



Dear all,

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

Thank you for your interest in our services!



**VIETNAM: TRADE &
INVESTMENT BULLETIN
NO. 06/ 2013**

JUNE

2013

VIETNAM: TRADE & INVESTMENT BULLETIN No.06
June 2013

<p><u>GENERAL REVIEW</u> Australia assists Vietnam's wool production Spain supports Vietnam's sustainable tourism Belgium's East Flanders keen to do business in Vietnam Switzerland helps improve Vietnamese SME capacity Indian investors in search of Viet Nam opportunities</p>	<p><u>INVESTMENT</u> Improving business climate – a must Vietnam, Mozambique look to further investment links Thai group invests in \$2bln Quang Ninh hi-tech complex Biotech pioneer set for Que Vo IP</p>
<p><u>TRADE</u> Provinces hit magical export mark Foreign investors acquire home appliance distribution centers Starbucks revenues in Vietnam exceed target Fast food empires gear up for their plans to conquer Vietnamese market Western Mexico looks to develop trade with Vietnam Exports to the EU get a much needed shot in the arm</p>	<p>Dong Nai demands airport progress FDI in Vietnam surges, Japan leads investors Japan's Idemitsu to proceed with \$9 bln Vietnam refinery project Aussie firm plans record seaport in Ca Mau Dung Quat EZ targets \$12 billion of fresh FDI Work starts on rare earth plant in BR-VT HCM City industrial sector expands</p>
<p><u>FINANCE – BANKING</u> Top Finnish fund deserts Thailand for Vietnam seeking growth IBA's eased monetary concern Vietnam eyes foreign investors to expand stock market Vietnam considers equitizing sea ports</p>	<p>Energy capacity affects Intel's Vietnamese expansion plans UK firms keen to invest in HCM City infrastructure Vietnam's long-term business potential noted</p>
<p><u>COMING EVENTS</u> 4th annual Vietnam Power and Energy Summit Vietfish 2013 MTA VIETNAM 2013 The 15th international Shoes & Leather exhibition - Vietnam</p>	<p><u>ANALYSIS</u> Japan investors from Thailand want to enter Vietnam Vietnam may allow bigger foreign stakes, but restrict voting rights</p>

NEWS IN BRIEF



Vina CPK

IPs says Hi

Supported by



DEVELOPER'S INTRODUCTION

Contact information:

Email: sales@bathien2ip.vn - Website: www.bathien2ip.vn

Address 1: Room 502, 5th floor, Sun City Building, 13 Hai Ba Trung, Hoan Kiem, Hanoi.

Tel: +84 (4) 3936 4630 Fax: +84 (4) 3936 4629

Address 2: Ba Thien 2 Industrial Park, Binh Xuyen District, Vinh Phuc Province.

Tel: +84 (211) 3899 007 Fax: +84 (211) 3816 007

INVESTORS' TRUSTED PARTNER



BA THIEN 2 INDUSTRIAL PARK

Ba Thien 2 Industrial Park - one of the leading industrial park in Vietnam is located in Northern Vietnam. With a turnkey business model and a world class infrastructure, Ba Thien 2 Industrial Park offers the best telecommunication, manufacturing setup, water treatment and energy supply at the most competitive cost, and the best conditions for the start of your manufacturing operation.

Ba Thien 2 Industrial Park aims to be a modern master-planned industrial park in Vietnam, with a capacity to accommodate various

industries ranging from manufacturing and process to distribution. For investors who are looking for strategic industrial parks to invest in Vietnam and especially in North of Vietnam, Ba Thien 2 IP is the right place to start your investment. Ba Thien 2 IP is prepared to make you compete and focus in your core business: manufacturing.

FIVE REASONS TO INVEST IN BA THIEN 2 INDUSTRIAL PARK

To Reduce Costs

- ✓ For transportation cost reduction, Ba Thien 2 IP offers a strategic location
 - 6km from Noi Bai – Lao Cai – China Asian Expressway
 - 10km from Vinh Yen Town - capital of Vinh Phuc Province
 - 50km from Hanoi
 - Easy access to National Highway No. 2 (to Viet Tri - Ha Giang - China), National Highway No. 18 (to Cai Lan Deepwater Seaport in Quang Ninh) and Hanoi's 4th ring road
 - In Kunming – Hanoi – Hai Phong economic corridor
 - 8km from Huong Canh Railway Station (rail route Hanoi – Vinh Phuc – Lao Cai – China)
 - 20km from Noi Bai International Airport
 - 160km from Hai Phong Seaport and 180km from Cai Lan Deepwater Seaport.
- ✓ For construction cost reduction, Ba Thien 2 IP has the best topography
 - Hard solid ground that is favorable for building factory foundations - reduce about 20% of construction cost.
 - 19m above sea level – flood free
- ✓ Ba Thien 2 IP has a competitive land leasing price comparing to other industrial cities or provinces.

To Save Time

- ✓ Ba Thien 2 IP offers the complete infrastructure with high standard included:
 - Prepared land parcels
 - Completed traffic, lighting, technical infrastructure system
 - Stable, adequate electric power and water supply
 - Power national grid: 110/22 kV sub-stations, phase 1's capacity is 63 MVA, will be increased to 126 MVA, installed to the fence of tenants
 - Clean water supply: capacity of 3,000 m3/day for phase 1, will be up to 10,000 m3/day

- On-site waste water treatment plants: meet type A standards (QCVN 40:2011/BTNMT), phase 1's capacity is 2,500 m3/day, will be increased to 10,000 m3/day
- International standard telecommunication services (broadband Internet, telephones, fax, etc.)
- Health service, fire protection station, security 24/7
 - ✓ One-Stop Service
- Ba Thien 2 IP's service center supports investors to complete the legal investment procedures quickly.
- Investors will be supported with all the legal procedures needed both before and after the operation.

