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(VCCI)**



# **VIETNAMESE WOMEN ENTREPRENEURS AND GLOBAL SUPPLY CHAIN**

**DR. Pham Thi Thu Hang**

General Secretary

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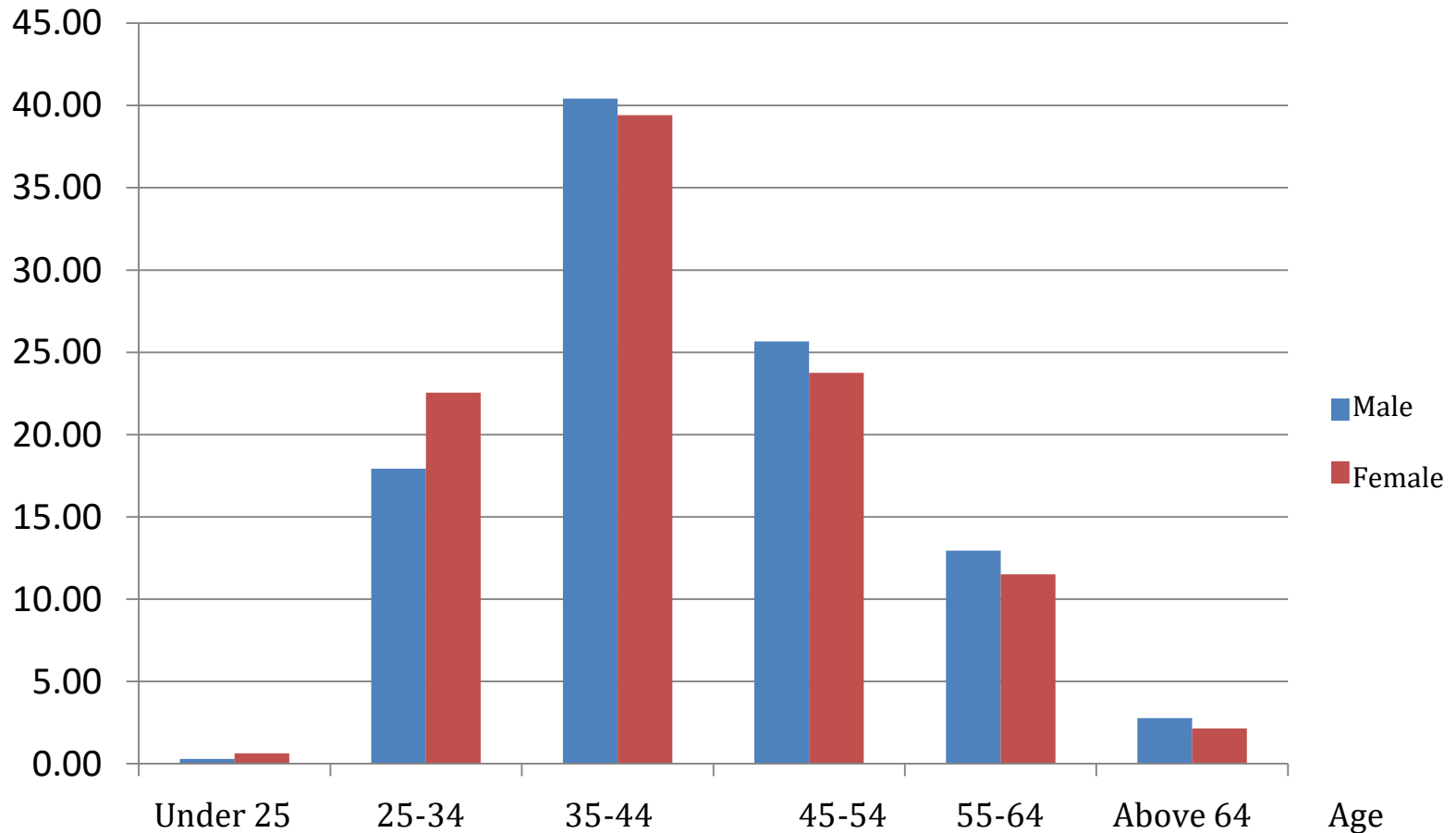
**Born  
To  
Buy**

