Moreover, many large automobile manufacturers in Vietnam such as Ford, Toyota, Honda and TC Motor all had to stop production during March. Though some Thaco facilities are still operating, workers and production chain are still under social distancing. This is the main reason for the significant decline in car production.
- Since the end of June, with support from the government by reducing 50% of registration fee compared to previous amount and extending payment term for excise tax, a new door of opportunities has opened for domestic automobile production. According to the Ministry of Industry and Trade, car consumption in 2020 will decrease, but only by 3 - 5% compared to 2019. Therefore, many car manufacturers including FDI enterprises are considering maintaining operation, or even expanding production in the context of the government's support.



1.1. Automobiles market overview

Vietnam domestic automobile consumption, 2014 – 9M/2020

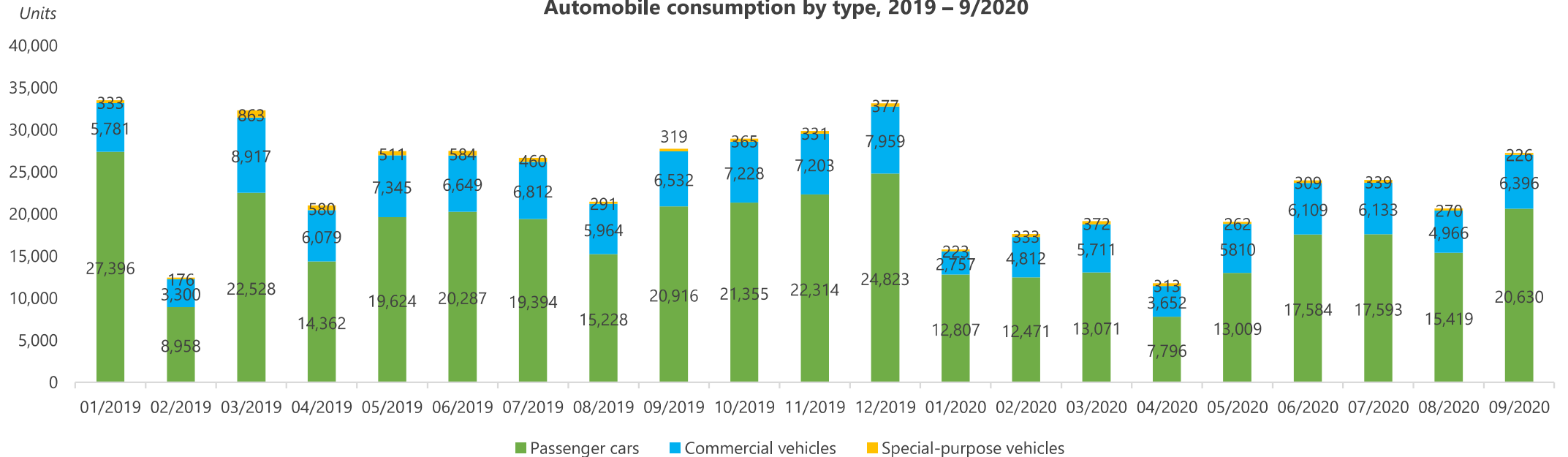


In the first 9 months of 2020, the total car consumption of the entire domestic market reached 174.9 thousand units, a sharp decrease compared to the same period in 2019.

After the surge from the second half of 2018 to the end of 2019, domestic demand for cars has been negatively affected by the epidemic. Luxury goods such as cars will suffer even more in the context of all goods stagnation; only a few essential items can maintain steady sales.

