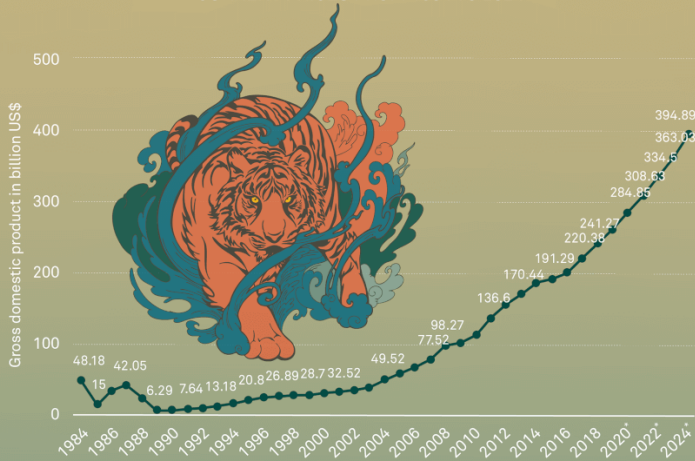


Eye of the tiger: Vietnam's rising star in Asia



Impressive Vietnamese GDP growth...

VIETNAM: GROSS DOMESTIC PRODUCT (GDP) IN CURRENT PRICES FROM 1984 TO 2024*

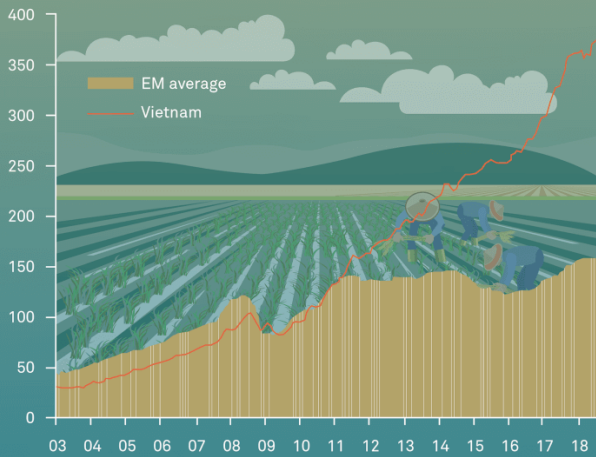


Source: Statista, January 2020 *2020-2024 figures are forecasts.

...is matched by the growing scale of national exports...

VIETNAM VS. EMERGING MARKETS - EXPORTS

Export index (US\$, 2009/10=100, 3mma*)



Source: CEIC, 2019. *Three month moving average.

...in a market of major economic potential.

92m+
population¹

6.5%
GDP growth
projection²

45m
people lifted
out of poverty
from 2002-2018³

¹ BBC, Vietnam country profile, 01 July 2019.

² World Bank, 18 October 2019.

³ World Bank/General Statistics Office of Vietnam, 2019.

A combination of rising Chinese labour costs and latterly, the urge to sidestep President Trump's trade tariffs, means that there has been no let-up in the steady stream of manufacturers looking to shift production from China to lower-cost Asian countries. Anecdotal reports suggest many companies favour Vietnam, which has a particularly strong track record in electronics manufacturing.

Vietnam's transformation since the Vietnamese government introduced the Doi Moi economic reforms in the late 1980s to create a 'socialist-orientated market economy', has been nothing short of extraordinary.

For several years now, Vietnam has been among the world's fastest-growing economies. GDP (gross domestic product) growth reached a 10-year high of 7.1% in 2018, and averaged 6.6% per annum during the 2014-2018 period¹ and the country has continued to enjoy strong economic growth.

While Vietnam's export growth has outstripped the emerging-market average for several years, the domestic economy is in pretty good shape. Consumption accounts for approximately 70% of GDP thanks partly to the growth of the middle-class. Vietnam now boasts 30 million people earning over US\$715 per month and has 22,000 millionaires. Some forecasts predict that the middle class could represent 50% of the population by 2025 and on-the-ground evidence suggests some companies servicing Vietnam's burgeoning middle class have outstanding – and arguably underappreciated – growth prospects.

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