



# Datalogic Vietnam

## Hi-Tech Manufacturing Opportunities & Challenges

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May 27, 2021



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# Agenda

- Introduction of Datalogic Vietnam
- Sharing Hi-Tech Manufacturing case of Datalogic Vietnam
- Building up Resources and Working Environment
- Supply Chain for Hi-Tech Manufacturing, Opportunities and Challenges
- Sharing of Journey to AEO and advantages
- Q&A



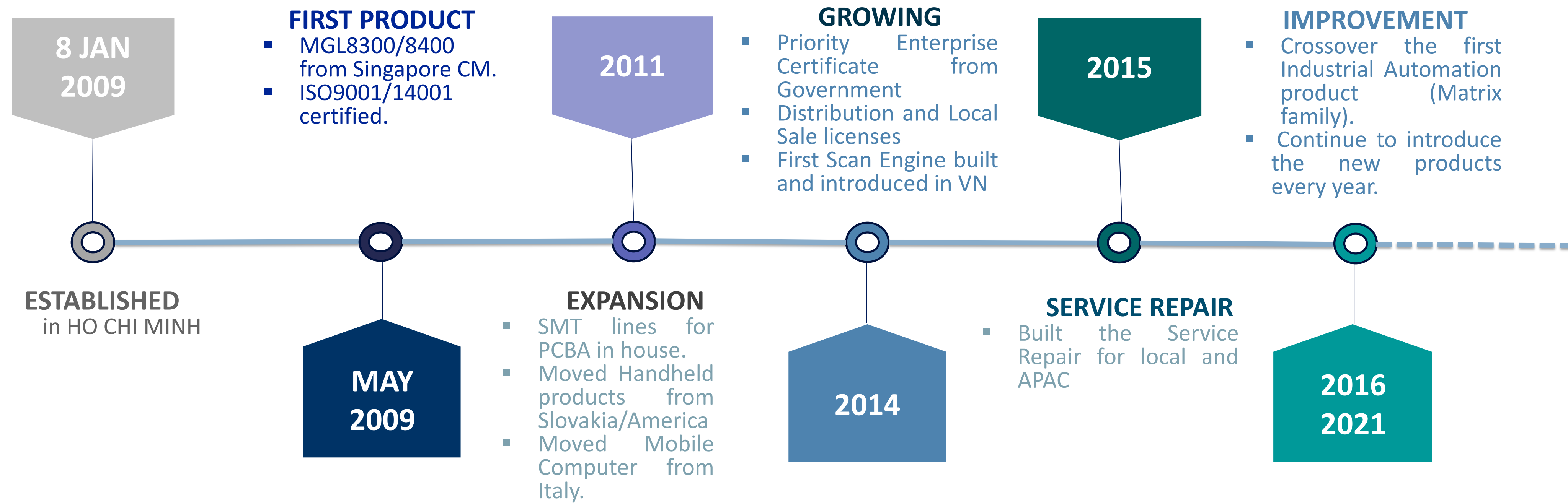
# Datalogic Vietnam at a glance

- Established : 8-Jan-2009
- Business areas : R&D, Assembly, Sales, Service Repair of Barcode Scanners and Industrial Automation Scanners
- Import/Export : ~3.2B\$ (2009 ~ 2020)
- BOM : Operated by Local Board of Managers from 2015~
- ISO certificates : ISO 9001/14001/45001
- AEO certificate : 2014~ (second renewal 2020~)
- Env. sustainable : Solar energy operation (canteen 2019~, main building 2021~)
- Achievement : Business Excellence Award 2020 by Eurocham





# Milestones





# Our 4 Industries Value Propositions

## RETAIL

“We satisfy globally the Retailers business needs, from Distribution Center to Check Out and Shoppers' Home

- ✚ FOOD
- ✚ NON FOOD
- ✚ HOSPITALITY
- ✚ GAS STATIONS

## MANUFACTURING

“Unique portfolio provider of smart, interconnected devices able to protect, identify, sense, check and mark

- ✚ AUTOMOTIVE
- ✚ FOOD & BEVERAGE
- ✚ ELECTRONICS
- ✚ TIRES
- ✚ WAREHOUSE LOGISTICS
- ✚ AGV/ROBOT GUIDANCE

## TRANSPORTATION & LOGISTICS

“We ensure efficient & effective Data Collection to Courier-Express-Parcels, Airports, Warehouse operators and sorting processes