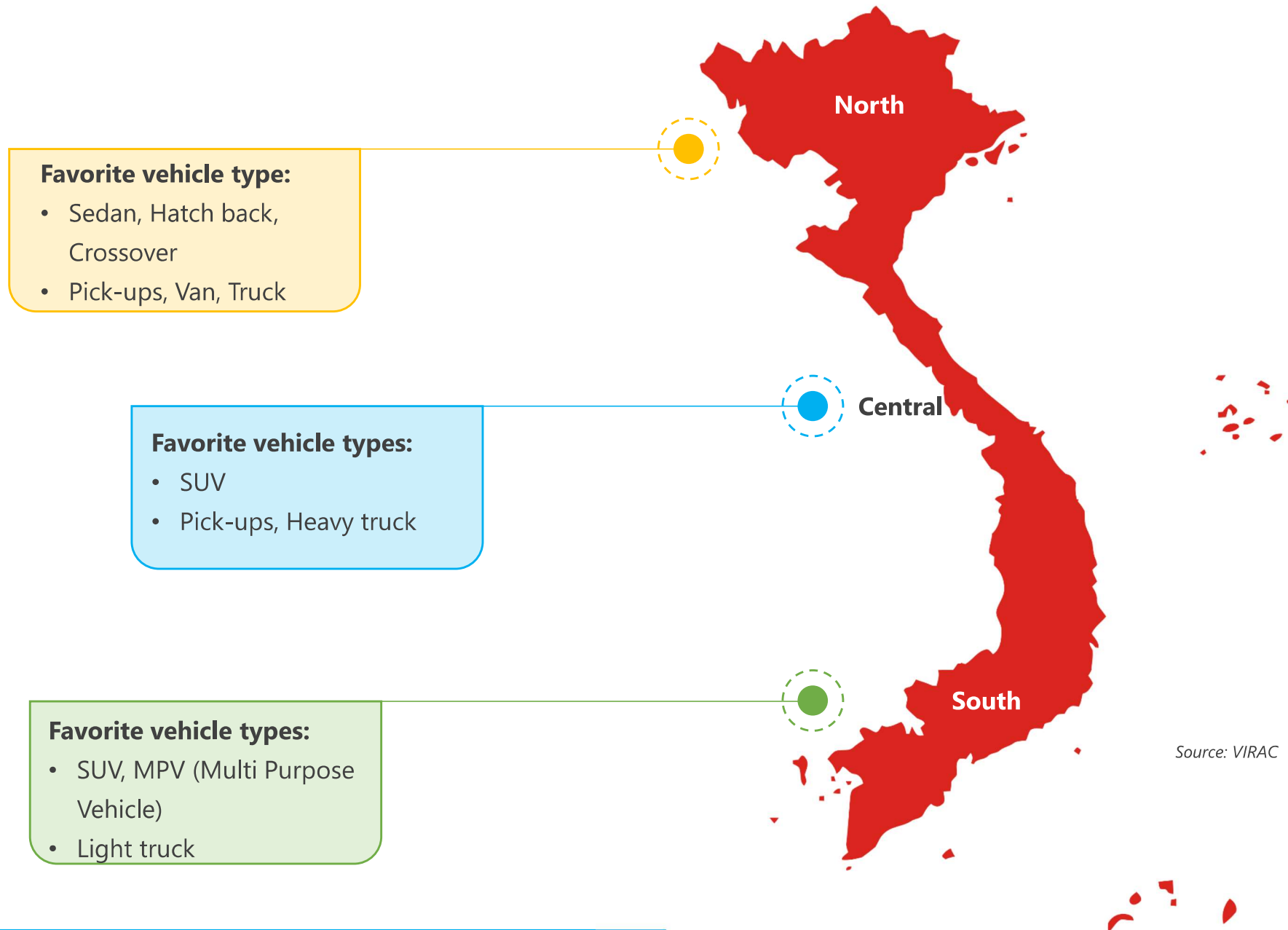
All VAMA members recorded a plunge in sales; many businesses had to stop production and close local car dealerships to avoid incurring losses. To cope with decreasing demand, companies simultaneously reduced prices to stimulate demand with preferential packages of up to thousands of USD. In addition, VAMA also proposed to the government to be exempt from registration tax to incentivize automobile businesses.