## Some figures

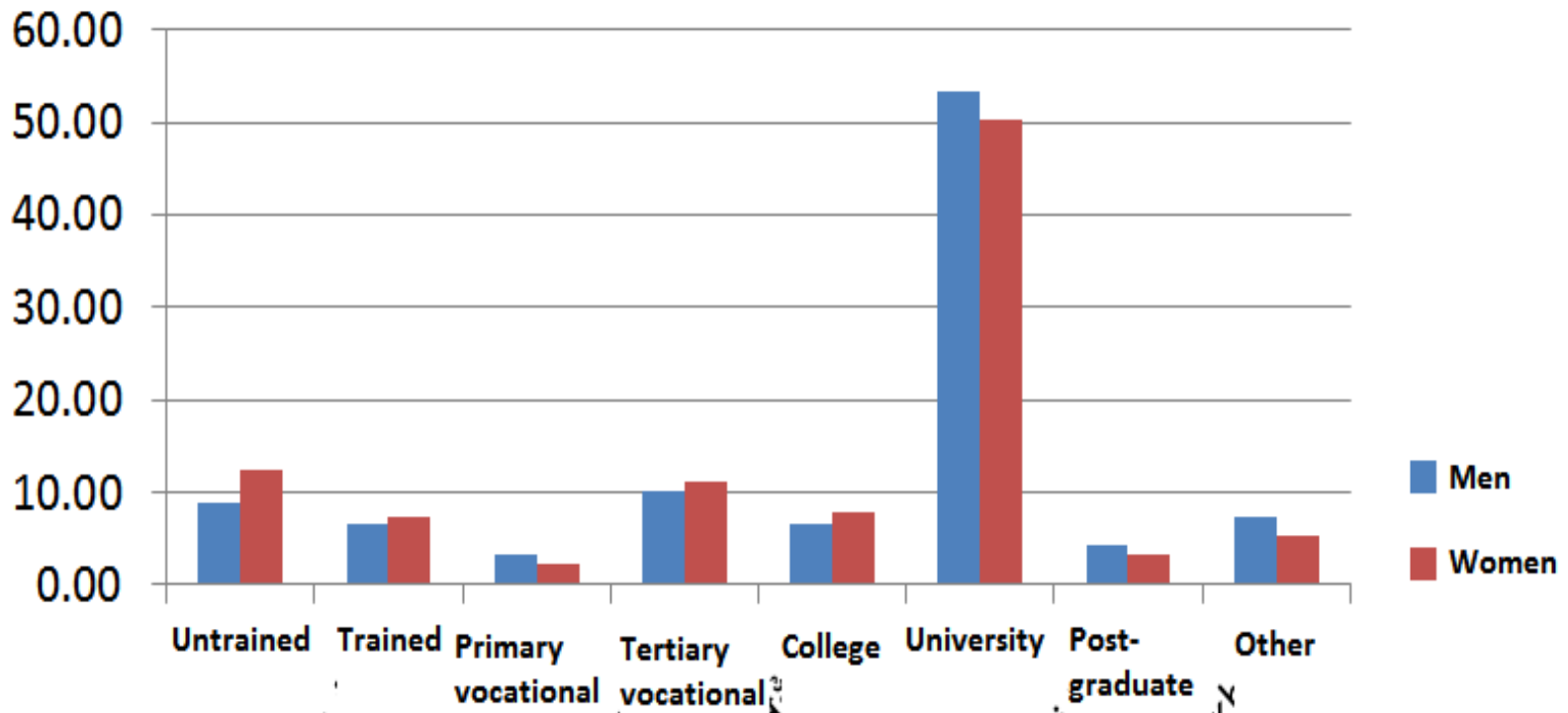
- ❖ Among those who are ***starting a business***, 58% are men and 42% are women.
- ❖ At the ***growth stage of business development***, these proportions are almost the same, even the proportion of women is a bit higher (50.2%) than of men (49.8%) – However, women often engage in small business activities such as household businesses and small trades. Meanwhile, men engage more in larger business activities, especially in ***ENTERPRISE*** sector.
- ❖ Among approx. 500 thousand operational enterprises, only 25.4% are women-led businesses.

