Developing Human Resources to Promote the Spread of Air Conditioners in the Rapidly Growing Market of Vietnam

**Why is it important?**

Key to Cultivate Engineers and Technicians Locally as the Market for Air Conditioners Grows Each Year

In Vietnam, where the average age is 30 years old and the population and economy continue to grow, demand for air conditioners increased approximately five-fold from 2008 to 2018, and this trend is expected to continue. However, along with rapid economic growth, there is a lack of engineers and technicians capable of manufacturing, installing and maintaining air conditioners. Therefore, it is imperative to start developing human resources in order to support the spread of air conditioners in Vietnam.

**Demand for Air Conditioners in Vietnam**

<table>
<thead>
<tr>
<th>Year</th>
<th>Production divisions</th>
<th>Sales and services divisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>414</td>
<td>998</td>
</tr>
<tr>
<td>2013</td>
<td>1,779</td>
<td>960</td>
</tr>
<tr>
<td>2018</td>
<td>2,250</td>
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</tr>
</tbody>
</table>


**DAIKIN’S APPROACH**

Opening a New Plant in Vietnam to Promote the Spread of Energy Efficient Air Conditioners

The cost of electricity in Vietnam is high relative to household income, which has spurred demand for energy efficient air conditioners such as inverter air conditioners. In order to deliver a stable supply of high quality and highly energy efficient air conditioners, Daikin Vietnam opened a new plant in a suburb of Hanoi in May 2018. We plan to increase annual production capacity from 500,000 to 1,000,000 units as well as increase the total number of employees in Vietnam to over 2,000 by fiscal 2020. In addition, Daikin Vietnam is putting efforts into developing the human resources required for marketing and servicing air conditioners.

**Employees in Daikin Vietnam**

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Grew by 5x in 10 years
DAIKIN’S PERFORMANCE

Overseas Locations Taking the Lead in Developing Human Resources in Manufacturing, Installation and Maintenance

With operations around the world, Daikin is now rapidly increasing its plants through business expansion and acquisitions. Our system of production places each region in the leading role. The launch of the new plant in Vietnam was led by Daikin Industries (Thailand) Ltd. (hereinafter called “Daikin Thailand”) and manufacturing personnel at the new Vietnam plant were trained with the support of the Daikin headquarters in Japan (hereinafter called “Daikin Japan”).

The new plant in Vietnam faces a lack of experienced personnel with basic skills in air conditioner manufacturing. Therefore, before the new plant’s launch, about 60 managerial employees from Vietnam began training at the Daikin plant in Thailand, with this training still ongoing today. Moreover, with guidance from Daikin Japan, the plant has adopted the latest technologies including a production management system utilizing IoT, making it our first plant in Asia and Oceania to do so. This not only results in training in Vietnam but also cultivates personnel in Thailand, who in turn train workers in Vietnam. Such international exchanges enhance instructional and technical skills as well as increase motivation for both those receiving and providing training.

Moreover, as Daikin Vietnam lacks technicians capable of air conditioner installation and maintenance, we established a training center within the new plant where personnel from the company and dealers can receive training, with the collaboration of Daikin Japan and Daikin Thailand.

Personnel from Daikin Vietnam learn the basics at the training center and move on to more advanced technical training in Thailand thereafter. Following this, they acquire more practical experience through the services division and eventually are trained as instructors for dealers and outside technicians.

For our dealers, we provide both lectures as well as practical training on installation using actual air conditioner units. As of March 31, 2019, a total of 2,100 trainees have participated and our goal is to train a total of 10,000 people by fiscal 2020. Training is not limited to residential air conditioners, but also encompasses installation of multi-split type air conditioners for commercial buildings which require more advanced skills, whereby expanding the number of models carried by dealers.

Voice

Contributing to the Human Resource Development across Borders

Mr. Phongthorn Yoonutch
Daikin Industries (Thailand) Ltd.

I am proud to be a global trainer who teaches the essential skills and knowledge for the manufacturing of air conditioners. On this occasion, I was involved training brazing technicians at the new plant in Vietnam. The opportunity to be involved in training at my home location as well as another location is a big challenge for myself, and I feel very lucky to have been chosen for this task. Going forward, I hope to continue enhancing my skills and teaching abilities as a global trainer in order to continue contribute to the development of technicians at the Daikin Group.

NEXT CHALLENGE

Developing Human Resources to Support the Spread of Air Conditioners and Achieve Sustainable Growth with Communities

At Daikin, we are committed to empowering our local operations around the world, not just in Vietnam, to take the lead in developing their own human resources to support the air conditioning industry, including manufacturing and maintenance, as well as to provide instruction and training both within and across each location, whereby developing a pool of human resources who can play an active role at Daikin globally. Through such efforts, we hope to contribute to the development of each region and country as well as grow sustainably as a Group.