

# Vietnam's young invest ideas in Ho Chi Minh

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AFP | Ho Chi Minh City

A tech-savvy population, a fast-growing economy, and the perks of being first in an emerging market -- Vietnamese entrepreneur Le Thanh saw the potential in booming Ho Chi Minh City for his start-up transforming coffee grounds into masks.

The 35-year-old chemistry graduate worked for two multinationals before stepping out on his own three years ago to launch ShoeX -- a sustainable footwear company which nimbly pivoted to masks as the coronavirus pandemic struck.

When he entered the workforce, Thanh was drawn to the higher salaries and no-nonsense working culture at foreign companies he assumed were a cut above local firms, tangled up in rules imposed by his country's staid Communist rulers.

"But now I see there are more openings in a place where things are a bit murky," Thanh told AFP



Environmental innovation is a priority for many Vietnamese start-ups



Vietnam-based start-ups made up nearly 20 percent of the capital invested in Southeast Asia last year

from his buzzing Ho Chi Minh City co-working space.

He is not alone in believing Vietnam -- and especially its southern commercial centre -- is poised to become an innovation hub thanks to its young, educated and digitally active population.

Vietnamese e-commerce and e-payment companies have been "flooded" with private equity in the past couple of years, said

Eddie Thai, a Ho Chi Minh City-based partner at venture capital firm 500 Startups.

Their rise has been stellar. Vietnam-based start-ups made up 18 per cent -- or \$741 million -- of the capital invested in Southeast Asia in 2019, up from four per cent in 2018, according to a report by Cento Ventures.

Although Indonesia remains the leader, the amount pumped into Vietnam start-ups pushed

ahead of Singapore for the first time in 2019, the venture capital firm said.

The gold rush comes in spite of cumbersome regulations for foreigners, Thai told AFP, making it difficult to invest and repatriate capital.

Last year, popular e-wallet platform VNPAY reportedly snagged the largest deal in Southeast Asia, attracting \$300 million from Softbank's Vision Fund and Singapore's sovereign wealth fund GIC.

And although Thai said investment had paused due to the coronavirus pandemic, Vietnam is well-placed to bounce back.

Its economy unexpectedly grew in the second quarter and the International Monetary Fund (IMF) predicts a 2.7 percent expansion for the year despite the global downturn.

The country also has a huge pool of software engineers who cost substantially less than their Indian or Chinese peers.

And unlike the tech talent in wealthy start-up hubs such as San Francisco or London, they understand what consumers in the emerging world want, Thai says.

## Exciting, young environment

Air pollution -- and then the outbreak of COVID-19 -- prompted Thanh to take a gamble on sourcing Vietnamese coffee

waste material to turn it into masks.

His cutting edge design uses woven fibre made from coffee grounds to make a washable outer layer, with a biodegradable filter inside.

"I took a risk and hoped it would succeed," he said, adding that there had been a surge in orders of his masks from Europe, the US and Japan since they launched in April.

A similar strain of environmental innovation courses through many other smaller start-ups in a country among the most vulnerable to climate change. They exploit the high tech literacy of the population -- 70 percent of which is under 35, according to the World Bank -- to sell new products to a receptive market.

Bui Thi Minh Ngoc wanted to find a sustainable alternative to standard menstrual products, searching for months to find the right organic cloth for her sanitary pad business GreenLady



Le Thanh worked for two multinationals before stepping out on his own three years ago to launch ShoeX

# US town grows money from trees during pandemic downturn

AFP | New York

Tenino had become a ghost town, and small businesses were struggling to survive amid the coronavirus pandemic, so local officials revived an unconventional idea from the last century: printing the town's own currency on thin planks of wood.

"There was no trading, no selling and the city streets were dead. They looked the same at 3 pm as they did at 3 am," said Wayne Fournier, mayor of the town of 1,800 people in Washington state, in the northwestern United States.

"We were getting a lot of calls from businesses saying they were not sure if they would be able to hang on," he told AFP.

The town's museum had a printing press, so it was put to use to make \$10,000 worth of bills on wooden rectangles, each nominally worth \$25.

They feature a portrait of President George Washington and bear a Latin inscription that translates as "We've got it under control."

The money is being given as a grant to locals who demonstrate they have been economically harmed by the pandemic. Each resident is allowed up to \$300 per month.

Known as "Tenino dollars," "COVID dollars" or, sometimes, "Wayne dollars" after the mayor himself,

the bills are traded at almost all shops in the town at a fixed rate equivalent to \$1.

The currency is good only inside the town limits.

## Desperate times

The idea is not new: town officials last tried it during an even worse period of economic dev-

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astation, the Great Depression in the 1930s.

A national scarcity of dollars at the time prompted officials in Tenino to print money on spruce bark.

"The concept became 1930s viral," Fournier said, with other communities, businesses and chambers of commerce eager to emulate the town's example.

Media attention piqued the curiosity of investors, and over the years the wooden currency became a collector's item sold on eBay and Amazon.

The contemporary version of wooden currency, like the previous edition, aims to help the town through an economic crisis that forced businesses to close nationwide.

"It's more of an advertisement for the town itself," said Chris Hamilton, the manager of the town's main grocery store. "It brings a lot of people into town that may not even know about Tenino and want to check this place out that makes its own money."

"They might stop off here, buy an ice cream or go down the street and buy a hamburger."

Similar complementary currencies exist elsewhere in the US and Europe, aimed not at replacing the national money but supporting the local economy -- a key distinction since American authorities take a dim view of anyone trying to create a bill to compete with the almighty dollar.

The US Treasury declined to comment on its position regarding local currencies.

Switzerland's WIR system, created in 1934, is considered the oldest local currency in the world, used by thousands of small businesses every day.

## Response to globalization



The novelty of wooden money can bring tourists into town, where hopefully they will spend non-wooden money

Facing an unemployment rate of 11.1 percent in June -- one of the highest rates since the Great Depression -- American advocates of complementary currencies say now is the time to consider them as a means to help residents.

"The crisis in municipal funding is pushing creativity. Administrators are exploring this concept of issuing their own currency instead of bonds to finance their COVID response," said Susan Witt, director of the Schumacher Center for a New Economics.

The research center developed BerkShares, a currency in circulation since 2006 in the Berkshires region of western Massachusetts, which is distributed by local banks. Witt is advising several US municipalities interested in similar initiatives.

Advocates of local currencies also see them as a bulwark

against unbridled globalization.

"People are starting to realize that we went too global, too fast and we lost our local skills," said Chris Hewitt, founder of Hudson Valley Current, a currency in upstate New York which operates as a mutual credit system.

Supporters hope to create a nationwide movement.

"If that happens across the country organically, that could be

something that helps save us from a serious recession," Fournier said.

Mayor Wayne Fournier is pictured at a Tenino, Washington museum where an 1890s-era press is being used to print wooden money

