

**PRESS RELEASE**

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**Machine tool industry attracting attention at VDW symposium in Vietnam**

**Frankfurt am Main, Ho Chi Minh City, 26 June 2023.** – The VDW (German Machine Tool Builders' Association), Frankfurt am Main, staged its third symposium in Vietnam's capital Ho Chi Minh City from 12 to 14 June 2023. Ten German manufacturers showcased *innovations in manufacturing technology - machine tools from Germany*. "The Vietnamese market has been enjoying very strong growth recently, and we are now the fifth-largest supplier here. And so it is only logical for our industry to return here in person to attract more attention," says Gerda Kneifel, VDW Ambassador at the symposium in Ho Chi Minh City. Ten German manufacturers were on hand at the event: Alzmetall Werkzeugmaschinenfabrik, Altenmarkt, the Chiron Group, Tuttlingen, Gleason Corporation, Ludwigsburg, Grob-Werke, Mindelheim, Maschinenfabrik Berthold Hermle, Gosheim, Index-Werke, Esslingen, Open Mind Technologies AG, Wessling, Röders GmbH, Soltau, Siemens AG, Munich, and the Trumpf Group, Ditzingen. They presented their latest machines, solutions and services for Vietnam. 121 participants from the most important customer industries – the electronics, textile and food industries as well as the metal production and processing sectors – accepted the invitation of the VDW and the German-Vietnamese Chamber of Foreign Trade. This is the best response to date since the first Vietnam symposia was held in 2016. "We need to raise the efficiency of our machines, and automation is a further very important aspect for us. The symposium gives us the opportunity to get in touch with German companies that offer high quality software solutions and that are very well

organized," says Cai Minh Giac, Vice Director of Phuvinh Technology Mechanical Ltd. from Ho Chi Minh City.

Among the ASEAN countries, Vietnam has become an attractive industrial location and an important trading hub with a growing interest in industrial production. The country is expanding its domestic production in order to manufacture higher-quality products, reduce costs and at the same time protect itself from international supply bottlenecks. It needs machine tools if it is to achieve this. With a market volume of 805 million euros, Vietnam is the 15th largest machine tool market in the world. It meets nearly all of this demand through imports. Laser machines top the list of the required machine groups, followed by presses and lathes. However, the types of machine groups which are needed are constantly expanding. "Vietnamese imports are dominated by machinery from China, Korea, Japan and Germany," explains Marko Walde, Chief Representative of the German-Vietnamese Chamber of Foreign Trade (AHK Vietnam). "German goods have an excellent reputation in Vietnam and are highly valued. And there are great opportunities for German exporters as a result of the strong demand in Vietnam, the modernization of production and the EVFTA free trade agreement. Machinery imports totaled nearly \$46.3 billion in 2021, 24.3% higher than in 2020. The most popular types of machinery and equipment imported in 2021 included medical equipment and tools, followed by batteries, electrical switchgear, and wireless telecommunications equipment."

German exports to Vietnam increased from 12.9 million euros in 2021 to 19.5 million euros in 2022. The country thus rose from 47th to 41st place among the most important customer markets for German manufacturers. "Business with Vietnam is increasing at a steady rather than an extremely fast pace," sums up Kam-Tong Chan, Managing Director Asia Pacific of Open Mind Technologies AG.

The Vietnamese market will remain attractive in the medium term. A growing middle class with disposable income is demanding higher-quality consumer goods, and preferably ones that are produced within the country itself. The government is offering incentives for industrial development zones and is

prioritizing the use of renewable energies. There are good prospects for German equipment suppliers, especially those which sell more than just machines. "Vietnamese companies are also very interested in after-sale services," emphasizes Chong Chee Ter, Managing Director Asia Pacific of the Trumpf Group.

"Our symposium in Vietnam will certainly not be the last," concludes Gerda Kneifel. "The country's large domestic market, its competitive wage levels, its stable government, natural resources and favorable geographical location as a hub in Southeast Asia offer ideal conditions for increased demand for manufacturing technology. German manufacturers can make a valuable contribution here with their vast experience and wide range of products."

Caption 1: More Vietnamese entrepreneurs than ever accepted the invitation to the symposium. Source: AHK Vietnam

Caption 2: VDW-Symposium in Ho Chi Minh City, Vietnam (Gerda Kneifel). Source: AHK Vietnam

Caption 3: (in the foreground, from left to right) Kok-Fu Chan, Senior Technical Sales Manager of Open Mind Technologies AG; Dr. Josefine Wallat, Consul General of the Federal Republic of Germany in Ho Chi Minh City, Vietnam; Marko Walde, Chief Representative of the Vietnamese-German Chamber of Commerce. Source: AHK Vietnam

#### **Background**

The German machine tool industry ranks among the five largest specialist groupings in the mechanical engineering sector. It provides production technology for metalworking applications in all branches of industry, and makes a crucial contribution towards innovation and enhanced productivity in the industrial sector as a whole. Due to its absolutely key role for industrial production, its development is an important indicator for the economic dynamism of the industrial sector as such. In 2022, with an average of 64,100 employees (firms with more than 50 staff), the sector produced machines and services worth around 14.1 billion euros.

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