



Pacific Air (HK) Limited

providing airline cargo and service management



**In Style • Hong Kong
Hong Kong Trade Development Council**

Creating a Winning Partnership
Between Vietnam and Hong Kong Logistics Industries

Presented by

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Vietnam's GDP

Year	GDP	Growth
2017	US\$223.86 bn	+7.38%
Q1 2018 Export	US\$33.6 bn	+23%
Q1 2018 Import	US\$32.53 bn	+13.6%



The highest over the last 10 years

Vietnam's GDP growth is export led (World Bank)

Vietnam's Trade

EXPORTS	
Drivers	<ul style="list-style-type: none"> • Disciplined, hardworking, fast learning and young workforce • Minimum wages • Low costs of operations • Direct foreign investments driving the manufacturing sectors
Main Items	<ul style="list-style-type: none"> • Telephone, mobile phones and parts (21%) • Textiles (12%) • Computers and electrical (12%) • Shoes and footwear (7%) • Machineries, instruments and accessories (6%)
Main Countries	<ul style="list-style-type: none"> • USA (19%) • China (16%) • Japan (8%) • South Korea (7%) • Hong Kong (4%)



Vietnam's Trade

IMPORTS

Import

- US\$233.3 bn of goods in 2017, up 76.60%

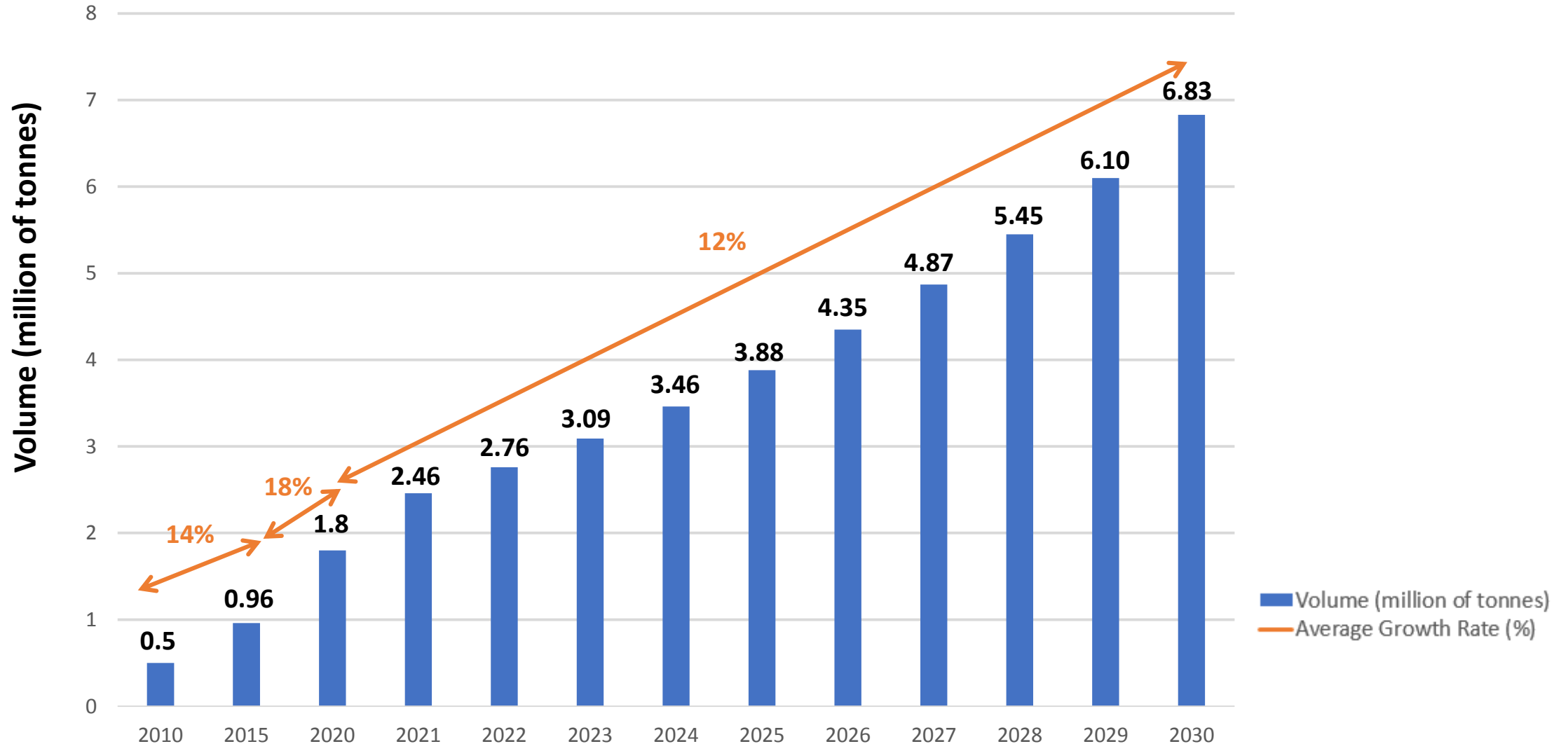
Main Import Items

- Electrical machinery and equipment US\$60.7 bn
 - 26% of total imports
- Machinery including computers US\$25.4 bn
 - 10.9% of total imports
- Plastic, plastic articles US\$11.8 bn
 - 5% of total imports
- Mineral fuels including oil US\$10.50 bn
 - 4.5% of total imports
- Iron and steel US\$10.1 bn
 - 4.3% of total imports



Vietnam Aviation Industry

Vietnam Freight Air Traffic



Source: CAAV (24 August, 2018)

Active Airline Operators

Vietnam Airlines



- The national flag carrier
