INDOCHINA INTERNATIONAL CONSULTING J.S.C (IIC.)

VIETNAM: TRADE & INVESTMENT BULLETIN

No. 01 / 2013

Dear all,

Vietnam Trade & Investment Bulletin is published by monthly 15th. VIIPIP.COM would like to collect info and reflect an overview of Vietnam economic climate. Through this, readers would find useful information for research and investment in Vietnam.

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JANUARY 2013

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VIETNAM: TRADE & INVESTMENT BULLETIN No.42

January 2013

IPs says Hi

Supported by

DEVELOPER'S INTRODUCTION

TAKING A SUCCESSFUL DEVELOPMENT TO THE NEXT LEVEL

MapletreeBusinessCity @ Binh Duong

Artist's Impression of the MapletreeBusinessCity @ Binh Duong.

The award-winning Mapletree Business City (MBC) concept is raving up in Vietnam. Modeled after Singapore's MBC, the 75-hectare MapletreeBusinessCity @ Binh Duong (MBC@BD) is a large-scale premium development built to serve the needs of modern businesses and high-tech ventures alike.

MBC@BD is located **30km from Ho Chi Minh City and TanSonNhatInternationalAirport**, or a mere **45 minutes' drive away**, in the southern province of Binh Duong, one of Vietnam's fastest-growing provinces. The strategic positioning of MBC@BD in Binh Duong New City as the centre of the Southern Key Economic Zone, further complemented by ample amenities such as retail and F&B options, has attracted multinational corporations. This has in turn driven demand for quality business spaces.Meeting this need for quality real estate is MBC@BD, which features a contemporary modular infrastructure that offers its users a comprehensive suite of solutions, from ready-built facilities to build-to-suit options. These products feature efficient layouts and high-end specifications for modern businesses.

Completed 5-storey office building – 2,000sqm column-free office space per floorplate

RBBS2000 factories: 2,000sqm of column-free production and floor-to-ceiling glass windows at mezzanine office

MBC@BD FAST FACTS

Location	: Binh Duong New City Binh Duong Province Vietnam
Land area	: 75 hectares
Product type	: Mixed-use – Ready-Built Business Space (RBBS) – Business Park – Built-to-Suit (BTS) – Land Lease
RBBS 1,000	: 5 units of 1,000 sqm Ready-Built factory space – Completed in January 2011 – 100% occupied
RBBS 2,000	: 7 units of 2,000 sqm of Ready-Built factory space – Completed in April 2012 – Immediate occupancy available
Business Park	: Retail and office space – Completed in May 2012 – Dynamic features: column-free space, large floor-to-ceiling windows – 3 units of retail space; NLA: 450 – 750 sqm – A total of 39 units of business park space; NLA: 190 – 250 sqm
BTS	: Customised space enabling companies to be asset-light in terms of real estate needs – VNTT Data Centre: GFA of 4,000 sqm; Completed in February 2011
Land Lease	: Enables customers to develop their own commercial / industrial / business park buildings for long-term use

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Prime Location with High Connectivity

With the completion of a new highway to Ho Chi Minh City, Vietnam's commercial centre, is now just a short 45-minute drive away. The travelling time will be shortened yet again as a significant part of the My Phuoc-Tan Van Highway completes in a few months.

As part of the Binh Duong New City, MBC@BD also enjoys convenient access to major transport hubs including airports and seaports. This makes it an ideal site for businesses to co-locate both their office and support operations.

Development Following Success

The widely-anticipated office building was completed in May 2012, offering a **total lettable area of more than 10,000 square metres** across four floors of office units and ground floor retail space.

Meanwhile, the e-datacentre, purpose-built by MBC@BD for VNTT, as well as a food packaging plant, are already fully operational. The well-received phase 1A development (currently at 100% occupancy) had spun off hot enquiries, **securing lease commitments for approximately half of the remaining ready-built factories**. MBC@BD's clientele (existing and pre-committed) comprises of manufacturers from Australia, Europe, Philippines, Singapore and Vietnam.

Given the high demand, MBC@BD will be proceeding with the next development phase before the end of 2012. Adhering to customers' needs for smaller industrial spaces, some of its ready-built factories may be subdivided into small factories (**approximately 750 square metres**) for new start-ups coming into Vietnam.

As with Singapore's MapletreeBusinessCity, Mapletree envisages as MBC@BD gains recognition among the burgeoning Vietnam business community, it will reinforce its positioning as a successful development concept that the Group will continue to roll out across Asia.

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INVESTORS' TRUSTED PARTNER

Established in 2007, Saigon VRG Investment Holding Corporation (Saigon VRG) is the major subsidiary of Vietnam Rubber Group (VRG) - one of the nation's largest and most trusted conglomerates with a wide network throughout Vietnam and overseas. Saigon VRG specializes in industrial park, urban & commercial center development and construction to provide the high standard utilities, modern manufacturing environments with quality services for the investors to maximize their production capacity.

At present, Saigon VRG is developing four major projects in South of Vietnam: Phuoc Dong Complex (3,285 ha), Loc An-Binh Son IP (500 ha), Dong Nam IP (342 ha), Le Minh Xuan 3 Business Park (330 ha). These projects are developed as the production centers and the commercial gates of the Southern Key Economic Region. They will play a significant role in the connectionand cooperation between Vietnam and global partners.

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Vietnam Rubber Group
SAIGON VRG

CHU LAI OPEN ECONOMIC ZONE: THE BEST PLACE TO MEET INVESTORS' DEMANDS

Chu Lai open economic zone (OEZ) - the coastal economic zone established by the Government of Vietnam in Quang Nam province, where there are two world cultural heritages: Hoi An ancient town, My Son ancient temples complex and the world biosphere reserve of ChamIsland. Chu Lai OEZ is a general, multi-disciplinary, multi-sector economic zone with the total area of 42.000ha.

Owning a convenient geographical location connecting to other areas of Vietnam and the world: locates in the middle of Vietnam and the center of ASEAN; away from Ha Noi and Ho Chi Minh city about one hour flight. With the radius of 3.000 km, Chu Lai OEZ easily accesses the most dynamic center of East Asia by air and marine such as Singapore, Hong Kong, Shang Hai, China, Japan, South Korea,...

Chu Lai OEZ has the first free trade zone of Vietnam operating under international practices with the total area of 1.700ha, contiguous to Chu Lai international airport and Ky Ha seaport; 5 concentrated industrial zones (Tam Hiep, Bac Chu Lai, Truong Hai, concentrated automobile and multi-purpose mechanicIP Tam Anh, Tam Thang) with the total area of 4,500ha,in which completed infrastructure of 3 industrial parks), 70km of seaside with the total area of 10.000 ha, white sand, sunlight - an ideal environment to build resorts and high - level entertainment complexes; especially 15.000ha for developing urban complexes with 4 main ones (South Hoi An, Tam Phu - Easten Tam Ky, Tam Hoa – Tam Anh, Tam Hiep – Nui Thanh)

Quang Nam Province has an ensured quality workforce to meet the demands of investors in Chu Lai OEZ. In addition, social utilities of Chu Lai OEZ and Quang Nam province ensure to meet investment projects such as 500-bed general hospital, over 4,000 internatinal - standard rooms, resorts suitable to organize major international events such as senior official meetings, the conference of tourism Minister,...

From its establishment, Chu Lai OEZ has attracted domestic and foreign projects from the United States of America, Japan, France, Canada, South Korea, Taiwain, China,... in which, there are some large - scale projects such as Chu Lai - Truong Hai automobile mechanical industrial zone, bus and car factories, plants for manufacturing details and spare parts of engine vehicles with the total capacity of 55.000 vehicles per year and the total investment of 400 million USD; Chu Lai Float Glass plant with the total capacity of 1.300tons per day, 150 million USD invested; Soda manufacturing plant with the capacity of 200.000 tons per year, invested 120 million USD; Chu Lai eco-tourism zone with the total investment of 25 million USD; Gold sand eco – tourism park, the capacity of 50 million USD; Engine manufacturing plant withthe total investment of 125 million USD; Number one Chu Lai Beverage Plant withthe total investment of 91 million USD.

To Chu Lai OEZ, the investors will enjoy peaceful land, friendly people and comfortable investment environment for developing the business.

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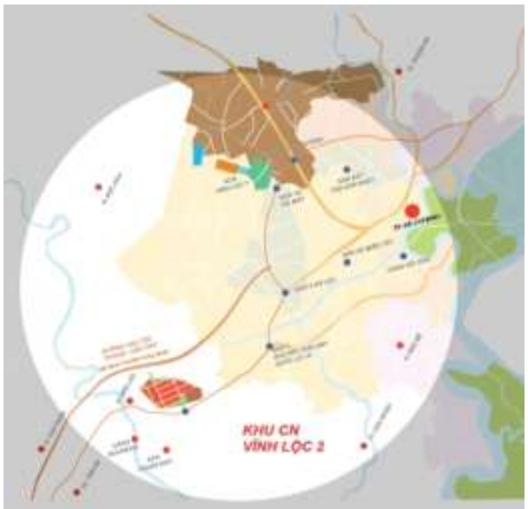
VINH LOC 2 INDUSTRIAL ZONE: THE DESTINATION FOR GLOBAL INVESTOR

After three-year operation, with the slogan "Unselective



investmentattraction",Vinh Loc 2 Industrial Zone hasactivelypromoted the investment and consulted theeffectiveopportunitiesto clients.

Convergence of many advantages

Located in Voi La Hamlet, Long Hiep Commune, Ben Luc District, Long An Province, Vinh Loc 2 IZ – that developed by Vinh Loc - Ben Luc IZ Construction & Investment Corporation belongs to the key economic zone and has an important role in the Vietnam economic development strategies. With the special advantages on strategic location: convenient transportation hub, 25km to the western center city, near the airport and international port, the main gate directly connects to National Road 1, the back closes to Saigon - Trung Luong Highway, Vinh Loc 2 IZ is well connected with modern infrastructures in HCM City to freight to the Mekong Delta provinces.

In past time, by the promotion of available advantages and implementation of many positive solutions, Vinh Loc 2 IZ has many creative steps to success in the investment attraction. In order for green - clean IZ with modern infrastructures as well as to meet the expectation of investors, Vinh Loc 2 IZ is trying to complete the infrastructures system of power supply, water supply, water drainage, internal road, technical works, "green, clean, nice" manufacturing and working environment. In addition, Vinh Loc 2 IZ also has an available land area for utility services such as accommodation for specialists and workers, health services, banking, telecommunication, trading center, kindergarten, school ... to support their life.

Attractive policy

With the pressure on scarce land and infrastructures as well as the expensiveness in HCM City, many investors tend to seek the neighboring areas of which Ben Luc - Long An is an interesting destination for many local and foreign investors. In the posture of always attracting investors, Vinh Loc 2 IZ has flexibly applied the investment attraction measures to fill up whole industrial land for lease in the fastest time.

Vinh Loc 2 IZ has committed to bring a professional and friendly service style to investors; especially always create a really effective investment environment. The advantages and differences of Vinh Loc 2 IZ will be demonstrated during the actual development experiences of investors. Vinh Loc 2 IZ always tries to complete its mission: "Development to improve the life quality for society and become a destination for global investors"■

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GENERAL REVIEW

Labor sector to create 1.6 million jobs in 2013

The Ministry of Labor, Invalids, and Social Affairs (MoLISA) is intent on generating 1.6 million jobs in 2013, reducing the unemployment rate in urban areas by around 4 %.

