INDUSTRY UPDATES

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1. Green is the way to go for housing in VN

By vietnamnet.vn | Vũ Hòa
Posted on June 2, 2017

Mulberry Lane, Hà Nội. — VNS Phát Đoàn Tùng

Green buildings are expected to become a new trend in the low- and medium-priced housing segments.

It has been a priority for years in many developed countries around the world. It is described as a step in the right direction to help countries save energy, protect the environment, and provide a healthy living environment for people. Green buildings clearly bring value to users. They also make good business sense. If planned well, green buildings cause little or no increase in the cost of construction, and actually save significant amounts of money in the long run.

However, it has not got the awareness or attention it deserves in Việt Nam.

Nguyễn Thu Nhàn, IFC’s director of Green Buildings in Việt Nam, said in the past decade the average growth rate of buildings in Việt Nam reached 12 per cent while the urbanisation rate was 3.4 per cent per year. The energy consumption in the period was also higher than the GDP growth rate, reaching 14 per cent a year.

Buildings account for around 36 per cent of the country’s total energy consumption and 25 per cent of emissions, including a third of carbon dioxide emissions – the main cause of global climate change.

“With the value of construction anticipated to reach US$14 billion in 2021, Việt Nam’s eco-system will suffer damages if it does not have solutions to promote buildings using energies efficiently,” Nhàn said.

The definition of green buildings was introduced for the first time in the country in 2007. Ten years later Việt Nam only has 61 constructions with sustainable green certificates. The number is considered too modest in a country where new urban areas are booming.

Statistics from the Việt Nam Green Building Council (VGBC) show that 36 out of the 61 received Leadership in Energy and Environmental Design (LEED) certification from the US Green Building Council, 13 others received LOTUS Green Buildings Rating and Classification System from VGBC while the remaining 12 were certified as BCA Green Mark by Singapore.

The number of green buildings in Singapore with the Green Mark certificate is more than 2,100, while in Australia 750 have it.

Nguyễn Trần Nam, chairman of the Việt Nam Real Estate Association, told Việt Nam News that green buildings are still new in the country due to the lack of attention from the community.

“The development of green buildings will bring huge benefits to the economy, society and environment. In the property market in particular, the development will deliver much added value to investors who embrace green building designs. This will create sustainable growth for the construction sector and estate market.”
Looking at the experience of the US, Europe, and Singapore, it is clear that the higher upfront costs of green buildings are offset by the higher sales prices and higher sales ratios than other buildings.

As the country shifts from a rural-agrarian society to an urban-industrial, services-based economy, Việt Nam is seeing a significant increase in urbanisation, which stands at approximately 30 per cent today and is expected to increase to 45 per cent by 2020.

Nam said that while Việt Nam’s built environment expands apace with urbanisation, the country faces the inconvenient reality of looming environmental concerns.

Though the demand for environmentally efficient buildings is beginning to resonate, there are still wrong opinions on its definition, he added.

Trịnh Tùng Bách, manager of green buildings at Capital House Group, one of the real estate developers focusing on green buildings in Việt Nam, said at a seminar held in Hà Nội last week that most developers, home buyers and property transactions floors have a wrong understanding of the issue.

Many believe that green buildings simply have a large number of trees, he said.

“Trees are one of the factors contributing to make constructions green. Trees bring shade and fresh air, and are extremely effective in air conditioning. However, ‘green’ is not so simple.”

In addition, there is a wrong perception that green construction is expensive and only meant for high-end buildings, he said. Most developers believe that green construction could add 10-30 per cent to costs, but in reality the application of technology in Capital House’s buildings helps its occupants save 30 per cent on electricity and water bills.

“This has been a big barrier to the development of green buildings in Việt Nam.”

He cited a figure from the USAID Việt Nam Clean Energy Programme showing that green buildings could save up to 50 per cent of energy without entailing additional costs. The clearest benefit of such buildings is to reduce operation costs that often account for more than 80 per cent of investment, he said.
“The saving could increase the value of the asset and make the return on investment higher, thus attracting home buyers.”

Benefit of green building. — VNS
Infographic Thái Hà

Barriers ahead

The Government and developers are starting to pay attention to green buildings to achieve the goals of energy efficiency, protecting the environment and helping prevent climate change.

The Government established the Energy Conservation Centre (ECC) to provide support and consultancy for energy saving in buildings. The Ministry of Construction also promulgated building standards stipulating energy efficiency and emission reduction.