- Operated 88 aircraft by the end of 2015, and plans to increase its fleet to 150 aircraft by 2020
- Ordered nineteen Boeing 787-9 Dream liners and received the first one in August 2015
- Ordered fourteen Airbus A350-XWBs
- Aim to open routes to the United States and Australia with their Boeing 787-9s and A350-XWBs

VietJet



- A low cost carrier (LCC) and a privately-owned airline in Vietnam
- Operates more than 60 aircrafts
- In September 2013, VietJet placed an order for one hundred A320s with Airbus and in 2015 placed another order for one hundred 737MAX 200s
- By 2023, VietJet's fleet will have more than 200 aircraft
- VietJet is operating to Bangkok, Singapore, South Korea, Malaysia, China, Hong Kong, Taiwan, Japan and Myanmar at the moment.

Source: CAAV

Active Airline Operators

Jetstar

- Found as Pacific Airlines in December 1990, Jetstar was the first LCC in Vietnam and is 70% owned by Vietnam Airlines and 30% owned by Qantas.
- Jetstar's fleet currently consists 17 A320-200 with an average fleet age of 4.4 years.

Vietnam Air Services Company

- VASCO is owned by Vietnam Airlines and began business in 1987 with aerial photography and geological survey flights.
- The airline expanded into providing passenger services from 2004 and has nine domestic routes. VASCO currently opera 5 ATR aircrafts with average fleet age of 8.7 years.

Logistics Performance Index

2018 LPI	Rank	LPI Score	Customs	Infrastructures	Int'l Shipments	Logistics Competence	Track & Trace	Timeline
Germany	1	4.2	4.09	4.37	3.86	4.31	4.24	4.39
Hong Kong	12	3.92	3.81	3.97	3.77	3.93	3.92	4.14
United States	14	3.89	3.78	4.05	3.51	3.87	4.09	4.08
Vietnam	39	3.27	2.95	3.01	3.16	3.40	3.45	3.67