The target was announced at MoLISA's January 7 review conference in Hanoi. The Ministry also plans to recruit 1.9 million labourers and reduce the poverty rate by 2 %.

Addressing the conference, Prime Minister Nguyen Tan Dung acknowledged the MoLISA's results in ensuring social welfare in the midst of international and domestic economic difficulties. He highlighted successes in caring for people credited with revolutionary services and supporting residents affected by natural disasters and epidemics.

The PM directed the labour, invalids, and social affairs sector to address the system's existing shortcomings, improve state management capacity, and implement the Party's and State's social welfare policies under strict supervision. Despite being impacted by the global economic crisis of 2012, the sector still managed to achieve positive results in disseminating labour law information; implementing wage, social insurance, and unemployment insurance policies; as well as fostering harmonious labour relations, ensuring workplace safety, and regulating overseas workers.

According to a 2012 survey, businesses' understandings of labour law increased by more than 10 % compared to the previous year. Incentive policies for people credited with revolutionary services have been implemented timely. The rate of disadvantaged children was reduced to below 5.8 % and synchronized measures were taken to assist 62 poor districts and localities burdened with high poverty rates.

At the close of 2012, Vietnam's poverty rate was estimated at 10 % - down 1.76 % on the previous year. To engender further success in the future, many localities have recommended MoLISA finalise the legislation that will allow the National Target Programme on Employment and Vocational Training to proceed.

(Source: VOV)

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Ho Chi Minh City sets targets for 2013

Ho Chi Minh City's general targets for 2013 focus on improving the quality of growth in line with economic restructuring and macroeconomic stabilization, minimizing inflation rates, and recording a higher GDP growth rate than in 2012.

2013 is pivotal to HCM City's five-year socio-economic development plan (2011–2015) but as experts have forecast, there will be numerous challenges for both the global and Vietnamese economies.

HCM City has defined 29 targets for this year, comprised of 6 for economic development, 12 for social affairs, and 11 for the environment.The city's GDP is expected to increase by 9.5–10 % with per capita income at USD4,000. The service sector's added values are set to rise 10.5–10.8 %; industry and construction 8.5 %–9.2 %; and agriculture, forestry, and fishery 5 %. Social investment capital will total VND 248,500–255,000 billion, accounting for 36–37 % of GDP. Export turnover will grow by 13.5 % and total budget revenue will exceed VND 236,8 trillion, equivalent to 112.9 % of 2012's revenue level.

The city's social affairs targets include providing jobs to 265,000 laborers, generating 120,000 new jobs, and reducing the unemployment rate to 4.8 %. Solutions have been devised to boost production and consumption; address business inventory excess; keep a check on the financial and monetary markets; develop the service, industry, and construction sectors; boost export-import, agriculture, and rural development; and restructure State-owned enterprises.The city will adopt mechanisms and policy incentives to help businesses enhance their competitiveness and ease their access to capital, facilitating the development of the economy's private sector.

The HCM City People's Committee says the city will hold regular online conferences between State agencies and businesses to address production and business concerns as quickly as possible.It will encourage open flows of credit for businesses and ask the State Bank of Vietnam (SBV) to maintain lending interest rates at reasonable levels while offering preferential loans to agriculture, rural development, support industries, and small and medium-sized enterprises (SMEs).

The City is intent on exporting products of higher added value, ramping up technology production and gradually reducing the volume of coarse and unprocessed products.It is also set to expand major export markets such as the US, Japan, China and the EU; renew trade promotion programs provide customer markets with the most up-to-date information, and identify groups of products with a high competitive edge and maintain the overall quality of products.

The City will support export businesses in forwarding services at bonded warehouses, increasing unloading capacity at seaports, streamlining customs clearance procedures, intensifying business support programs, and developing logistical package services.HCM City People's Committee Chairman Le Hong Hai is confident that despite 2013's inevitable challenges, the city—with specific action plans and united action—is destined to fulfill all its set socio-economic targets.

(Source: VOV)

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High unemployment and economic gloom

Economists have reported the national economy faced numerous challenges during 2012, with many businesses suspending operations or declaring bankruptcy and contributing to the year's rising unemployment rate.

55,000 businesses dissolved and suspended

The latest statistics released by the Ministry of Planning and Investment (MPI) reveal that as of November 30, 2012, more than 65,000 businesses were operating with a total registered capital of over VND418,853 billion. It represents a 10 % fall in quantity and an 8.4 % fall in value compared to the same period in 2011.

As many as 39,936 businesses were suspended and more than 8,500 others dissolved, mostly in the country's two largest cities Hanoi and Ho Chi Minh City.

Bui Anh Tuan, Deputy Head of the MPI's Business Registration Management Department, says that the number of newly-established businesses also declined over the past year - from 17,820 in the first quarter to 16,195, 16,978, and 17,300 in the second, third, and fourth quarters, respectively.He attributes the decline to a frozen real estate sector that had previously enjoyed impressive annual growth of 6–7 %. A large number of real estate businesses were forced to declare bankruptcy, while many firms have shown interest in moving into other sectors like education, health care, culture, and tourism.

Tuan says other countries including Japan and the US have also suffered increasing incidences of business dissolution in recent years - as much as 10-15 %. Vietnam's dissolved and suspended businesses (over 48,470) are still comparable.In his view, the balance between dissolved and newly-established businesses demonstrates real market development and accords with the national economy's internal strength.

Nearly 1 million workers unemployed

According to the General Statistics Office (GSO), more than 52 million Vietnamese people were of working age in 2012—up 2.3 % compared to last year's figure. Although 2012's 1.99 % working age unemployment rate was lower than 2011's 2.22 %, the number of unemployed workers rose by 195,000. At present, nearly one million workers are seeking jobs, while 1.45 million others want additional part-time employment.The GSO says the focus of social welfare should be on stimulating employment to improve people's living standards.

(Source: VOV)

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Petrol importers receive quotas

Thirteen petroleum wholesale distributors nationwide have been allocated import quotas for 2013 by the Ministry of Industry and Trade in order to ensure sufficient supplies during the year.

The leading national petrol distributor, Petrolimex, received the largest import quota and has been ordered to import a minimum of 5.18 million cu.m of petroleum products. It was followed by PetroVietnam Oil Corporation (PV Oil), with a quota of one million cu.m and Saigon Petro with a quota of 536,000cu.m.

The ministry said that the importers would not be allowed to import less than the allocated minimum quota in order to ensure a well-regulated supply and maintain minimum reserves.The ministry also requested enterprises to base imports on market demand and available supplies from Dung Quat Oil Refinery.

The Dung Quat refinery this year expects to produce 6.5 million tonnes of petrol, its highest production level since it began operations in early 2009. The refinery last year produced 5.5 million tonnes.The ministry last year cut import quotas for 10 distributors as the economic slowdown depressed domestic demand.

The quota for Petrolimex went from 5.8 to 4.9 million tonnes, while PV Oil's quota was lessened by 336,000 tonnes and Petec's by 315,000 tonnes.Fuel imports last year reached over 8.8 million tonnes, with a value of USD 8.6 billion, down USD953 million from the previous year, according to customs figures.

(Source: VNS)

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Vietnam has 290 stock millionaires

The total stock assets of the 500 richest stock millionaires in 2012 reach VND75 trillion. More than a half of the 500 millionaires have the assets of over one million dollars.

There is no big gap in the individuals' assets of the stock millionaires ranking from the 150th to 500th like the one existing in top 100. The stock assets of the person ranking the 150th are only VND47 billion higher than that of the person on the 500th. Meanwhile, the asset gap between the first and the 100th richest stock millionaire is VND17 trillion. This explains why the list of top 500 changes a lot every year. The 2012's list sees 300 new faces, including the ones who appeared in the 2010's list, disappeared in the 2011's list and then re-appeared in the 2012's list.

Though Vietnam has experienced a gloomy real estate market in 2012 with very few transactions and apartments unsold, real estate developers remain very rich. That can be seen in the fact that up to 103 faces in the top 500 are the most outstanding representatives from the real estate sector, nearly the same with the last year's figure. Meanwhile, the number of the stock millionaires from the seafood and farm produce sector increased from 34 last year to 51 this year. This is the sector which has the second biggest number of representatives listed in the top 500.

The same situation occurred with the banking sector. Though 2012 was not a good year for bankers, the number of bankers listed in top 500 increased sharply from 23 last year to 37 this year. This is the result of a lot of merger and acquisition deals taking place in 2012 in the banking sector, which have led to a lot of banks changing hands. Meanwhile, the family members of banks' big shareholders purchased more shares in 2012, thus enriching their stock assets.

Steel manufacturing and investment services are also the two sectors that see many their representatives listed in the top 500. There is a common thing which can be seen in all the lists of top 100, top 50 women and top 30 families that despite the stock price decreases and the stock market difficulties, stock millionaires are still getting richer and richer. The total assets of the 500 richest millionaires in 2012 reach VND74,975 trillion, an increase of VND10.5 trillion over the last year's. The huge assets have been mostly come from the persons in top 100.

The 2012 list of top 500 showed that 290 individuals now own the stock assets worth over one million dollars, or 20 individuals more than the last year's. However, the figure is still far below the 2010's figure of 450.

The 500th richest stock millionaire now has the assets worth over VND10 billion dong, or VND1.5 billion higher than the 500th person in the 2011's list.

The list of top 500 stock millionaires has been released by VnExpress newspaper with the cooperation of VNDirect Securities Company.Some days ago, the lists of top 100 stock millionaires, top 50 richest women and top 30 families were released.The president of Vingroup--Pham Nhat Vuong, has for the third consecutive year, been recognized as the richest stock millionaire in Vietnam with the total assets of VND17.185 trillion dong. Vuong's wife, Pham Thu Huong, tops the list of the 50 richest women with VND2,960 billion dong worth of VIC shares.*(USD1=VND21,000)*

(Source: VNE)

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TRADE

Import-by-sea rule on mobile phones lifted

The Ministry of Industry and Trade has removed a rule that forces importers of mobile phones to transport the gadget into the nation by sea.

The ministry's decision came after importers and dealers had filed complaints about the rule, saying it had made life hard for them.The move, said a source from the ministry, is part of the ministry's drive to streamline administrative procedures and thus benefit businesses in the sector.

A dispatch coded 301/TB-BCT came out early this year, superseding Dispatch 197/TB-BCT of May 6, 2011 that required local firms to import mobile phones, cosmetics and alcohol via the seaports of the country's three major cities – Haiphong, Danang and HCMC.The rule change is expected to thwart the import of fake and substandard products in a broader fight against trade fraud.

At a seminar held in Hanoi late last year, Nguyen Son Hai, deputy sales manager of mobile network VinaPhone, also a phone importer and distributor, said mobile phones are a high-tech product that needs to be well stored and shipped into the country as fast as possible to meet market demand.Others like Viettel and Q-mobile also had the same request.Before Dispatch 197 was issued, local businesses mainly imported mobile phones by air, so shipments normally took a week or two. But the sea transport needed months.In the period from January 1 to December 15, 2012, imports of mobile phones and their parts amounted to over USD4.72 billion.

(Source: SGT)

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Vietnamese coffee trades at London price as a third of crop sold

Buyers of coffee from Vietnam, the world's largest producer of the Robusta variety, are paying the same price for their beans as the futures in London, with about a third of the crop already sold, according to Volcafe Ltd.

