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Backgrounder

Intel in Vietnam

Intel has been a part of Vietnam's business and technology community for more than a decade. Since 1997, the company has partnered with the Vietnam government to improve the country's technology infrastructure and strengthen its educational systems. Intel opened its doors in Ho Chi Minh City in 1997, and followed with another office in Hanoi in 2008. The ongoing commitment and contribution to IT development in Vietnam earned Intel a commendation from the Ministry of Post and Telecommunications in 2007 during Intel Vietnam's 10th anniversary.

In November 2006, Intel announced an investment of US$1 billion into a chip assembly and testing facility in Vietnam. Intel's move was the first-ever investment in chip manufacturing in the country and represented the largest investment in Vietnam from an American company to-date. The new facility is expected to create several thousand new jobs and generate significant export revenue annually for Vietnam once production is fully in operation.

In addition to its efforts in building Vietnam's technology infrastructure, Intel has become a trusted advisor of Vietnam to help achieve the nation's long-term goals to improve information and communications technology (ICT) infrastructure, digital literacy, and technology adoption.

Intel's Investment in Vietnam

For almost 13 years, Intel has successfully implemented a series of projects in partnership with the Vietnam government that fall under five critical IT pillars: increasing the application of technology, building a strong IT industry, developing a quality workforce through educational innovation, building the country's unique technology proposition and corporate social responsibility.

1. Increasing technology applications:

    a. Intel Vietnam has a legacy of collaboration with the Ministry of Information and Communications (MIC) to aid in developing Vietnam's ICT strategy. The first Memorandum of Understanding (MoU) with the ministry was signed by

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Intel Vietnam in June 2005 which illustrates Intel's long-term collaboration with the ministry to boost local ICT industry and to bring affordable PC's to local citizens. The second MoU recently signed on October 21, 2010 in Hanoi was to accelerate the ministry's "PC for Life" program into a long-term and sustainable program. The MoUs outline Intel Vietnam's critical role in developing and defining programs to improve ICT infrastructure in the country; developing the ICT industry by establishing a strong local branded PC ecosystem, increasing availability and affordability of broadband Internet access, and improving digital literacy to support human resource development and enable greater economic opportunity.

b. Intel partnered with the Ministry of Science and Technology to promote Open Source development in Vietnam through training programs and established an Open Source Lab at the Central Communist Party IT Department. Intel also provides annual training for the Party's IT experts nationwide.

c. Intel worked with the Vietnam Chamber of Commerce and Industry (VCCI) to increase the use of IT applications in small and medium-sized businesses, to help retail shops and export-driven enterprises to enhance corporate efficiency and competitiveness, and to create favorable conditions for business development.

d. Intel collaborated with the Vietnam Public Utility Telecommunication (VNPT) to help bridge the digital divide by encouraging the acceleration of ICT development in rural and remote areas.

e. Intel worked with the Ministry of Education and Training (MOET) to accelerate PC deployment in education. The Intel for Schools initiative has already sponsored more than 1,900 PCs nationwide.

f. Intel launched "Thanh Giong PC", the country's first affordable PC program in 2004. The company worked in conjunction with PC manufacturers to make PC ownership easier for young Vietnamese.

g. Intel, VNPT and local Vietnamese banks worked together to offer a PC and ADSL package as part of its "Hello Summer" (2008- 2009) and "I choose Intel® Core™" (2010) programs to help low income families to own their first PC and to experience the Internet for the first time.

h. Intel facilitated a pilot project of Dynamic Sandbox Infrastructure with the Ministry of Finance to research and test virtualization and cloud computing technology to aid in its adoption and deployment.

i. Intel worked with the Ministry of Health to deploy a "Digital Healthcare" program to accelerate IT adoption among healthcare staff and enhance workplace productivity in the healthcare sector.

2. Building a strong IT industry

a. Intel has trained more than 5,000 local computer businesses and 20,000 IT experts on the latest computing technologies. It has also provided technical and marketing support to local PC companies and helped build local Vietnamese PC brands including FPT Elead, CMS, Khai Tri, T&H, Robo, Vinh Trinh and Vinh Xuan.

