



Dear all,

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**VIETNAM: TRADE &
INVESTMENT BULLETIN**

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DEVELOPER'S INTRODUCTION

TAKING A SUCCESSFUL DEVELOPMENT TO THE NEXT LEVEL

Mapletree Business City @ Binh Duong



Artist's Impression of the Mapletree Business City @ Binh Duong.

The award-winning Mapletree Business City (MBC) concept is raving up in Vietnam. Modeled after Singapore's MBC, the 75-hectare Mapletree Business City @ 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 Tan Son Nhat International Airport**, 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 30 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 Khristopher Phay (Tel: +84 909 730 579 / +65 8188 3355; Email: khristopher.phay@mapletree.com.sg)	

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

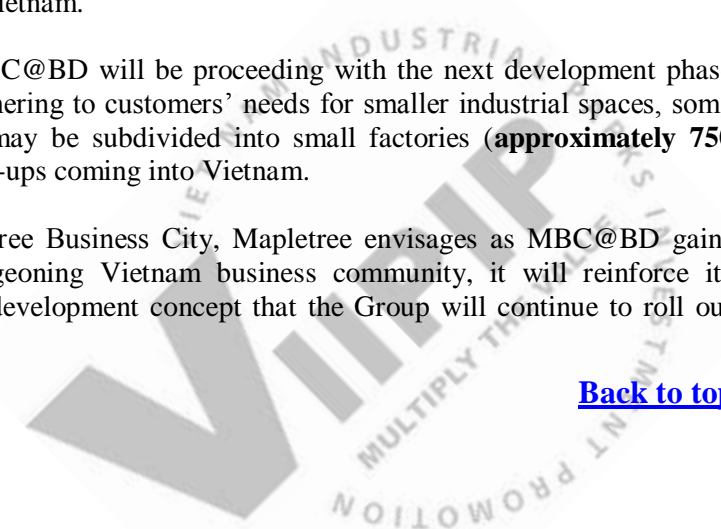
The widely-anticipated office building was completed in May 2012, offering a **total lettable area of more than 10,000 square metres** across four floors of office units and ground floor retail space.

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 Mapletree Business City, 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 connection and cooperation between Vietnam and global partners.



SAIGON VRG

SAIGON VRG INVESTMENT

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



Chu Lai open economic zone (O EZ) - 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 Cham Island. Chu Lai O EZ 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 O EZ 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 O EZ 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 mechanic IP 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 O EZ. In addition, social utilities of Chu Lai O EZ 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,...

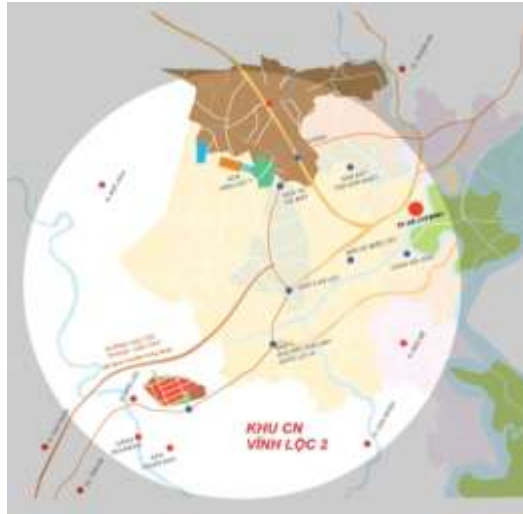
From its establishment, Chu Lai O EZ has attracted domestic and foreign projects from the United States of America, Japan, France, Canada, South Korea, Taiwan, China,... in which, there are some large - scale projects such as Chu Lai - Truong Hai automobile mechanical industrial zone, bus and car factories, 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 with the total investment of 125 million USD; Number one Chu Lai Beverage Plant with the total investment of 91 million USD.

To Chu Lai O EZ, 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 investment



attraction”, Vinh Loc 2 Industrial Zone has actively promoted the investment and consulted the effective opportunities to 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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**VINH LOC – BEN LUC IZ
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 INVESTMENT CORPORATION**

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GENERAL REVIEW

HSBC: Vietnam to achieve 5.5 pct GDP growth in 2013

The Hongkong and Shanghai Banking Corporation (HSBC) on March 4 released its report on the Vietnam's macro economy, which asserts that after a tough 2012, the economy has started off on a better foundation and Vietnam is expected to achieve a 5.5 % expansion of GDP in 2013.

The report spoke of the Prime Minister's approval of the Master Plan on Economic Restructuring in 2013-2020 which shows a reform mind-set. It said a commitment to price stability over growth is considered positive and should be maintained, but concrete steps to increase efficiency of the economy are still needed.

The deleveraging process continues to weaken demand, it said, adding that the Purchasing Managers Index declined, but inflation slowed and the trade account was in surplus in February.

According to the report, while concrete actions to improve the efficiency and accountability of the state sector are missing, what's commendable is the willingness to gradually wean off the state-owned enterprises (SOEs).

HSBC's economists held that the approval of the 2013-2020 master plan, which focuses on restructuring public investment, credit organisations and SOEs, is considered positive in that the government acknowledges the fundamental challenges facing the economy.

However, they said, as in the cases of other reforms promised in 2012, it lacks details about implementation. Meanwhile, HSBC experts believed that Vietnam is indeed making steady progress in building the foundations for more reform, taking the restrained support for inefficient enterprises in recent years as one example, and the stability of inflation and key economic indicators such as the trade balance and the foreign reserves as another. As such, when it comes to monitoring the country's progress, evidence of achievement and commitment is more important than promises, they said.

(Source: VNA)

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Vietnam's 3rd satellite all set for launch from French space center

Everything is in readiness for the launch of Vietnam's third satellite between April 18 and 20, news website VnExpress quoted an official as saying.

Dr Bui Trong Tuyen, chief of the Vietnam Academy of Science and Technology's Small Satellite Management Board, said Earth observation satellite VNREDSat-1 would be taken to Kourou space center in French Guiana Friday. From there it would be launched into a Sun-synchronous orbit, and earth stations would be able to receive its first signals around seven hours after launch, he said.

An operation center has been built at the academy, while two stations to receive signals and photos from the satellite have been established at the Ministry of Natural Resource and the Hoa Lac Hi-Tech Park in Hanoi. "All the systems at the three centers have been completed and are ready for receiving, operating, and exploiting the satellite."

Meanwhile, engineers who were sent to France have finished their training and are now capable of operating the satellite, he said.

The Vietnam Academy of Science and Technology had sent 15 engineers to Toulouse for an 18-month training session. Another team of five engineers from the Ministry of Natural Resources and Environment was trained to operate systems for receiving and processing satellite signals.

VNREDSat-1, which has an expected life span of five years, can take photographs of the Earth, helping authorities forecast climate change and disasters, especially floods, wildfires, and oil spills, Tuyen said. It would also provide high-definition

photos that allow agencies to monitor forests and agricultural lands, explore for minerals, and even keep track of fish shoals, he said. The photos will be sent to Earth almost in real time, he said.

Now it costs Vietnam USD2,000-5,000 for each photo bought from foreign companies, and it takes between one and two months to get them, he revealed. The latest satellite costs USD75.5 million, of which USD72.5 million was a loan by France in the form of official development assistance.

It was made by the European-owned Astrium Satellites at its plant in Toulouse. Vietnam launched its earlier satellites, Vinasat-1 and Vinasat-2, in 2008 and last year.

(Source: TNN)

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Draft decree on foreigners working in Vietnam

In order to implement the 2012 Labor Code, which will be of full force and effect on May 1, 2013, a draft decree on foreigners working in Vietnam has recently been released.

The draft decree focuses on dealing with (i) foreigners working in Vietnam without a work permit who will be deported from Vietnam, (ii) cases in which foreigners working in Vietnam are not required to have work permits and (iii) issuance, reissuance and withdrawal of work permits of foreigners working in Vietnam. Noteworthy points follow.

1. Conditions for issuance of work permit to a foreign worker

A foreign worker wishing to be issued with a work permit must satisfy the following conditions:

- i. Must have full legal capacity for civil acts as stipulated by the law of Vietnam.
- ii. Must be in good health necessary to satisfy the job requirements.
- iii. Must be a manager, executive director, expert or technician.
- iv. Must not have a criminal record for a national security offence; and must not currently be subject to criminal prosecution or any criminal sentence in accordance with the law of Vietnam and foreign law.
- v. There must be written consent from the competent State Authority (i.e., Department of Labor) permitting employment of the foreign worker.

Manager or executive director means a foreign worker directly managing a foreign enterprise which has established a commercial presence in Vietnam, and who is only subject to general supervision or direction by the board of management, shareholders or equivalent level of the enterprise; management of an enterprise comprises instructing such enterprise or any office, section or subsidiary unit of the commercial presence, supervising and controlling the work of expert staff, managers or other supervisors, having the right to hire and dismiss or to recommend the hiring and dismissal of or managing the activities of other staff.

Expert means a foreign worker with specialist or highly technical qualifications regarding services, research, technical or managerial equipment or facilities (and includes engineers or people with qualifications equivalent to the level of engineer or higher; and includes artisans in traditional occupations and trades) and means people with five or more years' experience in an occupation or trade, in operating production and business and in managerial work.

Technician means a foreign worker who has been trained in a technical specialty for at least one or more years, and who has a degree or certificate and has already worked for at least three years in such technical specialty in which he or she was trained.

2. Duration of work permit

A work permit shall be issued for the same duration as the term of the proposed labor contract to be signed or for the duration for which the foreign party has appointed the foreign worker to work in Vietnam or for the term of the contract signed

between the Vietnamese party and the foreign party or in accordance with the document of the service provider appointing the foreign worker to come to Vietnam to negotiate supply of services.

In order to be consistent with the 2013 Labor Code, the duration of a work permit in any of the above-mentioned cases shall be a maximum 24 months. Meanwhile, in light of the existing regulations, duration of a work permit may be up to 36 months.

(Source: VBLaw/The Saigon Times Weekly)

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Concern over draft decree on cash payment

A draft decree by the State Bank of Vietnam (SBV) has stirred up public concern, as it would forbid the use of cash for the purchase of cars and motorbikes.

Recently, Bui Quang Tien, Director of the SBV's Payment Department said the bank would submit the draft decree on cash payment to the prime minister by June 30 at the latest so that it could be issued this year.

Necessity

Many people said it is necessary to minimise or even ban the use of cash in buying cars and some other big ticket items. Several experts said sooner or later such a regulation should be applied in Vietnam, and that now is a good time to consider it. They say that such a move could help minimise risk in financial management at all levels. "A mainly cash-based society is something of the past. In developed countries, people tend to use credit instead of cash," said Professor Dang Hung Vo.

Laurent Charpentier, Chairman of Vietnam Automobile Manufacturers' Association (VAMA), also supported the proposed ban using cash for buying vehicles. "I think that this is a good idea. The automobile industry is one that is intertwined with banking, especially when financing is used," he commented.

An anonymous director of a branch of a luxury car dealer in Vietnam said, "One day a client bought two cars worth almost VND10 billion (USD478,240). Unfortunately, he paid in cash with VND50,000 to VND200,000 notes. We had to assign staff to count and sort the money, and then call the bank to ask them to allow us to make a late deposit."