Automobile consumption by type, 2019 – 9/2020



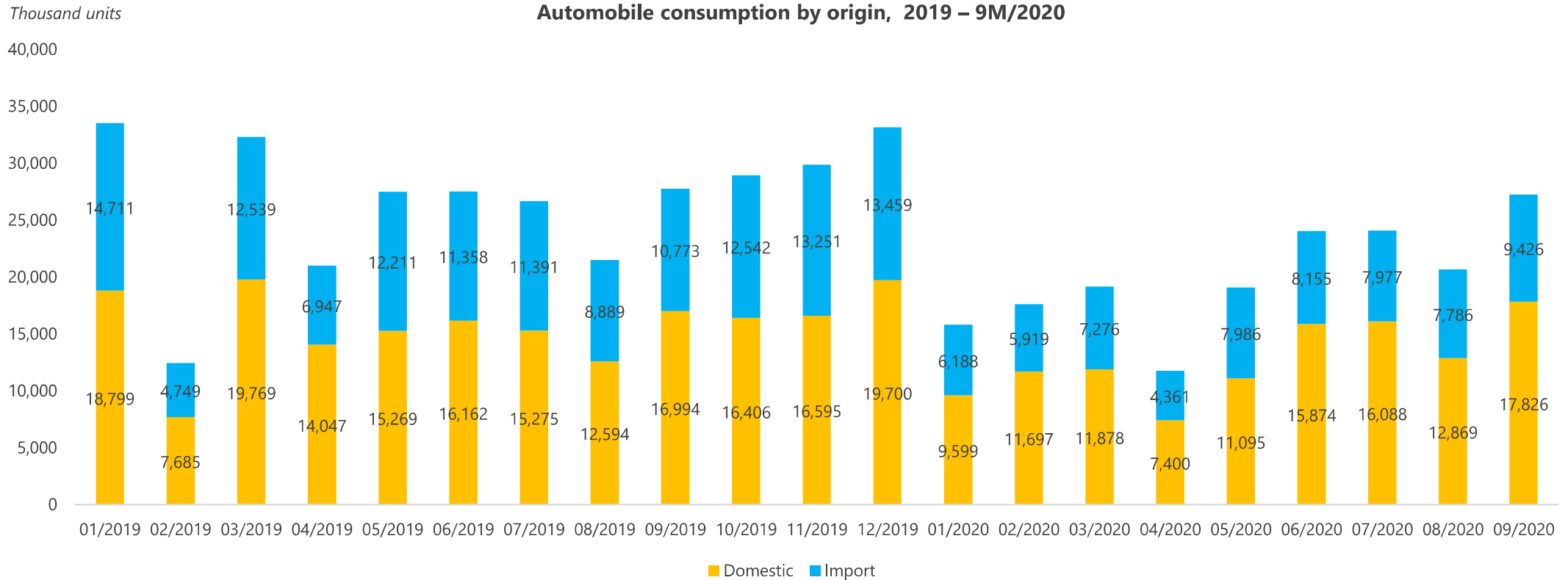


FAVORITE VEHICLE TYPES CONSUMPTION BY REGION