3. Developing a quality workforce through "Innovation in Education"

a. The Higher Education Engineering Alliance Program (HEEAP) is a program with the United States Government, Intel Corporation, and Arizona State University. It establishes the relationships and responsibilities among the three partners to improve electrical and mechanical engineering education through improvements in curriculum and instruction at select Vietnamese Universities. This program will focus on the development and advancement of interdisciplinary and applied curriculum and instructional innovation. We will work with the faculty to excel in teaching students to attain technical expertise, English, and the soft skills and competencies to succeed on a global engineering stage in the emerging Vietnamese high tech manufacturing sector.

b. Over the past 4 years, Intel has supported Vietnam on education reform by training 87,000 Vietnamese teachers in 19 provinces and cities on 21st century teaching skills including how to better integrate technology into the classroom under the "Intel Teach" program.

c. Intel International Engineering Fair (ISEF) is the new international playground for Vietnamese students. In 2009, Vietnam became the ISEF affiliate and for the first time, 3 Vietnamese students attended the ISEF in Reno, Nevada. In 2010, Vietnam also sent 4 students to ISEF in San Jose, California.

d. Intel has conducted technical seminars, softskill trainings in more than 50 universities, including Hanoi University of Technology, Ho Chi Minh city University of Technology, and National University in Da Nang. The lecturers were Intel senior engineers from many Intel sites and those lectures have helped attract more female students in engineering field.

e. Intel worked with the MOET and the Ministry of Labor Invalids and Social Welfare (MOLISA) to improve the quality of the technology curriculum for many key universities, colleges and vocational schools.

f. Intel Vietnam Study Abroad Program (IVSAP) is a self designed program to prepare local talented engineers for the VNAT factory. Started in 2009, 52 top Vietnamese students from 6 partner universities were selected to study at Portland State University for a period of two years.

g. In partnership with Royal Melbourne Information of Technology (RMIT), HCMC university campus and AusAID, Intel launched the Master of Electrical Engineering program. This program will provide scholarships to engineering students to obtain their MSEE degree and then work for Intel.

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h. Intel will host the 2010 Asia Academic Forum (AAF) in Ho Chi Minh City, Vietnam. The AAF allows Vietnamese faculties to meet with Intel technologists and education colleagues from across the region to learn new academic methods and to discuss curriculum development.

i. Intel works with partner universities to create opportunities for students to work as interns at Intel's factory, with an objective to welcome them as full-time employees upon graduation. Intel also provides opportunities for university faculty staff (MBA, PhD professors) to work and study directly on Intel's production lines for 3-6 months in order to help update their teaching techniques.

4. **Building the country's unique technology proposition**

   a. The Intel high-tech Assembly and Test facility in Ho Chi Minh City brings significant investment capital into this emerging economy and strengthens the ICT ecosystem in Vietnam.

   b. In addition to job creation, the Intel facility provides an ideal platform for knowledge transfer on the operations of a world-class assembly and test factory.

   c. Intel receives many requests from international EMBA and MBA students, government leaders and investors to visit the facility because it is the biggest US investor in Vietnam. In 2009, Intel Vietnam opened its doors to over 500 visitors seeking a first-hand experience at the facility. This initiative further demonstrates the successful partnership between government and private sectors in Vietnam.

5. **Corporate Social Responsibility (CSR)**

   Intel firmly believes in being an asset to the communities where we work and live and we are proud of our accomplishments on these aspects in Vietnam. Our Corporate Social Responsibility focus areas are Education, Environment, and Citizenship.

   a. In the area of Citizenship, we have worked with Asia Injury Prevention Foundation to raise awareness about child head injuries from motorcycle accidents that brought about changes in the local laws. In addition, Intel donated 4,000 helmets for kids and trained them on road safety in many primary schools.
   b. On the Environment, over the past 3 years, Intel employees have volunteered over 10,000 hours on service activities such as beach cleaning, tree planting, school painting, and recycling programs. Intel Vietnam is one of a few multi-national corporations that received the Presidential Corporate Social Responsibility Award in 2009 as the Best Company for Community.
   c. In August 2007, Intel signed a MOU with Saigon Hi-Tech Park (SHTP) on Business Ethics and a Code of Conduct that all parties agreed would build on a culture of conducting business with uncompromised integrity. It was the first ever Business Ethics MOU signed between a foreign company and a

Vietnamese government entity and the MOU was not only recognized in Vietnam but also received some international credit such as the APEC Anti-Corruption Task Force meeting in Japan in Sept 2010.

d. In 2008-2009, Intel Vietnam employees volunteered over 10,000 hours in the community. Intel's employees taught English in the communities, trained non-governmental organizations how to self audit their funded projects, cleaned beaches, painted schools, and helped with road safety initiatives. This year over 70 percent of Intel employees have participated in community services, donating more than 2,300 hours to date.

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