



Far East Foam founded by Albert Loo Chia Foo, a sole proprietor, began operations in 1971 in Malaysia as a trading and wholesale company called Syarikat Far East Industries. In 1978, it started polyurethane foam manufacturing for industrial use and bedding products for the domestic market. Far East Foam has been in Vietnam for nearly eight years and has achieved good results.

Long-term commitment in Vietnam

For years now, a lot of Malaysian companies have been doing business in Vietnam and have enjoyed success. Among these is the Far East Foam Vietnam Co., Ltd (FEFV), which has foreseen the potential of the local and international markets. On the occasion of the 55th anniversary of the National Day of Malaysia, Vietnam Economic News' My Phung and Thu Hien talked with Chris CB Loo, Group Managing Director of the Far East Foam Vietnam Co. Ltd.

◆ **Why did you choose Vietnam to be your investment destination? What achievements has your company gained?**

Firstly, I would like to express that I'm glad to have made the decision of doing business and invested in Vietnam. Back to the past in 2002 and 2003, we came here to do some furniture components outsourcing. That's where I met a lot of foreign investors, business owners, furniture factories, etc. After hearing what was going on in the foam industry, I realized that there were opportunities for a better foam company to be established here. At that time, foam quality was not so good as well as its services were slow. It took two weeks to a month to deliver a sample to customers. At that time, foam was mainly used for the shoe and garment industry. For furniture foam, it was still a gap between foam makers and end-users. Hence, we decided to come to Vietnam to play a supporting role to the fast growing furniture industry especially in the export sector. In 2004 -2005, we started to construct our factory and set up state-of-the-art production facilities. Officially, we started our business in January 2006. Being more competitive and efficient company, we reshape the way of how polyurethane foam industry by providing good and consistent quality and faster deliveries which meet customers'

needs and expectations.

From the beginning, we have strong belief in the big potential of furniture growth in Vietnam. Thus, as leading polyurethane foam manufacturer since 1971 and Malaysia has already become one of the world's top 10 Furniture Exporting Nations exporting to over 150 countries. For these solid reasons, we understand the polyurethane foam requirements of overseas customers and also help the Vietnamese furniture manufacturers shorten the learning curve to provide faster more accurate presentation to customers' needs. Currently, our company has over two hundred customers and about 95 percent of our foam products are exported to overseas markets. In 2011, we began to produce foam and spring mattresses and because we see the quality of living and the purchasing power are increasing in Vietnam. We are proud of our ability to provide what customers need and want. Fortunately, through our hard work, team efforts, and strong support from local and foreign owned enterprises, the FEFV has achieved average annual growth rate of 25 percent since its inception.

◆ **What are the company's major advantages and disadvantages?**

From my point of view, Vietnam proved its prominence as a country of large labor resources, rich timber resources e.g. ranging from teak to rubber wood. In addition, Vietnam's political stability is one of the advantages here. In spite of the global financial crisis, the Vietnamese Government has put in place stimulant policies to support not only local business communities but also foreign-owned enterprises. On the other hand, the increases in the cost of living, bank interest rate and labor cost, workers' strike, lack of middle to higher management level skills personnel and high income tax, just to name

a few, can be a hindrance to Vietnam's growing economy. However, the FEFV is committed to become a long-term investor and will continue to expand our business and network, to educate and train local staffs, to provide more job opportunities, and last but not least, to grow with the Vietnamese economy.

◆ **Do you think that Vietnam is still a potential destination for Malaysian investors in the years to come?**

Vietnam and Malaysia are part of the Asean Community. Although, the language and culture are distinctly different, but, after coming here for eight years, we have adapted to local customs and culture. From the ASEAN perspective, I think there are still a lot of opportunities for Malaysian companies to invest in here such as information technology, automobile, furniture, agriculture products, bio-technology, education, and the lists go on. The close proximity of both countries has made it easy and convenient for investors to come to invest in Vietnam. Malaysian aviation expansion has also made travelling to Vietnam more cost-effective and affordable. From our company's perspective, we will continue to expand our business in Vietnam in spite of the world troubling economy. The future of growth will still be with the developing economy like Vietnam. We have recently expanded our production to include mattresses and pillows showing that the Vietnamese standard of living and purchasing power have increased in recent years. It will continue to increase, and we have committed to construct our new facilities again within next year. In this regard, we will also continue to focus on Vietnam as the hub for expansion of our distribution networks and manufacturing hubs to not only Cambodia, Myanmar and Laos but also the rest of the world. ■