



SMEs Prepare for the Future of Global Trade in Vietnam

Alibaba.com hosts off-line seminar on import & export trends through e-commerce

HANOI, VIETNAM, July 24, 2012 – While other export-based frontier markets may be struggling amidst the global economic crisis, the Vietnamese economy is showing remarkable resilience with 4.7% year-on-year growth. Vietnam is quickly becoming a stronghold for Asia's economy and its SMEs will increasingly rely on global trade to shift its focus from a local export driven to a global export driven market with the help of e-commerce.

According to economists at a seminar hosted by the Vietnam Chamber of Commerce and Industry (VCCI) last year, e-commerce is expected to generate US\$6 billion in 2015. More than 30 million Vietnamese consumers are currently using the Internet for shopping, news, research and entertainment, which represents only 35% of the market. For global e-commerce platform for small businesses, Alibaba.com, this internet penetration rate offers incredible potential for its 210,000+ members and their ability to grow their businesses through e-commerce and global trade.

"With the onslaught of the economic crisis, locally made Vietnamese products are increasingly being sourced from abroad," says Vo Tan Thanh, Director of VCCI - HCMC. "Vietnam's first half exporting revenue reached USD 53.1 billion, according to the Ministry of Trade and Industry. With Vietnam's current export target set at USD 109.5 billion, I was delighted to see export revenue in May and June at USD 9.72 billion per month. This is an optimistic signal for Vietnam's export situation to reach its goal. With the fast growing e-commerce trend in Vietnam, I believe that exporting figure could be surpassed."

On July 27, 2012, Alibaba.com hosts the country's first 'Open Sesame' event in Ho Chi Minh City for small and medium-sized Vietnamese businesses. More than 200 supplier and buyer members will be on hand to gain knowledge on how to respond to the needs of their business through sourcing and understanding global buyer patterns responding to Vietnamese products available online. The company believes this is an opportune moment for their Vietnamese members to stay another step ahead of their competition by understanding what changes in global sourcing through e-commerce means to them.

Speaking at this week's event are Stuart Smith, CEO, Wood Holmes and Adjunct Lecturer, Institute of Systems Science, National University of Singapore, and Geok Seong Wah, Institute of Systems Science, National University of Singapore. They will discuss the value of innovation and how online platforms, social media and e-commerce have changed the rules of the business game. "It is important that small businesses adapt to the evolving concept of value and how online platforms have influenced global expectations for consumer buying and selling," says Geok Seong Wah.

In Vietnam, the number of registered users on Alibaba.com, as of March 31, 2012, has grown more than 25% year-on-year, with an average of 3,400 new users per month. According to the number of inquiries made through the platform by Vietnamese buyers to suppliers abroad, they are looking to source Machinery (10%), Minerals & Metallurgy (7%) and Agriculture (7%) products. Vietnamese buyers are looking to source primarily from China (56%) and Vietnam (6%). Sourcing inquiries are equally being made to India (4%), Malaysia (4%) and South Korea (4%).

During the same time frame, the top three industries for Vietnamese suppliers, as measured by the number of buyer inquiries received on Alibaba.com from around the world, were Agriculture (20%), Food & Beverage (19%) and Construction & Real Estate (8%). These inquiries are predominantly stemming from the US (9%), China (8%) and India (8%). This data is telling of the change in global sourcing as India and China, predominantly supplier markets themselves, are now looking to source from Vietnam. Searches from China alone increased 2% y-o-y on the platform.

“We’ve seen how e-commerce can change a small business’ customer base in only a short period of time,” says Timothy Leung, Head of Global Supplier Development and Sales. “As more and more of Vietnam’s SMEs embrace e-commerce, the demand for local, quality products from buyers abroad will strengthen. This is why it’s important for us to train our members now on how to be prepared for the changes in global sourcing and the future of e-commerce in Vietnam.”

The ‘Open Sesame’ event is part of Alibaba.com’s off-line training and community program for foreign trade professionals. Programs vary by geographic region to suit unique social and educational needs and have previously been held in Mumbai, Hangzhou, Shanghai, Hong Kong, London, Milan, Frankfurt, Las Vegas and Philadelphia.

Alibaba.com has been committed to the Vietnamese market for a number of years. In June 2009, Alibaba.com signed a Memorandum of Understanding with the Vietnam Industry and Trade Information Center (VITIC), part of the Vietnam government’s Ministry of Industry and Trade, to jointly promote the local development of e-commerce. Alibaba.com also closed a channel sales partnership with OSB Investment and Technology Joint Stock Company, Vietnam’s leading e-commerce service provider, to reach out to more local exporters in need of online trade.

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About Alibaba.com

Alibaba.com is a global e-commerce platform for small businesses and the flagship company of Alibaba Group. Founded in 1999 in Hangzhou, China, Alibaba.com makes it easy for millions of buyers and suppliers around the world to do business online mainly through three marketplaces: a global trade platform (www.alibaba.com) for importers and exporters; a Chinese platform (www.1688.com) for domestic trade in China; and a transaction-based wholesale platform on the global site (www.aliexpress.com) geared for smaller buyers seeking fast shipment of small quantities of goods. Together, these marketplaces form a community of more than 79.7 million registered users in more than 240 countries and regions. As part of its strategy to transition into a holistic platform where small companies can build and manage their online business more easily, Alibaba.com also offers Chinese traders a wide array of business management software, Internet infrastructure services and export-related services directly or through companies it has acquired including HiChina and One-Touch, as well as educational services to incubate enterprise management and e-commerce professionals. Alibaba.com also owns Vendio and Auctiva, providers of third-party e-commerce solutions for online merchants. Alibaba.com has offices in more than 70 cities across Greater China, India, Japan, Korea, the United Kingdom and the United States. Alibaba.com is wholly owned by Alibaba Group.

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