



Vietnam: Environmental Technologies Market

U.S. Commercial Service -- Vietnam

U.S. Embassy Hanoi

U.S. Consulate General Ho Chi Minh City

www.buyusa.gov/vietnam

Agenda



- Vietnam Market Overview
- Best Prospect Segments
- Market Entry Considerations
- How the Commercial Service (CS) Can Help You

Environmental Regulations and Policies



- Environmental Protection Law launched in 1993; amended and approved by the Vietnamese National Assembly in late 2005. The new law became effectively in July 2006.
- The Vietnamese Government spends each year an amount equivalent to 1 % of the country's GDP for environmental protection activities and plans to increase the budget to 2% of the GDP in 2010
- Vietnamese standards (TCVN) comprising 31 Vietnamese standards regulate air quality, noise and vibration, water and waste water quality, and hazardous waste

Market Overview



- As Vietnam undergoes rapid industrialization and urbanization, the country faces a variety of environmental challenges attributed to poor water quality, a degraded infrastructure, and an ongoing urban population boom
- Vietnam's pollution "hot spots" include air, water, solid waste, and noise pollution



Market Size



The market for environment and pollution control equipment and services is about **USD \$570 million**, with an estimated annual growth rates of **10% - 15%** in the next five years.

Note: These figures are based on 2006 data.

Best Prospects: Market Segments



Water and wastewater equipment/services ~ \$430 million
Solid waste management ~ \$80 million
Air pollution control equipment/services: ~ \$60 million

Note: These figures are unofficial estimates based on total ODA funding of environmental projects underway and in the pipeline, including projects undertaken by urban and industrial entities supported by water resource funds.



Water Treatment



- There are about 200 water treatment plants in Vietnam that produce over 3 million cubic meters per day for urban consumption;
- About 60% of the Vietnamese population has access to clean water;
- High rate of water loss: 37% in Ho Chi Minh City and 40% in Hanoi;
- USD \$2 billion is needed to improve the water supply until 2020;
- Major ODA providers include the WB, the ADB, JBIC, Danida, Ausaid, AFD (France)

Wastewater Treatment



- Untreated wastewater is discharged to canals and rivers
- The sewage system combines storm water and household discharge, unlike developed economies.
- No city has a central wastewater treatment plant, although Hanoi and Ho Chi Minh City have both set targets for centralized wastewater treatment plants by 2010
- Just 10 out of 74 industrial parks have centralized wastewater treatment plants



Solid Waste Management

- Vietnam generates 15 million tons of waste annually from various sources
- Out of that, municipal sources account for more than 80%, industrial sources ~ 17%
- **Only 17 out of 91** disposal sites countrywide are sanitary landfills
- Most municipal and hazardous & toxic waste in Vietnam is **disposed improperly**
- Waste handling is mainly carried out by Vietnam's Public Urban Environmental Companies (URENCOs)





Air Quality



- About 8.5 million motor vehicles registered, but this figure is growing rapidly
- Many industrial production sites in urban residential areas use outdated technologies that have no air treatment systems
- There is scarce ODA funding for air pollution abatement efforts, as most of ODA efforts directed toward building air-monitoring stations as a first step toward reducing air pollution
- Leaded gasoline banned in July 2001

ODA Support for Vietnam



- ODA-financed projects make up the largest market for environmental technology, equipment, and services
- The World Bank's lending program in Vietnam for the period 2003-2006 averaged \$700 million per year on average**.
- The Asian Development Bank (ADB) committed about **USD \$975 million** in loans for Vietnam from 2004-06.

*(**Note: Multilateral Development Banks have financed projects concentrated in the areas of energy, water supply and sanitation, urban management, and rural development)*



Why U.S. Environmental Technology and Equipment?

- Local production and technology cannot meet the demand of the market, especially the requirements of ODA-funded projects;
- Vietnam must import key environmental & pollution control equipment;
- U.S. products and technologies are highly regarded for their exceptional quality, making Vietnam's environmental market promising.

CS Vietnam Programs



Gold Key Matchmaking Service

Trade Missions to Vietnam

Int'l Partner Searches

Int'l Company Profile Check

USG Advocacy Service



http://www.buyusa.gov/vietnam/en/services_for_us_exporters.html

Market Entry Considerations



- Price competition
- Finding solid local partners to represent you and follow up
- After-sales-support
- Flexibility



CS Vietnam Resources



- In Hanoi, please contact:
Ms. Ngo Thuc Anh, Commercial Specialist in Hanoi
Tel: (84-4)-831-4650. Fax (84-4)-831-4540
E-mail: ngo.anh@mail.doc.gov
- In Ho Chi Minh City, please contact:
Ms. Vo Thuy, Commercial Specialist in Ho Chi Minh City
Tel: (84-8)-825-0490. Fax: (84-8)-825-0491
E-mail: vo.thuy@mail.doc.gov
- U.S. Commercial Service Vietnam's website, please visit:
www.buyusa.gov/vietnam



Other CS Resources

■ CS Global Environmental Team

Leader: Bill Cline, CS Reno

Tel: (775) 784-5203

E-mail: Bill.Cline@mail.doc.gov

■ CS Asia Pacific Team

Leader: Jeff Hamilton, CS Salt Lake City

Tel: (801)-255-1872

E-mail: jeff.hamilton@mail.doc.gov



Thank You



Any Questions?



Vietnam: Environmental Technologies Market

U.S. Commercial Service -- Vietnam

U.S. Embassy Hanoi

U.S. Consulate General Ho Chi Minh City

www.buyusa.gov/vietnam