Abundant labor force with low worker's salary

- ✓ Vinh Phuc's labor force: ~700,000 people, accounting for 61.6% of the total population
- ✓ Vinh Phuc is stipulated as the 2nd region with worker's salary
- ✓ There are around 20 universities, colleges, and professional vocational schools at central level located near Ba Thien 2 IP (approximately 53,000 graduates each year)
- ✓ The local labor force can meet the demand for economic development in term of quantity and quality.

Strong support from local authority

- ✓ Vinh Phuc has created an attractive investment environment with investment supporting policies for businesses.
- ✓ Together with the common policies of the Government, Vinh Phuc Industrial Zone Management Board assists initial investment fees for establishing projects, proclaiming establishment of a business, promoting products, environmental impact reports, and licensing land use rights.

Quality lifestyle

- ✓ Ba Thien 2 IP is designed with nearly 14% of green area which creates a better working and living environment for tenants.
- ✓ The community surroundings Ba Thien 2 IP is further enriched by a range of facilities such as schools, hospitals, supermarkets and so on, to ensure comfort and convenience for its residents.
- ✓ There are also many resorts and sightseeing places close to Ba Thien 2 IP such as Dai Lai Reservoir, Dai Lai Golf Resort, Tam Dao Resort, Tam Dao National Park.

LAND MAP:



[Back to top](#)

GENERAL REVIEW

Australia assists Vietnam's wool production

Woolmark, Australia's leading wool company, will help Vietnam's garment sector produce wool products to increase its profit and competitiveness.

Jimmy Jackson, General Manager at Australian Wool Innovation, made the commitment at a press briefing in Hanoi on June 8, announcing its plan to support the Vietnamese garment sector in developing wool production and supply chains in the world market.

Jackson explained that Vietnam has a well-established textile manufacturing industry and infrastructure, as well as skilled human resources. The country is also the world's second largest garment exporter to the US and the third to Japan. It is also the top destination for Republic of Korean companies to invest in. All this creates a favourable condition for Woolmark to invest and develop fleece wool production and supply chains in Vietnam, he said.

Currently, there is no wool spinning plant in Vietnam, reducing the competitiveness of its garment products, and Merino fleece wool is suitable for the industry, Jackson said. Woolmark is investing 240,000 AUD in a Vietnam project to help local businesses develop wool production and supply chains to international market, Jackson affirmed.

Under the project which began in 2012, Woolmark experts have transferred technology of weaving and fleece wool production to Vietnam

(Source: Vietnam+)

[Back to top](#)

Spain supports Vietnam's sustainable tourism

A Spanish-funded project on sustainable tourism development in Vietnam's highland regions has been a great success, a conference was told in Hanoi in May 2013.

The project, sponsored by the Spanish Government's Agency for International Development Cooperation (AECID), was implemented in Central Highland and northwestern mountain provinces, including Dien Bien, Ha Giang, and Lao Cai from November 2011 to February 2013. Ha Van Sieu, head of the Institute for Tourism Development Research (ITDR), reported that despite the moderate EUR400,000 budget, the project has successfully fulfilled all of its targets.

A website on community tourism in northwestern provinces was launched, serving as a forum for localities to exchange experiences in developing and promoting the tourism sector's image.

Domestic and foreign experts worked together to release a bio-tourism and marine tourism guidebook for managers and visitors as well as a separate green tourism publication advising shops, restaurants, and tourist destinations. Spanish Ambassador Alfonso Tena said Vietnam is gradually improving the quality of its tourism services, aiming to welcome 7 million foreign visitors in 2013.

Vietnam National Administration of Tourism (VNAT) Head Nguyen Van Tuan noted tourism cooperation between Vietnam and Spain has grown considerably in recent years. Vietnam received more than 31,000 Spanish visitors in 2012 and a further 7,243 in the first four months of 2013 alone.

Spain is currently providing Vietnam assistance for a number of tourism development projects including popularising tourism law, creating a national marketing strategy, planning Cat Ba Island and Hue City, and managing the country's world heritage sites.

(Source: VIR)

[Back to top](#)

Belgium's East Flanders keen to do business in Vietnam

More than 70 Belgian officials and business representatives have recently met in Gent, capital of East Flanders province to mark the 40th anniversary of diplomatic ties between Belgium and Vietnam.

Vice mayor Geert Versnick, who is in charge of economics and diplomacy, expressed hope that Belgian businesses will consider the possibility of investing in the potential market of Vietnam.

The CEO of Flanders Investment and Trade (FIT), Claire Tillekaerts, spoke highly of the growing economic relations between Belgium and Vietnam as well as between the Flanders region and Vietnam.

She cited Vietnam's impressive economic growth rates in recent years, its growing attraction of foreign investment, and its favourable geographical position in the region. In addition, a hardworking labour force and an increasing demand for high quality services are also the key factors to attract Belgian businesses to the market.