1.1. Automobiles market overview

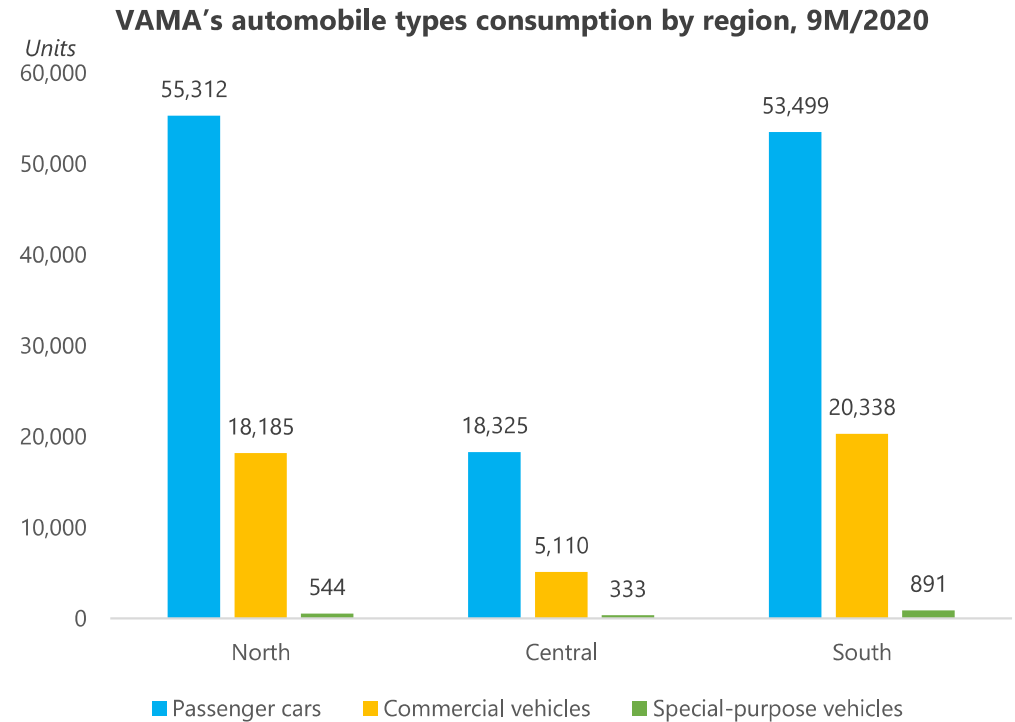
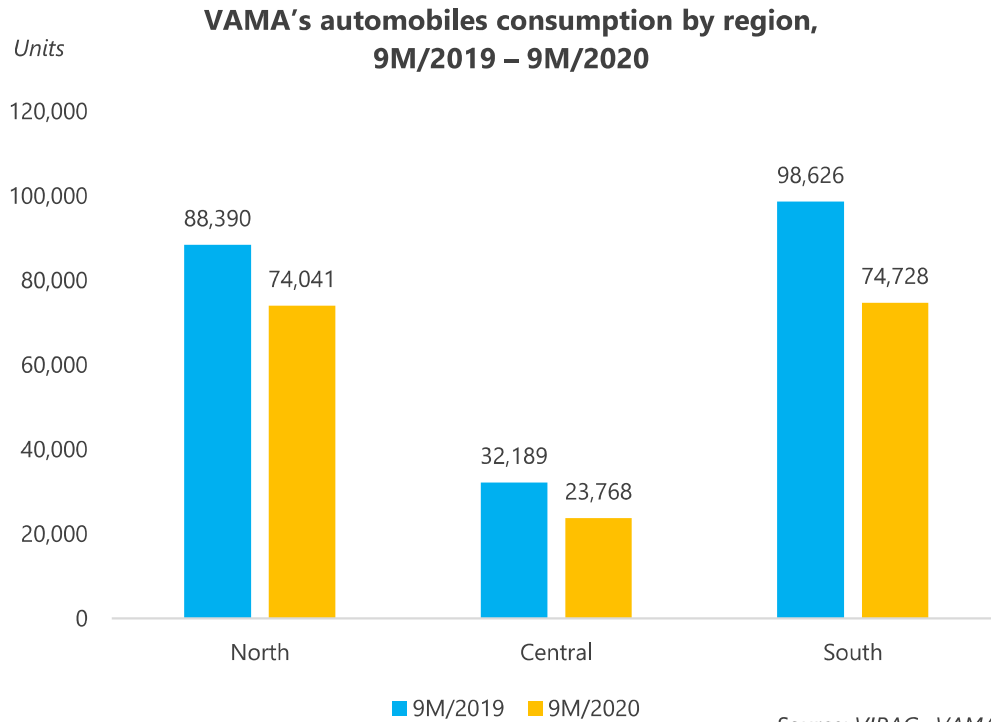


