

Driving Vietnam's economic growth - the role of private equity

Reddal Insights — 25 May 2017

Per Stenius, Giao Le, Ngoc-Tram Nguyen, Jamin Seo, Samppa Sipilä

Reddal was invited as a speaker to “AVCJ Private Equity & Venture Forum Vietnam 2017” in Hồ Chí Minh City, Vietnam on May 25, 2017. We presented results from our on-going work on how venture capital and private equity is affecting growth in various countries.

Although Vietnam is exhibiting rapid growth, a comparison to past successful Asian growth stories such as Korea show that there is room for improvement. The boom in foreign invested export-oriented manufacturing sector has failed to act as a catalyst to develop strong local industries and SME participation in the value chain. While consumer- and technology-driven sectors continue to drive private equity and venture capital activities, the lack of “back-bone” industrial development stresses the importance of further development. In our talk, we discuss how [private equity can contribute towards unlocking Vietnam full potential through a bolder deal sourcing and value creation approach.](#)

Our call for strengthening the Vietnamese local industries was later resonated with a [World Bank report](#), which recommends Vietnam to promote linkages between local and foreign owned companies to nurture innovative local firms and move up global value chains with “invented in Vietnam” products. The report was launched on September 7, 2017 titled Vietnam at a Crossroads: Engaging the next Generation of Global Value Chains.

Please also refer to the [AVCJ Vietnam official event program](#) for more information on the event.

To hear more about the topic check out our [Reddal Talks video - Outlook on Vietnam.](#)