In his speech, Vietnamese ambassador to Belgium Pham Sanh Chau emphasized that the Vietnam-Belgium friendship has continued to grow and flourish over the past 40 years since the establishment of diplomatic ties in 1973, providing fresh impetus for closer cooperation in all fields.

Serge Cappon, Marketing Manager of VK Group, a leading construction enterprise in Belgium said Vietnam is emerging as a dynamic market-oriented economy in Asia and a development centre in Southeast Asia. The fine relationship between the two governments and the presence of Belgian businesses in Vietnam are good reasons for VK Group to select Vietnam as an investment destination.

Dominique Casier, Consul General of the Royal Belgian Consulate in Ho Chi Minh City emphasized that the Flanders Economic Office in HCM City will co-ordinate with the Consulate to help businesses in Belgium and the Flanders region penetrate the Vietnamese market.

(Source: VOV)

[Back to top](#)

Switzerland helps improve Vietnamese SME capacity

The Vietnamese and Swiss Governments inked an agreement in Hanoi in May 2013 to cement their cooperation in improving export competitiveness of Vietnam's small and medium-sized enterprises (SMEs) through a local trade promotion system in the 2013-2016 period.

The four-year programme, valued at 3.89 million USD, will enhance the skills and capacity of trade promotion agencies and trade supporting organisations in three regions.

It is expected to help SMEs improve their efficiency by exporting products with more added value rather than those with low labour costs. The programme is built on the basis of the outcomes of the VIE 61/94 project funded by the Swiss and Swedish Governments, which focuses on supporting trade promotion and export development in Vietnam in the 2004-2010 period.

Addressing the signing ceremony, Deputy Minister of Industry and Trade Tran Tuan Anh affirmed that Vietnam has taken steps to participate in the global supply chain with value-added products and services. He highlighted the increasingly important role of SMEs and expressed his hope that the programme will help local firms tackle difficulties in their efforts to increase their participation in the country's export development.

Through the Swiss State Secretariat for Economic Affairs (SECO), the Swiss Government has supported Vietnam's sustainable economic development since 1993. In the framework of its new national strategy for Vietnam from 2013-2016, SECO has reaffirmed its commitment to support Vietnam in the long-term to help it achieve comprehensive and sustainable growth.

(Source: Vietnam+)

[Back to top](#)

Indian investors in search of Viet Nam opportunities

Viet Nam is a "top priority" investment destination in Asia for Indian companies, especially for those from Haryana state.

This was revealed at a conference held in HCM City by Pankaj Kapoor, chairman of the Haryana Chamber of Commerce and Industry. Kapoor said companies from Haryana, a state that borders the Indian capital of New Delhi, were looking for co-operation opportunities in investment and trade with Vietnamese counterparts in general and those in HCM City in particular.

Abhay Thakur, the Consul General of India in HCM City, noted at the conference that many delegations from India had visited Viet Nam recently to seek business and investment opportunities. However, both sides had not taken full advantage of the great potential that exists for Indian and Vietnamese companies to do business with each other, he added.

One of the challenges was the language barrier, which had not been adequately addressed, he said. He also said that India's business community in Viet Nam was so small to boost trade relations between the two countries to match existing potential.

However, conference participants expressed optimism that trade relations between the two countries would be strengthened considerably in the coming time as many trade promotion programmes have been carried out and the traditional relationship between the two countries has been further strengthened.

Another good sign was that many states in India are setting up relations with cities and provinces in Viet Nam to look for investment opportunities.

Vietnamese firms could benefit immensely from developing and widening their business with India, Thakur said. Trade relations among the two countries has increased steadily in recent years. In fact, the last 10 years have seen bilateral trade increase 20 times, the conference heard.

Bilateral trade turnover last year stood at US\$4 billion and is estimated to increase to \$7 billion by 2015. Viet Nam mostly exports mobile phones, coffee, pepper, and rubber to India while importing medicines and several raw materials for production and processing

(Source: Vietnam News)

[Back to top](#)

TRADE

Provinces hit magical export mark

Five provinces and cities registered export revenues of over US\$1 billion in the first four months of 2013, according to the General Department of Customs.

HCM City was the largest exporter with \$9.367 billion in the four months ending in April, followed by northern Bac Ninh and southern Binh Duong provinces, which earned \$6.848 billion and \$4.253 billion, respectively.

Southern Dong Nai Province came fourth, recording \$3.296 billion, and Ha Noi was fifth with exports reaching \$3.1 billion.

Other localities posting export revenues close to the \$1 billion mark included Hai Duong, Hai Phong and Long An with \$965 million, \$924 million and \$836 million, respectively.

In contrast, a number of provinces in the northern mountainous region reported disappointing export figures of less than \$1 million for the January-April period.

Lai Chau, Bac Kan and Son La were the worst performers with corresponding export revenues estimated at \$274,000, \$570,000 and \$906,000. This is the first time the General Department of Customs has released a list of export revenues by separate localities.

(Source: VNS)

[Back to top](#)

Foreign investors acquire home appliance distribution centers

Home appliance centers have become the “deadly ground” of many investors. However, domestic investors still have poured money into the sector, while foreigners have spent big money to acquire unprofitable chains.

Explaining this, market surveyors said that the home appliance market remains very large with enough room for everyone, since every enterprise in the field can only hold no more than five percent of the market share. The owners of many home appliance distribution centers have offered to sell their chains after a long period of taking loss due to the low demand in the economic crisis. And it’s now the right time for foreign investors to acquire the chains, at very reasonable prices.