This week's price compares with a premium of USD20 a metric ton to the NYSE Liffe exchange price in the week ended Dec. 21, the Winterthur, Switzerland-based unit of commodities trader ED&F Man Holdings Ltd. said in a weekly report e-mailed today. Robusta coffee futures climbed 3.1 % over the same period. The premium, known as the differential, usually drops when futures rise. The 2012-13 season in Vietnam started on Oct. 1."Farmers continue to sell at a steady pace into the rising market at slightly softer differentials," Volcafe said in the report. The Vietnamese export market "has been active as can be seen from heavy shipments and rising Ho Chi Minh City stocks, with good demand keeping prices steady."

Vietnam's coffee exports were estimated at 201,000 tons in December by the Ministry of Agriculture and Rural Development. Shipments climbed 40 % to 1.76 million tons last year, according to a report published Dec. 26. The country will produce 25 million bags of coffee in 2012-13, down from 26 million bags a year earlier, the US Department of Agriculture estimates. A bag of coffee usually weighs 132 pounds.

Beans are bigger than expected "even with the much lower rainfall last year," Volcafe said. "Good harvest weather has meant moisture and defects are lower also."The weather in Vietnam is sunny and cool, "normal" for this time of the year, according to the trader's report. Rainfall was 10 % below average last year, it said.In Indonesia, the third-biggest Robusta grower, buyers are paying a premium of USD150 a ton to the exchange price, unchanged from Dec. 21, Volcafe said. Bean arrivals at ports were "very slow," in the in the range of 180 to 220 tons, the trader said.Robusta coffee for March delivery was 0.4 % higher at USD1,953 a ton in London recently.

(Source: TN)

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Emirates offers promotional airfares

Fast-growing airline Emirates is welcoming 2013 aboard by offering attractive airfares for quick-acting customers.

For the booking period from December 26, 2012 to January 10, 2013, flights from HCMC to Dubai have fares starting at VND17.2 million, or USD823. Meanwhile, tickets for the air services to Paris, Frankfurt and London are now available for early bookers at VND19.6 million (USD935), VND20.4 million (USD972) and VND22.4 million (USD1,067) respectively.

Fares for the HCMC-New York air route begin at VND25.5 million (USD1,219) and the HCMC-Washington DC airfares are quoted at VND26.3 million (USD1,256), inclusive of tax and surcharges. The special fares are valid for the travel period from January 18 to June 10, 2013 in economy class, applicable to more than 120 destinations across the network of Emirates.

Flight reservations can be done online through the website www.emirates.com/vn. The air carrier also allows passengers to build their itineraries and manage travel details, and offers a luggage allowance of 30 kilos for economy-class passengers."Now, we are injecting even more value into economy-class fares, while giving a warm welcome to 2013. We urge customers to move quickly to secure seats at the best price," said Thierry Antinori, Emirates' Executive Vice President - Passenger Sales Worldwide.

Customers taking advantage of the promotional fares have a chance to fly on the airline's flagship A380 with the introduction of a double daily A380 service to New York and Paris on January 1.This follows the launch of all-A380 service to London on December 10, to Singapore and Moscow on December 1 and to Melbourne on November 1, 2012. In all, the A380 fleet of Emirates reaches 21 destinations.

Emirates' network grew rapidly in 2012, with 15 new destinations. It is now operating a fleet of 194 aircrafts, including the world's largest fleet of double-decker A380.With more than 130 nationalities of highly-trained cabin crew, Emirates is known for its on-board services. Passengers can enjoy superb on-board cuisine and enthralling in-flight entertainment, with up to 1,400 channels of movies, TV programs, music and games.

(Source: SGT)

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Ca Mau's exports target over USD1 billion

*The southernmost province of Ca Mau expects to bring their export turnover to USD1.050 billion in 2013, up 10.5 % on last year.*To fulfill the goal, the provincial People's Committee has paid special attention to promote trade, develop and expand markets for aquatic products, and encourage businesses to invest in new technologies in order to improve the quality of seafood products and hone their competitive edge.

The province's key export items includes shrimp, fish and cuttlefish which are sold to markets such as the US, Japan, the EU, Australia, Canada, Russia, China, the Republic of Korea and several others on the African continent. Ca Mau currently has 33 frozen seafood processing factories and four fish powder processing factories, with a capacity of around 180,000 tonnes per year. To fulfill the target, the province has directed relevant agencies to boost administrative reforms, implement incentive policies for businesses through the provision of loans, lowering of interest rates and the exemption of certain fees and taxes.

It also focused on developing aquaculture in an effective and sustainable manner by establishing centralized shrimp farming areas, applying modern technologies, promptly addressing infectious diseases on shrimp, and expanding the aquaculture model under the VietGAP procedure to provide clean materials to export seafood processing factories. The province will invest in upgrading infrastructure and irrigation and facilitate offshore fishing to reach the 107,000 tonnes of produce required to reach the target.

(Source: VOV)

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INVESTMENT

Vietnam attracted 1,100 FDI projects in 2012

In 2012, Vietnam attracted 1,100 foreign direct investment (FDI) projects totaling USD7.85 billion in registered capital, 64.9 % of that in 2011, according to the Foreign Investment Agency (FIA). In the same year, 435 FDI projects increased their registered capital by 5.15 %, up 7.4 % in project number and 58.5 % in value from 2011. This took the total registered FDI attracted by Vietnam in 2012 to USD13.013 billion, 84.7 % of that in 2011. However the USD15-17 billion FDI target set by the FIA in early 2012 was not reached.

About USD10.46 billion in FDI was already invested in 2012, 95.1 % of that in 2011.

In 2012, processing and manufacturing industries attracted 498 newly licensed FDI projects and an additional USD9.1 billion in registered FDI (including both newly licensed and increased capital), accounting for 68.9 % of all FDI that Vietnam attracted in the year. Meanwhile, the real estate sector attracted 10 newly licensed projects and an additional capital of USD1.85 billion, and wholesale and retail and repair sectors attracted 175 newly licensed projects and an additional USD483.25 million (3.7 % of the total).

There were 58 countries and territories investing in Vietnam in 2012, with Japan ranking first with a registered capital (both newly licensed and increased capital) of USD5.13 billion (accounting for 39.5 % of all FDI in Vietnam in 2012). Singapore ranked second among the 58 countries and territories with USD1.72 billion (13.3 %), while the Republic of Korea (RoK) ranked third with USD1.17 billion (9.1 %). They were followed by Samoa, British Virgin Islands and other countries and territories.

Top FDI attractors included BinhDuongProvince, the city of Hai Phong, Ho Chi Minh City, Dong Nai, Hanoi, and Bac NinhProvince. Binh Duong took the lead and attracted an additional USD2.53 billion (both newly licensed and increased capital) in 2012, accounting for 19.5 % of all FDI attracted in 2012. Hai Phong ranked second with USD1.16 billion (9 % of the total), and Ho Chi Minh City ranked third with USD1.116 billion.

Major FDI projects included the USD1.2 billion Tokyu Binh Duong Garden City (a Japanese-owned project) in Binh Duong Province, the Wintek Vietnam Co., Ltd's project in Bac Giang Province that increased its capital by USD870 million, the Samsung Electronics Vietnam Co., Ltd's project in the Bac Ninh Industrial Zone that increased its capital by USD830 million, the USD574.8 million Bridgestone Vietnam project (producing auto tires) in the city of Hai Phong, and the USD441 million LIXIL Vietnam project in Dong Nai Province.

* As of 2012, Vietnam attracted 14,489 FDI projects (projects remaining effective) with a total registered capital of USD213 billion from 98 countries and territories. The projects were mainly found in the fields of processing, manufacturing, real estate, accommodation and catering, construction, electricity, gas, water and air-conditioner production and distribution, information and communications, art and entertainment, forwarding, agriculture, forestry and fisheries, mineral mining, whole sale, retail and repair, water supply, wastewater treatment, finance and banking, insurance, health and social support, and education and training.

Processing and manufacturing industries alone attracted 8,132 projects with a combined registered capital of USD105.7 billion, the real estate sector attracted 389 projects worth USD49.8 billion and the accommodation and catering sector attracted 332 projects worth USD10.6 billion.

(Source: VEN)

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FDI continues to dominate Vietnamese markets

Foreign invested enterprises are still the most profitable, according to Vietnam Report Joint Stock Company's Top 500 Largest Enterprises in 2012 (VNR500).

According to the fourth economic report by Vietnam Report, foreign direct investment (FDI) enterprises gain a VND3.9 profit out of every VND10 of investment, while state-owned firms only achieved VND1.6 and the rate for domestic private companies were at VND1.5.

According to the report, not only were FDI firms provided with more favourable conditions by the government, but they also had superior management.However, Vietnam Report also concluded that FDI firms need to make more of a contribution to society by improving working and living conditions, as opposed to cutting back.The most profitable industries named in the report were telecom, chemical, mechanics, forestry and agriculture.The telecom industry reaped VND4.6 in profit for every VND10 invested, while the electricity industry was unprofitable. The transportation, construction, real estate and publishing sectors also showed little gain.

The liquidity crisis for banks in 2011 put many enterprises at risk, especially in 2012, as the rate of bad debt reached 12 %. However Vietnam Report said that most FDI firms were not subject to that risk. Because their average loan to assets ratio was 40 %, even if they did not generate profits, most were still able to fulfill their financial obligations.The average ratio for state-owned enterprises was 70 %, while with private companies it was 80 %. These firms faced higher risk of default on debts.The ranking showed that the loan to asset ratio of 40 % of enterprises in the VNR500 were higher that the rate of 60 %, which is considered "safe".

(Source: VIR)

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Chan May-Lang Co EZ attracts 32 investment projects

Since its establishment six years ago, the Chan May- Lang Co Economic Zone (EZ) in the central province of Thua Thien-Hue has attracted 32 investment projects, capitalized at VND35,474 billion.

They include 10 foreign direct investment projects valued at VND21,000 billion.Of the total, 12 projects have been put in operation.Besides offering investments incentives, Thua Thien-Hue has invested more than VND1,733 billion in building transport, electricity and water supply, communication and other social infrastructure to give the Chan May- Lang Co EZ a facelift.

With a total area of 27,108 ha, the economic zone houses the Chan May deep-water port (668,5ha) and the Chan May urban centre (3,441ha).It has completed construction of a USDUSD 875 million Laguna tourism area invested by the Singapore Banyan Tree group and a 10,000 cubic metre fuel depot under the Petrol Vietnam Oil (PV Oil).Thua Thien- Hue province plans to finish site clearance on 2,000 ha in the next three years to handle over to investors. At present, it has constructed three resettlement areas with a total area of 90ha for 2,000 displaced households in Loc Vinh, Loc Tien and Lap An districts.

(Source: The Voice of Vietnam)

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Two new airlines join domestic market

The Civil Aviation Administration of Vietnam (CAAV) said two more airlines have received licenses to enter the burgeoning domestic aviation market at a time when a slew of challenges are looming as a result of protracted local and world economic woes.

CAAV's director general Lai Xuan Thanh said in a recent report submitted to the Minister of Transport that the aviation joint-stock companies Hai Au and Hanh Tinh Xanh had been licensed to offer services using specialized planes, including helicopters, small-sized aircraft and seaplanes.However, Thanh did not mention the charter capital of these aviation joint-stock companies and when they could begin services.In addition to the two airlines, a number of new passenger and cargo airlines have been licensed since late 2007 to conduct flights within Vietnam and internationally. However, only VietJetAir and Air Mekong have made it.