Source: VIRAC, VAMA

- In 2019, the ATIGA agreement reduced the tax on imported CBU cars from ASEAN to 0%, causing a mass of imported CBU cars to flood into Vietnam. **The proportion of car consumption has also shifted very unfavorably for locally assembled and manufactured vehicles. In 2018, the consumption of imported cars only reached 25% of the total volume of cars, but by 2019, this rate reached 41.2%.**
- **Until early 2020, the car market is bleak; the volume of CBU imported cars, though cheap, still plummeted due to a decrease in demand. According to VAMA in the first 9 months of 2020, Vietnam consumed 65,074 CBU imported cars, a decrease of 30.5% compared to the same period in 2019.**
- **In addition to the joining of VinFast, Toyota Vietnam has recently returned to the domestic assembly of the Fortuner model after 2 years of import.** Accordingly, Toyota will buy more land to expand the factory as well as build a test track, aiming to increase capacity to 90,000 cars/year by 2023.



1.1. Automobiles market overview



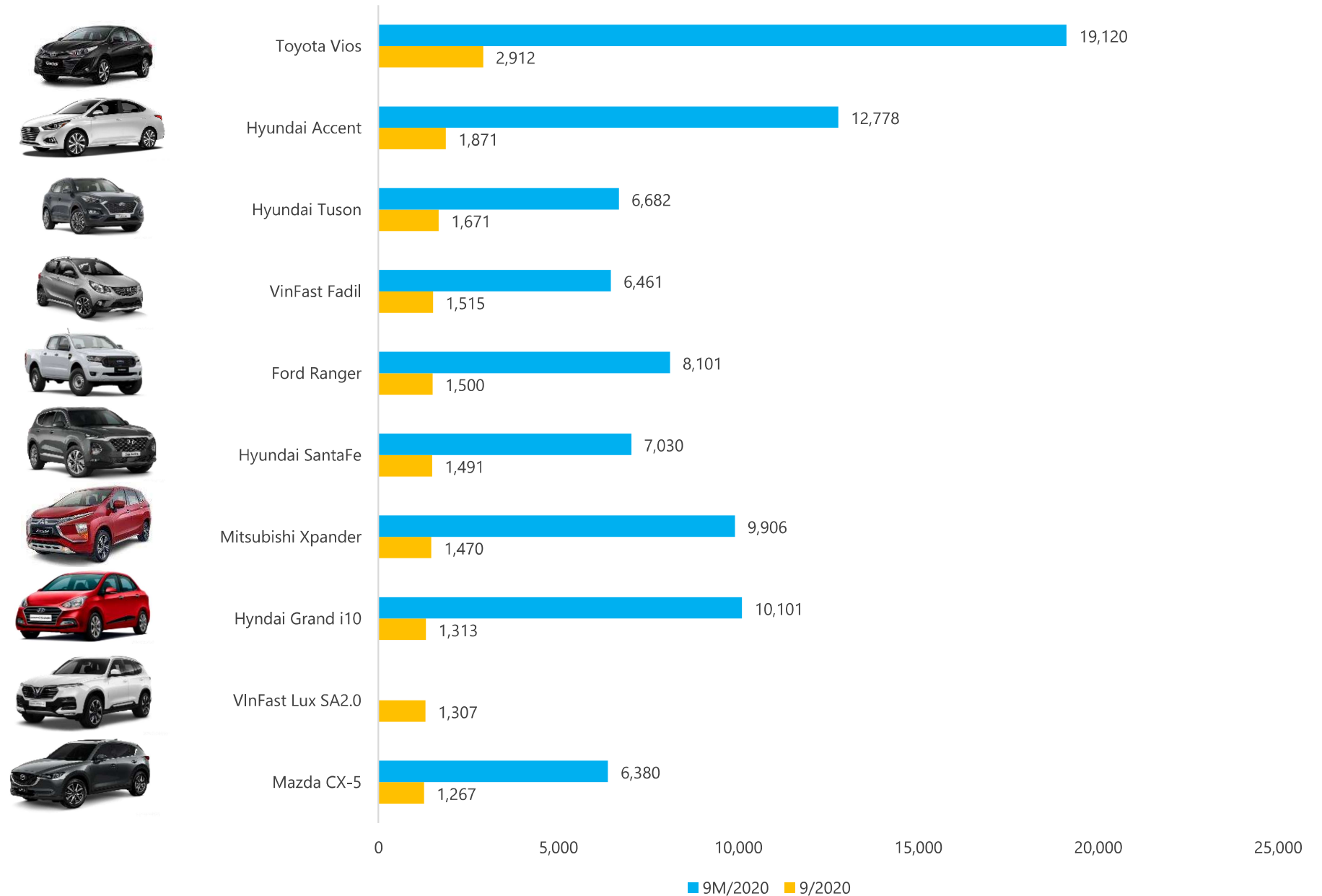
In the first 9 months of 2020, car sales decreased steadily in all 3 regions, North, Central and South. Total car sales of VAMA in all 3 regions only reached 172,537 cars, a decrease of 21.3% as compared to the same period in 2019.