CDH Electric Bee Limited has bought 19.88 percent of stakes of The Gioi Di Dong from Mekong Capital and founding shareholders. The former CEO of Best Buy, Robert Willett, has also invested in the chain as an individual investor. Meanwhile, Aureos, an investment fund, has spent \$4.2 million to obtain 18.5 percent of the stakes of Tran Anh Digital World.

Existing distribution chains including Nguyen Kim, Thien Hoa, FPT and Pico, all plan to expand their networks in 2013. Some of them cherish the plan of looking for foreign partners, which would allow them to open more supermarkets at favorable moments. An analyst said that investors now can see the golden opportunities to enlarge their networks, because the retail premises have become cheaper than ever. In fact, no one would sell his distribution network just because of the loss.

If they can find the financial support at this moment, they would rather try to survive the current difficulties and hope for a brighter future, when the national economy recovers. The analyst also said that that foreign investors, who target long term investment plans, would need sometime to prepare their business and get ready for the market recovery. Therefore, they need to begin their investments right now, or it would be too late.

Though the Vietnamese market is large enough for everyone, distributors still have to compete fiercely with each other in the current crisis to lure customers. However, only the enterprises with the strong financial support can block the others’ way by selling products at low prices, running big sales promotion programs. With the business strategy, they have incurred loss or just can break even. However, in return for this, they can step by step, eliminating the rivals to dominate the market.

Home appliance centers still mushrooming, especially in big cities. Tran Anh in May 2013 alone opened three centers in Hanoi, and plans to open four more by the end of the year. This does not include the VND30 billion in investment to open two centers in HCM City; the first ones in the southern city.

Nguyen Kim has opened 2 more in Hanoi and 3 in HCM City so far this year. In Hanoi, Top Care is going to set up the second center so far this year, while VHC plans to set up sales points in Thanh Hoa and Thai Binh provinces. A report said that the sales by home appliance centers have decreased by 40 percent so far this year.

(Source: VietnamNet)

[Back to top](#)

Starbucks revenues in Vietnam exceed target

The Starbucks Corporation, one of the world's leading coffee brands, has claimed initial success in Vietnam.

Starbucks CEO Howard Schultz says revenues from the company's first Vietnamese outlet have surpassed expectations, although it has experienced a number of challenges to attract local consumers. The Wall Street Journal said Vietnam - known for its nerve-jangling strong coffee, often sweetened with condensed milk - has its own deep-rooted coffee culture that could prove challenging to the Seattle-based coffee chain.

Since its two-story store opened in Ho Chi Minh City in February, Starbucks' sales at the new location are exceeding predictions, according to Howard Schultz, who did not provide specific sales figures. The company decorated its downtown store with local art and artifacts to create a distinctly Vietnamese atmosphere. It also came up with a new drink, the Asian Dolce Latte, to appeal to local palates and it serves roast-duck wraps and French-style baguettes.

But some say the chain could still do more. Nguyen Van Minh Khanh, 24, said Starbucks should use drip filters perched on top of glass mugs, the way the Vietnamese do. "If Starbucks wants to succeed in Vietnam, they have to change the way they serve," he said.

Local coffee entrepreneurs, such as Trung Nguyen (Central Highland) coffee brand CEO Dang Le Nguyen Vu, seem confident that local drinkers will stick with Vietnamese coffee, which is available everywhere from nearly 1,000 Trung Nguyen brand outlets, as well as glamorous cafes and small pavement shops.

However, Schultz said Starbucks sells more than just coffee. "The environment that we create, the store design, the experience...they all add up to occupy a much different position than anything anyone else in Vietnam," he elaborated.

Starbucks has managed to penetrate many demanding markets since it opened its first overseas store in Japan in 1996. The move into Vietnam reflects its continuing efforts to venture into far-flung regions while core markets such as the US and Europe remain relatively weak.

Southeast Asia's fast-growing economies are increasingly important growth zones. The company aims to double the number of its stores in Thailand to 320 and possibly venture into Myanmar in the next couple of years. "Ten years ago, if we looked at a business plan for some of these markets it would have been much smaller than the reality today. Still, Vietnam could prove a tough nut to crack," Schultz said.

Vietnam's coffee culture dates back to the 19th century and the country is also taking the lead in coffee production, with its "ca phe chon" (weasel coffee) selling for as much as US\$500 per kilo in London and New York.

(Source: VOV)

[Back to top](#)

Fast food empires gear up for their plans to conquer Vietnamese market

McDonald's, the US fast food giant, is moving ahead with its plan to conquer the Vietnamese market through the franchised shop network. Its first stop would be HCM City.

McDonald's high ranking executives arrived in Vietnam in 2012, the move, which in the eyes of analysts; means that the giant is preparing its plan to conquer the Vietnamese market, which is expected to kick off in 2014, according to Insideretail Asia. However, analysts believe that the plan may start sooner than previously scheduled, and this would depend on when McDonald's can find suitable partners, input material suppliers and fulfill the training courses for Vietnamese staff. Sources said McDonald's plans to open two shops in HCM City before it reaches out to other localities in Vietnam. In its long run business plan, McDonald's plans to open 100 shops in the market.

The giant now has 33,500 franchised agents in 119 countries around the globe. However, it seems to be slow to come to Vietnam, the promising market which has quickly accepted the western styled fast food. The sources also said that McDonald's still has not been present in Vietnam partially because it still has not found local fresh material suppliers. Amcham Vietnam's website wrote that the "cheese quarter-pounder" burger which has been served since 1972 would not be perfect without McDonald's French Fries.