*Source: Global Entrepreneurship Monitor  
2013 – Report of Vietnam and GSO's surveys*

# Age is not an obstacle for Vietnamese women entrepreneurs



# Vietnamese women entrepreneurs are not inferior to male entrepreneurs in term of qualifications





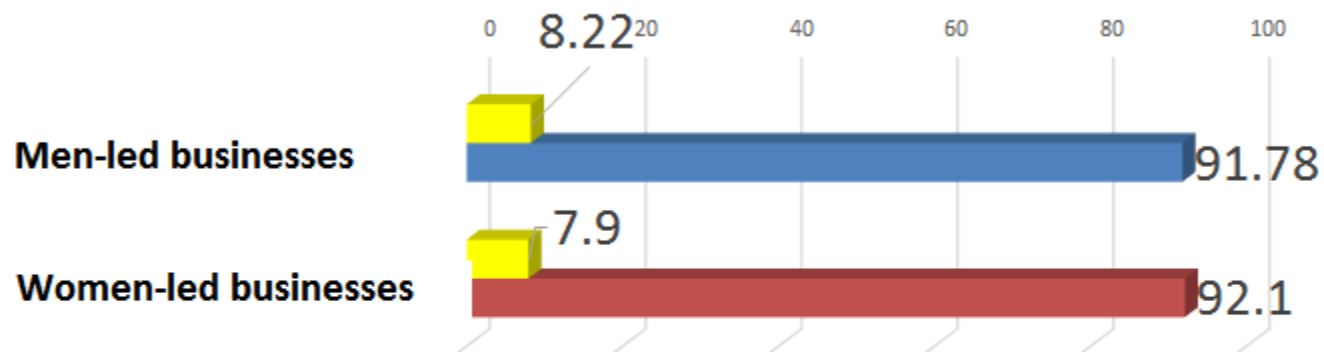
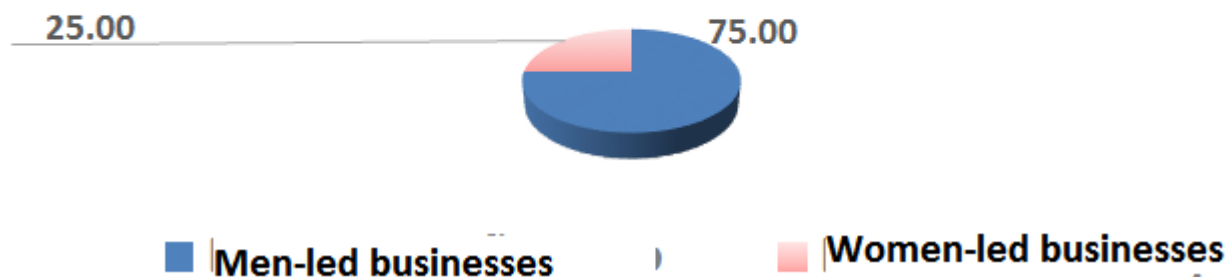


**BUI THI HY - Extraordinary woman  
in XV century**

- ❖ **Chu Dau ceramics manufacturing**
- ❖ **International maritime trading**



## Proportion of Businesses led by women (%)



■ Participate in export activities ( %)

# Labour use efficiency in women-led businesses (2014)

	Men-led businesses		Women-led businesses	
	2014	<i>Increase compared to 2010 (times)</i>	2014	<i>Increase compared to 2010 (times)</i>
<b>Percentage of businesses</b>	<b>74.58</b>	<b>-</b>	<b>25.42</b>	<b>-</b>
<b>Average number of employees</b>	<b>33.9</b>	<b>0.43</b>	<b>17.3</b>	<b>0.42</b>
<b>Percentage of female employees</b>	<b>32.92</b>	<b>0.77</b>	<b>39.87</b>	<b>0.8</b>
<b>Average income per employee (VND mil.)</b>	<b>70.15</b>	<b>1.75</b>	<b>58.49</b>	<b>1.77</b>
<b>Average revenue per employee (VND mil.)</b>	<b>1094</b>	<b>1.6</b>	<b>1043</b>	<b>1.73</b>
<b>Labour Use Efficiency</b> <i>(Average revenue/Average income)</i>	<b>15.6</b>	<b>0.9</b>	<b>17.8</b>	<b>0.99</b>

# Financial capacity

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In general, equity turnover and profit margins of women-led businesses are still limited in comparison to men-led businesses

# Business line characteristics

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- ❖ Sectors with highest proportion of women-led businesses including: retail, services, accommodation and catering services.
  - ❖ Export and manufacturing enterprises with challenges regarding
    - *Science and technology application*
    - *New management processes*
    - *Requirements on quality standards/food safety*
    - *Small scale and inadequate capacity to meet large orders*
-  **Cooperation with Walmart /  
Join the Global Supply Chain.**



## CHAPTER 1

### Women's participation in entrepreneurship across multiple phases of activity



#### 1.1 PHASES OF ENTREPRENEURSHIP

GEM examines entrepreneurial activity as a continuous process rather than a single event. The Adult Population Survey (APS) is designed to allow measurement and assessment of individual participation across a range of phases comprising entrepreneurial activity: entrepreneurial intentions, nascent and new business activity, established business ownership, and business discontinuance.