- The North recorded consumption of 74,041 vehicles, a decrease of 16.2% year-on-year.
- Central Vietnam only achieved sales of 23,768 units, down by 26.2% compared to the same period in 2019, the sharpest decrease among the 3 regions. This is the region with the lowest car consumption in the country.
- The Southern region reached 74,728 units, a decrease of 24.2% compared to the same period in 2019.
- The consumption structure of vehicles has not changed much, with the highest consumption still being passenger cars due to high demand for individual vehicles; followed by commercial vehicles with trucks, pickups and buses, and finally specialized vehicles, which are mostly garbage trucks.



1.1. Automobiles market overview

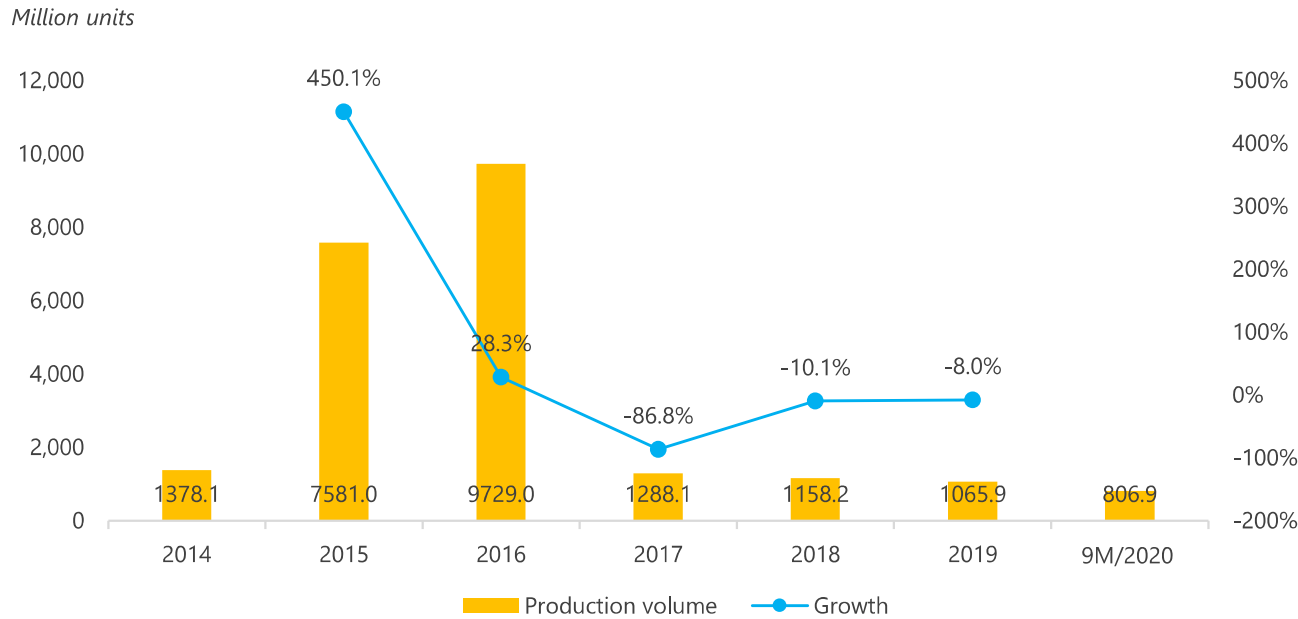
Sales of top 10 best-seller automobiles in Vietnam, 9M/2020





