

- **The issues and challenges for safer and healthier working environment and VUIT activities on OHS in Vietnam in Vietnam**



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## The issues and challenges for safer and healthier working environment and VUIT union activities on OHS in Vietnam

1 - Current situation of ICT, Electrical & Electronics in Vietnam

2 - Working environment in ICT, Electrical & Electronics in Vietnam: **Threat and Opportunity**



3- VUIT union activities on OHS in Vietnam

## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

**Number of enterprises:** in the early 90s , there were over 10 small and medium-sized enterprises; but now, more than 300 companies, in which more than 30% of FDI (Foreign Direct Investment) enterprises.

**Location:** 90% of Firms is located in big cities such as: Hanoi, HCM and neighboring provinces. FDI firms often choose good location in industrial zones, export processing zones with good infrastructure, convenient transportation, Preferential Tariffs.

**Form of ownership:** There are three basic sectors: state-owned enterprises (SOEs), private enterprises (PTE) and enterprises with foreign investment (FDI).

# 1 - Current situation of ICT, Electrical & Electronics in Vietnam

## . Method of operation:

-State Owned Enterprises and Some large private Enterprises: the assembly of electronics products for consumers. Other private enterprises are mostly small and medium sized-enterprises operated in mainly trade and services.

- The FDI companies: the large-scale enterprises, the producing and assembly of electronics products for export. Located in the Industrial zones, export processing zones and export 100% value that they produce (Fujitsu, Canon)

+ Electronic products for domestic Consumed market (Sony, JVC, Samsung, LG ...).

## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

- Capital investment: FDI enterprises were invested from a few hundred million to several billion US dollars. Vietnam companies were invested from several hundred thousand to several million US dollars

- Labor resources: The industry has about 150,000 employees, increase 10% / year, mainly focused on assembling consumer electronics products and spare parts manufacture.

The industry needs high skill Labors, especially FDI Enterprises but FDI Enterprises often retraining after recruitment.



## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

### - Technology and manufacturing equipment:

- + The Vietnamese Enterprises: 10-15 years backward compared to other Enterprises in ASEAN and the world, mostly serving assembly. Use the simple assembly line, not high-quality production.
- The FDI Es: using quite Advanced and high technology, still importing spare parts and components for the production.
- The sub- industry is still weak

## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

### - Some achievements: from 2000 to 2014

- + Attract foreign investment by innovation policies, integration, potential domestic market and abundant human resources
- + Annual growth: around 35%