Potential entrepreneurs need to identify opportunities for starting a business and, to varying degrees, believe that they have the necessary skills, knowledge and experience to do so. However, perceiving an opportunity and having the skills to pursue it does not necessarily lead to intentions to start a business. Individuals will assess the opportunity costs, risks and rewards of starting a business versus the availability of employment preferences and options. GEM therefore acknowledges that entrepreneurs may be motivated by either necessity

## ENTREPRENEURS' STORIES

### Ninh Thi Ty (Vietnam): Ho Guom Garments and Chien Thang Garments



**M**rs Ninh Thi Ty, president of two companies, is recognised as a highly successful business woman in the garment field in Vietnam. She started her career with the Ho Guom Garment Joint Stock Company. The company was established in 1992 and Mrs Ty initially had only a small and old workshop with around 220 employees and 120 machines. "Working time was divided into two shifts, since the area of the workshop was only 400m<sup>2</sup>. The workshop was always unprofitable and sometimes the workers were not paid their salaries on time," she recalls.

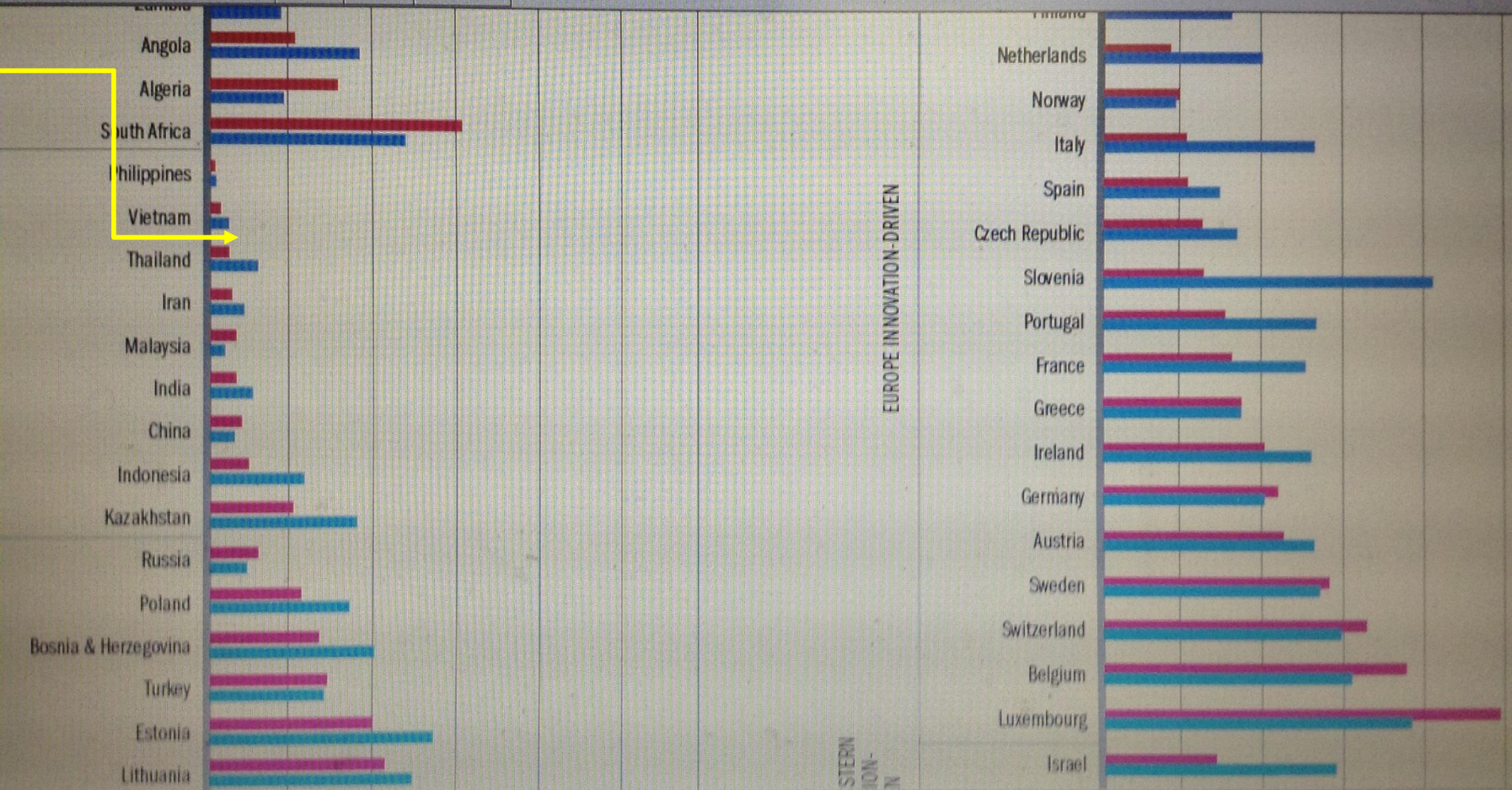
This situation improved when she officially became director of the enterprise. With a combination of enormous effort, as well as her skill and abilities, she brought a new vitality to the factory. By the time Ho Guom Company was equited in 2000, the situation had changed markedly. By then, Ho Guom Co had a total of 10 factories located in different provinces in the north of Vietnam. The area of these factories currently ranges from 30,000m<sup>2</sup> to 60,000m<sup>2</sup> and Mrs Ty manages nearly 6 000 people (of which 50% are women). "Over the past 10 years, Ho Guom Garment Company has been regarded by government and other organisations as a big and