- ✚ AIRPORT
- ✚ COURIER & PARCEL
- ✚ POSTAL
- ✚ LOGISTICS

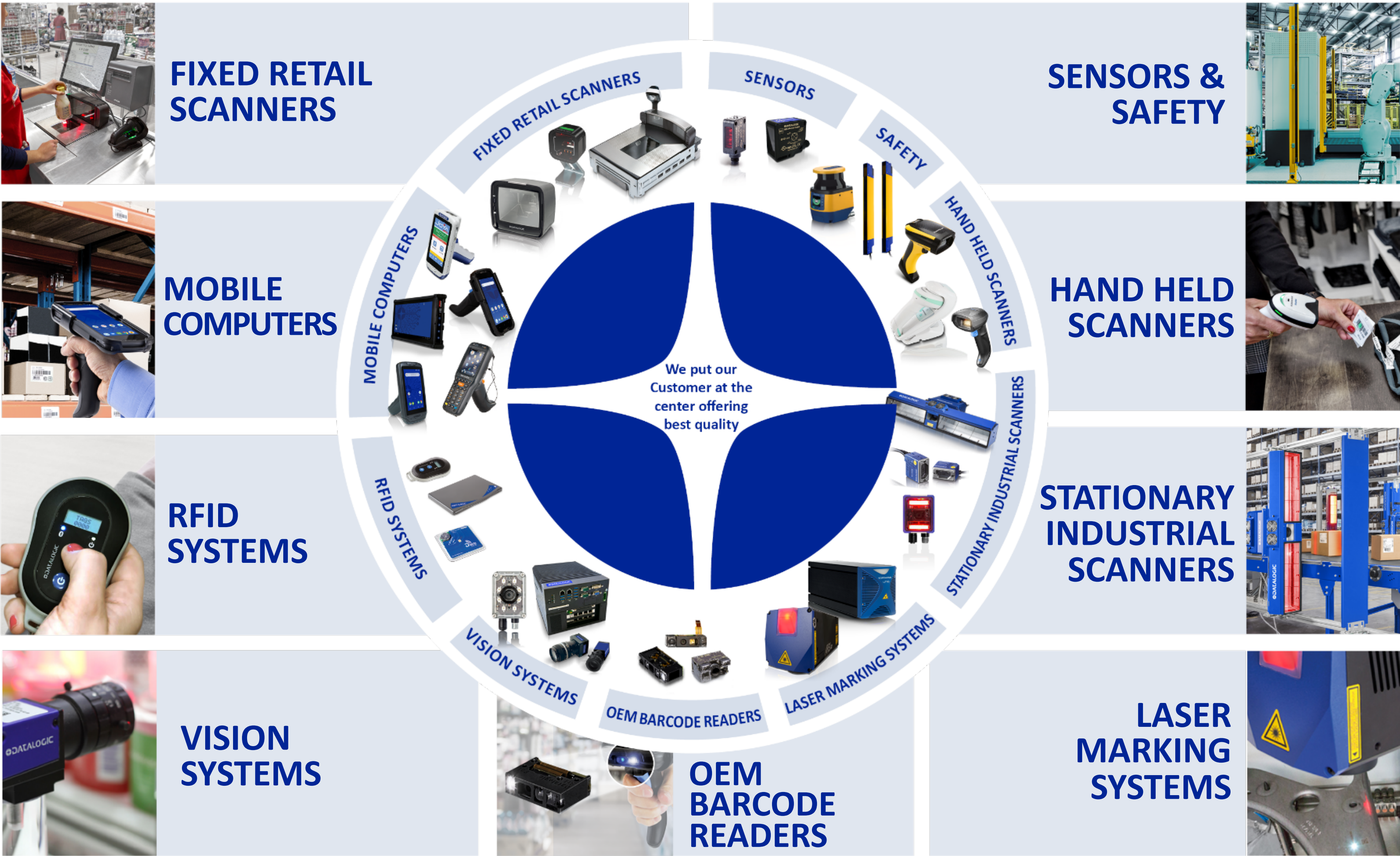
## HEALTHCARE

“We empower the entire Healthcare ecosystem from drug production to patient care

- ✚ PHARMACEUTICAL
- ✚ HOSPITALS
- ✚ PHARMACIES



# Reliable Products for All Needs





# Hi-Tech Enterprise – How get there?

- Hi-tech products on the list of those encouraged for development (Law on High Technologies)
  - High added-value ratio;
  - Highly competitive;
  - Exportable or able to substitute import;
  - Raising national scientific and technological capacity
- Prioritized technological domains for development investment
  - Information technology,
  - Biotechnology,
  - New material technology,
  - Automation technology
- Hi-tech products more than 70% of total revenue;
- Environment friendly and energy saving manufacturing and quality control method per VN standard.