Meanwhile, the import tariff on French frozen potatoes is overly high, while Vietnamese potatoes cannot meet the requirements in terms of length and humidity. While McDonald's is taking slow steps towards the Vietnamese market, its fellow countryman Burger King has made a big leap here. It has been moving ahead with the plan to expand its business in big cities, following the six-month pilot sale program at the sale points at Tan Son Nhat airport in HCM City and Noi Bai in Hanoi.

The boards and panels with the words "Burger King sap co mat" (Burger King is coming) were seen everywhere in the central area of HCM City a couple of weeks before its official debut in October 2012. Burger King reportedly plans to set up shops in 11 districts in HCM City, six in Hanoi and some shops in the central area of Da Nang City and Hoi An ancient town in the central region of Vietnam. While Starbucks is believed to be a redoubtable rival to the other coffee brands, the appearance of McDonald's would be a "threat" to fast food brands, including the big guys such as KFC or Jollibee and Lotteria. To date, Lotteria has been leading the Vietnamese fast food market in the number of shops opened (146). Meanwhile, KFC has 134 and Jollibee 30.

In an effort to target popular consumer, Lotteria has marketed surprisingly cheap ice cream at VND3,000, while the average market price is VND7,000. However, KFC reportedly has the highest turnover and growth rate. The brand was believed to dominate the fast food market in Vietnam in 2011, according to a report of Euromonitor International.

Analysts believe that the initial fee to open a franchise shop is not lower than \$45,000. Besides, franchisees would also have to pay some 20 other kinds of fees, including the pay to the brand owner, which accounts for 4 percent of total turnover, ad fees, also 4 percent of turnover.

It is estimated that the total investment capital, including the franchise fee, retail premises rent, equipments and interior decoration, would be between \$214,999 and \$2.1 million for each McDonald's shop.

(Source: VietnamNet)

[Back to top](#)

Western Mexico looks to develop trade with Vietnam

A forum on trade and investment was held recently in Mexico, attended by the Vietnamese ambassador to Mexico along with representatives from Thailand, Indonesia, the Philippines and Singapore.

Addressing the forum, Ambassador Le Thanh Tung introduced Vietnam's great achievements over the past 25 years during its Doi Moi (Renewal) process. Since it first implemented national renewal policies in 1986, Vietnam has become the world's leading rice exporter and has enjoyed a trade surplus since 2012.

Tung also described Vietnam's solutions to limiting the impact of the economic crisis and facilitating investment, in addition to outlining the business environment as well as the status of foreign direct investment (FDI) in the country. He emphasized that Vietnam is considered a dynamic nation in the region with a population of around 90 million.

Delegates at the forum said that Mexico, particularly its western region, seeks to establish trade ties with partners in Southeast Asia, saying they hope businesses in ASEAN nations will invest in western Mexico as a base for re-exporting goods to other nations.

The Vietnamese embassy representatives gave participants at the forum 200 sets of documents introducing Vietnam's business climate, as well as useful websites and a list of 30 of the country's key export items.

Many potential customers said they are keen to import Vietnamese goods such as bicycles and spare parts, electronics and components, information technology, ceramics, rice, garments and textiles.

(Source: VOV)

[Back to top](#)

Exports to the EU get a much needed shot in the arm

The European Union last week announced made-in-Vietnam products imported into the EU would continue enjoying low tariffs.

The preferences are applied to Vietnam and other developing countries during 2014-2016 under the generalised system of preferences (GSP). "That's very good news amid Vietnam's economic and consumption market difficulties," said former Deputy Prime Minister Vu Khoan. "This will help Vietnam create more employment and further ensure social security," he said.

Hanoi-based Garment Company X26 director Nguyen Viet Thang said the news would help this company earn nearly \$1 million per year. Quach Thi Nhung from South Korean-backed garment maker KJ Vina in Binh Duong province said there needed be more accurate calculations of how much her company would benefit from the new move, "but our export turnover from the EU will increase".

Last year, the EU was Vietnam's largest importer with \$20.3 billion in revenue. Vietnam's major exports to the EU market included mobile phones, which accounted for 43 per cent of Vietnam's total mobile phone export turnover, footwear (36 per cent), computer (19 per cent) and garment and textile (16 per cent).

During 2009-2013, all footwear products from Vietnam were removed from the GSP, posing a great pressure on domestic producers and exporters. The move has increased import duties in the EU market by 3.5-5.5 per cent, while duties on leather and canvas footwear surged to 8 and 17 per cent, respectively.

The delegation of the EU to Vietnam and the Ministry of Foreign Affairs last week also announced a three-year, 2.9 million euros (\$3.77 million) programme aimed to support Vietnam's development by undertaking activities covered by the Partnership and Cooperation Agreement (PCA) clinched in June 2012. The PCA must be ratified by Vietnam and all EU members and the EU Parliament. Under the PCA, the EU is committed to enhancing the benefit that GSP could bring to Vietnam.

“Notably, the PCA also facilitates enterprises from Vietnam to organise dialogues with governments of EU member states about investment and trade policies. EU enterprises can also do the same with Vietnam's government. This mandatory mechanism will therefore help improve investment and trade between Vietnam and EU,” said Tran Ngoc Quan, deputy head of the Ministry of Industry and Trade's European Market Department.