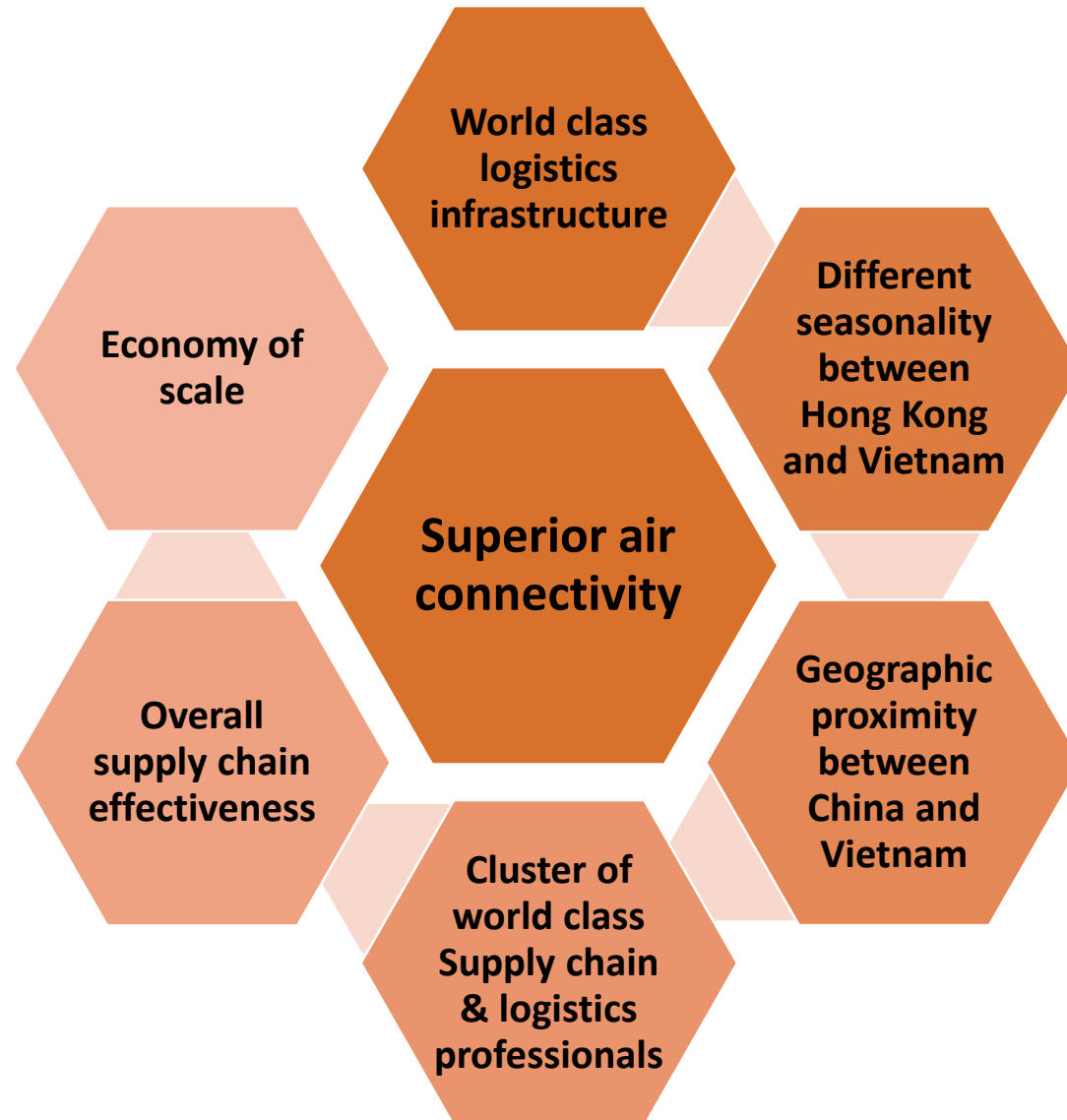
Source: World Bank

Logistics Industry – Significant contributor to the GDP in Vietnam, China Mainland and Hong Kong in 2017

- Vietnam - accounted for 20.9% of GDP amounting to US\$46 bn (Source: Economic & Urban Newspaper, Vietnam)
- China Mainland - accounted for 14.9% of GDP amounting to US\$12,32 tn (Source: Xinhua News Agency, China)
- Hong Kong - accounted for 6.2% of GDP amounting to US\$21.15 bn (Source: Census & Statistics, Hong Kong Government)



Hong Kong Logistics Industry Competitive Advantages



Superior Air Connectivity

- Serving by more than 100 airlines to more than 220 destinations around the world

World Class Logistics Infrastructures

- Hong Kong Airport, the top five best airport
- Air Cargo Terminal Operators, winners of the Ground Handling Operator of the year by Payload Asia and Supply Chain Asia
- Hong Kong/Zhuhai/Macau Bridge

Economy of Scale

- Top the world International Air Cargo Through Since 2008 reaching more than 5m tons in 2017