Indochina Airlines was grounded not long after it took off. This private carrier was licensed in mid-2008 and operated its maiden services in November 2008 with two leased Boeing 737-800 aircraft. But, the airline had to return the last aircraft to a European company in November 2009 due to huge debt.The VND500-billion Trai Thien Air Cargo got a business license in mid-2008 from the HCMC Department of Planning and Investment and approval of the Ministry of Transport in 2009 to provide services on local and international routes. However, the nation's first air cargo airline has never taken off.

According to CAAV, local and foreign airlines transported 25.3 million passengers and 527,000 tons of cargo last year, up 6.5% and 10.9% year-on-year respectively. Local carriers Vietnam Airlines, Jetstar Pacific, VietJetAir, Air Mekong and Vietnam Air Services Co. (Vasco) alone carried 17.5 million passengers and just over 200,000 tons of cargo, up 5.2% and 1.98% respectively.

** VietJetAir has teamed up with an international hotel booking system Agoda to help customers find best hotel deals in Vietnam and abroad that are up to 75% lower than normal rates at vietjetair.com.*

VietJetAir said through its hotel section of the website, customers were able to book and pay online for rooms at more than 265,000 hotels of three- to six-star ratings in Vietnam and elsewhere in the world. This service enables passengers to save time and money on working out their plans for business and holiday trips.

Desmond Lin, director of business development at VietJetAir, said the new service encouraged customers to map out travel plans as well as airfare and hotel bookings in advance to save money and time. He added more services would be available on the website so as to meet different needs of customers.

(Source: The Saigon Times Daily)

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Son La plant powers up in a major success for EVN

Electricity of Vietnam in 23 Dec 2012 officially inaugurated Son La hydropower plant, the largest one in Southeast Asia.

It will notably contribute to ease concern of manufacturers over the current power shortage in Vietnam.

The power plant, comprising six turbines with the total capacity of 2,400 megawatts, will generate more than 10 billion kilowatt-hours per year, equivalent to 9 % of the total electricity supply in Vietnam this year."The appearance of Son La plant will notably contribute to the power supply in the country. This is more significant in the dry season, when the country usually faces the shortage of 1-2 billion kilowatt-hours," said Pham Le Thanh, general director of state-owned Electricity of Vietnam (EVN).The increase in the country's power supply over the past years has been lagged behind the economic growth. The outage became more severe in 2010 and 2011 and raised concern for many foreign investors investing in manufacturing industries in Vietnam.

With the commercial operation of Son La plant, Thanh said, the plant which generates electricity at "more reasonable price" would help ensure the stability of Vietnam's economy. In addition, the power plant also has the role in preventing flood in the rainy season and supplying water for the Red River Delta in the dry season.The investment plans of Son La plant were approved by the National Assembly in 2001, with the total investment capital of USD2.8 billion. EVN two years ago put the first turbine at Son La plant in operation.Then, the second, third and fourth turbines were operated smoothly in 2011. The installation of fifth and sixth turbines was completed this year.

At present, six turbines of Son La plant have been operating smoothly and contributing approximately 13 billion kilowatt-hours to the national power grids, director of Son La Hydropower Plant Hoang Trong Nam said.Actually, EVN completed the construction of Son La plant three years ahead the schedule.

(Source: VIR)

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Many projects set up on southern trade cooperation

HCMC-based enterprises have established 110 projects in 20 southeast and Mekong Delta provinces in 2012 under a trade cooperation program between the city and these provinces, a city official said on Thursday (3 Jan 2013).

The program has produced positive effects on developing goods distribution networks. However, it has more things to do in order to get into the deep, heard a review conference on the program held in HCMC on Thursday.

Initial outcomes

Le Ngoc Dao, deputy director of the HCMC Department of Industry and Trade, reported the city-based firms last year carried out 110 projects and joint projects in the provinces in the southeast region and the Mekong Delta.They include 75 projects in livestock farming and agricultural production and 35 projects in the retail sector. The total cost of these projects are nearly VND8 trillion.In particular, Vissan invests in five livestock farming projects in Binh Duong, Dong Nai, Ba Ria-Vung Tau and Long An, while Ba Huan spends some VND350 billion on breeds, animal feeds and technology, and provides consumption guarantees for farmers in Long An, Kien Giang and Binh Duong.

As for retail, Saigon Co.op sets up three supermarkets and Vinatex develops 11, among 35 markets, supermarkets and commercial centers that have been put into operation.Dao said that after the cooperation agreement had been signed, the provinces introduced favorable policies to lure investors. Enterprises had regular meetings with provincial leaders and thus their problems were timely solved, she told the Daily on the sidelines of the conference.

Chau Minh Nguyen, deputy director of the trade department of Dong Nai, said the province greatly welcomed the projects aimed at retail network expansion.Last year, Dong Nai helped Vinatex Mart seek six locations to open supermarkets. So far, two supermarkets have been completed, and the other four are in land rent negotiations, he said.

Bui Hanh Thu, deputy general director of Saigon Co.op, described the trade cooperation program between HCMC and other localities as a catalyst for faster and more favorable investment.Saigon Co.op last year received strong support from the provinces through the recommendation of locations for supermarkets and purchasing power survey. Ten localities even allocated the company VND85 billion to implement the price stabilization program.

Call for greater cooperation

Dao said the trade cooperation program had a lot of shortcomings though. Enterprises from HCMC still mainly invest in the neighboring provinces to reduce transport costs, while neglecting the farther provinces like Ca Mau and Kien Giang.Connection between producers and distributors and formation of a supply chain remain inefficient because many key products still have not joined the distribution system.

Phan Thi My Thanh, vice chairwoman of Dong Nai Province, noted that not only do localities need to join hands with one another, but the Ministry of Industry and Trade also needs to connect with other ministries.Meanwhile, representatives of Vinh Long and Dong Thap wanted to join HCMC in trade promotion trips in order to boost efficiency. Most localities have organized costly trips to foreign countries to call for investment and introduce their products, but the efficiency of such trips is very low.

(Source: SGT)

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Binh Phuoc bolsters investment and border trade

As a fast-growing province in the Southern Key Economic Zone (SKEZ), Binh Phuoc attaches great importance to improving investment attraction and border economic development.

In 2012, Binh Phuoc attracted 14 foreign direct investment (FDI) projects totaling USD66.285 million in registered capital (107.69 % of project number and 152.02 % of registered capital in 2011), an average of USD4.734 million per project. The

USD30 million investment by the Nantong Xinfei Company Limited (China) in the Minh Hung Korea Industrial Park was the biggest FDI project attracted by Binh Phuoc last year.

Four FDI projects in the province also increased their registered capital by USD24.73 million last year.As of December 20, 2012, there were 98 FDI projects with a combined registered capital of USD811 million in Binh Phuoc.The province is expected to attract 20 more FDI projects totaling an estimated USD117 million in registered capital in 2013 (142 % of project number and 176 % of registered capital in 2012). Binh Phuoc encourages projects that can make use of local raw material sources and large and hi-tech projects, while rejecting projects likely to pollute the environment. It will continue promoting administrative reform and apply an online construction licensing system to create favorable conditions for investors and businesses to register investment.

Border trade development

Located along a 240 kilometer border with Cambodia, Binh Phuoc has 15 border communes. Bu Gia Map, Bu Dop and Loc Ninh districts border Kratie, Kampongcham and Mondulkiri provinces in Cambodia. Binh Phuoc has the Hoa Lu International Border Crossing in Loc Ninh District, Hoang Dieu National Border Gate in Bu Dop District, and two pairs of subordinate border crossings at Loc Thinh (Binh Phuoc)-Ton Lecham (Kampongcham) and Tan Tien (Binh Phuoc)-Chaykhleng (Kratie).

Official border trade between Binh Phuoc and these Cambodian provinces was mainly done through Hoa Lu and Hoang Dieu border crossings. The Hoa Lu border economic zone handed land over to 75 businesses, 12 of which have begun construction or production and trading activities.

Trade between border residents in Binh Phuoc and Cambodian provinces mainly took place in Hoa Lu and Hoang Dieu border markets and markets via subordinate border crossings. Vietnamese people sold rubber plant saplings, consumer goods, wood products, equipment and machinery and cement and bought sawn timber, fresh fruits, raw cashews, granite and farm produce. Binh Phuoc achieved an import and export revenue of more than USD34 million in the first 10 months of 2012, with its consumer goods, equipment, machinery, cement and rubber exports obtaining USD19.751 million and timber, granite and farm produce imports amounting to USD14.617 million.

Binh Phuoc Province Department of Industry and Trade Director Le Van Uy said that to further develop border trade provincial authorities will work with the investment, trade and tourism promotion center and media agencies in the province to introduce bilateral trade agreements signed between Vietnam and Cambodia and carry out trade promotion in Vietnamese-Cambodian border areas through opening trade fairs and exhibitions and making it possible for Cambodian consumers to buy Vietnamese goods; they will also promote connectivity in the southeastern region and work with the Ministry of Industry and Trade's Vietnam Trade Promotion Agency to pave the way for Binh Phuoc to join and organize trade promotion activities in border areas and Cambodian provinces, and strengthen information provision for Vietnamese businesses especially those in Binh Phuoc.

(Source: VEN)

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Japan companies want to invest in Lam Dong

At the December 17 investment workshop, many Japanese investors said that they wanted to invest in Lam Dong Province.

The province invited Japanese investors to do business in its advantageous areas including tourism and agriculture. Lam DongProvince People's Committee Chairman Nguyen Xuan Tien said that the province wanted to develop many tourism and high-tech agricultural service projects. At the workshop the province presented seven projects in tourism, culture, sport and high-tech farming to Japanese investors.

Several Japanese investors were interested in tourism service projects in Lam Dong including the Dankia-Suoi Vang project. The project to build the Dau Giay-Lien Khuong Highway between Lam Dong and several southern provinces and cities is seeking Japanese investment capital and is expected to facilitate economic development in Lam Dong and to better attract domestic and foreign investors.

The Ho Chi Minh City-based Japanese Consulate General said that Japanese investment in Vietnam was increasing reaching about USD10 billion in the first 11 months of 2012 and accounting for about 50 % of all foreign direct investment in the country.

(Source: Vietnam Economic News)

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Starbucks to open first store in Vietnam

The U.S.-based Starbucks Coffee Company announced on Thursday (3 Jan 2013) it will open its first store in Vietnam next month via the partner Coffee Concepts Vietnam Limited.

Jinlong Wang, President of Starbucks Asia Pacific, told the Daily that the only partner licensed to operate Starbucks stores in the Vietnamese market was Coffee Concepts Vietnam, a subsidiary of Hong Kong Maxim's Group.

The signing with Coffee Concepts Vietnam will maximize the growth potential of Starbucks in Vietnam as the partner has experience in managing 130 stores in Hong Kong and China.The first store is scheduled to open in HCMC, making Vietnam the 12th market of Starbucks in Asia Pacific.Starbucks has over 3,300 stores in China and Asia Pacific region.

Since studying the Vietnamese market since 1991, Starbucks has submitted intellectual property protection applications to the National Office of Intellectual Property of Vietnam, with up to 36 applications, according to the office.

Starbucks has made careful steps when entering a market which is one of the worlds' leading coffee exporters. Wang said that Starbucks understood and respected Vietnam's long and distinctive coffee culture.