European delegation to Vietnam head Franz Jessen said the PCA boasted a mechanism where Vietnam-based enterprises would be provided updated policies about EU trade, including barriers which were often proved to be banana skins for Vietnamese firms.

(Source: VIR)

[Back to top](#)

INVESTMENT

Improving business climate – a must

Vietnam needs to further improve its business climate, or it will lose out to other regional competitors, delegates said at a mid-term business forum in Hanoi in June 2013.

They said Vietnam is hardly competing for the lion's share against other regional Southeast Asian countries including Indonesia, Thailand, Cambodia and Myanmar which have recently emerged as attractive investment destinations. A better investment climate will make it easier for Vietnam to attract foreign direct investment in the context of the global economic slowdown, they said.

In his opening address, Minister of Planning and Investment Bui Quang Vinh pointed to the fact that despite recent positive signs the national economy is meeting numerous difficulties, including low FDI, excessive inventories, poor competitive capacity and a large number of suspended businesses.

The business community needs to shoulder the burden with the government in the reform process to overcome challenges, the minister said. To ride out the difficult times, Vu Tien Loc, President of the Vietnam Chamber of Commerce and Industry, proposed that the government persist in stabilising the macroeconomy, controlling inflation and achieving steady economic growth.

It is imperative to speed up structural reform, primarily for State-owned enterprises, increase transparency, and create a playing ground on an equal footing basis for all economic sectors, said Loc. To support businesses in difficulty,

he recommended the government slash the corporate income tax to 20 percent, remove interest rate ceiling, and rev up the tourism sector.

He laid a strong emphasis on accelerating negotiations and signing of key trade agreements such as the Trans-Pacific Partnership (TPP) agreement and the Vietnam-EU free trade agreement (FTA).

Time for private businesses to prosper

Delegates once again confirmed the role the private sector plays in national economic development. VCCI President Loc said the government should have consistent policies to ensure an equal environment for private businesses. “This must be demonstrated through the consistency of policies, from the Constitution to laws and by-law documents,” said Loc.

Preben Hjortlund, President of the European Chamber of Commerce in Vietnam (EuroCham), noted that despite preferences, State-owned enterprises that account for 40 percent of the national economy do not operate as efficiently as expected, barring economic development.

EuroCham insists that the government of Vietnam should accelerate SOE equitisation to create a healthier competitive environment, he said.

Mark Gillin, President of the American Chamber of Commerce in Vietnam (AmCham), echoed the delegates’ view, saying the Vietnamese government should establish a competitive playing field on an equal footing basis for private businesses to develop on a par with other economic sectors. It’s time Vietnam created a healthier competitive environment through reform, he concluded.

At the forum, Deputy Prime Minister Vu Van Ninh appreciated executives and donors’ frank opinions and said the government will study them to come up with appropriate solutions. He also asked businesses to restructure themselves to improve their operational efficiency.

The mid-term gathering was jointly held by the Vietnam Business Forum (VBF), the Ministry of Planning and Investment, the International Finance Corporation (IFC), and the World Bank (WB).

(Source: VOV)

[Back to top](#)

Vietnam, Mozambique look to further investment links

Officials of both Vietnam and Mozambique have expressed their wish for stronger investment ties, at an investment and trade seminar in Hanoi on June 12, 2013.

The event was hosted by Vietnam’s Ministry of Planning and Investment with the aim of providing a venue for businesses of the two countries to meet and seek partners as well as to exchange information with the two countries’ state management agencies. Addressing the function, Mozambican Minister of Planning and Development Aiuba Cuerneia called on Vietnamese businesses to invest in the Southeast African country, particularly in the areas of banking, finance, agriculture, transport, industry and telecommunications.

Deputy Minister of Planning and Investment Dao Quang Thu said although investment cooperation between the two countries is currently limited to only two areas of agriculture and telecommunications, existing projects have reaped good results. He said the success obtained by Vietnam's military-run telecom group Viettel in Mozambique represents a firm step forward in bilateral cooperative ties.

The deputy minister expressed his hope that the Mozambican Government will continue assisting and creating conditions for Vietnamese businesses to operate in the country.

Minister Thu also pledged to work with relevant ministries and branches to support both countries' enterprises that want to run business in the other country.

At present, Mozambique ranks eighth out of 60 destinations of Vietnamese investment, attracting about 350 million USD.

(Source: VNA)

[Back to top](#)

Thai group invests in \$2bln Quang Ninh hi-tech complex

Thailand's Amata Group and Vietnam's Tuan Chau Group will team up to build a high-tech urban complex in Ha Long city.

The complex, to sit on 16,00ha in Quang Yen village, Uong Bi district, will include a high-tech park, a free trade area, and research units to develop high added value products, as well as educational facilities and urban areas.

The first phase of the project will be built on 500ha at a cost of US\$1.5-2 billion. Construction work will begin in December 2013, with the first factory scheduled to be put into operation in late 2014.

The Amata Group has been investing in Vietnam since 1994 and is considered one of the six strategic investors in Quang Ninh, along with Vingroup (Vietnam), Texhong (China), and SE and the Yazaki Company from Japan.

Vingroup previously proposed building hotels and entertainment areas worth nearly US\$45 million on Reu Island in Bai Chay ward, Ha Long city, and the Vietnamese Charmvit Group also plans to build a golf course on Hung Thang Hill in Ha Long.

