

Press release

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Automechanika Ho Chi Minh City 2021 steps into a new automotive industry era

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In recent years, Vietnam's automotive industry has grown at an average annual rate of 20 to 30 percent¹. The improvement to corporate governance, foreign trade and investment, and relationships with international markets through bilateral agreements nurture a positive local operating environment. Companies are now seeking to expand their businesses and production bases into Vietnam. From 30 June to 2 July 2021 at the Saigon Exhibition and Convention Center (SECC), Automechanika Ho Chi Minh City will work with prominent associations to unite local and overseas players, exploring diverse opportunities in Vietnam's auto market.

The Vietnamese Government has placed the automotive manufacturing sector at the core of its developmental roadmap for merging the local supply chain with a wider global network. In line with these efforts, the highly anticipated EU-Vietnam Free Trade Agreement (EVFTA), that took effect in August 2020, will phase out 99 percent of tariffs on traded goods. Similar to Free Trade Agreements with other ASEAN countries, one of the significant advantages of the EVFTA is an expected 43 percent increment of exports to the EU by 2025²; thus, a substantial contribution to the global supply chain.

Equally, the agreement will divert more foreign direct investment into the country. It will bring in the necessary technology and training to develop advanced products and services in the local original equipment manufacturing sector, aftermarket and supporting industries. At the same time, Vietnam is likely to import more high-quality auto parts and components from the EU due to lower tariffs. This is set to boost the production capacity of automotive manufacturing and assembly to, in turn, play a part in the country's global competitiveness of Vietnamese-made-vehicles.

To pinpoint these prospects, Automechanika Ho Chi Minh City 2021 is placing collaboration at the forefront of the fair's evolving approach to sustainable local automotive industry development. Synergy shaped by informed, networked and empowered stakeholders, which have an active

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¹ Vietnam's Growing Automobile Industry brings Opportunities to Investors, May 2020, Asia Perspective, <http://m-es.se/a7DG> Retrieved September 2020.

² Vietnam-EU Trade: EVFTA Comes Into Effect, August 2020, Vietnam Briefing, <http://m-es.se/Nk73> Retrieved September 2020.

role in the wider auto community, will become an integral part of the collaborative platform. For example, last edition of the show drew in a number of renowned visitors, include Bosch, Bridgestone, BMW, Honda, Hyundai, MAHA, Mitsubishi, Thaco, Vingroup and more. Bringing this momentum forward, the fair aims to utilise these global networks to foster multilateral conversations across the value chain, generate greater know-how and deliver multifaceted experiences to promote the growing automotive market in Vietnam.

Ms Fiona Chiew, Deputy General Manager, Messe Frankfurt (HK) Ltd, commented: “Through the trade deal, Vietnam is creating more investment channels and skilled workers for the automotive service industry. The industry has been a major GDP driver for the country and it will continue to emerge in the global supply chain at an accelerated speed. Together with the backing from local supporters, Automechanika Ho Chi Minh City 2021 will connect international players, investors and local businesses through a series of dedicated fringe events and networking activities, with the intent to strengthen the collaborative platform.”

Countrywide support from local industry associations

From Hanoi in the North, to Ho Chi Minh City in the South, the show continues to gain recognition from long-term local supporters like the Vietnam Automotive Technicians Network (OTO-HUI), the Vietnam Association of Mechanical Industry (VAMI) and the Vietnam Automobile Transportation Association (VATA). For the first time in the show’s history, the Vietnam Association for Supporting Industries (VASI) will also join as a local supporter.

VASI is a key association contributing to policy planning and promoting Vietnam’s supporting industries, which includes the processing and manufacturing sector. Ms Truong Thi Chi Binh, Vice Chairman of VASI, commented: “In our mission to foster the development of supporting industries, we are looking for fast-growing platforms that can support our ongoing work. Leveraging Automechanika Ho Chi Minh City’s strong international business network, especially in the EU, we are confident that collaborating with the platform will help facilitate business growth between local and overseas companies. Because of this, I see a bright future for the processing and manufacturing sector as it expands and advances domestically, and eventually integrates into the global supply chain.”

Taking advantage of the expertise from local industry associations, the show has curated a series of fringe programme events that highlight the robust opportunities in the local market. For example:

- Premium members from VASI will join the **Smart Factory and Industry 4.0 Conference** offering insights into the long-term development of automotive manufacturing and its supporting industries. Key automakers and manufacturers will be able to exchange ideas with attendees.
- Using their extensive local network, OTO-HUI will invite auto service centres, workshops, manufacturers, as well as car

enthusiasts to the **Auto Service & Maintenance Festival**. Pre-registered visitors can enjoy one-stop, onsite diagnostics and maintenance services for free.

All-rounded coverage from exhibitors gather at the show

Spanning across the show floor, more than 400 exhibitors from the **Automotive manufacturing & automation, Passenger and Commercial vehicle, and Motorcycle** segments will present their latest innovations, technologies, products and services to the Vietnamese market. Leading exhibitors in various product categories include the likes of:

- **TÜV Rheinland Vietnam**, an internationally-recognised technical service provider founded in Germany, are debuting in the 2021 edition. They will showcase expertise in testing, inspection and certification for a number of products and fields.
- **Liqui Moly**, the German lubricant specialist from the Diagnostics & Maintenance sector, will bring their collection of motor oil, additives and car care related products to the fairground.
- **CTR**, a Korean brand from the Parts & Components sector will also join the line-up, presenting a wide variety of parts and components for suspension, steering and brake systems.
- **Prodyver**, an Italian company specialising in paper roll tailoring products for the Diagnostics & Maintenance sector, will display products that suit the needs of the collision repair industry.

Automechanika Ho Chi Minh City is co-organised by Messe Frankfurt New Era Business Media Ltd, Chan Chao International Co Ltd and Yorkers Exhibition Service Vietnam. For more information, please visit www.automechanika-hcmc.com or contact Messe Frankfurt New Era Business Media Ltd, +852 2802 7728 / autoasia@hongkong.messefrankfurt.com.

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Background information on Messe Frankfurt

Messe Frankfurt is the world's largest trade fair, congress and event organiser with its own exhibition grounds. With just under 2,600 employees at 29 locations, the company generates annual sales of around €736 million. We have close ties with our industry sectors and serve our customers' business interests efficiently within the framework of our Fairs & Events, Locations and Services business fields. One of the Group's key USPs is its closely knit global sales network, which extends throughout the world. Our comprehensive range of services – both onsite and online – ensures that customers worldwide enjoy consistently high quality and flexibility when planning, organising and running their events. The wide range of services includes renting exhibition grounds, trade fair construction and marketing, personnel and food services. Headquartered in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the State of Hesse (40 percent). For more information, please visit our website at: www.messefrankfurt.com.

Background information on Chan Chao International Co Ltd and Yorkers Exhibition Service Vietnam

Chan Chao is the leading Taiwan-based international exhibition organiser, has achieved outstanding feat in organising high-technology, machineries as well as consumer-oriented

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exhibitions. Over three decades, Chan Chao has extended flagship brands into Bangladesh, Cambodia, China, Myanmar and Vietnam with their professionalism. Yorkers is the subsidiary office of Chan Chao in Vietnam.

For more information, please visit: www.chanchao.com.tw/en