According to some experts, the presence of Starbucks is a threat to existing local coffee store chains such as Trung Nguyen and Highlands Coffee as well some foreign coffee brands like Coffee Bean & Tea Leaf, Gloria Jean's Coffee and Hard Rock Café. However, there are some positive views that it is not a threat but makes the market more exciting."When Gloria Jean's Coffees and Coffee Bean & Tea Leaf entered Vietnam, many though that they would be able to overtake Trung Nguyen and Highlands Coffee, but in fact, Trung Nguyen is still growing well while the number of foreign brands is not high. Therefore, it is too soon to say whether Starbucks will succeed in competing with Vietnam's traditional coffee shops or not," an expert said.

Wang said that Starbucks respects all rivals in Vietnam, and its strategy was to bring unique coffee experiences to customers at Starbucks stores.Such experiences, according to Wang, are built based on high-quality Arabica coffee, products and especially passionate and experienced baristas.Besides, Starbucks will boost the localization of stores in its business strategy in Vietnam to make Starbucks stores the third destination for local people, after their home and office.

"Starbucks provides much more than just the best cup of coffee, we will offer a place where people come together, connect with family and friends and celebrate the local Vietnamese coffee culture and heritage," Wang said.

Starbucks has started to purchase high-quality Arabica coffee in Vietnam and will continue seeking Arabica coffee supply in Vietnam in the long term.In addition, Starbucks will work closely with local coffee farming cooperatives to increase the quality of Arabica coffee and introduce Vietnam's distinctive coffee heritage to its global customers.

(Source: The Saigon Times Daily)

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USD3.1bn refinery project gets energised

Vung Ro Petroleum, a subsidiary of the UK-headquartered Technostar Management Limited, has taken a step closer to breaking the ground for its Phu Yen-based USD3.1 billion oil refinery.

A company source told the project developers had just signed an engineering, procurement and construction (EPC) contract with a "leading" oil refinery construction firm in Asia.We are also completing some administrative procedures required by provincial authorities to secure more land. This work can be completed after Tet [Lunar New Year Holiday] and we will start construction at the same time," the source said.

Slow land clearance and EPC contractor selection processes have delayed the refinery's ground breaking three times since its first plan in 2009.Although land clearance was almost done, a ground breaking ceremony still failed to take place in early 2012 as scheduled for the third time because an EPC contractor had not been selected.

Vung Ro Petroleum, initially established in 2007 by Technostar Management Limited and Russia's Telloil Group, was the first foreign investor to get permission to invest in oil refining in Vietnam. The joint venture at that time proposed to build a USD1.7 billion oil refinery capable to refine 4 million tonnes of crude per year.Technostar then acquired Telloil Group's Vung Ro Petroleum stake and was approved to increase the project's investment to USD3.1 billion with an updated capacity of 8 million tonnes per annum.

In August 2012, Vung Ro Petroleum signed a technology transfer agreement with Honeywell's UOP, a leading international supplier and licensor for the petroleum refining and petrochemical production.Expected to start commercial operations by 2016, the refinery will produce a wide range of products including gasoline, polypropylene, benzene, toluene, xylene and diesel.

The refinery project will not only contribute to reducing Vietnam's reliance on imported fuel, but also mark a milestone for improving investment climate in Phu Yen, a coastal central province located 400 kilometres north of Ho Chi Minh City.The construction of the project is also expected to help attract more foreign investors to the petrochemical industry in Phu Yen, where the government has developed plans to build the the naphtha cracking Hoa Tam complex.

(Source: VIR)

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Sickly border economic zones need treatment

It would be better to gather strength to develop the nine national economic zones instead of scattering money to everywhere.

Under a Prime Minister's Decision, by 2020, Vietnam would have 52 border gates in the Vietnam – Cambodia border area, comprising of four provinces in the Central Highlands and six provinces in the west of the southern region). These include 13 international border gates, 13 main border gates and 26 auxiliary ones, a railway – Xuyen A, four airports and a transport system.These would provide favorable conditions to develop border economic zones. However, the development of the zones has been facing big problems.

Land fund not ready yet

Local residents in An Giang, Dong Thap and Kiem Giang provinces all affirmed that they have got ready to give land to the investors to serve the border economic zone projects. They also said that they have got ready to move to resettlement areas, even though they can anticipate big difficulties there. However, the local people's readiness still cannot help speed up the projects. In many localities, the resettlement areas have not been built over the last 10 years. Local people complained that their lives have become harder, while a lot of them have left the home village for other localities to earn their living.

In the border commune of Thuan Yen in Ha Tien town of Kien Giang province, where there is the Thuan Yen Industrial Zone existing for the last 8 years, 37 out of the 115 households who have to relocate to give land to the industrial zone still have not got houses. The 33 hectare resettlement area, just 600 meters far away from the Dong Ho Sea, remains a wild land. Meanwhile, the Thuan Yen Industrial Zone, covering an area of 141 hectares, has been lying quietly on the side of the highway No 1, because a lot of investors have left.

Pham Van Nhon, 49, in Thuong Phuoc commune, where there is the Thuong Phuoc economic zone in Dong Thap province, said in the past, local residents earned their living by trading across the border. However, things have changed a lot recently because of the implementation of economic zone projects. The problem is that the planning changes so regularly that people cannot settle their lives and start their business. Some families had just finished the building of their new houses with the money they received as the compensation for their relocation for site clearance, when they were asked to leave again to give land for another project.Eight years ago, it was very quiet in the border area. However, since 2004, when the area was programmed to develop into an international border gate area, there have been an asphalt road and a concrete bridge.

Capital lacking

According to the Management Board of the Economic Zones in the southwest border area, it’s very difficult to call for investment, because of the slow implementation of infrastructure items. Meanwhile, this has been caused by the serious lack of capital and the problems in the investment encouragement policies.The Management Board of the Thuong Phuoc Economic Zone admitted that investors still keep away from the zone because of the poor infrastructure conditions here. The money from the central budget every year just can meet 10 percent of the demand, while it’d better not to expect money from the provincial budget.Nguyen Van Tan, Head of the Kien Giang provincial Economic Zone Management Board, complained that a specific investment mechanism, which has been long awaited, has not been given to the Ha Tien border zone. Meanwhile, the duty-free sale policy initiated by the government has stopped; therefore, it cannot attract investors any more.

(Source: NLD)

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FINANCE – BANKING

Japan bank becomes VietinBank’s strategic investor

The Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) and Japan’s Bank of Tokyo-Mitsubishi UFJ (BTMU) signed their strategic investment and comprehensive cooperation contracts in Hanoi on December 27.

VietinBank sold 20 % of its stocks to its strategic investor BTMU, a transaction worth nearly VND15,500 billion (USD743 million). It is the largest mergers and acquisitions in the history of the Vietnamese banking industry. JPM Securities Asia Pacific Limited is providing consultations scheduled for completion in the 2013 fiscal year. VietinBank recently increased its charter capital to VND32,661 billion.

VietinBank CEO Pham Huy Hung confirmed that the choice of a foreign partner is part of the bank’s long-term development strategy. Upon becoming a strategic shareholder, BTMU will coordinate with VietinBank to increase management capacity, control risk, train human resources, modernise technological infrastructure, and advance the bank’s competitive standing as it integrates into the global economy.BTMU belongs to Mitsubishi UFJ Financial Group Inc and is the third largest bank in the world.

(Source: VOV)

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Vietnamese firms repatriate USD430 mln profits from abroad

Profits so far repatriated by Vietnamese companies operating abroad are worth USD430 million, news website VnExpress *quoted the Ministry of Investment and Planning as saying January 4.*

Many of the 712 operations in 60 countries and territories have achieved profits, mainly from rubber, telecom, and oil and gas exploration, the ministry said without naming the companies.The overseas investments, mainly by state-owned companies, totaled USD12.4 billion, and were worth USD1.3 billion last year alone, a 28 % jump from the previous year.

Do Nhat Hoang, head of the Overseas Investment Department, was quoted by the news website as saying that investment in neighboring countries like Laos, Cambodia, and Myanmar is increasing.The three are "suitable" for investment since they dovetail with Vietnam's own investment orientation, and the government is considering issuing regulations for doing business in those countries, he said.Foreign investment is expected to increase to USD1.5 billion this year.Laos is the most popular country with Vietnamese companies, 222 of whom operate there.

(Source: TNN)

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Southeast Asian business groups buying into Vietnamese firms

The merger and acquisitions (M&A) market in Vietnam is heating up thanks to the participation of big regional firms, who own majority stakes in local firms like Prime Group, Cai Lan, and Maybank Kim Eng Securities Co.

1. Thai SCG's acquisition of Prime Group

Thailand's Siam Cement Group (SCG) has announced it will spend some USD7.2 billion baht (USD240 million) to buy an 85 % stake in Prime Group, a Vietnamese tile manufacturer.Prime Group (Prime) is a multi-sector company focused in the fields of real estate investment and building materials production. It currently has a capacity of 75 million m2 of tiles per year and holds a 20 % market share of the domestic brick sector.As SCG's valuation of Prime is at some USD240 million, much higher than the actual value of the company, Prime's current shareholders did not hesitate to sell their shares to the foreign firm.SCG considers Vietnam to be a strategic market and has been expanding its operations in Vietnam since 1992. It currently has 17 companies with more than 2,300 employees in Vietnam. With total assets of more than USD370 million, its annual revenue from Vietnam stands at USD300 million.

2. NawaPlastic raises holding in Binh Minh Plastics and Tien Phong Plastics

In mid-2012, NawaPlastic, an SCG-related business, announced that it had collected a large amount of shares in Binh Minh Plastics and Tien Phong Plastics.The two local firms are leaders in the field of construction plastics, while Nawaplastic Industries (Saraburi) Co Ltd is a subsidiary of Thai Plastic and Chemicals Public Co Ltd (TPC).Thai Plastic Co. has purchased 9.82 million shares of Tien Phong Plastics, coded NTP, and 5.85 million shares of Binh Minh Plastics, coded BMP. Thus, the current holding rates of NawaPlastic in Tien Phong Plastics and Binh Minh Plastics are 16.7 % and 22.7 %, respectively, making it a major shareholder in both firms.

3. Wilmar and Vietnamese cooking oil/animal feed market

Singaporean firm Wilmar has a 68%stake in Cai Lan Oils & Fats Industries Co (Calofic), which accounts over 55% the local market share of bottled cooking oil, with well-known edible oil products such as Neptune, Simply, and Meizan.In 2011, Calofic earned more than VND10.5trillion in revenue and VND250 billion in after-tax profit, far ahead of runner-up Tuong An, which achieved revenue and after-tax profit of over VND4.4trillion and VND25 billion.Wilmar has a local subsidiary, Wilmar Agro Vietnam, which is headquartered in the Mekong Delta city of Can Tho, and works in rice bran and protein-rich rice bran. Its main product is the Vang rice bran brand, which is supplied to local animal feed and aquaculture feed manufacturers.In 2011, Wilmar Agro Vietnam earned nearly VND1trillion in revenue and VND42billion in post-tax profit.

4. Ayala and the HCMC water supply acquisition plan

In 2008, Ayala penetrated the Vietnamese market with a USD44 million water loss reduction project in HCMC.In November 2011, the consortium of Manila Water, Mitsubishi and Refrigeration Electrical Engineering Corp (REE) recommended that the Saigon Water Supply Co (Sawaco) implement a similar project in other areas of the city.In December 2011, Ayala purchased a 49 % stake in Thu Duc Water BOO Corp from the Ho Chi Minh City Infrastructure Investment Joint Stock Co (CII) for USD42.6 million.In May 2012, Ayala acquired a 10 % stake in CII and Manila Water. A subsidiary of Ayala is also a partner of CII and the HCMC State Financial Investment Co (HFIC) in HCMC’s existing water supply and distribution networks.