Concerns

Most automobile dealers agreed that non-cash payment are modern and necessary, but think that guidelines for a new system should be thought out before implementing such an action.

Ha Minh Tuan, General Director of AnyCar, second-hand car dealer, said all car companies prefer non-cash payment to prevent problems and possible risks, such as counting, counterfeit currency and security services. Although Tuan sees the policy as feasible in larger cities, he worried that its wide application in rural and mountainous areas, or among people who are unfamiliar with the banking system could cause difficulties. Several other concerns have been brought up, such as worries over transaction charges that may discourage purchases and even overcrowding at banks.

Professor Dang Hung Vo said that it is important to change people's habits and improve the quality of service in banking.

(Source: VnEconomy, dtinews.vn)

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TRADE

Vietnam enjoys trade surplus

Vietnam has achieved a trade surplus of USD1.676 billion, accounting for 8.8 % of the country's total export turnover in January and February.

Vietnam, together with India and China, is expected to record the strongest export growth at a double-digit level annually throughout the period 2013-2020, according to the latest HSBC Global Connections report.

China is likely to remain Brazil's largest export market while the country's fastest growing export partners will be India and Vietnam, the report said. As China shifts its focus towards higher value-added sectors, this will create opportunities for economies with low-cost labour including Vietnam and Bangladesh. Advanced economies currently conduct the majority of their trade with other developed economies, but they will see a growing share of their exports directed to the emerging markets.

(Source: VOV)

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VN's export hits 18.97 bln USD in two months

Vietnam recorded an impressive export turnover of 18.97 billion USD in the first two months of 2013, which reflected a year-on-year increase of 23.9 %.

Of the figure, the export of foreign-invested businesses (excluding crude oil) was 11 billion USD, up 27.5 %, according to the Import-Export Department under the Ministry of Industry and Trade (MoIT).

In February, the country's export reached 7.5 billion USD, down 34.6 % from the previous month and 9.2 % year-on-year due to the nine-day long Lunar New Year festival. Mobile phones and bags were the largest foreign currency earners during the period. The MoIT's statistics also showed that Vietnam enjoyed a two-month trade surplus of over 1.67 billion USD, equivalent to 8.8 % of the total export turnover.

The country saw trade deficits in Asian markets, including China (2.8 billion USD), ASEAN (195.6 million USD), the Republic of Korea (1.62 billion USD), and Taiwan (1.03 billion USD). To fulfill 2013 export targets, the MoIT will focus on attracting investment to support industries and simplifying administrative procedures relating the grant of certificate of origin (C/O). It will work hard to expand export markets and improve forecasts on domestic and foreign markets while stepping up border trade activities.

According to MoIT Deputy Minister Ho Thi Kim Thoa, the ministry will speed up trade promotion activities to help local businesses seek more partners.

(Source: VNA)

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Exports to Pakistan likely to climb slightly this year

The Ministry of Industry and Trade's Department for African, West Asian, and South Asian Markets is predicting Vietnam's 2013 exports to Pakistan in 2013 will increase slightly as Pakistan's economic difficulties continue.

These difficulties include suspensions in production, fuel shortages, and escalating consumer goods prices. The Department noted two-way trade turnover between Vietnam and Pakistan has increased remarkably. In 2012, however, export turnover reached USD174.8 million (up 3.8 % on 2011) while import turnover hit USD215.8 million (up 38 %). Cotton and pharmaceutical products performed particularly well.

Slow export growth in 2012 stemmed from declines in some Vietnam's key export items to Pakistan—fabrics, pepper, cashew nuts, iron and steel, garments and textiles, and plastics. Tea products accounted for USD45.3 million of export turnover (up 39.3 %), seafood USD13.5 million (up 36.3 %), and rubber USD10.2 million (up 161.5 %). The sharp increase in import turnover came from cotton imports, the 53,854 tonnes, triple the quantity and 2.5 times the value of cotton imports in 2011.

The Pakistani market has great demand for agricultural produce, food, consumer goods, mechanics, equipment, and materials. Pakistani consumers do not require strict quality standards, their comparatively low-income earning making price a more important factor. Vietnamese consumer goods can meet these demands, but political and economic instability in Pakistan will hinder Vietnamese businesses from increasing exports to the traditional tea, seafood, rubber, pepper, and cashew nuts.

(Source: VOV)

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Vietnam-Myanmar trade up 40 %

Two-way trade between Vietnam and Myanmar hit USD227 million in 2012, a year-on-year increase of 35.9 %, according to the General Department of Customs.

Vietnam enjoyed a trade surplus of more than USD8 million with Myanmar for the first time over the past decade, the department says. It always ran an annual trade deficit with this market between 2003 and 2012, with the figure increasing threefold in 2005 and 2006.

In 2012 Myanmar ranked 55th among 230 foreign exporters to Vietnam, shipping USD117.8 million worth of commodities, up 42.9 % compared to 2011. Within ASEAN, Vietnamese exports to Myanmar are just a bit higher than those to Brunei and account for just 0.7 % of its total exports to all ASEAN member countries. In January 2013 its exports reached USD13.7 million, increasing by 1.8 % over December 2012. Its major export items were steel products, machinery and equipment, garments and plastics. Vietnamese imports fell sharply by 45.6 % to USD3.6 million due to a sharp reduction in wood imports.

(Source: VOV)

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Rice export revenue hits USD331 million in first two months

Vietnam has earned approximately USD331 million from exporting more than 744,000 tonnes of rice in the first two months of 2013, according to the Vietnam Food Association (VFA).

In February alone, the country exported nearly 340,000 tonnes of rice, worth approximately USD147.6 million. Rice sales are expected to reach 600,000 tonnes in March and about 7.5-7.6 million tonnes for the entire year. In 2012, Vietnam's rice exports hit 7.72 million tonnes, an increase of 8.29pct compared to the previous year, grossing a total of USD3.45 billion.

Mekong River Delta rice traders have purchased nearly 212,000 tonnes of rice for reserve starting from February 20, which accounts for 21pct of the target reserve purchases. As a result, rice prices have risen slightly by VND150-200 per kilogramme.

(Source: Nhan Dan)

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Vietnam's furniture highly valued at int'l fair

Twenty seven Vietnamese furniture makers are displaying their goods at the International Furniture Fair Singapore, held in conjunction with the ASEAN Furniture Show (IFFS/ AFS), the Décor Show and the Hospitality Show, in Singapore from March 9-12.

“Compared with other countries’, Vietnam’s furniture is very good, good materials, good designs and good deals,” said Wayne R. Smith, Principal Director of Australia’s Midway Tasmania furniture importer.

In an interview with Singapore-based Vietnam News Agency’s reporter, Wayne said that his company has over ten years imported Vietnam’s furniture products, mostly from the Brothers Furniture Co. Ltd. Annually, the Midway Tasmania buys from this company seven to eight containers of furniture and possibly no less this year.

According to Pham Van Sau, Director of Brothers Furniture Co. Ltd., a privately owned company with headquarters in the southern province of Binh Duong making furniture for export only, Midway Tasmania furniture importer is one of a dozen “loyal” customers, who came not only from Australia, but also from New Zealand, Canada, the UK, the EU, and Africa. He said: “They ordered, with total value of 7 million USD a year, but a little bit less last year at more than 5 million USD, after we attended the International Furniture Fair Singapore”, adding that all items on display this year were sold out right in the morning of the opening day, March 9.

Kwanruen Ah-Tun, Managing Director of Luke Import company from France , said Vietnam’s furniture, handicrafts and bamboo-rattan wares are “very beautiful”. “We have imported Vietnam’s products for about 20 years,” she said. . Annually, Luke Import buys about 10 containers of Vietnam’s furniture and handicrafts and this year, it may go up because “we are very interested in items shown by Grass Co. at this year’s fair.”

The Director of the Grass Co., a bamboo furniture producer in Tay Ninh southern province, said that more people in many countries, especially from Europe, are using less wood to protect their forests from being destroyed. Therefore, the number of customers is going up.

The Grass Co., together with the Brothers Furniture Co. Ltd. and the Saigon Craft Co. Ltd., has received Vietnam Chamber of Commerce and Industry’s award for attending the International Furniture Fair Singapore in 10 continuous years.

The IFFS/AFS are regarded by industry experts as Asia's premier sourcing platform and design-led exhibition. With nearly three decades of experience since its inaugural event in 1981, IFFS/AFS remains the most distinctive channel for regional and international companies to penetrate the global market.

Spanning 60,000 square metres, the IFFS 2013 showcases a total 466 exhibitors from 26 countries. On this occasion, the ASEAN Furniture Industries Council awarded its token to Vietnamese Ambassador to Singapore Tran Hai Hau, for the country’s contributions to the regional industry. With 4.5 billion USD of exports in 2012, up 19 % from the previous year, Vietnam is the largest furniture exporter in ASEAN, the second largest in Asia and the 10th largest in the world. Vietnam’s furniture products have been sold to more than 120 countries, with the US, the EU, Japan and China being the main markets accounting for over 70 % of export value in 2012.

(Source: VNA)

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Vietnam shrimp exporters not dumping, US admits

The Vietnam Association of Seafood Exporters and Producers said that the US Department of Commerce has decided not to impose an anti-dumping duty on Vietnamese shrimp imported into the US between February 1, 2011, and January 21 last year.

It means that for the first time after 10 years of punitive tariffs the DOC has accepted that Vietnamese shrimp firms do not engage in dumping, quoted VASEP as saying in a report. This brings much hope to shrimp processors in the context of the current economic difficulties, VASEP said. Fifty four Vietnamese shrimp exporters have been paying anti-dumping taxes in the US since 2004. Every year since then the DOC has carried out inspections to fix the tariff, which is currently at 25.76 % on average.

Along with the US International Trade Commission, the DOC is now considering a demand by some US shrimp producers to impose a countervailing on shrimps imported from Vietnam, claiming that Vietnamese shrimp companies receive financial support from their government and therefore sell at low prices, causing them huge losses.

The complaint was made late last year and the US side has said the final conclusion would be delayed to May 28. The US remained the second biggest market for Vietnamese shrimp exporters last year after Japan, with export topping USD454 million, down 15.6 % from 2011 and accounting for more than a fifth of Vietnam's shrimp exports, according to VASEP. In January this year the US surpassed Japan to become Vietnam's largest importer.

(Source: Thanh Nien News)

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INVESTMENT

Foreign investment in healthcare sector stagnant

Foreign direct investment (FDI) for the domestic health care sector this year may remain at a standstill even though investors are making efforts to complete plans for projects that are overdue.

A staff member of the Vietnam Foreign Investment Agency, who spoke on condition of anonymity, told Vietnam News that she did not see any good signs for FDI in the sector this year. She also said that the healthcare sector seemed to be less attractive to foreign investors, who have complained about difficult procedures and conditions. She explained that the sector required an investor to put up at least USD20 million to open a new hospital and USD2 million to open a new clinic. "In current difficult economic times, this capital is not small," she said. "There is now a big project invested in by Germany. The investors really want to implement it, but they may face many challenges because it is carried out under the public-private partnership scheme, which is quite new here." A representative from the healthcare ministry agrees with her assessment.