Quang Ninh provincial leaders say that choosing strategic investors is an important step towards restructuring the province's economy with a focus on developing industry, services and tourism.

(Source: VOV)

[Back to top](#)

Biotech pioneer set for Que Vo IP

Nippon Zoki Pharmaceutical, a leading pharmaceutical firm in Japan, last week started construction on what is billed as the first bio-technology plant in Vietnam, backed by the total investment capital of \$90 million.

The Nippon Zoki Pharmaceutical's facility in northern Bac Ninh province's Que Vo Industrial Park (IP), will produce pain-killers made from the skin of New Zealand-originated white rabbits with the designed capacity of 3,700 rabbits per day. These pain-killers are designed to enhance human immunity capacity.

The facility, covering the total area of 10.6 hectares, will be carried out in two phases, with the first phase costing \$62 million and using three hectares of the land. The new facility is expected to come into operation in April 2014.

Dang Thanh Tam, chairman of Kinh Bac City Development Holding Corporation, the developer of Que Vo IP said attraction of Japanese investors like Nippon Zoki Pharmaceutical was in line with the firm's business strategy for the park.

Former Japanese Ambassador to Vietnam Norio Hattori said at the breaking-ground ceremony: "I have introduced Que Vo IP in Vietnam to Nippon Zoki Pharmaceutical for the location of this facility as raw materials for the facility are available in Vietnam. Furthermore, the business environment in Vietnam in general and in Bac Ninh in particular is very attractive with high stability."

Nguyen Tien Nhung, Deputy Chairman of Bac Ninh Provincial People's Committee, expressed his appreciation for Nippon Zoki Pharmaceutical's decision to invest in Bac Ninh, which would open the opportunity for developing large-scale rabbit farms in the province and in northern Vietnam as a whole.

Currently, rabbit is easy to breed in Vietnam's northern provinces while rabbit farms require little investment capital but bring out high economic values for local farmers.

In 2007, Nippon Zoki Pharmaceutical built a New Zealand rabbit-originated farm in northern Ninh Binh province, which is capable of supplying 1.5-2 million rabbits each year.

In addition to its new facility in Vietnam, Nippon Zoki Pharmaceutical has two others, one in Japan and one in China. The two plants are operating at their full capacity but they still fail to meet the increasing demand for painkillers in the world. Nippon Zoki Pharmaceutical's products are very popular in Japan, Europe and the US.

(Source: VIR)

[Back to top](#)

Dong Nai demands airport progress

Southern Dong Nai Province's People's Committee expects to speed up land clearance for the construction of the Long Thanh International Airport, which is slated to begin in 2015.

The construction planned to cover an area of over 5,000ha would affect 4,500 households in the province's Long Thanh District, about 40km from HCM City. It is expected to surpass Tan Son Nhat International Airport and become the biggest airport in Viet Nam.

Speaking at a meeting about the preparation with Airports Corporation of Viet Nam and Japan International Co-operation Agency on Wednesday, vice chairman of the provincial People's Committee Tran Van Vinh said the urgent task now was to speed up the land clearance and resettlement for households in affected areas. Out of the 4,500 affected households, 3,000 would have to move to new areas, he said, adding that other facilities including religious buildings, schools and about 1,000 graves would be removed.

Compensation and resettlement would cost over VND15 trillion (US\$714 million), he said. He expected that project investors would arrange proper capital so that land clearance and compensation work would be started early next year and finish by 2015. Vinh said that the province planned to develop two resettlements; each covers an area of 280ha.

The construction would need about 24,000 workers, he said, adding that the local authority would work closely with investors and contractors on employment for the dislocated residents to ensure their livelihoods. Other facilities include water and power supplies, transport linkages and telecommunications were to be made ready for the construction work.

Long Thanh International Airport would cost an estimated 300 billion yen (\$3.6 billion) for its major components, including the runway and air traffic control centre. Mitsubishi Corp, Taisei Corp, Japan Airport Consultants Inc and Narita International Airport Corp used capital from JICA to conduct research on the project. The airport is planned to become operational by 2020, when its capacity could reach 25 million passengers and 1.2 million tonnes of cargo per year.

By 2030, it is expected to have four runways and four terminals, one of the largest in the region with a designed capacity of 100 million passengers and 5 million tonnes of cargo every year, receiving 90 per cent of international flights and 20 per cent of local flights to and from HCM City.

Dong Nai boasts investors from 35 countries, territories

According to the provincial Department of Planning and Investment, 15 of the 34 new projects in the province are invested by Japanese businesses with combined registered capital of US\$162 million, accounting for 60% of the total registered capital. So far, Dong Nai has licensed 1,343 projects capitalized at US\$23.4 billion, of which 1,034 are valid worth more than US\$19 billion. The leading foreign investors in the province include the Republic of Korea, Japan, and Taiwan, as well as ASEAN, European and American countries.

Dong Nai is prioritizing high-tech companies and support industries, particularly those that are environmentally friendly with high added value and create many jobs for local people. It has also stopped granting licenses to projects that cause water pollution. In the current difficult economic situation, the province is paying special attention to administrative reforms and training to improve the quality of its labor force. In addition, it has invested in infrastructure and services to serve both workers and investors.

The province also organizes regular meetings between businesses and managing agencies in order to deal with difficulties as quickly as possible.