5. Jollibee holds dominant stakes in Highlands Coffee and Pho 24

Highlands Coffee Co, a Vietnamese coffee shop chain and producer and distributor of coffee products, sold 50 % of its stake in Pho 24 to Philippines-based Jollibee for USD25 million after acquiring 100 % stake of Pho 24 in early 2012.The transaction, carried out via Jollibee Worldwide - a Jollibee Group member, is said to be the beginning of the foreign company’s plan to acquire full stakes in Highlands Coffee and Pho 24 for Jollibee’s long-term plan in Vietnam.Highlands Coffee was established in Hanoi by a Vietnamese-American in 1998. This was the first time an Overseas Vietnamese was able to register a private company within Vietnam.

6. Maybank enters local banking sector

In August 2012, Malaysia’s Maybank bought Kim Eng Holding Singapore, which owns 49% of Kim Eng Vietnam Securities Joint Stock Co (KEVS), later renamed Maybank Kim Eng Securities Corp.Now, Maybank is wishing to raise the 49% stake (worth USD14.4 million) to 100% to become the first foreign securities firm in Vietnam.Operational in Vietnam since 2008, Maybank Kim Eng is one of the few companies in Vietnam that enjoyed profits from securities brokerage services in its first year of operation. Currently, Maybank Kim Eng is the 4th largest broker in Vietnam.In addition to stocks, Maybank currently has a capital contribution rate of up to 20 % in An Binh Joint Stock Commercial Bank.

(Source: Tuoitrenews)

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Foreign stakes to rise in ‘weak' banks

The State Bank of Viet Nam is considering a proposal to increase the limit on foreign ownership in ‘weak' banks, says Governor Nguyen Van Binh.

Existing government regulations in Decree No 69/2007/ND-CP stipulate that the total foreign ownership in a domestic commercial bank may not exceed 30 % of the bank's charter capital.

Binh said that the central bank has submitted to the Government a draft decree that would lift this limit for weaker banks, while increasing the limit on ownership of a single foreign strategic shareholder in any other bank from 15 % to 20 %."To attract foreign investors, especially foreign banks with strong financial capacity and experience to participate in the process of restructuring the domestic banking system, the draft decree would allow foreign investors to own over 30 % of equity in weak banks undergoing restructuring process, depending on specific cases," Binh said.

With the nation's stock market in a long-term slump, the Government has heard repeated calls to expand the space for foreign investors to invest in Vietnamese companies, including banks.The central bank has also tried to indirectly enhance the attractiveness of securities investments by capping the amount of interest investors can earn on bank deposits, but money has still ignored the market.

"Interest rate reduction is only one of the conditions for investment capital to flow into the stock market," Binh said. "The most fundamental factors [for attracting capital] are still the business efficiency of companies, economic stability and investor psychology."Despite significant declines in interest rates last year, many companies suffered difficulties in production due to low demand and high inventories, leaving stocks unattractive to investors, he noted, adding that bank shares were among those that did not perform well last year due to disappointing earnings results.

Increasing bad debt levels had also required banks to set aside larger provisional funds to hedge risks, Binh said.

Goverment support policies were likely to help businesses reduce inventories and recover operations in the near future, he said."I believe the stock market will then improve," he predicted.

(Source: VNS)

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ANALYSIS – OPINION

Experts: Market to recover on economic improvement

Despite challenges ahead, experts in the banking and securities industry expect the stock market to see a gradual recovery given an expected improvement in economic conditions this year.

Trinh Hoai Giang, deputy general director of HCMC Securities Corporation:

Both local and foreign investors are looking to Vietnam in 2013 and a better macro economic situation will help attract cash flow into the stock market. However, I think that the Government will have to solve many problems and has yet to take strong measures for the State-owned enterprise restructuring scheme. Improving capacity instead of investment is an urgent issue.

The stock market will not recover until interior problems of the economy such as bad debt and inventory are solved. If the problems still remain, foreign investors will be hesitant at investing in the local market.

Nguyen Do Lang, chairman and general director of APEC Securities Company:

The economy will turn better in 2013 but at a slow rate. Especially, the stock market will not be as bad as the final half of 2012. I think that the local economy has hit the rock bottom and all information of bad debt and stockpile has been priced in the market. Slow or quick recovery of the economy depends on determination of the Government.

For securities firms, I think that only 50% of securities enterprises can survive this year, as scheduled by managing agencies. Large enterprises that will still exist will have many opportunities to hold bigger market share. But if enterprises have incurred debts in previous years, they will face difficulties this year as bank capital may not flow into the stock market as much as before. Besides, strict regulations in Circular 210 will force many firms to close down if they fail to improve their current situation.

CEO of a big securities firm:

The problem of 2013 is the real estate market. Many property firms listed on the stock market have a strong capital source, creative business and large-scale projects but they are running the risk of insolvency. They even have to sell their buildings to pay debts. If the Government wants to give financial support to buyers, the policy should reach the right beneficiaries. Otherwise, a wrong demand stimulus like in 2009 may occur. The right thing is to reduce tax and land use ownership transfer fees to help enterprises cut prices, recover the real estate market and reduce bad debts in banks.

I think that this year's economic situation will not be too bad as the Government has figured out problems in previous years and is handling them. The VN-Index may reach 450 points this year if the Government's projects are implemented.

Trinh Van Tuan, chairman of Orient Commercial Bank:

I hope that the macro economy will see fewer difficulties this year thanks to solutions suggested by the Government. The Government has chosen the inflation curbing target instead of economic growth. Specifically, credit growth in 2013 is set at just around 6-7%. This is a right choice.

The Government's measures are rather late but better late than never. The problem is realizing what have been scheduled. In fact, people will not see many shocks like in 2012 as they have already known the bad economic situation. However, much effort is needed to help the economy gain strong growth like in previous years. The most important thing is that the economy will be able to reach sustainable development and avoid serious consequences in the coming year.

(Source: SGT)

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Q4 demand for office space slips in southern Vietnam hub

The demand for office space fell slightly in Ho Chi Minh City in the last quarter of 2012 as companies were reluctant to spend amid the tough economy, according to property consultancy firm Knight Frank.

In HCMC, "many companies have been forced to cut costs" and it was "very rare" that companies upgraded their office buildings or moved into new ones, the report said.Rents in the mid-range segment, which accounts half the market's supply, decreased slightly to USD21 per square meter last quarter though it received "most enquiries" from lessees.Luxury buildings offered rental rates at USD31 per square meter, slightly down compared to last quarter.

The BitexcoFinancialTower and the President Place were able to lease 65 and 35 % of their available spaces respectively, while six other office towers remained at 90 % occupancy.It is expected that such office buildings will have to further decrease prices over the first half of this year, due to increased supply due to the launch of new mid-priced office towers including the LimTower and the HTMCBuilding. The two downtown buildings will infuse the market with an additional 60,000 square meters of office space. Meanwhile in Hanoi, Knight Frank reported that the demand for office space inched up last quarter, as just a few downtown buildings would hit the market in early this year.

Companies are seeking to relocate from their current buildings to new ones and from mid-town to downtown areas, it said.A "significant number" of companies are considering moving their offices to the high-end CornerStoneBuilding while several other companies have finalized rental contracts with it in advance of its upcoming opening later this quarter.The CornerStoneBuilding along with the mid-range 19-12Building will add a total of 32,500 square meters of downtown office space.The advisory firm labeled deals made by FPT Information System and Nissan Techno with the office building Keangnam Hanoi Landmark "big" rentals for the fourth quarter of 2012.

The 18,000 square meters rented helped the building achieve a 50 % occupancy rate.

(Source: Thanh Nien News)

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Sustainable Growth — A Business Imperative

Unilever Vietnam is responding rapidly to challenges to sustain business growth. JV Raman, Unilever Vietnam chairman, had a talk about the company's Sustainable Living Plan which is set as a business model. Excerpts:

MBC@BD FAST FACTS

Location	: Binh Duong New City Binh Duong Province Vietnam
Land area	: 75 hectares
Product type	: Mixed-use – Ready-Built Business Space (RBBS) – Business Park – Built-to-Suit (BTS) – Land Lease
RBBS 1,000	: 5 units of 1,000 sqm Ready-Built factory space – Completed in January 2011 – 100% occupied
RBBS 2,000	: 7 units of 2,000 sqm of Ready-Built factory space – Completed in April 2012 – Immediate occupancy available
Business Park	: Retail and office space – Completed in May 2012 – Dynamic features: column-free space, large floor-to-ceiling windows – 3 units of retail space; NLA: 450 – 750 sqm – A total of 39 units of business park space; NLA: 190 – 250 sqm
BTS	: Customised space enabling companies to be asset-light in terms of real estate needs – VNTT Data Centre: GFA of 4,000 sqm; Completed in February 2011
Land Lease	: Enables customers to develop their own commercial / industrial / business park buildings for long-term use

For leasing queries, please contact:
Mr Khriztopher Phay
(Tel: +84 909 730 579 / +65 8188 3355;
Email: khriztopher.phay@mapletree.com.sg)

One year after launching the Unilever Sustainable Living Plan, what are your reflections on this?

First of all, I would like to share that the challenges we are facing in the world today, including challenges on health, hygiene and nutrition; on drinking water, sustainable resources and climate change; and on better livelihoods, require closer working of businesses and the government, as well as force businesses to operate differently to respond.

We have recognized that sustainable growth is no longer a choice any more but a business imperative. So growth at any cost is not viable. We must find new ways of doing business that decouples growth from the environmental impact while increasing the positive social impact of our brands. We cannot borrow the resources of future generation and spend it today. If we are not sustainable, we cannot succeed in the future. That was the genesis when we launched Unilever Sustainable Living Plan more than a year back.We thus strongly believe that sustainable growth is the only acceptable model of growth in the above-mentioned new context. We have a huge obligation in this regard as a leading consumer goods company in Vietnam.

How can you measure the success of the Plan?

The metrics we have chosen to measure ourselves by are set out in the Unilever Sustainable Living Plan, and the global progress report published this year sets out where we are making progress, and where we need to do more. I am very pleased to report that we are making great progress in Vietnam with our plan, based on the strong foundation of our consistent solid business performance and social and community investments. Let me share with you some highlights of our success in this regard.

On improving health and hygiene, we have impacted more than 17 million people in our health and hygiene programs, which include Lifebuoy Hand Washing Day and community education initiatives teaching people how to wash their hands to reduce the impact of diarrhea, a common occurrence in many parts of the world.

On reducing environmental footprints, the success case would be saving water. Nearly 450 million cubic meters of water have been saved with the use of Comfort One Rinse, our leading brand in fabric conditioner. We found in Vietnam, consumers use three buckets of water to rinse. With the One Rinse innovation, people use one instead of three buckets of water to rinse. From 2007 to 2012, we have helped consumers save nearly 450 million cubic meters of water. Similarly, our diesel oil-free factory in Cu Chi Industrial Zone, and other environmental friendly systems have helped reduce some 1,500 tons of carbon dioxide to the environment.

On sustainable sourcing, our sustainable tea sourcing PPP (Public Private Partnership) with the Ministry of Agriculture and Rural Development (MARD) has helped to triple the tea sourcing from Vietnam within just one year. Vietnam is a big manufacturer of tea but Vietnamese tea is not as popular as Vietnamese coffee. Unilever is working with MARD in an effort to make it the case.Last but not least, over 10,000 micro loans with total value of over VND50 billion have been lent to disadvantaged households, from our revolving fund of VND20 billion with the Vietnam Women Union, helping to enhance livelihoods of Vietnamese people in rural areas.