Tran Quoc Khoa, a staff member at the Ministry of Health told Dau Tu newspaper that investments in the healthcare sector are very large, and a long time is needed to recoup the money. Thus, investors must be well-experienced in managing their projects.

As a result, even after dozens of years of attracting FDI to the domestic healthcare sector, the country has only six hospitals with 100 % foreign investment, with a total capital of USD94 million, and more than 14,000 FDI-clinics, according to Khoa.

One investor, who declined to be named, said that many people like him preferred to invest in other sectors so they can get their money back sooner. Moreover, the regulations about investment in this sector were unclear and varied in provinces and cities, he said.

In a report in 27th February, the Dau Tu newspaper said that Ha Noi and its neighboring provinces would see the opening of two FDI-hospitals in the first quarter. However, plans for these have not been completed in a timely manner. In addition, many projects have faced challenges in meeting investment procedures and requirements.

Most of those were interviewed about the subject said that such investments were actually rather modest, especially considering the fact that many residents continue to spend huge amounts of money for healthcare services abroad and that demand has greatly increased. Despite this, there are still an insufficient number of high-quality hospitals.

(Source: VNS)

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Thais see value of investing

While some foreign investors go cold on Vietnam, Thai investors are jumping in boots and all.

Thailand's Amata Corporation two months ago approved to list its subsidiary, major industrial estate developer Amata Vietnam, on the Thailand Stock Exchange and raise funds to invest in the expansion of its business in Vietnam in anticipation of tighter ASEAN economic relations.

Since entering Vietnam in 1994, Amata Vietnam has developed a 700 hectare industrial estate Amata City in southern Dong Nai province. Under the concept of "Perfect Smart City", Amata Vietnam not only develops land with full range of high-class infrastructure for industrial factories but also allocates areas for commercial and residential projects in order to establish a complete community.

The company plans to utilize the initial public offering proceeds to develop a larger industrial estate in Dong Nai, now under approval process of the local authorities. This project is located in Long Thanh city covering 1,245ha, almost doubling the size of Amata City.

In addition to this new project, Amata in January came to northern Quang Ninh province to express the interest in developing a 3,000ha urban township named Future City, comprising a green industrial park, residential urban areas, sport facilities, a convention center, schools and entertainment facilities.

A Quang Ninh provincial source said Amata Vietnam planned to attract Thai clients to industrial parks in the province, which is close to China. The firm's ambitious expansion plan is said to reflect its strong belief in Vietnam's long term potential despite the recent decline in the nation's foreign direct investment inflows.

Tharabodee Semg-Adichuiwil, general manager of Bangkok Bank's Vietnamese operations, was quoted by Bangkok Post as saying that this year could be an excellent time for Thai investors to explore and seize the opportunities presented in Vietnam with the economy starting to recover. He said lower labor cost and political stability were advantages attracting Thai companies to Vietnam.

According to Vietnam's Foreign Investment Agency statistics, Thailand is now among top 10 investing countries in Vietnam in terms of the commitment capital, with USD6.1 billion and 299 projects by February 20, 2013. The amount is expected to jump in the near future as more Thai investors have announced their big investment plans in Vietnam.

Thai companies that plan to expand in Vietnam include Siam Makro Public Company Limited, a Thai retailer which last October announced plans to establish a subsidiary in Vietnam to tap on the domestic market. Meanwhile, SCG last December announced that its wholly-owned subsidiary, SCG Building Materials Company Limited, had entered into a conditional shares purchase agreement to acquire an 80 % stake in Vietnam's leading ceramic tiles producer Prime Group. Following this acquisition, the company will have the total ceramic tiles production capacity of 225 million square meters, of which 33 % will be produced in Vietnam.

Previously SCG, in association with other Qatari and Vietnamese partners, gained an investment certificate for building USD4.5 billion petrochemical complex in southern Ba Ria-Vung Tau, which is under process of site clearance.

The biggest investment plan announced by Thai investors in Vietnam is the USD28.7 billion oil refinery project by Thailand's national petroleum company PTT Public Company Limited in central Binh Dinh province, which has the total refining capacity of 660,000 barrels per day, or 33.6 million tons of crude oil per year.

If the project were approved, it would be one of the largest oil refinery and petrochemical complexes in Asia, and the largest foreign direct investment project in Vietnam.

Also in the energy sector, Thailand's Siamgas and Petrochemicals Public Company Limited (SGP) last year acquired Shell's entire shares in two companies in Vietnam, starting penetrate into the country's liquid petroleum gas market. SGP announced

the transaction was reasonable and beneficial to it and helped increase sales and distribution of liquid petroleum gas in south and north of Vietnam.

(Source: VIR)

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After Starbucks, McDonald's will come

High ranking executives of the US McDonald's came to Vietnam in 2012, a signal showing that the giant was eyeing the Vietnamese market. And it has become more obvious that the fast food chain will enter the Vietnamese market.

If Starbucks is thought to create a new face to the Vietnamese coffee market, then the presence of McDonald's is believed to force the rivals like KFC, Jollibee or Lotteria to reconsider their business plans. It's simply because McDonald's, with the shops in 119 countries, is really a powerful empire to confront with.

In August 2012, local newspapers caught the attention from the public when reporting that senior executives of McDonald's were here in Vietnam to seek suitable partners for a franchising contract.

No strong commitments were made after the working visit, but the US fast food chain left some noticeable information that it would officially be present in Vietnam in two years, and that it would open 100 McDonald's shops in Vietnam, of which the first one would be in HCM City.

In late February, the news that McDonald's was negotiating with three Vietnamese partners heated up the fast food market.

According to Dr Ly Quy Trung, the big brands like McDonald's, Burger King, or 7-Eleven rarely conducts single-unit franchise, while they prefer area development franchise. There has been no information about how the negotiations have ended up and who of the three McDonald's would choose. It is also likely that McDonald's would franchise to at least two Vietnamese partners, one in the north and one in the south, because it would be difficult to find a Vietnamese business which can bear the high fee of becoming the franchisee of McDonald's for a long time.

At present, Lotteria is still leading the domestic fast food market with 146 shops, while KFC has 134 and Jollibee 30. However, KFC has higher growth rates and turnover. A report of Euromonitor showed that KFC led the fast food industry in Vietnam in 2011.

Who could be the partners of McDonald's then?

It's obvious that the businesses or individuals who have the plan to become McDonald's partners need to be very rich. It's simply because McDonald's is a big brand name with high value which would set up very high requirements. Regarding the franchising fees, analysts say the initial fee would be no less than USD45,000. Besides, the franchisees would have to pay a lot of other kinds of fee.

In general, analysts say, there are two kinds of expenses to bear, the pre-operation expenses, and the expenses to be spent during the operation. It is estimated that the total investment capital for every McDonald's shop, which includes the franchising fee, premises rents, equipments and interior decoration, could be between USD214,000 and USD2.1 million.

According to McDonald's, more than 88 % of its franchisees have more than one shop. And it's highly possible that the Vietnamese franchisees would also do that, because large chains of shops not only can increase the presence of the brand in the market, but also bring higher turnover to them.

After paying the initial investments to set up a shop, franchisees would have to bear over 20 types of expenses, including the service fee, which is four % of the turnover, to be paid to the franchisers, and the advertisement fee, which is at least four % of turnover.

No official statement has been made about the Vietnamese partners. However, Doanh Nhan Saigon has quoted its sources as saying that the three partners are CT&D, Son Kim Group and a big name in the field of venture investments.

(Source: TBKTSG)

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EU optimistic about business prospect in Vietnam

Results of the 10th quarterly EuroCham Business Climate Index survey released on March 7 showed that business confidence and outlook among European businesses in Vietnam is improving slightly.

This quarter the level has risen from the recent record low of 45 to 48 points. However, the Index remains below the half-line and EuroCham members that participated in the survey continued to express general concern about their current business situation and outlook as well as the impact of increased taxes, fines and official scrutiny.

The EuroCham Business Climate Index increased by 3 points to 48. Slightly less than half of the businesses that participated in the survey are active in the services industry, a quarter in manufacturing and the rest in trading or other activities.

Compared to the last survey, there was a relatively large increase in respondents assessing their current business situation as positive from 26 % to 40 %.

With respondents holding a neutral view remaining fairly stable at 36 %, there are still a quarter of respondents holding a negative view of their current business situation. The business outlook for respondents has also improved slightly: those reporting a neutral view remained stable at 42 %, with slight improvement in those with a positive view to 30 %, balanced by a slight decline in negative view to 28 %.

Reported investment plans however seem to be stabilizing. There are less companies intending to significantly increase investment, which is down from 11 to 7 % of the sample; but also less companies reporting the intention to cut investment, which has reduced from 27 to 24 %. With the majority of companies i.e 73 % either expecting to keep their investment at similar levels to 2012, or to increase investment slightly. Overall some 78 % of respondents report they are maintaining or increasing their investment, indicating a continued faith in Vietnam's medium term future.

Whilst the share of companies expecting revenue to increase remained relatively constant at 45 %, those expecting a drop in orders fell from 32 to 23 %, which is a significant improvement. Concerns about inflation are declining slightly, though still 45 % of companies expect inflation to have a significant impact on their business in the medium-term. Members were also asked to indicate what they think the rate of inflation will be and the average came to 5.12 %. This continues to decline and is now very significantly below respondents perceptions a year ago, where the average inflation rate was predicted at 7.83 %.

Respondents appreciation of the macroeconomic situation is also improving. Whereas last quarter a massive 72 % expected a further deterioration in conditions, this has now fallen back to 57 %, though this is still a majority of respondents expecting a further deterioration, and only 43 % expecting stabilization and improvement.

EuroCham Chairman Preben Hjortlund commented on the survey: "This is welcome news and reflects a perceived stabilization in the macroeconomic situation. However we must remember that the index is still the wrong side of 50 and is well down on the 79 level achieved only 2 years ago. We need now to see continued efforts by the Government to improve the underlying structural problems of the economy".

(Source: VOV)

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Japan aids Binh Duong-HCMC metro

A metro route connecting Binh Duong New City with HCMC's Suoi Tien Theme Park will be developed soon thanks to the Japanese Government's support, Tran Thanh Liem, vice chairman of Binh Duong Province, said.

Takumi Onuma, representative of Japan's Ministry of Economy, Trade and Industry (METI), said at a meeting with Binh Duong Province's government on Wednesday (27 February) that Japan will support the province to build the metro line, according to Liem. The project remains an idea but Liem said that it is an important project and that the Japanese Government wants to speed up investment into the project via ODA loans.

As per the plan that has already been approved, Binh Duong will become a top level city by 2020, Liem said. Therefore, he noted, demand for necessary sources for developing the city, especially its infrastructure, is really huge. And if the Binh Duong New City-Suoi Tien metro line is developed, Binh Duong's central area will be connected with downtown HCMC, he added. The HCMC authorities earlier planned to extend the Metro Line No.1 from Suoi Tien to Binh Duong. The city has assigned the municipal Department of Planning and Architecture and other related agencies to work with relevant authorities in Binh Duong to study the scheme's feasibility.

