

Starting up

- A conglomerate is a large group companies with many different activities.
Talk about a conglomerate in your country, or one that you know well. Carry out research on the internet if necessary.
- Read through the whole article. Then do the exercise below.

Reading 1

Read the article again to find:

- a Vietnamese conglomerate
- its head
- three cities
- the former name of one of them and its current name
- the site for a car plant
- the name of the sea surrounding it
- two non-Vietnamese Asian companies
- eight sectors in which Vingroup already operates
- its car brand
- a very senior Vingroup executive
- the financial organisation he once worked for
- a research organisation

The rise and rise of a Vietnamese corporate empire

Several weeks ago, I travelled east from Hanoi, through industrial estates and rice paddies, to the port of Haiphong in northern Vietnam. My driver took me over a causeway to Cat Hai Island, where something big is taking shape: the building of Vietnam's first "national car" brand, VinFast. In what will eventually be a \$3.5bn project, Vietnam's largest private company, Vingroup, controlled by the country's richest man, Pham Nhat Vuong, has built an integrated production plant on top of piles driven into the soil and on land reclaimed from the sea. A robot-filled state-of-the-art factory was constructed in about 21 months — a turnaround so swift that, when I opened Google Maps to check our location, the app thought I was standing offshore in the Gulf of Tonkin.

If you haven't heard of Vingroup, that will probably soon change. In Vietnam, it is increasingly described as the country's answer to a South Korean chaebol, a catch-all conglomerate and standard-bearer of industry, such as Hyundai or Samsung, that not only dominates its home market but also exports products to the wider world. Vietnam is rapidly becoming the land of Vin-everything. The group, which started as a pot-noodle business in post-Soviet Ukraine, made its name in real estate and resorts before expanding into mini-marts, schools, healthcare and, more recently, smartphones and cars.

In April, it opened a five-star hotel and viewing deck at Landmark 81, Indochina's tallest building — a prime spot from which to see how new towers (many of them Vinhomes) are transforming the skyline of Ho Chi Minh City, formerly Saigon. When Formula 1 stages its first race in Hanoi next year, Vingroup will be sponsoring it.

Today, a Vietnamese man or woman of a certain class might live in a Vinhome, send their children to a Vinschool (and, from 2020, a VinUni), holiday at a Vinpearl resort and charge their VinFast electric scooter at a VinMart. Le Thi Thu Thuy, Vingroup's vice-chair, has described the company as a "cradle-to-grave" supplier of goods and services to a nation on the move. "Because of our reputation, any product that Vingroup launches normally sells really well," Thuy, an ex-Lehman Brothers banker, told me when we met in VinFast's new office block, reached via the plant's retro-futuristic V-shaped gate.

Vingroup's rise has mirrored that of Vietnam, one of Asia's fastest-growing economies. Its founder is the richest of the country's five billionaires, according to Forbes magazine, with a net worth of \$7.6bn. But the rest of Vietnam is coming up too: according to the market research group Nielsen, Vietnamese average wages grew by 17 per cent and personal disposable income by 29 per cent between 2014 and 2018. Wages will grow by another 30 per cent and income by another 26 per cent by 2022. Nielsen notes there has been an "enormous rise" in affluent Vietnamese, including US dollar millionaires, whose number the group says will have grown 170 per cent to 38,600 in the decade to 2025.



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Vocabulary – paraphrase

Use appropriate forms of words and expressions from the article to complete these statements.

(The number of letters is given in brackets.)

Paragraph 1

- 1 If something develops, it _____ (5, 5)
- 2 If something happens in the end, it happens _____. (10)
- 3 When land is 'created' where previously there was sea, there is a process of land _____. (11)
- 4 A _____ is a type of complete change. (9)

Paragraph 2

- 5 A company that _____ its industry is its _____ - _____. (9 and 8-6)
- 6 _____ is a prefix meaning 'after'. (4)
- 7 If you become well-known by doing something, you _____ by doing it.
(4, 4, 4)

Paragraph 3

- 8 _____ real estate etc is of the best quality. (5)
- 9 In cities, you often can't see the horizon, but perhaps you can see its _____. (7)
- 10 If someone _____ an event, they organise it. (6)
- 11 If an organisation _____ an event, its name is associated with the event as a form
of advertising. (8)