The economic hardship this year has caused difficulties to companies in every sector. How can Unilever cope with the situation?

Our business this year is pretty robust given the context of a tough environment. We believe that going forward the way we are doing business through the Unilever Sustainable Living Plan is the right model which enables us to create business value. So we are confident, optimistic and committed to Vietnam as a country.

Unilever is operating in emerging markets for over a hundred years and always takes a long-term view. We are focused and committed to Vietnam right from the beginning. When working in any country, we are committed to the long term. I think this year is very challenging in many respects, but the fundamentals of Vietnam's economy are quite strong, so are the fundamentals of consumption. People here are extremely smart. They adapt easily. Look at the history of Vietnam and one will see that they have gone through difficult situations by adapting themselves. In this difficult time, we should look at long-term goals, not short-term. That is a very important thing.

(Source: The Saigon Times)

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NEWS IN BRIEF

The two-way trade turnover between Vietnam and the United Kingdom reached USD3.57 billion in the first ten months of 2012, up 36% against the same period last year. Statistics released by the Embassy of Vietnam in London on January 8 show Vietnam's export earnings, mainly from cell phones and electrical equipment, footwear, garments and textiles, furniture, machinery and equipment, coffee, tea, spices and plastics, were estimated at USD3.19 billion (up 44%). While its imports from Europe's third biggest economy reached USD377.55 million, up 91% compared to the same period last year. Import items included chemicals, machinery and equipment, pharmaceuticals, electronics and steel and iron. The Embassy of Vietnam expects Vietnam-UK trade turnover in 2013 to exceed the target of USD4 billion set by the two countries in the agreement on strategic partnership signed in September 2010.

HCMC's authorities are working with the Ministry of Finance and the Ministry of Planning and Investment to seek approval from the Prime Minister on a USD450 million loan for the city's environmental hygiene project based on 100% financial backup from the International Development Association (IDA). IDA is an arm of the World Bank (WB) which specializes in supporting the poor in underdeveloped countries. The local government on Thursday (3 Jan) said it would approve the loan, with USD200 million sourced from IDA capital and another USD250 million from International Bank for Reconstruction and Development (IBRD), if the petition is not ratified. The project consists of two phases, with the first one seeing the environment and landscape of the Nhieu Loc-Thi Nghe Canal Basin rehabilitated since 1993.ItcostsomeUSD317 million including WB's USD294 million in the first phase.

Vietnam will raise the trading band in the Ho Chi Minh Stock Exchange, the country's main stock market, to 7 % next week, from 5 % now, as part of market-boosting measures, regulators said on Wednesday (9 Jan). The trading band on the Hanoi Stock Exchange will also be raised to 10 % from 7 % at present, Chairman Vu Bang of market watchdog the State Securities Commission, said in a statement obtained by Reuters. The new bands will be in place as of Jan. 15, he said.

The Vietnam National Textile and Garment Group (Vinatex) earned USD2.6 billion from exports in 2012, a year-on-year increase of 16 %. This was an impressive export growth compared to the 8.5 rate obtained by the whole garment sector. Despite the domestic economic slowdown, its total revenue rose 16 % over 2011, hitting nearly VND41 trillion and exceeding the annual plan by 2 %. The figures testified the group's all-out efforts in maintaining production and increasing product quality in the context of low demands from big markets like the US, the European Union and Japan. The group shifted to the domestic market, by opening nearly 20 new Vinatext Marts in 2012, bringing the total number of its retail distribution agents across the country to 80.

Vietnamese dried fruit manufacturer Vinamit has won a four-year lawsuit against its former Chinese distributor who stole its brand name for the dried jackfruit chip product in China. Vinamit Chairman and CEO Nguyen Lam Vien said that the Beijing Commercial Court has ruled Xie Hong Yi, who used to be Vinamit's distributor, has to return the Duc Thanh brand name for the fried chip to the Vinamit Joint Stock Company. The triumph of the four-year lawsuit with three hearings will support Vinamit in solidifying and increasing the market shares of its ten other food, coffee and fried fruit brands in China and other countries, Vien said. Vinamit started to sell its products to China in 1997 after gaining a foothold in the domestic market.

Doosan Heavy Industries Vietnam (Doosan Vina) has exported 3,500 tons of desalination equipment to Saudia Arabia under a two-year contract. It's the first cargo the company has sent this year, and the second made-in-Vietnam multi-stage flash shipment to the Ras Al Khair development projects in Saudi Arabia. As scheduled, the Quang Ngai-based heavy industries company will complete production and shipments of 7,000 tons of equipment and components – the last cargo – to the contract next month.

Hong Kong-based air carrier Dragonair is expected to launch a direct route between Hong Kong and Da Nang in March. This will be the airline's second destination in Vietnam, following on from its Ha Noi service. Flights by Airbus A320 aircraft will take place on Tuesdays, Thursdays and Sundays. Dragonair, an affiliate of Cathay Pacific Group, now serves over 40 regional destinations.

The joint stock Maritime Bank in co-operation with DDSaigon Company has launched its Capella debit card, enabling holders to draw money at the ATMs of around 30 banks free of charge. The policy will continue, even when banks are expected to start charging fees on withdrawals by their own customers. A total of 300 brands in areas including hotels, restaurants, cafeterias, supermarkets and fashion have joined the promotion program for card users, offering price reductions of up to 50 %.

VietJetAir has teamed up with international hotel reservation group Agoda to launch a hotel booking service, offering passengers greater discounts on holidays or business trips. As a result, passengers can save up to 75 % on accommodation fees through a network of 265,000 hotels in Vietnam and across the world by booking hotel rooms on www.vietjetair.com.

The Vinacomin Group has set a goal of selling 4 million tons of coal in the first month of 2013. The move is considered ambitious as the group's coal consumption reached only 9.5 million tons in the first quarter of last year. Vinacomin also revealed two business plans for this year – an intention to produce 43-46 million tons while selling 41.5-43 million tons.

WorldTech Transfer Investment and the UAE-based Global Sphere broke ground for a solar-panel manufacturing plant in the central province of Thua Thien-Hue on Monday (9 Jan). The 15ha plant in the Phong Dien Industrial Park is expected to cost nearly VND6.25 trillion (USD300 million). Phase one of the project, the first by a UAE investor in the province, will be finished in 30 months and have an annual capacity of 60MW. This will go up to 250MW in the second phase. A large project such as this would boost the province's socio-economic development, especially its industrial sector, authorities said

The Mekong Delta provinces target industrial production value of nearly VND188 trillion (USD9 billion) in 2013, a year-on-year increase of 17.4 %. Delta provinces will work with each other to produce seven key products, including seafood, rice, beer, fertilizer, footwear and cement as well as fruits and vegetables. To reach their goal, the provinces will first offer training courses in management skills to local businesspeople. In addition, authorities in the region will try to improve business competitiveness by developing industries that have high added-value products. As part of their plan for this year, the region's authorities will create advantageous conditions for companies so they can have good production results.

The Sofitel Legend Metropole Ha Noi, Park Hyatt Sai Gon and The Nam Hai in the historic town of Hoi An have been included on a list of 500 hotels in the 2012 Traveller + Leisure 500 list. This marks the first time that Nam Hai has been placed on the list. The T

+ L 500 list will be published next months in a 12-page spread in Travel + Leisure. The criteria included rooms, location, service, cuisine and value.

Etihad Airways, the national airline of the United Arab Emirates, has appointed Frédéric Huynh Quan Dat as its new General Manager for Vietnam. He is based in Ho Chi Minh City, the commercial capital of Vietnam, to which the Abu Dhabi-based airline will commence daily Airbus A330-200 passenger and cargo flights in October 2013. Huynh has more than 13 years' experience in the airline industry. He began his aviation career in 1999 as an analyst with Air France, based in New York. Since then he has held a number of commercial roles in France, Lebanon and the United Arab Emirates. Immediately prior to joining Etihad Airways, he was Air France KLM's manager for International and Netherlands corporate policy. He is multi-lingual – fluent in French, Vietnamese, English and Spanish – and has a Master's Degree in the Science of Management from ICN Graduate School of Business in Nancy, France.

Vietnamese exports to the EU hit USD20.3 billion in 2012, increasing 22.5% against 2011 and accounting for 17.7% of the country's total exports. Major export items included telephone sets that made up 43% of the country's total telephone exports, footwear 36%, computers 19%, and garments 16%. The US was the second largest importer of Vietnamese goods, consuming USD19.6 billion in value, representing a year on year rise of 15.6% and 17.1% of Vietnam's total exports. Other ASEAN countries ranked third, importing USD17.3 billion worth of Vietnamese goods, up 27.2% over 2011. Japan and China came fourth and fifth, consuming USD13.1 billion and USD12.2 billion respectively. China was the largest trade partner of Vietnam, exporting USD28.9 billion worth of goods to its neighbor, up 17.6% against 2011. It was followed by ASEAN (USD21 billion), the Republic of Korea (USD15.6 billion), Japan (USD11.7 billion), the EU (USD8.8 billion), and the US (USD4.7 billion).

Vietnam's manufacturing sector contracted in December, hurt by educed new order inflows, disinvestment of inventory holdings and stagnating production volumes,data released by Markit Economics and HSBC Bank showed Wednesday (2 Jan). The seasonally adjusted purchasing managers' index (PMI) for the manufacturing sector dropped to 49.3 in December from 50.5 in November, marking the eighth decline in activity in the past nine months. New orders placed with manufacturing firms decreased during the month, with orders in both the domestic and export market falling compared to the previous month. Production at Vietnamese factories remained broadly unchanged in December after rising modestly in the previous month. Despite the muted overall performance, firms increased their workforces for the third successive month, though at a marginal rate.

The Ministry of Industry and Trade has decided to investigate the application of self-defense measures on veggie oil products imported to the nation in response to a suggestion of National Company for Vegetable Oils, Aromas and Cosmetics of Vietnam, Tuoi Tre reports. The country's importing of plant oil products has sharply grown which may hurt the local industry, according to the Vietnam Competition Authority under the ministry.

The construction steel volume consumed last year only reached 4.5 million tons, down 10% from the previous year, but the consumption of other steel products increased by 20-40%, pushing the total steel consumption up by 3%. Pham Chi Cuong, chairman of the Vietnam Steel Association (VSA) said the rise of 3% was not too low when the economy was still in difficulty. The hardest-hit segment last year was construction steelmakers due to the long-frozen property market. "With difficulties forecast to continue this year, the association can only expect this year's steel consumption to increase by 2-3%," Cuong said. Many plants producing construction steel have been running below 60% capacity for years, and some other plants have had to suspend operation due to a steep fall in consumption. Dinh Huy Tam, general secretary of VSA, said that the increasing import from China has made local steel producers run into troubles. According to statistics of Vietnam's customs, the volume of such steel imported from China in last year's seven months was 5.5 times higher than the same period of 2011.

The southern province of Binh Duong said it lured over USD2.6 billion in foreign direct investment in 2012. The local economy expanded 12.5 % compared to the preset target of 13.5 %. The average personal income reached VND44.2 million (USD2,200) this year. Industry and service sectors account for 62 % and 34.2 % of the province's GDP. Industrial production value was estimated at VND140.66 trillion, up 14.2 %. Growth can also be seen in food processing, beverage, garments, footwear, leather, timber, paper, chemicals, rubber, and electronics. Binh Duong's export turnover increased 16 % to about USD12.129 billion.