(Source: SGT)

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Lang Son introduces economic potential to Indian

The northern border province of Lang Son held a conference to introduce its economic potential to Indian investors on March 8.

The conference was jointly held by the provincial People's Committee, the Vietnam Chamber of Commerce and Industry (VCCI), and the Indian Embassy in Vietnam. It is part of activities to celebrate the 41st anniversary of Vietnam-India diplomatic ties (January 7, 1972-2013) and the 6th anniversary of their bilateral strategic partnership (July 6, 2007-2013).

With advantageous location, resources, culture and labour, Lang Son is seeking cooperation opportunities with Indian businesses and international investors in various sectors.

Bordering China and connected directly with national economic centres through a convenient railway system and network of roads, the province is a transit point between Vietnam, ASEAN and China.

Provincial authorities encourage investment in the economic zone of Dong Dang–Lang Son border gate with China. This 400-square-kilometre zone includes duty- and tax-free areas with functional subdivisions such as Vietnam-China border economic cooperation, commodity transportation, processing and industrial divisions. It was established to provide incentives for investors and a convenient environment for them to do business.

Lang Son province appeals for investment to industrial sectors such as machinery, electronics and construction materials. It also presents potential in the mining industry and mountainous agriculture. Besides, beautiful sites and the traditional culture of ethnic minorities are favourable conditions for Lang Son to develop tourism. It welcomes on average 1 million tourists every year.

(Source: VNA)

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Nghe An welcomes key investment projects

Seven ambitious investors recently set foot in Nghe An province.

According to the Nghe An People's Committee, at Nghe An Investment Promotion Conference two week ago, the provincial authorities signed agreements with seven investors to develop many large projects with investment capital of VND6,375

billion (USD303.5 million). Specifically, the province signed agreement with Japan-based Tomei Vocational School to open vocational school, train human resources for Vietnam-based Japanese enterprises and instruct driving in accordance with international standard in Hoang Mai Industrial Park. The project has investment capital of VND105 billion (USD5 million).

The province signed agreement with Nghe Tinh Port to build two stations number 5 and 6 in Cua Lo port. The project has a designed 20,000 deadweight tonnage with total investment capital of VND500 billion (USD23.8 million). Nam Dan Van An wants to develop high tech industry manufacturing complex with total investment capital of VND2,200 billion (USD104 million).

Ho Chi Minh City-based Tien Thinh Consulting Services, Investment and Environment Technology Company planned to invest in a VND2,400 billion (USD114.2 million) industrial waste treatment complex. The province also signed agreement with Dong Duong Group to develop granite and Ashlar facing stone manufacturing factory with total investment VND520 billion (USD24.7 million), meanwhile Golf Cua Lo Joint Stock Company planned to pour VND300 billion (USD14.2 million) to build sport and ecological urban complex in Hung Hoa commune, Vinh City.

Saigon Co.op and Dong A Joint Stock Company shook hands to build Co.op Mart shopping centre in Vinh city worth VND350 billion (USD17 million). Besides, Railway Real Estate Company, also investor of Hung Dong Industrial Zone's infrastructure signed two memorandum of understanding with two foreign partners namely Japan-based Kume Design Asia and Korea-based Lotte Mart. These companies will lease land in Hung Dong Industrial Zone.

The province also signed agreement with BIDV to support a loan worth VND4,127 billion (USD196.5 million) for some domestic firms to develop their investment projects in the province. Within four Nghe An Investment Promotion Conferences from 2009 to 2012, the province signed 39 agreements with domestic and foreign investors to develop 43 projects worth VND54,434 billion (USD2,592 million). So far, the province granted investment certificate for 594 projects. In which, 335 projects including 313 domestic projects worth VND80,690 billion (USD3,842 million) and 22 foreign direct investment worth USD1.248 billion invested from 2009.

(Source: VIR)

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Cau Treo gets into the zone

Developing Ha Tinh province's Cau Treo international border economic zone is in vogue.

Since 2007, when the prime minister issued Decision 162/2007/QĐ-TTg on Cau Treo international border economic zone's operational rules, its production and business activities have been vibrant with committed investment capital enjoying a five-fold increase compared to previous period 1999-2007.

The EZ is now home to 158 businesses, up 32 entities against 2011 and 22 units more than projection in parallel to around 1,200 household businesses. In 2012, Cau Treo Border EZ Authority licenced seven investment projects worth VND183 billion (USD8.7 million) in committed capital, bringing the total licenced projects to 19 valued at USD145 million in total committed capital. The EZ reaped USD183 million in total export value in 2012, a 58 % jump against 2011, while budget revenue surged 63.3 % - showcasing the EZ management's great efforts in handing its tasks and governance activities. However, the EZ needs further attention and investments as many local technical infrastructure projects have yet to finish construction due to capital distress.

This has turned off investors. For example, by 2010 unfinished projects lacked more than VND1 trillion (USD48 million), while VND500 billion (USD24 million) from state supportive credit sources is needed to build some more essential infrastructure in the list of priority projects under Decision 961/QĐ-TTg dated June 25, 2010 approving Cau Treo EZ construction general planning.

Critical capital shortages for technical infrastructure construction have hindered EZ efforts to charm investors. Besides, state policies towards EZ development are often inconsistent and overlapping which has afflicted the mindset of businesses and potential investors. In addition, hilly terrain made Cau Treo EZ less attractive compared to other coastal EZs. Thereby, border EZs and Cau Treo EZ are seeking bigger investment incentives compared to those applied to coastal or plain EZs.

Comprehensive studies are also required for enactment of consistent policy groups targeting border EZ development compatible to Decision 162/2007/QĐ-TTg. In the meantime, it is necessary to hike state investment for building EZ infrastructure which is intertwined with other projects and programmes to support development of border villages.

The Ministry of Transport is expected to shortly instruct construction of National Highway 8A's second phase, including the section crossing Cau Treo border EZ. Cau Treo EZ is reportedly one of eight key EZs for priority investment during 2013-2015. The EZ is part of National Highway 8A in the Vietnam-Laos border line, an important strategic position for socioeconomic development, defense and security in Ha Tinh and north central provinces. National Highway 8A is considered to shortest way for Laos, northeastern Thailand and Myanmar to reach the East Sea and develop trade exchanges with countries in the region and the world through Vung Ang-Son Duong deep-water port complex in Ha Tinh province. Cau Treo EZ also links sync to Ho Chi Minh trail and the North-South railway, comfortable for trade exchanges with different parts nationwide.

(Source: Vietnam Investment Review)

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Samsung rents 100-ha land to launch its 2nd Vietnam project

Samsung Electronics on February 6 signed a contract with Yen Binh Investment and Development JSC to rent 100 hectares of land in Thai Nguyen Province for its second project in Vietnam, news website VnEconomy reported in beginning February.

Its subsidiary Samsung Electronics Vietnam said it will rent the land for 49 years and the new plant will specialize in assembling hi-tech devices including mobile phones and tablets.

The company earlier had proposed that the Thai Nguyen provincial authorities to give the go-ahead for the project, which it said to cost around USD2 billion, at the Yen Binh Industrial Zone.

The project is estimated to attract around 10,000 labors in the first few years, and the figure could rise up to 30,000 a few years later, according to Samsung. The Vietnam's government said in a statement last September that Samsung would get similar tax incentives as it got for its first plant – in the northern province of Bac Ninh. It means the firm will be offered a corporate tax rate of 10 % "during the time the project is carried out", compared to 25 % for most companies.

Among the incentives are corporate income tax exemption in the first four years of operation and half payment of taxes for nine following years. The first plant, also the second largest of Samsung's mobile phone factories worldwide after the Kumi plant in South Korea, was opened at the Yen Phong Industrial Zone in 2009. It is a foreign direct investment (FDI) project which has a total investment of of USD1.5 billion, which also uses an area of 100 ha and has a life-span of 70 years. It attracts more than 24,000 workers annually produces 150 million products, or a fourth of the company's total output.

(Source: TNN)

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HCMC seeks capital for hi-tech park

HCMC's government in 5th March told Saigon Hi-Tech Park (SHTP) management board to mobilize private capital sources and loans for the second phase of the park instead of using the State budget only.

Local government approved the second phase of SHTP late last year with total investment capital of over VND8 trillion. The project will be implemented between now and 2020. However, the management board said that this park must speed up

infrastructure development to attract investors, especially big companies in high-tech industries. Therefore, the board is seeking approval to invite the private sector to join in the process of developing the park's infrastructure and functional sections. Besides the State budget, SHTP will mobilize various sources such as loans, BT (build-transfer) capital and private capital sources to develop projects like supporting industries zone, logistics zone, management and service area and workshops for lease.

SHTP is considering assigning investors to level the land they lease in this park instead of giving them cleared land as before. The park will use the State budget to develop necessary works such as traffic, water drainage, water and electricity supply.

With these plans, SHTP hopes to shorten infrastructure construction time in the second stage to meet demands of investors. Le Bich Loan, deputy head of SHTP management board, said that investors have occupied most of the first stage of SHTP on a total area of 300 hectares. Ten investors have registered to invest in the second stage with 613 hectares, but infrastructure of the park is not ready for their investment projects.

This year, the park expects to lure 6-10 projects with registered capital of USD160 million. Its export revenue is expected at USD2.7-3 billion. SHTP will also launch programs to attract investment in the scientific space zone, the Internet City and expert housing area. Last year, the management board granted licenses to 10 projects in the fields of IT, high-tech services, research and development. These projects had combined capital of over VND111 million, or 69.5% of last year's target.

(Source: The Saigon Times Daily)

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Hoa Tam Industrial Zone: Large potential, many advantages

Subject to further negotiations between the sponsors of Hoa Tam – Hiep Hoa Phat Joint Stock Company - and the owners of Vung Ro Petroleum, the refinery plant could be a very significant development for the Hoa Tam project.

AWR Lloyd is the lead strategic and financial advisor to raise capital and seek developers, investors and customers for the Hoa Tam Industrial Zone and Bai Goc deep water seaport being developed by Hiep Hoa Phat Joint Stock Company (“HHP”). Incorporated in Hong Kong with offices around the world, AWR Lloyd is an independent and specialized corporate finance firm with an exclusive focus on the energy, mining, metals and infrastructure industries in the Asia-Pacific region. AWR Lloyd has conducted strategic advisory assignments for many blue-chip resources groups including Banpu, Sojitz, Petronas, Toyota Tsusho, Chevron and Sumitomo Corporation. AWR Lloyd has also worked for many new ventures and smaller companies in Asia, with a particular focus on energy terminals in South East Asia.

Potential to become a multi-industrial cluster

AWR Lloyd has performed extensive research about the Hoa Tam industrial zone and Bai Goc deep seaport project. AWR Lloyd believes Hoa Tam presents a unique opportunity to develop a world-class fully integrated multi-industrial cluster and petroleum trading hub in the heart of Vietnam. The proximity to infrastructure, supporting industry, the right geography and government support are not always aligned. The mix of the ‘right ingredients’ for large scale infrastructure and energy investment is rare in Vietnam.