The Ministry of Natural Resources and Environment and relevant agencies announced national standards for green growth by 2020 with a vision to 2050 which a focus on renewable energies.

“However, Việt Nam does not have specific policies to encourage investment in green buildings. The authorities have not completed technical standards for green buildings that match the country’s situation,” Bách from the Capital House Group said.

He said the Government should have support programmes for at least 20 years to promote green construction in the low- and middle-priced segments with credit, land and other preferential policies.

Nguyễn Thái Hưng, deputy secretary of the Việt Nam Automation Association, said real estate inventories had surged to VND105 trillion as of the end of April.

Most of the houses were in the high-end segment, which often brings high profits to developers, while green building projects have been popular, he said.

“In the context of high property inventories, developers should stand out to survive and develop.”

He added that cheap green buildings would be a smart choice. — VNS

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The Việt Nam Real Estate Association signed a memorandum of understanding with property developers on May 26 to build green buildings in the 2017-22 period.

Under the programme, the developers are committed to developing green properties. The programme will focus on three main tasks: completing a legal framework for green buildings, training in green buildings for real estate companies and increasing public awareness of the issue, thus enhancing the popularity of green housing products.

Capital House was the first developer to support the programme with a contribution of US$1 million. The company will also focus on researching and designing solutions to save energy and using environment-friendly building materials. Three out of its five projects, including some low-priced
housing, have received green building certification EDGE created for emerging markets by IFC, a member of the World Bank Group.

Other property developers such as FLC Group, VigiLacera, CEO Group, Alphanam, Phúc Khang and West Lake International Tower Company have also joined the programme. — VNS

2. Vietnam Air Conditioners Market Competition Forecast and Opportunities


Posted on March 9, 2017

The market for air conditioners in Vietnam is anticipated to grow at a CAGR of over 14%, during 2016-2021. Increasing disposable income, rising temperature, technological innovations and development of energy efficient devices are driving air conditioners sales in Vietnam.

Booming infrastructure development activities coupled with increasing investments in industrial and commercial sectors resulted in augmented demand for air conditioners in Vietnam. Development of major cities, growing construction activities in hospitality and tourism sectors coupled with increasing investments by government are anticipated to propel the demand for air conditioners in the country during the forecast period.

On the back of high applicability in the residential sector, market for split air conditioners dominated the air conditioners market in the country and a similar trend is expected to be witnessed during the forecast period as well.

Few of the leading air conditioner manufacturers operating in Vietnam include Panasonic, LG Electronics, Gree, Samsung and Midea.

3. Vietnam strives for more green building projects

By [www.tapchikientruc.com.vn](http://www.tapchikientruc.com.vn | Chi Mai

Posted on Feb 27, 2017

VietNamNet Bridge – More and more green architecture awards have been given to buildings in Vietnam, a reflection of the country's effort to develop construction works friendly to the environment.

According to the Vietnam Green Building Council (VGBC), there are 61 green works in Vietnam, a modest figure compared with 2,100 projects in Singapore and 500 in Taiwan. However, chair of the HCMC Architect Association Nguyen Truong Luu said that green architecture is becoming more and more popular in Vietnam. Every country in the world sets specific criteria for green works to fit environmental standards. 'Green architecture' was first mentioned in the 1980s and has become a trend in modern architecture. In Vietnam, the concept was only mentioned in the first years of the 21st century.
According to the Vietnam Architect Association, ‘green architecture’ uses materials friendly to the environment, linking human and the nature. They must not pollute the living environment and save energy resources. According to Luu, green works use unburned bricks to reduce energy consumption, while LED lights are used instead of incandescent, neon and compact lights. LED lights have electricity consumption 1/10 of other lamps.

Vo Trong Nghia is known as the Vietnamese architect who has the highest number of international architecture awards, including awards for green works. The famous architect once said on CNN that HCMC may become the second ‘garden city’ in Asia, after Singapore.

In the conditions of small living areas and dense population, green architecture is the best solution for modern new urban areas. Therefore, in his design, Nghia always strives for green construction works which use safe, energy-saving and environmentally-friendly materials. Nghia won a first prize in green architecture for his design of FPT University headquarters. The building has seven stories with usable area of 11,065 square meters. The alternating greenery parts shield the building from direct sun, while still ensuring sufficient natural light, thus saving electricity consumption. The design also gives the building natural wind ventilation. Nghia is also known for the design of Atlas Hotel in Hoi An, Naman Retreat Resort, and Farming Kindergarten in Dong Nai province which was praised by Archdaily. Hoang Thuc Hao is another Vietnamese architect famous for green design. He received the SIA-Getz Architecture 2016 award.