# Hi-Tech Enterprise - Priviledges

Case of Datalogic Vietnam (2009):

- FDI project in Saigon Hi-Tech Park, approved by Science & Technology Committee
- Committed investment in R&D

Tax incentive:

- No import tax (for material to manufacture products for export)
- CIT incentive program 10% in 15 years
- No CIT in first 4 years, 50% CIT in next 9 years

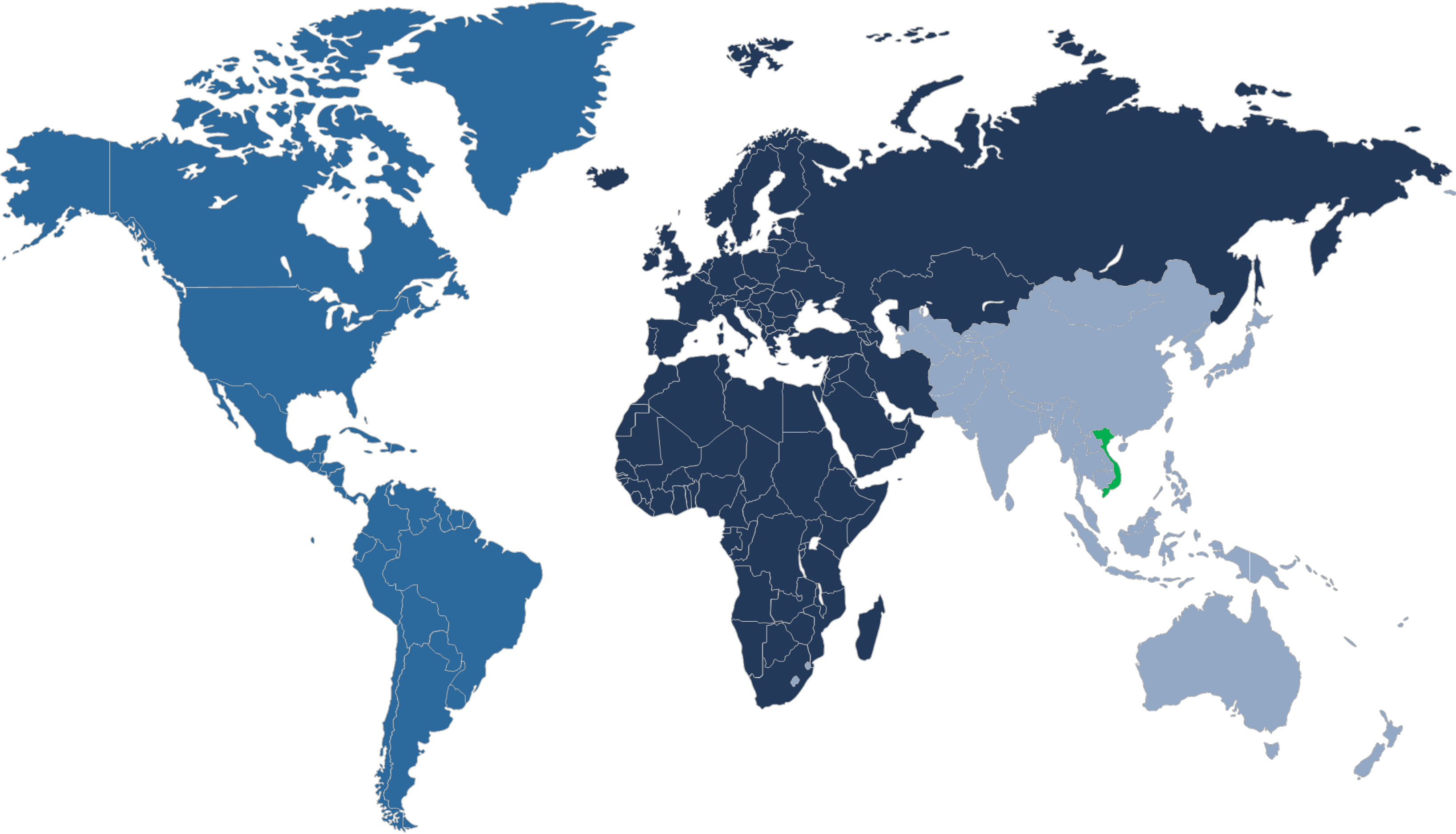


# Resource Development

- Challenges
  - High turnover (staffs and workers)
- Building Core Team
  - Engineering
  - Middle Management
  - R&D
- To attract and retain people
  - Competitive C&B plan
  - Care for People
  - Enjoyable Environment
  - Two Ways Communication
  - Network with Universities, Internship Plan