Hoa Tam is planned as a fully integrated, multi-industrial zone with special focus on energy production. It will be served by an on-site deep water seaport with a natural water depth of 17 meters and can accommodate carriers and tankers up to 300,000 DWT, creating the potential for high throughput in importing and exporting of finished goods and raw materials to serve the production in Hoa Tam industrial zone.

In the first phase of development, HHP will focus on building out the energy and petroleum complex, which may consist of a power generation and petrochemical plants, refinery, and oil and petrochemicals storage (both underground and tank farm). At the port facility, an SPM and liquid bulk and dry bulk terminals will be developed accordingly to support the growth of the energy and petroleum complex.

Many advantages to attract investment

Hoa Tam has many advantages to attract investors in heavy industries such as oil refining and petrochemical production. The site has excellent access to both existing and future transportation infrastructure including, railways, the national highway, national roads other seaports and is 15km from a major airport. Hoa Tam will be an integrated industrial zone with deep seaport facilities that will become the natural logistics hub for the Vietnamese petroleum industry. More than 2,300 hectares of land have been set aside which is ready for development, the site is essentially flat requiring minimal site preparation prior to major construction. The area near Hoa Tam in Phu Yen is supported by abundant labor, fresh water and construction material such as granite rock.

AWR Lloyd's view is that there is strong upside potential in developing petroleum related business at Hoa Tam. Vietnam currently relies on imported refined products for 70% of its consumption. Consumption is expected to increase from 16.12 Mt in 2012 to at least 36 Mt by 2025 with a CAGR of 6-7%. Vietnam's strong macro-economic outlook will necessitate a more mature petrochemicals industry, boosting demand through knock-on effects, creating one of the great growth stories that exist in the world today.

Need a reliable and sustainable cooperation

Hoa Tam is an enormous development project that needs coordination and cooperation between different players. Despite its competitive advantages, in order for Hoa Tam to attract big players, it is incumbent for developers and local government to coordinate well with each other. Investment policies and the disposition of local government need to be friendly, reliable and professional.

Vung Ro Petroleum, a special purpose vehicle, set up by Technostar Management, is licensed to develop a 4Mtpa refinery plant in Vung Ro Bay. It has had its request to double their capacity to 8Mtpa and to move their project to Hoa Tam industrial zone approved by the Prime Minister. Subject to further negotiations between the sponsors of Hoa Tam – Hiep Hoa Phat Joint Stock Company - and the owners of Vung Ro Petroleum, this could be a very significant development for the Hoa Tam project.

(Source: SGT)

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New industrial zones planned in Can Tho

The Mekong Delta city of Can Tho is implementing plans to build three industrial zones with a total area of 1,400 hectares.

They are O Mon (600ha), O Mon Bac (400ha), and Thot Not (400ha). Besides, the city is making land clearance to expand Hung Phu I and II industrial zones, and two other zones in O Mon district.

The city will invest in communication infrastructure, a water drainage system, electricity and provide accommodation for residents that have been resettled. Can Tho city's present industrial zones have attracted 206 projects, including 184 domestic projects and 22 projects with foreign invested capital.

In 2012, businesses in the city's industrial zones grossed USD1.87 billion in turnover. Industrial production value was up 3.9 % from 2011, reaching USD1.365 billion. The industrial zones employ 34,000 local labourers.

(Source: QDND)

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FINANCE – BANKING

How State Capital Investment Corp uses its money

People may be surprised to learn that the State Capital Investment Corporation (SCIC) puts most of its trillions of dong in capital into bank deposits for interest, rather than any kind of actual investment.

The SCIC was incorporated in 2005 under a bid to enhance the efficiency of state capital utilization during the height of the ongoing economic and SOE reforms. SCIC's primary objectives are to represent state capital interests in enterprises and invest in key sectors and essential industries in order to strengthen the dominant role of the state sector.

The corporation is currently managing a large portfolio of over 400 enterprises that are operating in various sectors, including financial services, energy, manufacturing, telecommunications, transportation, consumer products, health care, and information technology. SCIC enjoys huge annual revenues, which come from three main sources: selling state capital in enterprises, dividends from businesses, and bank deposit interest.

Cash cow

As of the end of last year, SCIC has earmarked some VND14 trillion (USD673.08 million) for investment in all channels, according to its financial report. However the investments, in fact, only focus on a few powerful enterprises, where SCIC enjoys massive dividends thanks to their high economic effectiveness.

SCIC currently represents the state in holding 375 million shares in Vinamilk, the country's largest dairy producer. Under the price quoted on March 6 at VND105,000 per share, the total value SCIC holds at Vinamilk is as much as VND39.3 trillion. While SCIC also represents the state capital in 408 other businesses, it is obvious that it heavily relies on the cash cow that is Vinamilk. This can be better illustrated by analyzing its total annual revenue in 2012 and the dividends gained from Vinamilk.

The capital investment company posted VND3.89 trillion in revenues last year, with VND2.15 trillion, or 55.32 %, coming from dividends from businesses it represents state capital in. Dividends from Vinamilk accounted for more than VND1 trillion, or 46.58 % of the total figure.

Bank deposit

While it is clear where SCIC's enormous revenues come from, members of the public are more interested in how the corporation uses its money. Surprisingly enough, in a recent report, SCIC revealed that one of the top investing methods is depositing money.

SCIC revenues in 2012 were directly affected by the slumping deposit interest rates, which went from 14 % in 2011 to only 8 % a year, the report said. The lowered interest rate thus reduced SCIC's revenue from deposit interest to VND1.5 trillion. The interest suggests that SCIC has deposited as much as VND19.6 trillion, far higher than the 2011 figures -- VND10.5 trillion in deposits, and VND1.47 trillion worth of interest.

Besides deposit interest and dividends, SCIC also has another source of income: selling its shares. An SCIC report shows that the company has so far divested from 600 out of 949 businesses it represented the state capital in since 2006, earning more than VND3.3 trillion for the state.

Effectiveness doubted

Many economic experts have recently suggested that there are many aspects of SCIC's operations that need reviewing.

In 2012 the company disbursed VND1.25 trillion for investment, more than VND1 trillion of which went to increase capital at the debt-ridden Vietnam Construction and Import – Export JSC (Vinaconex). The disbursement has become controversial as it remains to be seen whether SCIC can recoup the investment given the troubled financial state of Vinaconex. The massive profits in 2012 do not reflect the effectiveness of SCIC in managing its capital because 96 % of profits are from deposit

interest and dividends, economic experts said. Only a few successful businesses contribute to the profits, while SCIC's investment in a number of other companies may fail to produce profits, or even result in huge losses, the experts said.

(Source: Tuoi Tre News)

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Pricing policy the key to inflation control: commission

The National Financial Supervisory Commission said on Monday (4th March) that price management policies are the key factor for curbing inflation this year while impacts of other macro elements would not significant.

According to the commission's macro-economic report released on Monday, inflation rose 2.6% in the first two months of this year. However, the commission said that this figure is not a threat to the Government's target to curb inflation below 6.8% this year.

The commission in this report commented that demand-pull inflation has caused little impact on inflation this year as total demand remains weak while monetary factor is causing certain pressure on inflation. Cost-push inflation, which is caused by rising input and production costs, is not a worrying sign as goods prices are expected to stay stable in 2013. Therefore, Vietnam should concentrate on price management to control inflation. Especially in early months of this year, price adjustment must be timed reasonably and suitable to developments of the local economy, the report said.

Data of the General Statistics Office showed that material and fuel price index for production rose 1.12% in the fourth quarter of 2012 after retreating 0.17% in the previous quarter. Therefore, material and fuel prices have seen a mild uptrend.

The world's food prices are expected to increase but Vietnam, as a rice exporting country, will suffer little impact from this problem. Monetary policies will not really influence inflation as well if the Government has measures to control money supply and total demand of the economy.

Given these explanations, the commission said that the key factor of inflation control is the price management policy, especially in electricity, oil and gas sectors. If Vietnam dong devaluates by 3%, the nation's CPI (consumer price index) will rise 0.3-0.4%. Meanwhile, the CPI will increase by around 0.4% given a 10% rise in electricity prices and by 0.1-0.15% due to a 5% increase in gasoline prices. If the three factors are adjusted at the same time, the CPI will move up around 0.8-1%.

The central bank recently has announced to not devalue the dong while stabilizing foreign exchange rate to prevent impacts of the monetary market on inflation. Besides, the Government has yet to approve gasoline price hike and decided to increase subsidy from the price stabilization fund to avoid domino effects on inflation. The commission urged cooperation among managing agencies to create a price stabilization package including road maps for electricity, gasoline and public service price hikes to secure reasonable allocation of price increases. These agencies should avoid increasing prices in months with seasonal high CPI or in sensitive time that may boost up expected inflation.

(Source: Vietnamnet)

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Central bank allowed to intervene in gold market

Prime Minister Nguyen Tan Dung has signed an order allowing the State Bank of Vietnam (SBV) to trade in the local gold market in its efforts to align the local and global gold prices.

According to the PM's directive, the SBV can purchase gold bullion in the market to add to the State foreign reserves. This move is one further step to address the gold price in the local market, bringing it into alignment with the global price. Last month, the SBV and the Saigon Jewellery Company (SJC) entered into an agreement, under which the SJC will make the gold

bars bearing the SJC brand, the only brand eligible for trading in the market. Earlier in 2012, the Government decreed that the SBV would hold a monopoly on gold bar production and also that only authorised dealers can trade the precious gold metal.

(Source: Nhan Dan)

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ANALYSIS – OPINION

Which countries Vietnam most expects FDI from?

The plan on the investment tendencies of strategic partners being compiled by the Ministry of Planning and Investment (MPI) would give the answer to the question which countries Vietnam should attract foreign direct investment (FDI) from.

A common answer one would hear from the leaders of local authorities when asking whom they would target to when promoting FDI – Japan and South Korea. The information has been provided by Pham Thuyen, Head of the Hai Phong City’s Management Board of Industrial Zone. “The investors from the US are also the ones we target to,” said Nguyen Van Doc, Chair of Quang Ninh province. It’s understandable why local authorities most expect investments from Japan, South Korea and the US.

Japan and South Korea have been listed as the “prestigious” investors in Vietnam, not only because they have registered big projects, but also because they have been implementing their registered projects rapidly and effectively. Itochu, Honda, Toyota, Mitsubishi, Samsung, LG, Kumho Asiana are the best known names.

A report by MPI showed that Japan now is the biggest foreign investor in Vietnam, while South Korea ranks the third in the list of 98 foreign investors in Vietnam. The investors have registered 1,859 projects capitalized at USD29 billion, and 3,206 projects capitalized at USD24.86 billion, respectively. Meanwhile, the US also deserves to be included in FDI. If Vietnam can attract more investments from the biggest economy in the world, it would be able to have capital, technologies, management skills and large markets.