# Global Entrepreneurship Monitor - GEM Women's Special Report

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- ❖ As in many countries around the world, Vietnamese women are quite confident when starting their business but generally more afraid of failure than men.
- ❖ Women-led businesses' capacity for innovation is also lower (there are only 35% of young women-led businesses selling goods over the Internet whereas the figure of men-led businesses is 48%)
- ❖ Women-led businesses are less active in international business (the proportion of export enterprises is low)





## **An important message of GEM 2014 Women' special report indicates:**

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- ❖ The diversity in business activities of women entrepreneurs and their enterprises.
- ❖ The importance of values created by these women through team work (inside and outside the enterprises).

*According to Patricia Greene. Professor of Babson University.*



What is happening?

WTO, EVFTA, TPP,  
AEC.....

Integration?

The transition  
orientation of global  
value chains?



# Fundamental changes of global value chain

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- a) Consolidation.* Leading enterprises are trying to reduce the number of suppliers, making it difficult for new entrants (especially small and medium sized enterprises).
- b) Convergence.* Leading enterprises in various sectors often source from the same suppliers.
- c) Critical responsiveness ability.* To a certain extent, large enterprises may reduce their orders from the Vietnamese SMEs.
- d) The trading & service sector is becoming more important and more complex* (increasingly dependent on R&D, design and production processes)
- e) The emergence of e-commerce and IT.* Internet-based services provide SMEs the opportunities to become suppliers.
- *Emerging economies are becoming end markets*

# Three phases for joining the Global Value Chain (GVC)

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**1- Preparation:** to be ready to enter foreign markets as a direct exporter or as a supplier in the global value chain.

**2- Active engagement:** Application of internationalization activities.

**3- Growth and expansion:** Strengthening and expanding the product's position in foreign markets, or the enterprise's position as a supplier in the global value chain.

# Acting with AmCham: What to do?

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- ❖ Developing Women-led Business profile
- ❖ Performing benchmarking to evaluate the supplying capacity of Women-led Businesses.
- ❖ Supporting women entrepreneurs in access to technology, capital and market; Capacity building in business administration and governance; Disseminating technical standards, technology information, etc.
- ❖ Encouraging the entrepreneurship of female students.



# Acting with AmCham - Who to do?

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- ❖ The members of AmCham - Walmart, Coca-Cola, 3M, Suntory Pepsi; GE; Microsoft, Intel, Exxon Mobil... provide information on Buyer Opportunity / **women-led businesses will be given the priority.**
- ❖ The Vietnamese women-led businesses should actively take full advantage of professional supporting services (including the services provided by AmCham' members: DUNS numbers, accounting, auditing and consulting services, Software, Hardware, etc.)
- ❖ Developing networks of women entrepreneurs participating in the supply chain via VCCI and associations of women-led businesses.

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... and through ACTION PLAN

*Thank you for your  
attention!*