Overall Supply Chain Effectiveness

- World class soft skills and hardware

Hong Kong Logistics Industry Competitive Advantages

Cluster of World Class Supply Chain and Logistics Professionals

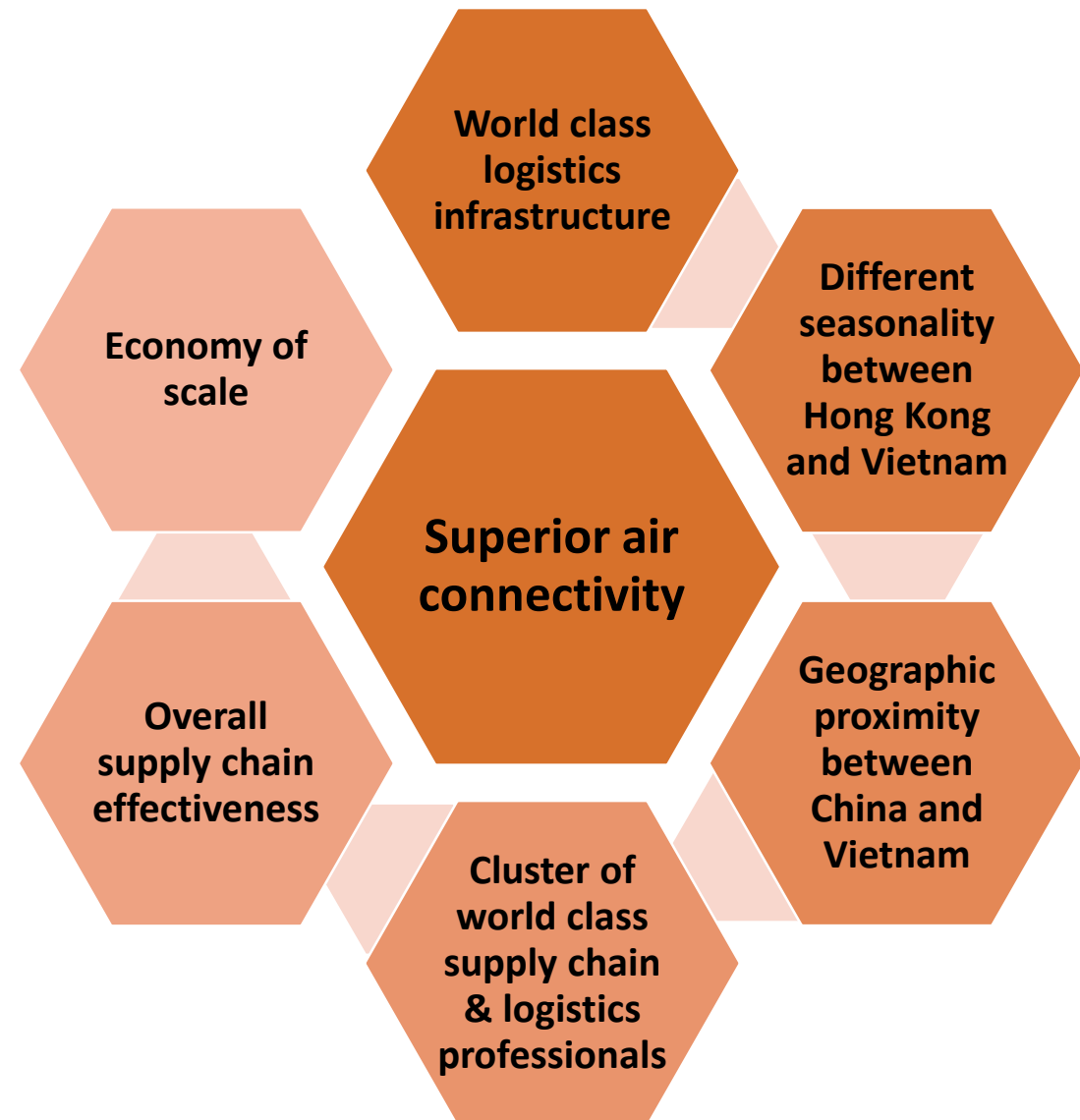
- World class Technical Expertise
- World Class Best Practice
- Experience sharing to create an Indochina logistics hub in Saigon

Geographic Proximity between China and Vietnam

- Established Trucking Services between Southern China and Hanoi
- Attract Transshipments from China to Vietnam and VV

Benefit from Different Seasonality Factors between Hong Kong and Vietnam

- Different Peak Seasons in Hong Kong and Vietnam



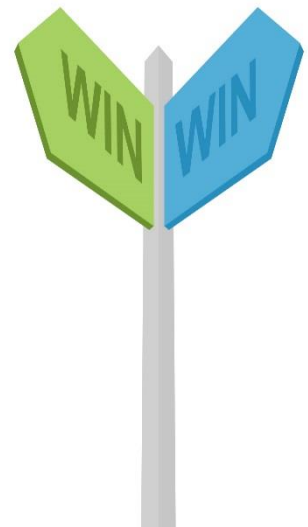
Creating a Wining Partnership Between Hong Kong and Vietnam Logistics Industries

Benefits to Vietnam Logistics Industries

- Sharing Hong Kong's logistics Best Practice and teaming up with the cluster of Supply Chain and Logistics Professionals
- Benefit from Hong Kong logistics industry's overseas connections
- Easy access to more than 200 destinations through Hong Kong's superior air connectivity
- Attract transshipments from Southern China
- Minimize logistics costs

Benefits to Hong Kong Logistics Industries

- Easy access to ASEAN markets through the partnership with Vietnam Logistics Industries
- Easy access to the world's markets through Vietnam's air connectivity
- Benefits to Hong Kong Logistics Industries



Show cases of Win/Win Partnership Between Hong Kong and Vietnam Logistics Industry

Pacific Air (HK) Limited represents Vietjet cargo as GSA in Hong Kong



Pacific Air (HK) Limited has partnered with Far East Aviation Limited and set up a JV company in Vietnam

A close-up photograph of a person's face as they look through binoculars. The binoculars are held up to their eyes, and the lenses show a view of the Earth. The image is overlaid with a semi-transparent white circle that contains a stylized world map. The overall tone is light and professional.

Thank you!