The US investments in Vietnam so far, due to many reasons, remain far below the expectations. By February 20, 2013, the US had had 642 valid projects in Vietnam with the total investment capital of USD10.5 billion. The US, which now ranks the 7th among the foreign direct investors in Vietnam, has always been the leading partner in the eyes of Vietnam.

Nguyen Mai, Chair of the foreign invested enterprises’ association, a well-known economist, said that besides the three important partners, Vietnam should also target the investors from Taiwan, Singapore in Asia, the UK, Germany and France in Europe. Mai said he thinks four strategic partners in Asia would be enough for Vietnam, though some economists believe that India should also be listed as a strategic partner. Meanwhile, France, in the eyes of many Vietnamese businesses, is not an important market. However, Mai believes that France is an important part of Europe.

The Taiwanese investment in Vietnam has decreased over the last few years due to its economic difficulties. However, according to Bui Trong Dinh, Investment Counselor to Taiwan, Vietnam still has big opportunities to attract FDI from the partner. Taiwanese investors have expressed their wishes to extend the Vietnam-Taiwan agreement on investment promotion which would be 20 years old by May 2013. Therefore, Dinh has urged to reconsider the agreement and add some new provisions.

According to MPI’s Foreign Investment Agency, despite its great potentials, India’s investments in Vietnam remain modest with USD250 million worth of registered capital, ranking the 30th among the foreign investors in Vietnam. However, India recently has been mentioned repeatedly on local newspapers as the developer of many big scaled projects, such as Tata, Reliance, Essar, ONGC, Infosys, NIIT, Wipro in the fields of steel manufacturing, oil and gas exploitation, petrochemistry,

information technology and communication. Of the projects, the best-known is the steel complex project by Tata, which plans to develop it with the investment capital of five billion dollars.

(Source: TBKTVN)

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Flexible policy needed for slow property projects

The city government's determination to cancel foot-dragging property projects places investors under pressure, forcing them to speed up their projects. However, some industry experts say that the policy should be implemented in a flexible way. Le Hoang Chau, chairman of the HCMC Real Estate Association (HoREA), had a talk on this issue.

Quite a few investors will witness their projects cancelled given the policy of the HCMC government. What is your comment on this?

In my opinion, it is reasonable to axe the projects whose owners have not done anything, have not invested significantly, but have just got approval of location, simply reserving sites for investment. However, it is not easy to deal with the projects that have completed 50 % of compensation work.

What is the legal basis for project cancellation?

Currently, there is only one legal basis, Decision 19 of the HCMC government on land allocation and leasing issued in 2008. According to this decision, there are agreements of location, a tool for investors to carry out site clearance, and approvals of location, which are granted when investors have received cleared sites (finished site clearance). Under this regulation, investors have to complete all procedures within 12 months. But, what is the basis for the 12-month time limit? I think there isn't any legal basis. It is because the Land Law only specifies a time limit of 12 months since decisions on land allocation are issued, then the projects would be cancelled if falling 24 months behind schedule. But it is land allocation decisions, not approvals of location.

The unreasonable point is no project can finish investment preparations within a mere 12 months. Given the current procedures, no one can. Pursuant to this decision, all projects commit violations.

Then, how should the slow-moving projects be dealt with?

The city uses %age as a basis for project revocation. At first, it sounds reasonable, but in fact, it is not. For example, a project in Binh Chanh District covers 70 hectares, in which 28 hectares has been cleared. If projects with less than 50% of the compensation work done are to be axed, this project will be one of them. But in fact, the investor has bought as much as 28 hectares from original land owners. This figure is not small. Incompetent investors, regardless of much support, are unable to continue their projects. But the capable ones should be given a chance.

HoREA has suggested three options. First, investors will continue to pay compensation at prices not lower than the highest level they paid previously. Second, they will hire consultants to calculate compensation prices. Third, such cases should be brought to court.

A common concern is how the money investors have injected into their projects will be handled?

Normally, investors have to spend two main sums, on site clearance (buying land from local people) and site leveling. In addition, there are other expenses. Therefore, investors' interests cannot be ignored especially when they have poured money into their projects, except in the case that they have just had certificates without any piece of land.

I think they should be given the choice when decisions on revocation come out, whether to boost compensation to meet the criteria or transfer their projects to partners. In case of transfer, the State could collect tax. This issue is currently bound by the Property Trading Law and Decree 153, requiring project owners to fully complete site clearance and build the infrastructure facilities before transfer.

But with a lot of transfers, people fear that land prices will be pushed up?

It is not necessarily the case, as the law of value is the basic rule in the market. Prices depend on the relationship between supply and demand. If there were earnings from project transfers, enterprises would pay tax. This would generate revenue for the State and ensure transparent management.

(Source: *The Saigon Times Daily*)

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Office tenants continue to move into CBD this year

Regardless of falling rents, the HCMC office market recorded a sharp decrease in net absorption during 2012 as most office deals were done by old tenants who sought to relocate and upgrade their workplace. The trend is projected to continue this year, and absorption is expected to improve this year alongside the expected economic recovery. Robert Johnston, head of commercial agency for Cushman & Wakefield Vietnam, had a talk about the HCMC office market trend this year.

During 2012, the office market in HCMC saw tenants moving from outlying districts to the city center to upgrade their office as rents softened. As a market observer, do you think that the trend will continue this year?

Yes, very much so. We are seeing many different industry sector occupiers migrating back to the central business districts (CBD) and we think this trend will continue throughout 2013. As the market continues to fall occupiers are using this opportunity to upgrade the office premises. Being located in District 1 can bring many benefits; examples include proximity to clients and staff residences, attracting/retaining talent, improving business profile and amenities.

Where have new tenants gone?

As FDI levels continue to be subdued, the number of new players entering the market is also in decline. This obviously has a depressing effect on the overall absorption level. In healthy economies companies tend to increase their headcount and as a result require more office space. In down markets the existing occupier's headcount generally remains flat or declines.

Across all grades, landlords are fighting for tenants. What should landlords do to attract customers? And what tenants should do to have a better deal when negotiating with landlords?

Moving to an office building is a large financial commitment for any tenant. Therefore they need to be confident that the new landlord is a solid business partner. Apart from offering a competitive rental to the tenant the landlord can use many other tactics to gain an advantage over the competition. Examples include flexibility on the lease terms, high quality in house property management or alternatively they can engage the services of an international property management company. For tenants, they can engage the services of a tenant representative who specialize in advising tenants to secure office space on competitive terms.

Could you please compare the office rent in Vietnam with other countries in Southeast Asian region?

Grade A office rentals in HCMC are approximately USD33 per square meter per month which is similar to other locations such as Jakarta at around USD30 and Bangkok at USD28. The most expensive office location in SE Asia is Singapore at approximately USD90 per square meter per month. Singapore is a very large/mature office market and therefore not comparable to the likes of emerging office locations such as HCMC, Bangkok and Jakarta.

There are many land lots in the city center being used as makeshift parking lots instead of commercial buildings as construction of such projects is being delayed. Some people say that is a huge waste, but some others believe that it is more wasteful if those projects get going and are then left vacant. What do you think about that?

Property development is about risk and return, when a property comes to the market can have a huge impact on the success of the development, particularly in a place like HCMC where the market is so volatile. In the current market conditions it is understandable that developers are having second thoughts about progressing with their projects and are putting things on

hold until the market improves. In addition to vacant land there are also construction sites where the construction has stopped. Generally this occurs when the developer has issues with funding and therefore can't complete the project. This is of course bad news for the developer as they have invested heavily to get the project to that stage of construction without the resources to complete.

How is the future supply and the trend of office rent in HCMC in the coming time?

Grades A and B supply in HCMC currently amounts to some 538,000 square meters from 52 buildings. The current vacant rate is around 15% which is relatively healthy. There is a significant development pipeline of new buildings anticipated to come onto the market during 2013 and 2014. However as mentioned previously construction delays are commonplace at this time. The HCMC office market is small compared to regional locations; therefore we anticipate a steady increase in volumes and occupiers in the medium to long term as HCMC continues to establish itself as a global city.

(Source: SGT)

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NEWS IN BRIEF

Vietnam has earned approximately USD331 million from exporting more than 744,000 tons of rice in the first two months of 2013, according to the Vietnam Food Association (VFA). In February alone, the country exported nearly 340,000 tons of rice, worth approximately USD147.6 million. Rice sales are expected to reach 600,000 tons in March and about 7.5-7.6 million tons for the entire year. In 2012, Vietnam's rice exports hit 7.72 million tons, an increase of 8.29pct compared to the previous year, grossing a total of USD3.45 billion. Mekong River Delta rice traders have purchased nearly 212,000 tons of rice for reserve starting from February 20, which accounts for 21pct of the target reserve purchases. As a result, rice prices have risen slightly by VND150-200 per kilogram.

Insurance firm Prudential Vietnam in 7th March donated USD49,000 to four hospitals in the Mekong Delta for a health project aiming to improve neonatal intensive care. The funds, which were transferred via the Breath of Life program run by the East Meets West charity foundation, will be used to provide essential technology and training for health staff at the four referral hospitals in the provinces of Long An, Tien Giang, Dong Thap, and An Giang. The equipment being sent to each hospital includes a machine to treat babies suffering from respiratory distress, a phototherapy machine to treat jaundice, an infant warmer to help premature babies regulate body temperature, a light meter, a pulse oximeter, a two-year supply of alcohol gel, and other neonatal medical supplies. In 2012, Prudential provided approximately VND19 billion (USD913,500) to different community development projects.

India and Vietnam have firmed up an agreement on maritime cooperation which makes it mandatory on merchant vessels to help and protect each other's vessels in distress. The Indian Express has learnt that the pact, which has 18 clauses, has been approved by the Union Cabinet on Thursday, after it was vetted by the Ministries of External Affairs and Home Affairs among other government agencies. Sources said the agreement is an outcome of a proposed idea by Hanoi some months back, after which New Delhi accepted and both sides negotiated it. Government sources said the pact initiated by the shipping ministry aims to stimulate steady growth in maritime traffic.

Vietnam regards Denmark as one of its top economic and trade partners in Europe, said Deputy Prime Minister Nguyen Xuan Phuc at a reception for the visiting Danish Minister for Trade and Investment Pia Olsen Dyhr held in Hanoi on March 7. Phuc thanked Denmark for its continued ODA and supporting for Vietnam's economic and trade relations with the European Union (EU), especially during its country's rotational EU Presidency. The Deputy PM insisted that Denmark help Vietnam in its FTA negotiations with EU countries and encourage them to recognize Vietnam's market economy status in time. For his part, the Danish Minister pledged his all-out efforts to bolster economic cooperation between the two countries. He also asked the Vietnamese Government to create the best possible conditions for Danish investors to do long-term business in the country.

Vietnam wants to push two-way trade with the European Union (EU) and accelerate negotiations on the free trade agreement (FTA) between the two sides. Prime Minister Nguyen Tan Dung made the statement at a reception for EU Trade Commissioner Karel de Gucht in Hanoi on March 7. Dung said he believes with constant effort and political determination, both sides will finalize FTA negotiations later this year, helping boost Vietnam-EU trade relations for shared and practical benefits. Gucht, who is in Vietnam to

attend related meetings within the framework of the 19th ASEAN Economic Ministers' Retreat, said the EU wants to increase links with Vietnam and other ASEAN member countries. The EU will make every effort to promptly conclude bilateral FTA negotiations with Vietnam, he said. The first round of negotiations took place in Hanoi last October. The second got underway in Brussels in January, 2013 and the third round is scheduled for April 22, 2013 in Hanoi.