Vietnam received five awards in green architecture at BCI Asia Awards 2016, held recently at InterContinental Asiana Saigon in HCMC.

4. Vietnam Air Conditioners Market Set to Grow at 14% Till 2021
   By TechSci Research Report | PRNewswire (New York)
   Posted on January 16, 2017

Increasing commercialization, growing investments in industrial sector and mounting disposable income to drive the Vietnam air conditioners market during the forecast period

http://www.hvacrsseries.com/vietnam/
According to TechSci Research report, "Vietnam Air Conditioners Market By Product Type, By End Use Sector, Competition Forecast and Opportunities, 2011-2021", market for air conditioners in Vietnam is forecast to grow at a CAGR of 14.64%, during 2016-2021. The major factors contributing to rising demand for air conditioners in Vietnam are the extreme climatic conditions, growth in overall construction market, increasing disposable income and changing lifestyle of middle-class population. During 2011-2015, number of foreign tourists arriving in Vietnam increased at a CAGR of 17.41%. Increasing travel & tourism activities in Vietnam have also resulted in augmented demand for air conditioners from hotels, air ports and other commercial areas. During 2016-2021, construction market in Vietnam is expected to grow at a CAGR of 19.88%, consequently boosting the demand for air conditioners in Vietnam from the commercial segment.

Split air conditioners accounted for the largest share in Vietnam air conditioners market in 2015, on the back of various features such as less operating noise, effectiveness in extreme climate conditions, integration of latest technologies and comparatively higher energy efficiency. On the back of increasing population base, and growing number of household units, residential sector dominated the market for air conditioners in Vietnam, followed by commercial and industrial sectors. On the back of largescale infrastructure development and business activities coupled with increasing population, South Vietnam region accounted for the largest revenue share in Vietnam air conditioners market in 2015, followed by North and Central Vietnam.

5. Vietnam strives to have more green building projects

By www.vietnambreakingnews.com | By Thanh Mai
Posted on November 30, 2016

VietNamNet Bridge – Forty-two construction works have been recognized as 'green' in Vietnam and the number is expected to increase, especially as metro areas look to build smart cities.

Green Building certificates are granted to construction works designed, built and operating in an environmentally friendly way, allowing effective use of electricity, water and other natural resources, reduce waste and pollution, protect users' health and improve productivity of workers in the buildings.

Yannich Millet, a consultant on sustainable construction and efficient energy use, said there were different green building certificates, such as Lotus, Leed, Green Mark, HQE and EDGE. Each
certificate sets specific requirements, but all requirements are based on the general principles of efficient use of energy sources and friendliness to the environment.

The benefits that green works bring are real. Huynh Trung Hieu from Indochine Engineering Vietnam, a building consultancy firm, cited works in Vietnam: Moc Bai Factory in Tay Ninh; President Palace Building in district 1, HCM City; and Big C – Green Square in Binh Duong.

Forty-two construction works have been recognized as ‘green’ in Vietnam and the number is expected to increase, especially as metro areas look to build smart cities. Big C in Binh Duong received LEED Gold and Lotus Silver certificates. In order to obtain the certificates, the construction work must meet requirements. For example, it must have solar panels installed on the roof and cold storage equipment to save power.

With the equipment, the construction cost of the building is higher. But it offers 21 percent savings in power consumption and 42 percent in water consumption, and it takes 7.5 years to take back the investment capital.

Green works can help investors save money and develop society in a sustainable way, but many investors remain indifferent to green building.

According to Hieu, few Vietnamese investors know about green building certification, and many of the ones who know don’t intend to get the certificates. The investors don’t want to spend more money on materials and green solutions, and still doubt the efficiency.

Tran Thanh Vu, an energy simulation expert, said if a construction work has a life expectancy of 50 years and energy-saving solutions allow the investor to recover the amount of additional money he has to spent on solutions after 10 years, he should apply the solutions.

However, the problem is, according to Vu, that the investor doesn’t intend to use the work for 50 years, but he could sell the work to others after several years of use.

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To find out more about exhibiting at HVACR Vietnam, please contact:

**Ms. Violet Yong**  
Exhibition Director  
Tel: +65 6411 7709  
Email: violet.yong@informa.com