# Supply Chain



## Import

APAC = 74%

EMEA/NA = 19%

Localization = 7%

## Export

EMEA/NA = 85%

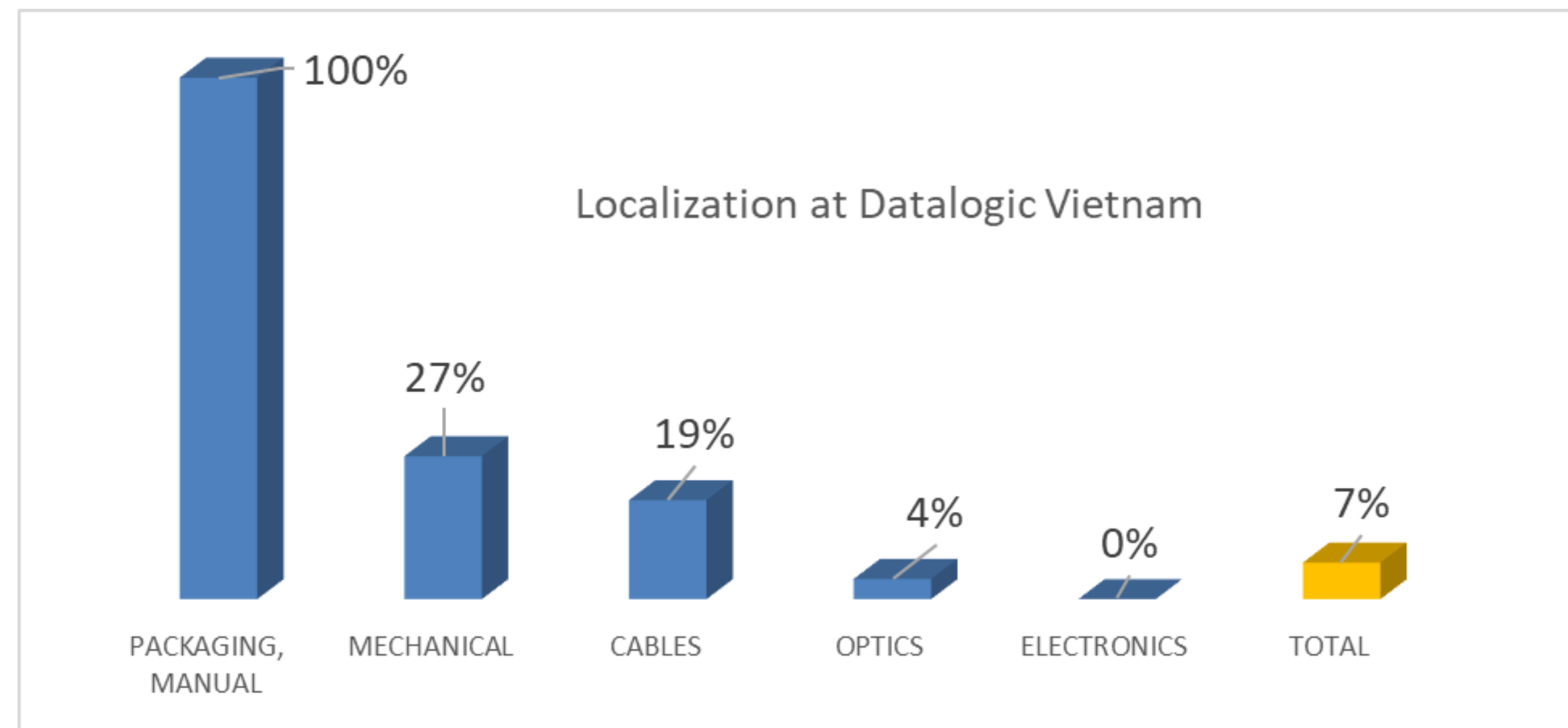
APAC = 14%

Domestic = 1%



# Supply chain - challenges

- Global Footprint Strategy (Volume, Manufacturing, Supply Chain)
- Vendor Development Strategy
  - By Area, Region, Country
  - Voice of Sourcing Committee (Project Team, R&D, Procurement)
  - Saving Negotiation, TCO, Lead Time Strategy
- Localization



# Taxation / Customs challenges

## Taxations

- Import Tax
- CIT/FCT
- VAT refund

## Customs

- Document audit
- Post clearance audit
- Restriction of import of used machinery
- Restriction of re-export material



