



**Years  
1992-2017**

# **Role of SMEs in the Transportation Infrastructure Development**

**HCMC, May 22<sup>nd</sup>, 2017  
Oscar Mussons**

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# Dezan Shira & Associates

A pan-Asia specialist FDI and Professional Services firm

**1991**

Dezan Shira & Associates' establishment

**300+**

Our team of legal, tax, accounting, audit, and business intelligence professionals

**2,000+**

Multinational clients that have already chosen us

**80+**

Countries served by our professional services

**28+**

Our offices in **China, Hong Kong, India, Vietnam, Singapore**; liaison offices in **Italy, United States** and **Germany**; and alliance offices in **Indonesia, Malaysia, Philippines, and Thailand**

# Our Regional Reach



## Our Offices

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**Hong Kong**

**India**  
Delhi  
Mumbai

**Singapore**

## Dezan Shira Asian Alliance Members

Indonesia  
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The Philippines

## Dezan Shira Liasion Offices

Germany  
Italy  
United States

## Vietnam

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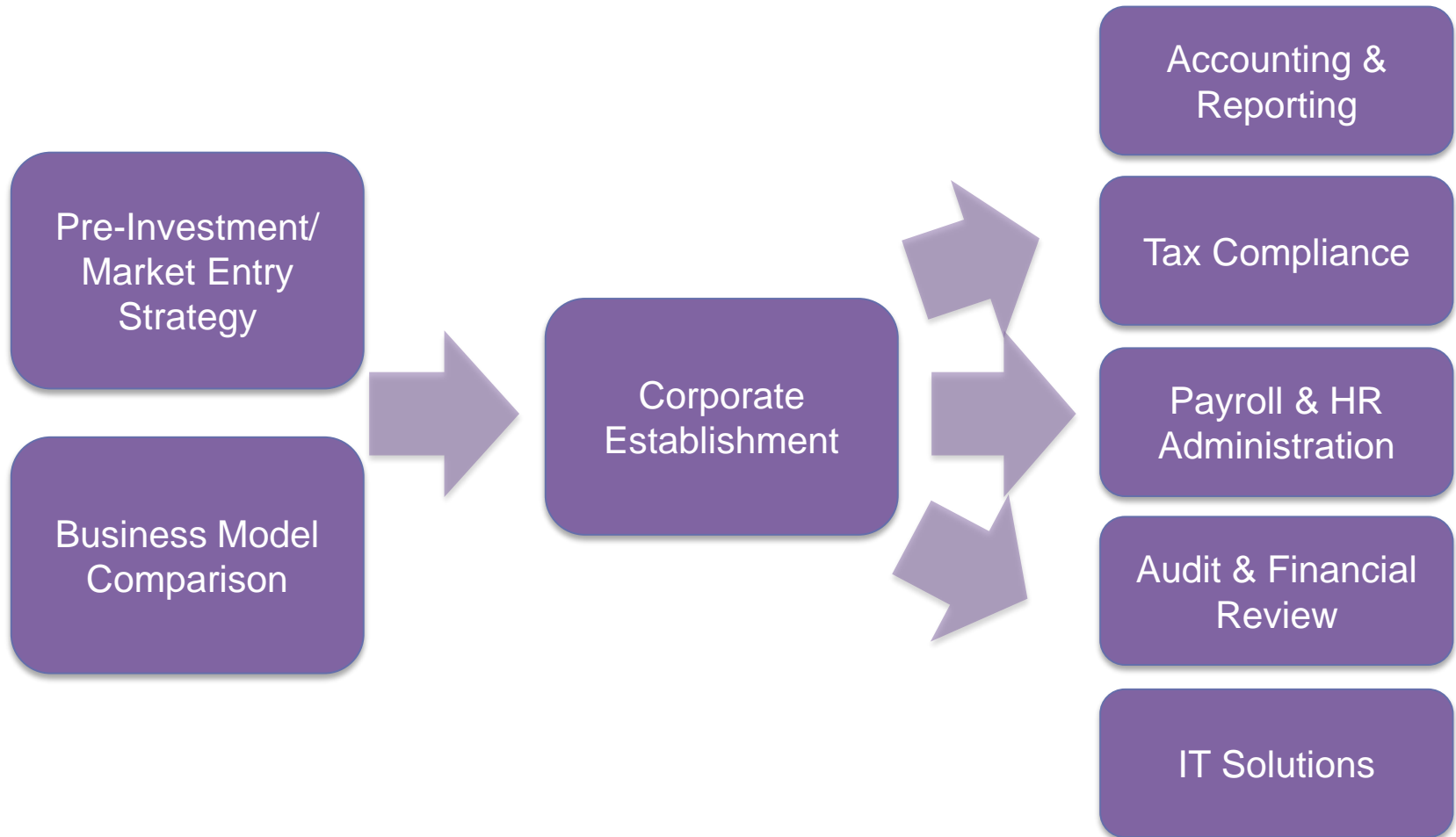
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# We are a one stop shop, offering the following services:



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# Do SMEs have a future in the Transport Infrastructure?

**Financial muscle**



VS

**Experience**



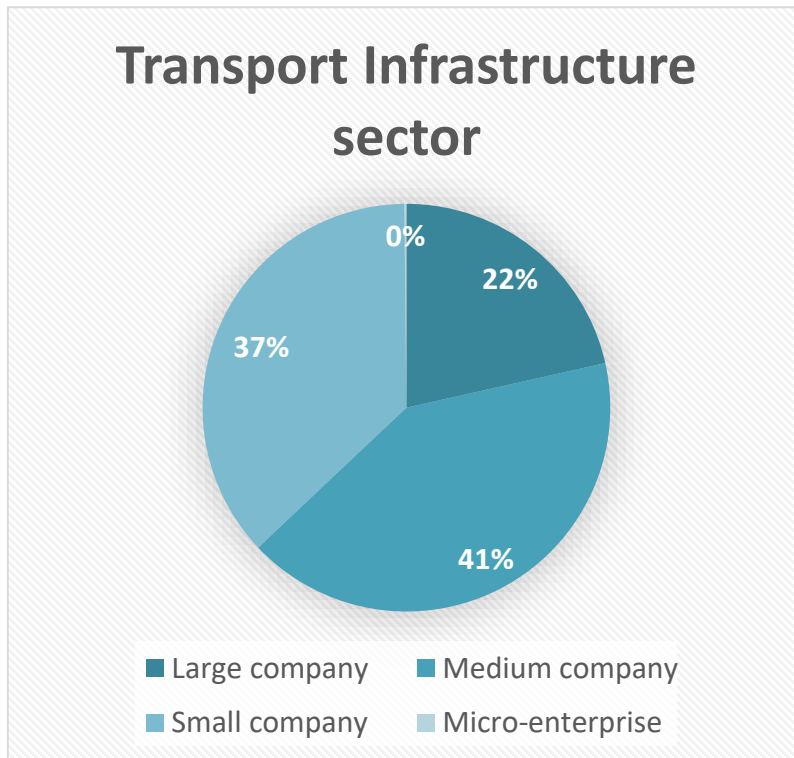
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# Role of SMEs (Small and Medium Sized Enterprises) in the Transport Infrastructure Development

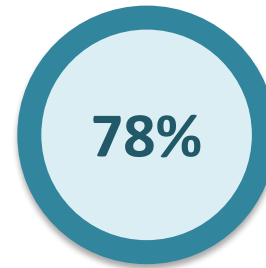
- The expansion of SMEs in current years promotes the need to develop transport infrastructure by urging investment from Government and private sector.
- SMEs participate in infrastructure projects, indirectly in large –scale projects by subcontracting or providing specialized services ; or directly in small – scale projects.
- SMEs help highlight the transport infrastructure development in rural areas.
- In Vietnam, private sector is expected to step up and make their contribution under Public Private Partnership (PPP) scheme.