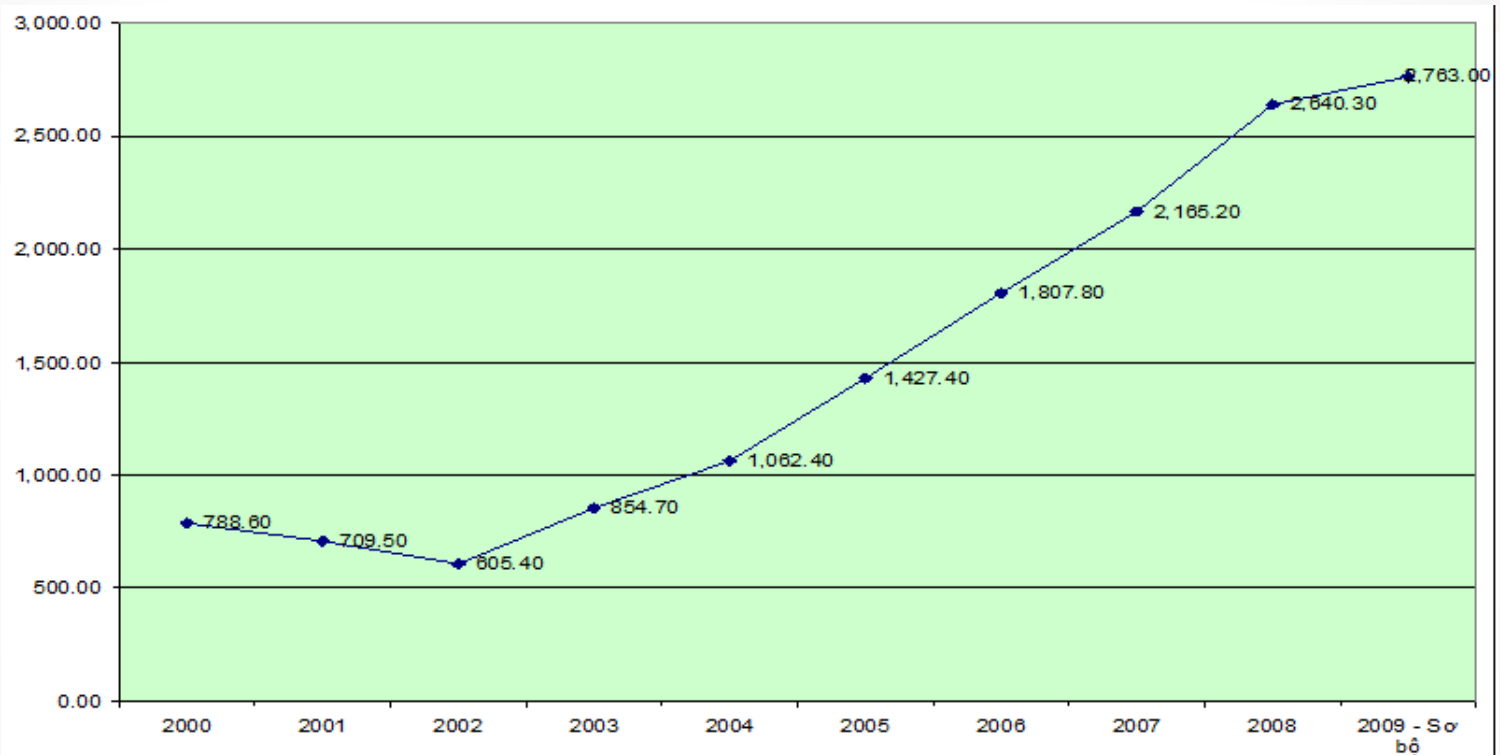
In which:

- . Consumer electronics products: 35%
- . Spare part : 35 – 45%
- . Information technology, telecoms :30-50%.

## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

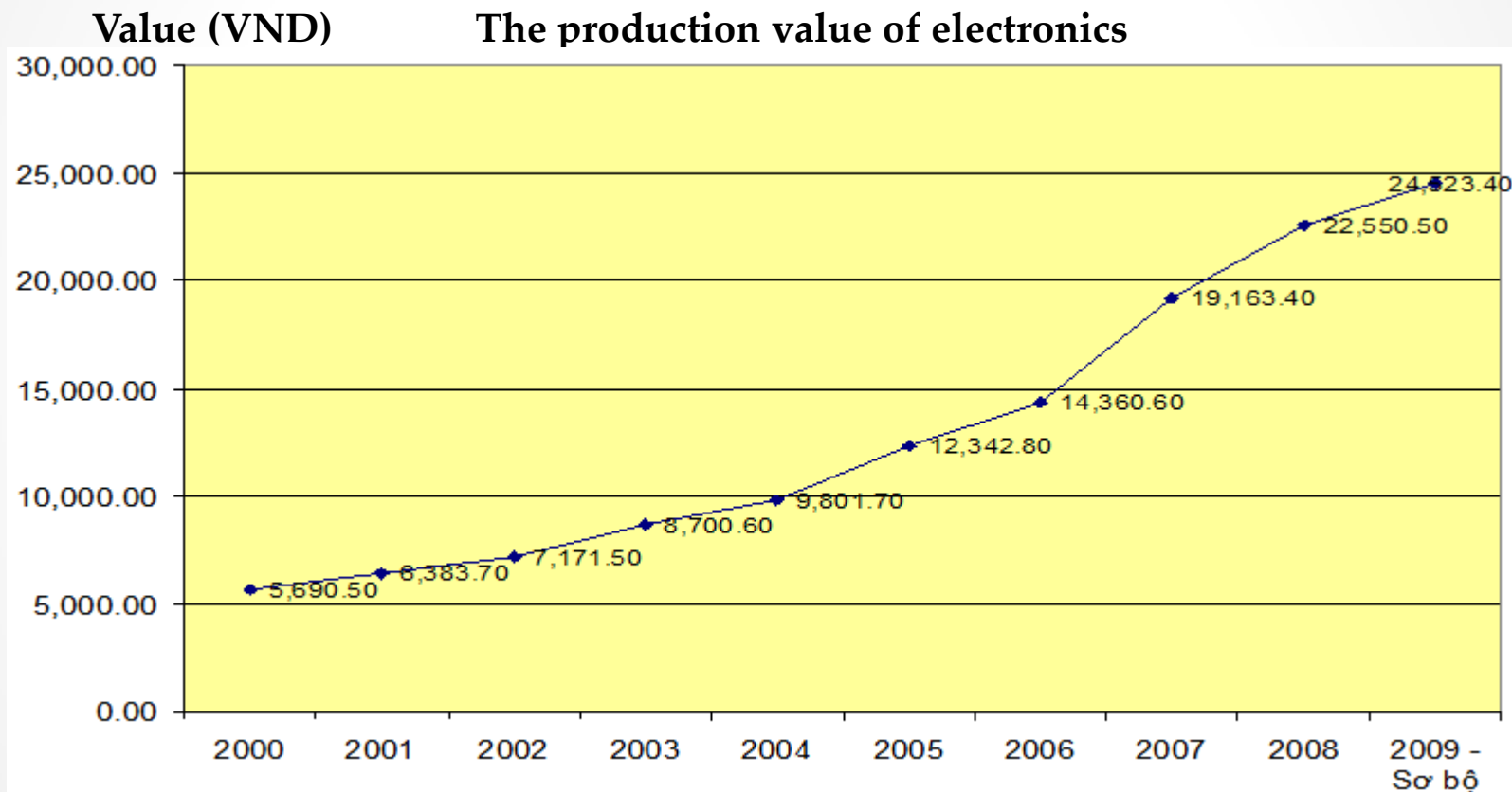
Value (USD)

Electronic Export in Vietnam





## 1 - Current situation of ICT, Electrical & Electronics in Vietnam



## 1 - Current situation of ICT, Electrical & Electronics in Vietnam

### Achievements:

- Basically matching the needs of the domestic market of consumer electronic products, Electro-refrigerational technology, common IT products.
- Domestic market sales in 2009 reached 24.5 VND trillion.
- Products exported to nearly 50 countries. Export turnover increased 20 times in 10 years: in 1996: US 90 million; 2006: US 1.8 billion. In 2012 reached 20.5 billion US dollars (exports computer and components: US 7.9 billion dollars; mobile phones & accessories, 12.6 billion US dollars)

## 2 - Working environment in ICT, Electrical & Electronics in Vietnam: **Threat and Opportunity**

### A, Threat

- **Capital:** High initial investment, Accelerated depreciation, rapid capital recovery
- **Labor resource:** Demand for labor increases sharply, Need high skill and pay high salary, High costs for labor retraining.
- **Environment:** There is more and more Electronics Waste and it is difficult to handle. Costs for safer and healthier working environment for labors
- **Law:** unclear, undetailed so it is difficult to implement r safer and healthier working environment for labors
- **Dependence on Costumers' orders, input material supply and delivery schedules**

## 2 - Working environment in ICT, Electrical & Electronics in Vietnam: **Threat and Opportunity**

### B, Opportunity

- **Labor resource:** Large Population so Abundant Labor, Better Education in Universities for Labors: connecting learning and practical work.
- **Market:** Large Population : Potential Market

### **3 – VUIT activities on OHS in Vietnam in Vietnam**

- Most labors in ICT and E& E Sector in VUIT have official labor contracts have Health Insurance and Salary when they retire
- They have Health check every year.