Vietnam's seafood sector should make greater efforts to tap the full potential of the Australian market by promoting and diversifying its product range. Australia is now Vietnam's fifth largest seafood importer. Last year, Vietnam seafood exports to Australia increased by 11.69 %, a promising trend compared to previous years. Vietnam's trade office chief representative in Australia, Nguyen Bao, has affirmed that Australia has great potential for Vietnamese businesses to increase exports of seafood products. Vietnam's seafood sector should take immediate measures to ensure food hygiene and safety as well as improve the efficiency of trade promotion activities, he said. Every year, Australia imports around 200,000 tons of seafood products and Vietnam currently represents about one quarter of their import volume.

Vietnam Airlines will reduce airfare to Europe by as much as 27 % from now until March 30, the national flagship carrier recently announced. Accordingly, round-trip fare from Vietnam to Frankfurt or London is now only USD550 and a trip to Paris now costs USD600. However, depending on the seat situation, the fares may be higher. These fares do not include taxes and surcharges.

A seminar on energy policy for the 21st century and challenges to Vietnam and Germany was held in Hanoi on March 7. The event was co-organized by the Central Institute for Economic Management (CIEM) and Germany's Friedrich-Ebert-Stiftung (FES) institute during a visit by Dr. Matthias Machnig, Minister for Economy, Labor and Technology of the German state of Thuringen. Speaking at the event, Machnig highlighted the role of energy in the 21st century, saying that the global economy should go in the direction of sustainable development and "green growth." Such a change requires the re-organization of production systems, consumption structures and people's lifestyle, he said. In addition to sharing his country's policy on energy production and consumption, the minister recommended a number of policies on the use of renewable energy and the reduction of greenhouse effects in Vietnam.

A seminar on monitoring the hygiene of Vietnam's agro-fishery exports took place in Tokyo on March 6. The event was jointly organized by the Vietnamese Ministry of Agriculture and Rural Development (MARD), the Vietnamese Embassy in Japan and the ASEAN-Japan Centre. Participants at the event learnt about Vietnam's quality management, the hygiene and safety of its agro-fishery products exported to Japan as well as the food hygiene and safety laws issued by the Vietnamese National Assembly that took effect in July, 2011.

Vietnam International Bank (VIB) has officially launched the program "VND 1 trillion at a maximum rate of 11% per annum for rice stockpiling in the 2012-2013 Winter-Spring crop" from March 6-31. Accordingly, enterprises assigned by the Vietnam Food Association to stockpile rice harvested in the 2012-2013 Winter-Spring Crop can borrow loans from VIB at a maximum rate of 11 % per annum. Particularly, the Vietnamese government will support 100 % interest rate for these loans through May 20, 2013. VIB is one of a few banks which were approved by the State Bank of Vietnam (SBV) to offer loans for rice reserves in the Winter-Spring crop this year. Through this program, enterprises will not only get a large source of finance for stockpiling rice but also enjoy preferential lending rates and financially significant support from the government.

Vietnam has earned approximately USD331 million from exporting more than 744,000 tons of rice in the first two months of 2013, according to the Vietnam Food Association (VFA). In February alone, the country exported nearly 340,000 tons of rice, worth approximately USD147.6 million. Rice sales are expected to reach 600,000 tons in March and about 7.5-7.6 million tons for the entire year. In 2012, Vietnam's rice exports hit 7.72 million tons, an increase of 8.29pct compared to the previous year, grossing a total of USD3.45 billion. Mekong River Delta rice traders have purchased nearly 212,000 tons of rice for reserve starting from February 20, which accounts for 21pct of the target reserve purchases. As a result, rice prices have risen slightly by VND150-200 per kilogram.

Ten major infrastructure projects including highways, hospitals and a canal have been approved for investment capital totaling more than USD440 million from government bonds. The National Assembly Standing Committee last week agreed on the Vietnamese government's proposal to use the 2012 - 2015 government bonds for five projects from the Ministry of Transport, four from the Ministry of Health and one from the Ministry of Agriculture and Rural Development. According to the National Assembly Standing Committee, those projects are suitable to Vietnam's priorities for the use of government bonds for infrastructure projects and also of prime importance to Vietnam's socio-economic development and national security.

The Hanoi People's Committee on March 6 launched an action program for consumer rights in response to the "World Consumer Rights Day" (March 15). The program's highlight is a month-long campaign promoting Vietnamese goods. Taking part in

the campaign, major retailers such as Hapro, Big C, Coopmart and Intimex supermarket chains, and Pico electronics supermarket chain have set up a total of 105 retail outlets across the city with a lot of attractive promotions on offer. On this occasion, the program's organization board will put into service the website hangvietchinhhang.vn that provides consumers with necessary information about Vietnamese products. As part of the program, communications activities will be organized to popularize the Law on Consumer Rights Protection.

The Mekong Delta of Vietnam exported 670,000 tons of rice in the first two months of 2013, earning USD304 million in revenue – an 18% increase compared to the same period last year. Asia is the largest market, consuming 65 % of the total volume, followed by America, Africa, Europe and Oceania. The average rice price has increased from VND5,200 to VND5,300 per kilogram in recent times. The Mekong Delta plans to export between 6.5 and 6.8 million tons of rice in 2013.

Representatives from the Dong Nai provincial People's Committee and Japan's Kansai Bureau of Economy, Trade and Industry (KBETI) met on March 6 to discuss cooperation plans. They agreed to create favorable conditions for support businesses from the Kansai region to invest in the southern province of Dong Nai. They were committed to setting up a consultation board to help promote environmental protection and human resource training, especially in the industrial sector to foster links between Japanese businesses and training centers in Dong Nai. KBETI Head Toshihiro Kobayashi said more than half of Kansai investors set sight on Asian countries. Japan is Dong Nai's third largest investor with over 130 businesses operating with their total investment valued at nearly USD3 billion.

Ukraine will enhance economic and trade relations with its traditional partners and support Ukrainian–Vietnamese joint-venture enterprises, announced Ukrainian Foreign Minister Leonid Kozhara. At a March 5 meeting with officials from Ukraine's Ministry of Foreign Affairs and Ministry of Economic Development and Trade in Kiev, Kozhara said through its overseas diplomatic and trade missions, Ukraine will boost economic and trade ties with its traditional trading partners including Canada, Israel, Turkey and Serbia, and back Ukrainian enterprises to produce goods with Vietnamese and Columbian firms.

The General Department of Customs has reported that the bilateral trade value between Vietnam and Bangladesh reached nearly USD390 million last year, down 18.9% over the previous year. Vietnam's exports totaled USD353 million, down 20 % from 2011, while its imports also declined 11.7 % from the previous year to USD35.4 million. The highest valued export commodities included clinker with a total 2012 revenue of USD205 million, an 860 % surge on 2011, followed by fibers, textiles, iron, and steel products. The fall in earnings of exports to Bangladesh is primarily due to Vietnam halting rice shipments to the market.

Central Highlands Lam Dong Province's People's Committee will revoke eight licenses to exploit minerals in Bao Lam District. Granted to eight companies and individuals, the licenses expired between three and four years ago and cannot be extended. The companies and individuals have been asked to remove their assets from mineral exploiting areas within 30 days.

Real estate giant VinGroup (VIC) posted envy-inducing business results for the year of 2012, despite the lackluster property market. According to their 2012 consolidated income statement, the group's total revenue hit a record of more than VND7.904 trillion (USD378.2 million), a surge of 242 % from the previous year. This result was attributed to rising rental income from Vincom Centre A in HCM City and Vincom Centre Long Bien in Ha Noi, sales of office space in Vincom Centre Ba Trieu and additional revenue from hospitality, beauty and health care services after acquiring Vinpearl. The group's net profit reached VND1.847 trillion (USD88.4 million), up 72 % over the previous year. At the end of 2012, its total assets were valued at VND55.825 trillion (USD2.67 billion), an increase of more than VND20.3 trillion (USD971.3 million) over 2011.

A new resolution by the Vietnamese prime minister aiming to control Vietnam's worsening traffic situation limits the number of vehicles allowed in the country to 36 million motorbikes and around 3.5 million cars, buses and trucks by 2020. The resolution requires technical, economic and administrative measures to contain the rise of motorbikes, aiming for a future when motorbikes are only used in rural areas where public transport systems are underdeveloped. The decision, which aims to reduce traffic accidents and environment pollution from vehicle emissions, also stipulates that 16 to 26 % of urban areas should be saved for traffic infrastructure to facilitate the development of modern means of public transport such as high-rise monorails and subways.

Kyodo Sojitz (KSF), an animal feed joint venture between two large Japanese groups Sojitz and Kydo Shiryo, has put into operation its plant in Think Phat Industrial Park in Ben Luc District in the Mekong Delta province of Long An. Sojitz holds a stake of 51% in the joint venture while Kydo Shiryo seizes the balance. The plant, costing USD24 million, is designed with an annual capacity of 200,000 tons specializing in feed for pigs. It will produce feed for poultry and other cattle in the future. The plant at first will operate with a daily capacity of 50 tons to 100 tons a day, which will be raised further in line with the demand later. KSF has set a target of raising the plant's capacity to two million tons annually by 2020 and opening more plants in Vietnam.

The Industrial Production Index (IPI) saw a year-on-year increase of 6.8 % in the first two months of 2013, according to the General Statistics Office (GSO). Of which, the index of the mining industry increased 1.8 % over the same period last year, that of the processing and manufacturing, 7.9 %, electricity production and distribution, 11.7 %, and water supply and sewage treatment, 9.9 %. Meanwhile, the production of several industries saw notable increases includes battery production (107.1 %), electrical equipment (51.3 %), machine spare parts (45.9 %), fertilizer and nitrogen compound (43.3 %), footwear (35.9 %), and telecom equipment (26.4 %).

Two-way trade between Vietnam and Myanmar hit USD227 million in 2012, a year-on-year increase of 35.9 %, according to the General Department of Customs. Vietnam enjoyed a trade surplus of more than USD8 million with Myanmar for the first time over the past decade, the department says. It always ran an annual trade deficit with this market between 2003 and 2012, with the figure increasing threefold in 2005 and 2006. In 2012 Myanmar ranked 55th among 230 foreign exporters to Vietnam, shipping USD117.8 million worth of commodities, up 42.9 % compared to 2011. Within ASEAN, Vietnamese exports to Myanmar are just a bit higher than those to Brunei and account for just 0.7 % of its total exports to all ASEAN member countries.

Vietnamese businesses face numerous challenges in Eastern Europe in the face of its weak purchasing power and fierce international competition. They include runaway inflation, high unemployment rates, low GDP growth and devaluation of the euro that has resulted in low income sources. At the 6th Vietnam Business Forum in Europe held recently in Prague, participants agreed that Vietnamese traders have not yet paid adequate attention to developing retail business and dealing with unhealthy competition and dumping activities in provinces and small towns where Chinese traders are holding sway.