# Examples for the role of SMEs on PPP projects: COLOMBIA

**Total: 1267 companies**



Revenue



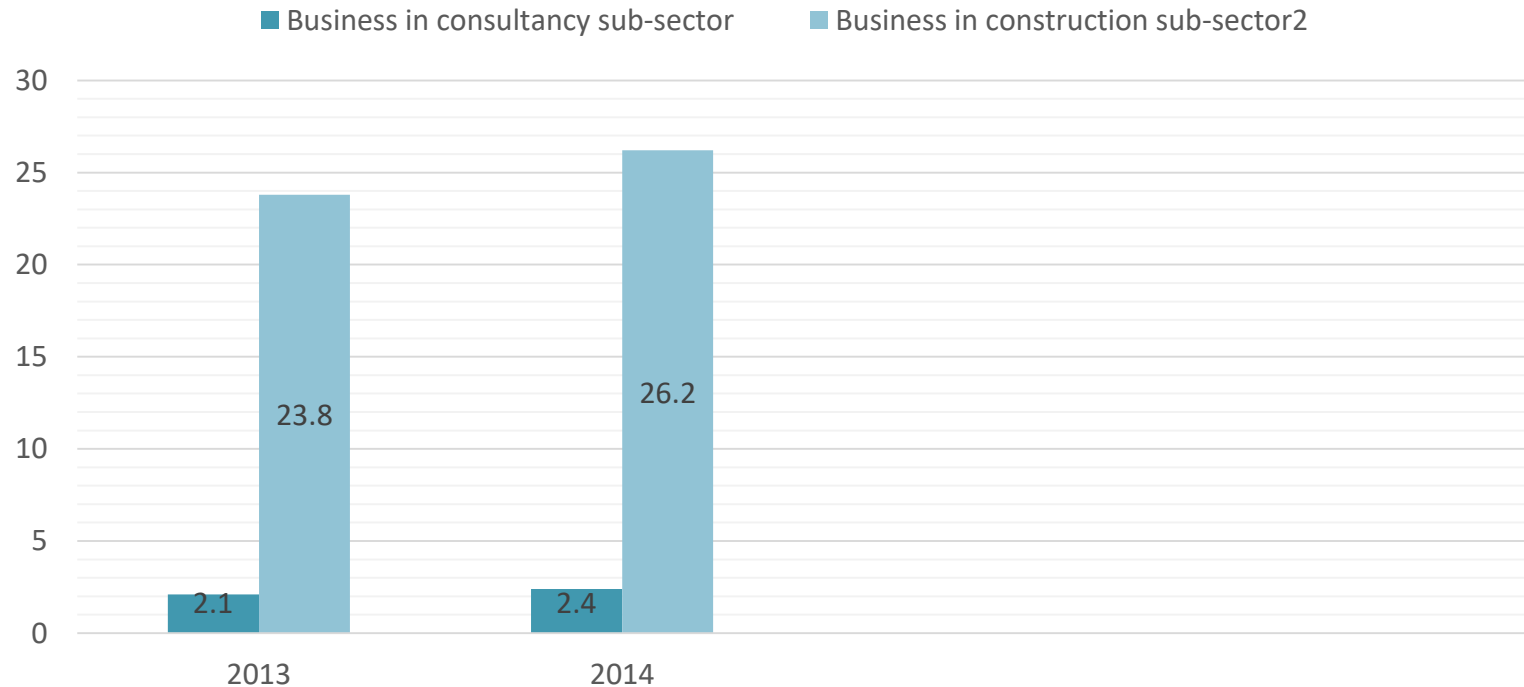
Companies from construction subsector are SMEs



# Examples for the role of SMEs on PPP projects: COLOMBIA

## Performance:

Operating revenues (\$ billion)



# Successful stories of other countries



SMEs in procurement and implementation stage:

- If project is awarded to non-SME  
-> Private partner has to subcontract at least 20% to SMEs



Promote SMEs in Public Procurement => SMEs can participate in selection processes