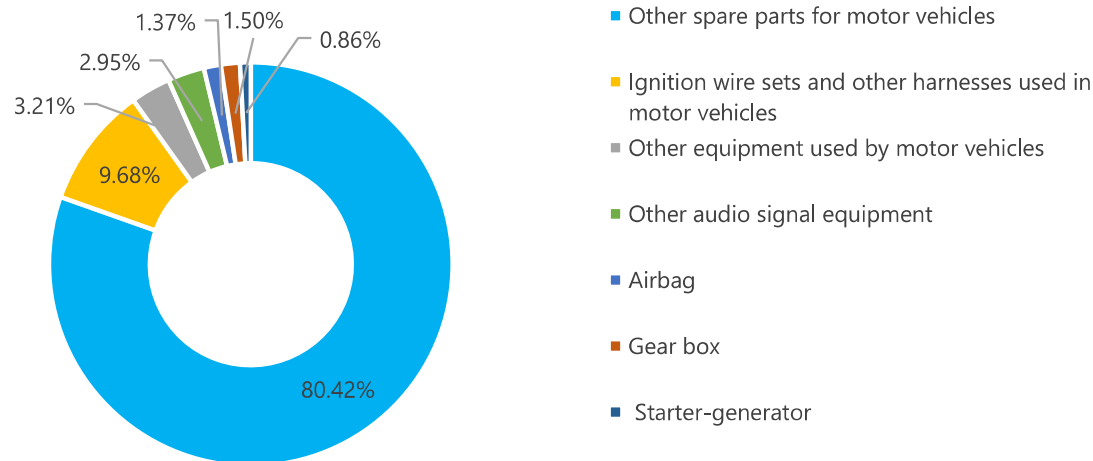
1.2. Auto parts market overview

Completed auto parts production volume, 2014 - 9M/2020



Source: VIRAC, GSO

Production of components and spare parts, 9M/2020



Source: VIRAC, GSO

- Since 2017, Vietnam stopped producing a number of high-tech spare parts such as wheel rims, exhaust pipes, brakes, and shock absorbers, so output has decreased significantly. The aforementioned parts are in large quantity but bring little added value, so businesses turned to concentrated production of other types of components, both for domestic service and for export.
- **In the first 9 months of 2020, Vietnam's production of components and spare parts reached 806.9 million units, a sharp decrease of 26.3% compared to the same period in 2019.** Because of the pandemic during March, production stalled, and market demand also decreased.
- The average localization rate of Vietnam's auto industry in 2019 reached 10%, which is very low compared to other ASEAN countries. This is because Vietnam's automobile production is still low, leading to a small scale of production, so the domestic production cost of parts is higher than the import price. Even the big business like THACO only achieved 15-18% of the localization rate.
- **Within the structure for complete auto parts, other motor vehicle parts account for the largest share with more than 80% of output. These are small components that do not have high expertise.**
- It is clear that the domestic production of auto parts is still limited in the variety of products; moreover, some high-tech spare parts have stopped production, leading to higher import of auto spare parts every year to meet the demand of domestic automobile manufacturing and assembling industry.