Vietnamese Permanent Mission to the United Nations in Geneva on February 27 asked for the establishment of a panel at an official meeting of the Dispute Settlement Body, aimed at resolving the shrimp case DS/429, in which the US side is the respondent. Countries which registered to be third parties at the meeting include the European Union, China, Japan, Norway and Thailand. The US Department of Commerce (DOC) is considering the imposition of anti-subsidy duties on certain frozen warm-water shrimp from Vietnam and six other countries after the US International Trade Commission (ITC) concluded that the US domestic shrimp production industry was suffering damage due to subsidized shrimp products imported from the seven countries including Vietnam. Vietnam officially requested consultations with the US concerning a number of anti-dumping measures on certain frozen warm-water shrimp from Vietnam with three key contents including zeroing, country-wide rate and sampling. The panel in the case made a verdict supporting two of the three contents.

On February 28 Vietnam Airlines announced that they are upgrading the fleet of aircrafts on the Ho Chi Minh City (Vietnam)-Yangon (Myanmar) airway to meet increasing travel and economic exchanges demand between the two cities. As per the plan, from March 31, Vietnam Airlines will hire Airbus A321 on the high traffic corridor, replacing Fokker 70s. The Airbus 321 is a more modern aircraft, providing services for business class customers. The change also enables a 75 % increase in the number of Vietnam Airlines seats available between these cities. To mark the occasion, the national carrier will offer discounts on seats by up to 27 %, starting from USD220 (around VND4,62 million) for a two-way economy class ticket. The sale will apply to tickets sold from now until March 30, 2013, as well as journeys departing from April 1 to September 30, 2013.

Inflation has risen by nearly 2.6 % in the year to date, according to the National Financial Supervisory Commission (NFSC). But inflation in February was up just 1.32 % on the previous month – the lowest February increase since 2010. The NFSC attributed the modest increase to weak demand and monetary factors that contributed to inflationary pressures. Vietnam's efforts to control inflation in 2013 mainly depend on its price management policy. The inflation rate stood at around 8 % between May and August 2012, increasing to 10 % by the end of the year. The NFSC was optimistic about the 2013 goal to reduce inflation to 6.8 % given the January and February consumer price index (CPI) was estimated at 7.04 % and 7.02 %, respectively.

Ba Ria-Vung Tau Province plans to set aside nearly VND20 billion for this year's investment promotion activities with three main programs - preparing promotion documents, organizing theme meetings and holding investment promotion conferences. These programs are part of a plan to innovate the province's investment promotion activities to attract quality projects and those involving sustainable development and environmental protection. The province expects to attract many investments from Japan this year. According to the provincial Department of Planning and Investment, the province looks to attract USD500 million from around 20 foreign invested projects and some VND12.5 trillion from local investors this year. Projects that Ba Ria-Vung Tau wants to call for investments are those in the sectors of logistics, tourism, transport infrastructure, human resource training, healthcare, value added services, technology, environmental protection, agriculture and supporting industries.

Vietnam manufacturing sector fell back into contraction in February after a marginal growth in the previous month, a survey by Markit Economics revealed. The HSBC manufacturing purchasing managers' index fell to 48.3 in February from 50.1 in January. Readings above 50 indicates expansion of the sector, while readings below 50 suggests contraction. Markit said that the rate of contraction was the sharpest since August last year. Both production and new orders both declined during the month, reflecting weak client demand. Incoming new export business fell for the tenth successive month, but the rate of reduction eased to a six-month low, Markit said. The manufacturing sector reported job losses for the first time in five months as the subdued performance filtered through to the labor market. Purchasing costs increased for the second successive month. Subsequently, manufacturers adjusted their selling prices higher, causing factory gate prices to rise for the first time in ten months.

Eni has signed an agreement with Vietnam's state-run PetroVietnam to jointly assess the country's potential reserves of unconventional oil and gas, the Italian major said Thursday. The Rome-based company said the deal for joint study into Vietnam's unconventional reserves was signed by the chief executives of both companies in Hanoi. The work will be carried out by a team made up of officials from both companies which will benefit from Eni's "substantial wealth of knowledge and proprietary expertise" in the sector, Eni said. "With this agreement, Eni takes another step forward in its strategy of strengthening its presence in Asia, a region with very high growth potential that presents great opportunities in terms of upstream and the market," Eni said in a statement. Last month, Eni and PetroVietnam signed a separate memorandum of understanding to jointly pursue potential joint upstream opportunities in Vietnam and elsewhere.

Viettel signed a co-operation agreement with An Khanh New City Development Joint Venture Company Limited (An Khanh JVC) on Wednesday (27 Feb) to become a partner in developing infrastructure and supplying telecommunications services for the first phase of the Splendor project. Accordingly, the two sides will jointly invest and build infrastructure, as well as operating telecommunications services and information technology for the Splendor project, which is backed by An Khanh JVC. Services offered include internet, telephone wiring, cable TV, IP next TV, mobile phone, intercity and inter-country data transmission services, video conferencing and many others.

HSBC Vietnam has announced the launch of a new wealth management product that will safeguard customers' savings while maximizing potential benefits. In doing so, HSBC has become the first bank in Vietnam to introduce Structured Deposits of this kind. Essentially, Structured Deposits are part investments that provide customers with the opportunity to earn a higher return than those offered by conventional fixed deposits, normally depending on movement on the foreign currency exchange rate. For now, HSBC Vietnam will introduce only basic Structured Deposit products to Vietnamese customers.

The US-based Amway Corporation will build its new plant in My Phuoc Industrial Zone in Vietnam's southern Binh Phuoc province this year. The new plant will be Amway's second in Vietnam after its first 12 million USD factory, built at Amata Industrial Zone, southern Dong Nai province, in 2007, according to the Amway Vietnam Co. Ltd. The US company's business in the Southeast Asian country grew by 35 % per year over the past years. Founded in 1959, Amway has grown into a multinational corporation which earned a global revenue of 11.3 billion USD in 2012.

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COMING EVENTS

ProPak 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: [20 March 2013](#)

End date: [22 March 2013](#)

Conference Description

The main emphasis of ProPak Vietnam will be to address the needs of the post-harvest and food technology, processing and packaging industries. The focus will also extend to all related processing, handling and packaging industries, from pharmaceutical and healthcare to chemical and cement.

Visitors' Profile

Food Processing Manufacturers, Beverage Production, Laboratory, Canner, Pharmaceutical Manufacturers, Frozen Food Manufacturer, Quality Controllers, Preserved Food Manufacturers, Dairies, Contract Packaging, Machinery Importers and Distributors, Retail Packaging, Seafood Processing Manufacturers, Refrigeration, General Food Manufacturer, Food Exports, Packaging Material Manufacturers.

Exhibitors' Profile

Profile for exhibit includes- Processing Machinery, Food Packaging & Beverage Bottling, Packaging Machinery & Supplies, Pharmaceutical, Printing & Labeling, Cosmetics, Paper & Corrugated Box Technologies, Automation & Control, Flexo Printing Technologies for paper & Flexible Packaging, Testing & Measurement, Pumps & Valves, Process Technology, Materials Handling, Conveyors, Sorting, Bagging & Storage, Post-Harvest Technology, Powder & Bulk Solids Handling.

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PIA 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: **20 March 2013**

End date: **22 March 2013**

Conference Description

PIA Vietnam is Vietnam's leading event in process engineering, instrumentation and scientific equipment. The show aims to bring in international technologies and processes for a wide range of industries from chemical and pharmaceutical to pulp & paper and water & waste, as well as food and beverage.

Visitors' Profile

Visitors profile includes Agroindustry, Biotechnology, bottling, Life Sciences, Building & Construction, Chemical Engineering, Environmental & Waste Management Plastics Engineering, Power & Electrical Engineering, Shipbuilding & Repair, Water Engineering plus specifiers from the educational, Training & Medical / Health authorities.

Exhibitors' Profile

Exhibitor profile includes Analysers & Testers, Barcodes / Labels, Biotechnology, Calibration & Maintenance, Capillary Electrophoresis, Centrifuges, Chemicals & Reagents, Laboratory Informatics, Laboratory Services & Leasing, Labware - Glass / Metal / Plastic, Life Sciences, Chromatography Instrumentation, Accessories & Data Systems.

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Asia - Pacific Burn Congress

Venue: **Melia Ha Noi**

Country: **Ha Noi, Vietnam**

Start Date: **02 Apr 2013**

End date: **05 Apr 2013**

Conference Description

Asia Pacific Burn Congress is going to be held in Melia Hanoi, Hanoi, Vietnam for a period of four days. This conference will consist of discussion panel, special session papers and papers. The invited speakers of this conference are Richard Gamelli, Rajeev B. Ahuja, David Mackie, David Herndon, Naiem Moiemmen, William G, Elisabeth Greenfield, Andrew Burd, Peter Maitz, Young Chul Jang, Joon Pio Hong, Cecilia Li and more.

Asia Pacific Burn Congress will include an interactive session that will emphasize on the advances made in diagnosis and management of inhalation injury, neck and facial reconstructing, and innovative therapies and medication for burn patients. Attendees will be benefited from the conference.

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Conference of The Union Asia-Pacific Region

Venue: [Melia Ha Noi](#)

Country: [Ha Noi, Vietnam](#)

Start Date: [10 Apr 2013](#)

End date: [13 Apr 2013](#)

Categories: [Medical & Pharmaceutical](#)

Conference Description

Conference of The Union Asia Pacific Region is going to be held in Ha Noi, Vietnam for a period of five days. This conference will consist of discussion panel, special session papers, opportunities and papers. This is going to be an informative conference. Masses from all over the world will join this conference.

Topics that will be emphasized in Conference of The Union Asia Pacific Region are global epidemiology of TB and TB control, TB or HIV focusing on comprehensive approach with new technology, CAP HAP, M or XDR TB, pediatric TB, lung cancer, thoracic endoscopic intervention, asthma and COPD. Some related topics and relevant issues will get discussed in the conference. Information received from the conference will be beneficial for the conference.

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Vietnam Expo

Venue: [Vietnam Exhibition & Fair Centre](#) [148 Giang Vo Road, Ba Dinh Str., Ha Noi](#)

Country: [Ha Noi, Vietnam](#)

Start Date: [10 Apr 2013](#)

End date: [13 Apr 2013](#)

Conference Description

Vietnam Expo 2013 is one of leading business event which will focus on the developing Vietnam economy and how to recover the economic crisis. It will provide ideal platform to the Vietnamese firms and companies to boost up the exporting and importing business with other foreign countries.

Vietnam Expo will witness a huge participation of 22 countries and territories including China, Cambodia, Czech Republic, India, Indonesia, Hong Kong, Japan, Korea, Laos, Malaysia, Pakistan, Republic of Cuba, Russian Federation, Singapore and many more. More than 500 exhibitors will showcase their products and services linked to several sectors like machinery and equipment, Agriculture, forestry, fisheries, food products and more.

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