# Successful stories of other countries



Dividing large contracts into multiples contracts  
Facilitating SME's participation in public procurement

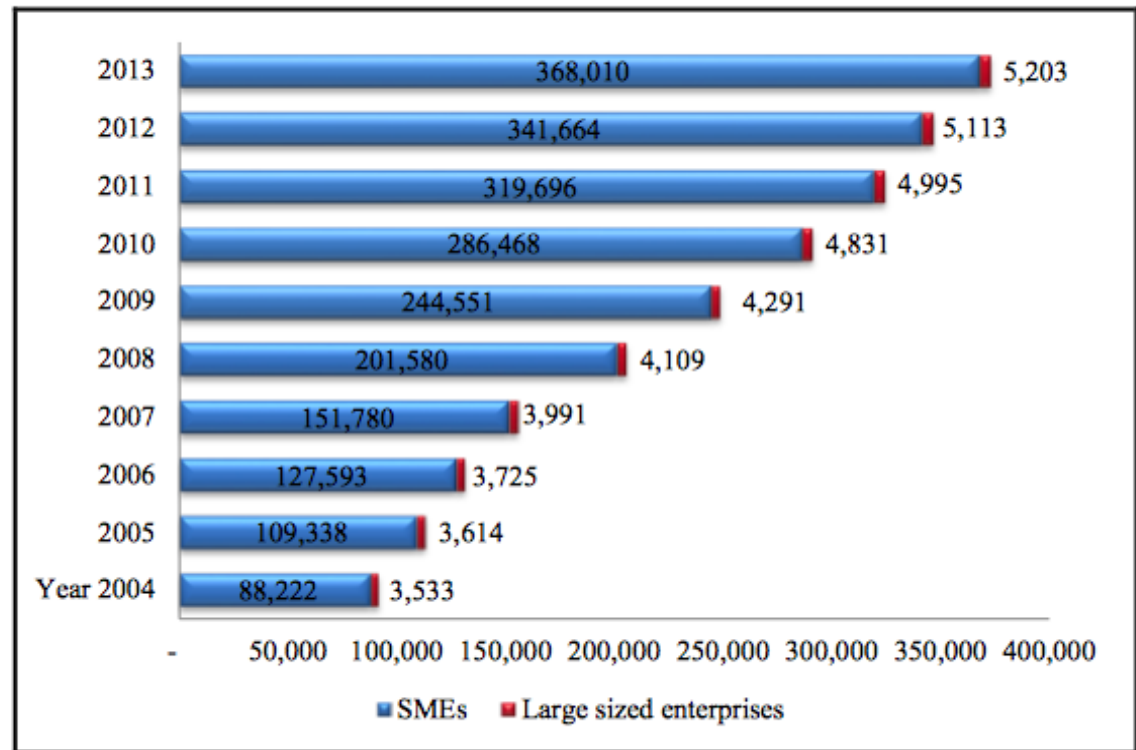


Democratization as a principle of the adoption process of the new transportation system  
-> include highest participation of SMEs

# SMEs in Vietnam

**SME's contribution:**  
33% of State Revenue  
62% of jobs

**Figure 2.1 SMEs and Large Enterprises in Vietnam between 2004 and 2013**



Source: GSO 2004–2014

# SMEs in Transportation Infrastructure in Vietnam

- High competitive from foreign companies and big companies in the sector
- SMEs: Lack of finance, management skill and experience

BUT

- Still have opportunities in small contracts and sub-contracts
- Successful story: An Phat company has participated in projects for Vincom Village, Noi Bai- Lao Cai Highway, in building industrial parks, etc.



# How can Vietnamese SMEs or WFOE enter in Transport Infrastructure Projects in Vietnam?

- In Vietnam



500,000



98%



45%



<12%

- Understand the project and the role that you would fill
- Careful about evaluating the commercial and financial feasibility of projects.
- A well-coordinated strategic plan that identifies and prioritize a number of viable projects



**DEZAN SHIRA & ASSOCIATES**

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## Our Practice in Vietnam

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