The Dung Quat Oil Refinery plans to produce 6.5 million tons of petroleum products in 2013, up nearly 1 million tons over last year. The refinery is expected to earn VND120,000 billion in revenue and contribute VND16,800 billion to the State budget. Last year, in spite of difficulties, the refinery produced 6 million petroleum products of different kinds, contributing more than VND15,000 billion to the State budget. Dinh Van Ngoc, general director of Binh Son Refining and Petrochemical Company Limited, overseeing the Dung Quat Oil Refinery, said the company is an important contributor to the State budget. So far, it has contributed VND45,000 billion to the state budget, surpassing its investment capital of VND43,000 billion.

Hanoi's economy in 2013 is predicted to face more difficulties and challenges than in 2012, says Mayor Nguyen The Thao. The economy is expected to grow by 8-8.5 % in the scenario of that the 2012 economy trajectory is maintained. Growth could surpass 8.5 % in the best-case scenario, or drop below 8 % if there are more difficulties. The city predicts a growth rate of 8-8.5 % based on the analysis of the domestic and global situation, Thao added. He highlighted solutions to meet the target, saying 2013 will be a year of administrative reform to help businesses and people. The city will focus on ways to attract investment and create jobs, as well as procedures and supervision of rules and regulations, and firmly handle irresponsible officials.

Prime Minister Nguyen Tan Dung has approved a development strategy aimed at raising the level of national reserves to 1.5 % of GDP by 2020. Under the strategy, Vietnam's national reserves are expected at 0.8-1 % of GDP by 2015. Key commodities are related to socio-economic security, natural disaster adaptation and rescue work, national security and defense, and epidemic prevention and control. By 2015, Vietnam will have about 500,000 tons of rice, 500,000 cubic meter of petrol, and 700,000 tons of crude oil in store. The level of national reserves will be adjusted depending on the real situations in the following years. The strategy emphasizes the need to apply modern preservation technology to ensure the quality and quantity of reserved goods and protect the environment.

Ho Chi Minh City is set to achieve a GDP growth rate of 9.5-10 % in 2013 while stabilizing macro-economy, controlling inflation, boosting production and generating more jobs. The target was announced by the municipal People's Committee at a meeting on January 2 to review socio-economic development and budget spending in 2012 and work out orientations for 2013. HCM City's GDP grew by 9.2 % in 2012, nearly double the country's average rate despite a number of shortcomings in dealing with real estate projects, inventories, and bad debts. The focus of discussion was on facilitating production, promoting consumption, reducing inventory levels, as well as tightening the financial and monetary market to achieve USD4,000 worth of GDP per capita and reduce the rate of unemployment to less than 4.8 % in 2013.

Malaysia has levied anti-dumping taxes on Vietnam's Biaxially Oriented Polypropylene (BOPP), as per a state agency under the Vietnamese Ministry of Industry and Trade. The taxes, ranging from 10.41% to 21.43%, are imposed by Malaysia's Ministry of International Trade and Industry (MITI), and effective between December 24, 2012 and April 22, 2013. This is, however, only a temporary sanction the MITI is applying for Vietnam and four other Asian countries. Earlier in July, Malaysia initiated an anti-dumping investigation into BOPP imported from Vietnam, Taiwan, Thailand, China and Indonesia in the time span from January 1 to December 3, 2011. The inspection was launched after the plaintiff San Miguel Yamamura Plastic Films Syndicate said the Malaysian BOPP industry was suffering serious economic damage from foreign dumping activities.

Vietnam-India trade turnover has risen to USD4 billion from USD178 million ten years earlier. The figure was released at a business meeting held in the central city of Danang on January 3 by the Indian Embassy in co-ordination with the Vietnam Chamber of Commerce and Industry (VCCI), the Indian Chamber of Commerce (ICC) and the Indian Business Chamber in Vietnam (INCHAM). The event is part of activities in the framework of the Vietnam-India Business Forum to mark the 40th anniversary of bilateral diplomatic ties and the 5th anniversary of the establishment of bilateral strategic partnership. India is currently one of top ten foreign investors in Vietnam, with a total trade turnover in the first ten months of 2012 reaching USD3.2 billion.

Yamaha Corporation, a manufacturer of musical instruments, has decided to establish a sales subsidiary in Vietnam for musical instruments and audio and visual, or AV, products. Previously, Yamaha has relied on import agents in Vietnam to manage the sales of its products there, but, going forward, the new subsidiary will be in charge of marketing Yamaha products and operating Yamaha Music Schools. The subsidiary, Yamaha Music Vietnam Company, Limited, is scheduled to begin operations in April 2013. And the new company is to be located in Ho Chi Minh City, Vietnam.

Air Astana, Kazakhstan's national flag carrier, in 2 Jan officially launched a direct route linking Almaty, the country's largest city, and HCM City, with two flights set to make the journey every week, on Wednesdays and Fridays. A 160-seat Boeing 757 will leave Tan Son Nhat International Airport in HCM City at 13:00 and arrive at Almaty International Airport at 19:50 Vietnamese time. There are also two flights from Almaty to HCM City via Bangkok (Thailand) on Wednesdays and Fridays. Vietway Aviation Services is Air Astana's official agent in Vietnam, in charge of ticket sales and promotion.

Only one-fourth of companies in Hanoi paid corporate income tax to local State budget in 2012, resulting in the capital city's budget revenue falling short of the year's target, according to Hanoi City's Tax Department. The taxman said the number of enterprises reporting taxable income is small, just 21,508 out of 81,592 registered entities, accounting for 26%. Statistics of the department show that the tax volume recorded in 2012 was VND17.71 trillion, just equivalent to 86.7% of the 2011 amount. The year 2011 saw 23,508 companies reporting taxable income, making up 34%. In 2012, there were 46,787 enterprises or 57% reporting losses, rising 9.4% against the 2011 figure of 42,451 entities. The loss amounted to some VND43.9 trillion, up 4% over about VND42 trillion lost in 2011.

Haiphong surpassed Hanoi and HCMC to take over the second spot in foreign direct investment (FDI) attraction in 2012. As of end-December 2012, Haiphong had lured USD1.16 billion in FDI, only after Binh Duong Province with USD2.53 billion, as reported by the Foreign Investment Agency under the Ministry of Planning and Investment. The latest data of the Haiphong Department of Planning and Investment, however, reveals that the city attracted USD1.23 billion of newly-registered and additional FDI in the whole last year. Around 95% of this sum, or some USD1.2 billion, was poured into Dinh Vu-Cat Hai Economic Zone and the city-based industrial parks, said Mai Xuan Hoa, deputy head of the Haiphong Economic Zone Authority (HEZA).

The Ocean Bank and PetroVietnam Finance Corporation have bought a total of 1500 bonds worth VND1.5 trillion (USD72.12 million), issued by the city if Da Nang. The five-year-term bond, with a fixed interest rate of 11 % per year, is to raise funds for the construction of shopping and trade centers, supermarkets, wholesale markets and entertainment places. It was the first of Da Nang's planned VND5 trillion (USD240.4 million) bond issue for socio-economic development this year.

Vinh Phuc Infrastructure Development (IDV) forecasts earnings of VND30 billion (USD1.4 million) and a net profit of VND10 billion (USD476,100) this year. Total asset value was expected to reach VND305 billion (USD14.5 million). The company also announced its business results in the first nine months of last year, including revenue of VND21.35 billion (USD1 million) and profit of VND8.55 billion (USD407,100).

The capital's budget revenues have reached over VND146 trillion (USD7 billion), 99.9 % of this year's estimate, announced the Ha Noi Treasury on the first day of the year. In particular, VND137 trillion (USD6.5 billion) came from domestic taxes and VND9 trillion (USD0.4 billion) from imports-exports. The Treasury spent nearly VND62 trillion (USD3 billion) from the local budget, or 80 % of the yearly forecast. Total budget revenues in Ha Noi are estimated to reach more than VND161 trillion (USD7.7 billion) this year.

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COMING EVENTS

Starch World

Venue: Movenpick Hotel Saigon Ho Chi Minh

Country: Ho Chi Minh City, Vietnam

Start Date: ***21 Jan 2013*** *End date:* ***23 Jan 2013***

Categories: *Food & Beverage*

Conference Description

Starch World, in its second conference is going to discuss about Global Starch Outlook & Competitiveness of Cassava Feedstock in new applications. This conference is going to be held for a period of three days and the place is Ho Chi Minh City, Movenpick Hotel Saigon. There is various cassava producers such as Vietnam and Thailand are gaining worldwide import interests, with cassava chips seeing increasingly exciting trades and it is going to be discussed in this conference.

Starch World is going to discuss about key features which are exploitation of new starches, and development and implementation of new agronomic practices. It is going to discuss about in depth report on Global Starch Market and Feedstocks Scenario.

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The International Conference on Computing, Management and Telecommunications

Venue: RexHotel, Ho Chi Minh City

Country: Ho Chi Minh City, Vietnam

Start Date: ***21 Jan 2013*** *End date:* ***24 Jan 2013***

Conference Description

The International Conference on Computing, Management and Telecommunications will be organized with the assist of DuyTanUniversity. The annual event is a meeting place for people, ideas, and dialogue. The theme of the annual event is The Dawn of New Technology. The annual theme is designed to promote the research areas in the field of Computing, Management and Telecommunications and related issues. It aims to explore the possibilities of imaginative, experimental, systems-related and work in-progress papers on the relevant issues. It is committed to building new kinds of knowledge communities, innovative in Information Technology Management and Computing technology areas. It provides attendees with the unique opportunity to find the content they want and make the connections they seek.

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Eurasia Veterinary Conference

Venue: Vinperal Resort

Country: Nha Trang City, Vietnam

Start Date: ***18 Feb 2013*** *End date:* ***22 Feb 2013***

Categories: *Agriculture & Forestry*

Conference Description

Eurasia Veterinary Conference is going to be held in Sri Lanka, Thailand for five days. This conference will include demonstration, discussion panel, workshops and speaker session. Some distinguished speakers will be invited to address their speech in the conference. Masses from all over the world will join this conference. Eurasia Veterinary Conference will include an interactive session that will emphasize on topics such as infectious diseases, dermatology, neurology, nutrition and exotic animals workshop. Gastroenterology, emergency and critical care will also be the topics that will be covered in the conference. Some relevant issues will also get discussed in the conference. Information received from the conference will be beneficial for the participants.

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Maritime Vietnam

Venue: Saigon Exhibition & Convention Center (SECC)

799 Nguyen Van Linh Parkway, Tan Phu Ward, District 7

Country: Ho Chi Minh City, Vietnam

Start Date: ***05 Mar 2013*** *End date:* ***07 Mar 2013***

Description

The Premier International Exhibition and Conference for Vietnam's Buoyant Maritime Industry. Maritime Vietnam is a comprehensive event that features shipbuilding, offshore, ports and supply chain management opportunities. It provides an international platform for buyers and sellers to network and explore business opportunities in the buoyant maritime industry in Vietnam.

Visitors' Profile

Professionals related to the field of Transport terminals, Services for transportation, Stores and warehousing services, Forwarding and freight services, Customs services, Telematics, communication systems, Counselling and services, Research and development in logistics and transportation, Warehousing technique, Rail vehicles, ships, aeroplanes, Information and control systems.

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Clients can use Comparison Tool and Search Engine at our InfoGate to take an in-depth view on developers and owners of Industrial Parks in Vietnam.

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