Vietnam's High-Tech Sector Gets Boost With Gates' Visit

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HANOI (AP)--Vietnam's fledgling high-tech industry gets a major vote of confidence with the arrival of Microsoft Corp. (MSFT) Chairman Bill Gates Friday.

Vietnam has been anxious to establish itself as a new player on the technology map. It got a big boost earlier this year when Intel Corp. (INTC), the world's largest chipmaker, announced plans to build a $300 million chip assembly and testing plant in the country.

"The decision of Intel (to build) a plant in Ho Chi Minh City, and now Bill Gates' visit is confirming the recognition of Vietnam's potential for IT development," said Truong Gia Binh, CEO and president of the Corporation for Financing and Promoting Technology, or FPT, the country's leading software and computer maker.

"This is a major opportunity for Vietnam," he said.

Gates, who arrives late in the day from Japan, is coming at the invitation of Prime Minister Phan Van Khai, who made the offer when he toured Microsoft's headquarters during his visit to the U.S. last summer. Khai was the highest-ranking Vietnamese leader to visit the White House since the end of the Vietnam War.

At the time, the two men had signed agreements for Microsoft to help Vietnam develop its technology companies and train some 50,000 teachers to use computer software.

The head of the software giant is scheduled to hold talks Saturday with Khai and President Tran Duc Luong, speak to Vietnamese students at a local university, and tour Bac Ninh province near Hanoi to see how information technology is being applied in rural areas.

Vietnam has clear ambitions of becoming another tech mecca like India and, with its young, literate work force, the idea isn't necessarily a pipe dream, said Nguyen Huu Le, chairman of TMA Solutions in Ho Chi Minh City.

"I think 2006 could be a watershed year. It's a critical year in terms of being able to get to the next level," said Le.

The challenge for Vietnam will be in devising an education and training system that better prepares technology graduates for industry demands, said Le.

Vietnam has also battled a bad reputation as one of the region's worst violators of intellectual property rights. It has the highest percentage of pirated software in Asia.

"The good news is that the new graduates are better than the graduates five years ago. The curriculum is better and the English is better, but still we are working for foreign customers, so we still need to invest a lot in terms of training (our workers)," said Le, who said he is seeking a license to set up a private university focusing on software engineering.

Vietnam already has some 45 information technology training centers around the country, graduating some 35,000 students a year, but that still leaves the country short of its demand, said Binh. FPT has gotten approval from the prime minister to set up a university for software programmers that will also develop their language skills, he said.

"I think any big giant, to maintain a leading position in the world, has to be in China, but it should also have its eggs in another basket," Binh said. "Vietnam is the other basket."

-Edited by Wei Yi Lim