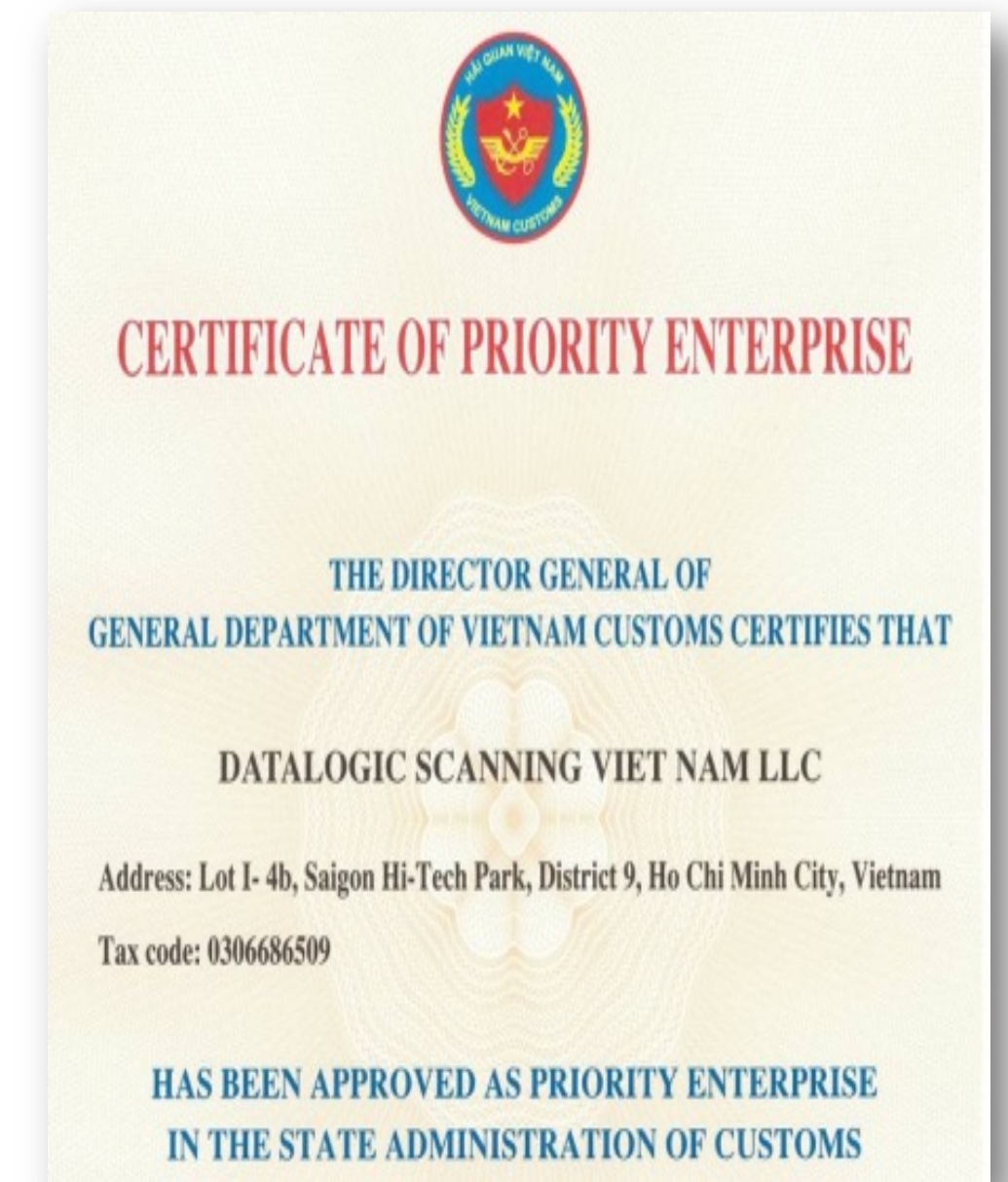
# Authorized Economy Operator (AEO)

## How get there?

- Compliance records
  - Export, Import Volume
  - E-Customs, E-Tax procedure
  - Payment of export, import goods through banks
  - Internal Control system: Compliance of accounting, auditing legislations
  - Security management
- (Minimum 2 years operations; 01 month audit by General Customs Department)*

## Advantages of AEO

- Exemption from document and physical inspection
- Custom clearance with incomplete declaration
- Priority entitlement when making customs procedures
- Report directly to General Customs Office (saving local declaration cost)



Feb/2014~

# THANK YOU

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