Paragraph 4

- 12 If you want to identify something without actually naming it, you can use the adjective _____ (7)
- 13 A small bed for a baby is a _____ and the place where someone is buried is their _____.
These two words are used together in an expression meaning 'lifelong'. (6 and 5)
- 14 A prefix referring to the past, especially in relation to design, is _____. (5)

Paragraph 5

- 15 If someone starts a business, they _____ it. (5)
- 16 If something is similar to something else, it _____ it. (7)
- 17 Money that you earn that is available after paying tax and for basic things like rent is your
_____. (10, 6)
- 18 An economy where people have a lot of money to spend is one where there is _____. (9)

Grammar – future perfect and future continuous

For each item 1-10 below, write two sentences about Vietnam in 2025, using appropriate forms of the words in the table, plus any other necessary words.

- a) with the future perfect, beginning 'By 2025'
 b) with the future continuous, beginning 'In 2025'

For example:

1 a) number millionaires grow 170 percent	b) nearly 39,000 millionaires live there
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a) *By 2025, the number of millionaires will have grown 170 per cent.*

b) *In 2025, nearly 39,000 millionaires will be living there.*

By 2025,	In 2025,
1 a) number millionaires grow 170 percent	b) nearly 39,000 millionaires live there
2 a) wages rise 35 per cent	b) employees earn 35 per cent more
3 a) standards living improve	b) people enjoy more comfortable lifestyle
4 a) Vingroup sponsor many sports events	b) Vingroup sponsor another grand prix
5 a) VinUni open	b) lot students study there
6 a) Vingroup build many more resorts	b) large numbers Vietnamese go holiday there
7 a) company extend mobile phone operations	b) many more people use its network
8 a) Vinmart construct hundreds more shops	b) many more shoppers shop there
9 a) Vingroup set up numerous hospitals	b) it provide healthcare increasing number patients
10a) firm enter new markets with new products	b) lot newly affluent customers buy them

Reading 2

Imagine that each paragraph in the article has a subheading. Put them in the correct order.

- a A very wide range of products and services
- b Construction and grand prix racing
- c Favourable economic background
- d Origins and development
- e Vingroup's growth exemplified by a car plant

Further discussion / Group work

- 1 Some business experts think that conglomerates 'lack focus' because they try to do too many things at once. How do you explain and account for the success of Vingroup?
- 2 Think of five industries and the 'standard-bearers' for each one – companies and/or their leaders. What are the reasons for their status?

ANSWER KEY**Reading 1**

- a) Vingroup
- b) Pham Nhat Vuong
- c) Hanoi, Haiphong, Ho Chi Minh City
- d) Saigon, now Ho Chi Minh City
- e) Cat Hai Island
- f) Gulf of Tonkin
- g) Hyundai, Samsung
- h) real estate, resorts, hotels, mini-marts, schools, healthcare, smartphones, cars
- i) Vinfast
- j) Le Thi Thu Thuy
- k) Lehman Brothers
- l) Nielsen

Vocabulary

- | | | |
|------------------------------|------------------|----------------------|
| 1 takes shape | 7 make your name | 13 cradle, grave |
| 2 eventually | 8 Prime | 14 retro |
| 3 reclamation | 9 skyline | 15 found |
| 4 turnaround | 10 stages | 16 mirrors |
| 5 dominates, standard-bearer | 11 sponsors | 17 disposable income |
| 6 post | 12 certain | 18 affluence |

Grammar

By 2025,	In 2025,
2a) wages will have risen 35 per cent.	b) employees will be earning 35 per cent more.
3a) standards of living will have improved.	b) people will be enjoying more comfortable lifestyles.
4a) Vingroup will have sponsored many sports events.	b) Vingroup will be sponsoring another grand prix.
5a) VinUni will have opened.	b) a lot of students will be studying there.
6a) Vingroup will have built many more resorts.	b) large numbers Vietnamese will be going on holiday there.
7a) the company will have extended its mobile phone operations.	b) many more people will be using its network.
8a) Vinmart will have constructed hundreds more shops	b) many more shoppers will be shopping there.
9a) Vingroup will have set up numerous hospitals.	b) it will be providing healthcare to an increasing number of patients.
10a) the firm will have entered new markets with new products.	b) a lot of newly affluent customers will be buying them.

Reading 2

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