(Source: VNS&VOV)

[Back to top](#)

FDI in Vietnam surges, Japan leads investors

Vietnam has witnessed a surge in newly registered and additional FDI in the first five months of this year. Totalling 8.51 billion USD, it was an increase of 8.9 percent over the same period last year.

The country licensed 398 FDI projects with newly-registered capital of more than 5 billion USD, and permitted 160 others to have additional capital of 3.42 billion USD, up 5.8 percent and 14 percent respectively from last year.

An estimated 4.58 billion USD from the FDI projects has been disbursed over the last five months, a 1.6 percent year-on-year increase, according to the Ministry of Planning and Investment's Foreign Investment Agency.

The processing and manufacturing industries still top the list of 18 sectors that received foreign investment. They are seeing new and additional capital of 7.5 billion USD followed by the property, wholesale and retail sectors.

Among the projects given the go-ahead, authorities approved a plant that will be built by Samsung Electronics Vietnam to produce and assemble hi-tech electronic products with a total investment of 2 billion USD in Thai Nguyen.

Authorities allowed additional capital of 2.8 billion USD for Japan's Nghi Son Oil Refinery Ltd. Co. project in Thanh Hoa province.

According to the Agency, among the 40 countries and territories that have invested in Vietnam, Japan ranked first with newly-registered and additional capital of 3.6 billion USD in the reviewed period, followed by Singapore with 2.3 billion USD and Russia with one billion USD.

Northern central Thanh Hoa province led other cities in FDI attraction with 2.8 billion USD in the aforementioned time. Northern Thai Nguyen came second with over 2 billion USD and central Binh Dinh province, third, with more than 1 billion USD.

(Source: VietnamPlus)

[Back to top](#)

Japan's Idemitsu to proceed with \$9 bln Vietnam refinery project

News/Tokyo - Japan's Idemitsu Kosan Co said it would proceed with a \$9 billion oil refinery project in Vietnam as it had reached a final investment decision with co-investors Mitsui Chemicals Inc, Kuwait Petroleum International and PetroVietnam.

Idemitsu, Japan's third-largest refiner, said construction of the 200,000 barrels per day (bpd) Nghi Son refinery and chemical complex would start next month.

Most of the scheme would be paid for via project financing agreements of up to \$5 billion, involving \$2.3 billion in loans from the Japan Bank for International Cooperation (JBIC) and the Export-Import Bank of Korea (KEXIM) and loans totalling \$2.7 billion from commercial banks, Idemitsu said

The remaining \$4 billion would be directly financed by Idemitsu and its co-investors. Of this amount, Idemitsu would invest \$1.4 billion, the company said in a statement.

Idemitsu had said in January a final investment decision on the project, with commercial operations of the complex planned in the second quarter of 2017, was expected by June.

(Source: Reuters)

[Back to top](#)

Aussie firm plans record seaport in Ca Mau

An Australian firm has unveiled a plan to build a US\$3.5 billion deep-water seaport on Hon Khoai Island, roughly 15km off the southwest coast of Nam Can District in the southernmost province of Ca Mau.

The Ca Mau People's Committee has submitted a proposal to build the port to the government, and is awaiting official approval pending the project's inclusion into the national zoning plan for ports. Meanwhile, Australia-based N&M Commodities Pty Ltd is completing necessary administrative procedures for going ahead with the project.

According to Ca Mau Province's Department of Planning and Investment, the 320ha deep-water port will have 12 transshipment berths. Six of these will be used for loading coal, two for transporting containers, two for transporting oil, and the rest for other commodities. The transshipment berths will be deep enough to receive vessels of 250,000 DWT.

The total investment for the project is estimated at \$2.9 billion, of which \$1.1 billion will be used for building facilities and the rest for developing infrastructure. The port's construction is expected to begin at the end of 2016. However, on its website, the Australian company says the project will cost \$3.5 billion.

"It will cater for coal, bulk goods, container and RORO (roll-on/roll-off) berth plus two petroleum and LNG berths all capable of taking the largest vessels afloat. "The Mega Port project, the biggest ever infrastructure project between Australia and Viet Nam, is set to break many records in logistical efficiency, capacity, security and most of all sustainability," the company says.

Once completed, the Hon Khoai Seaport is expected to become the gateway to Mekong (Cuu Long) Delta and HCM City. It will also become one of two leading ports in Viet Nam for industrial centres in the region.

With piers to bridge the port with the mainland in Ca Mau's Nam Can District, a link will be established with the transnational R10 route that runs through Cambodia, Thailand and Myanmar. The pier linking the port with the mainland will have two lanes and a railroad that will be used for transporting containers. Mai Huu Chinh, director of Ca Mau Province's Department of Planning and Investment, said the project has not been approved officially, and is waiting to be included in the national plan for developing Viet Nam's port system.

"However, it's likely that the project breaks ground early next year," Chinh said. In response to Ca Mau's proposal, the Prime Minister has directed the ministries of Transport and Industry and Trade to consider including Hon Khoai Port in the country's port system. The Mega Port Multi Cargo Facility is expected to become a commodity transport hub that supports logistics development in the Mekong Delta and helps reduce traffic burden in HCM City.

It is also designed to become a wholesale market for coal by importing the commodity via a designated port and wharves to serve thermal power plants in the Mekong Delta. The potato-shaped island has an area of 561ha and off-shore water depth of between five to 27 metres, which is considered suitable for building deep-water seaports.

The island belongs to Ngoc Hien District's Dat Mui Commune. It has so far remained free of exploitation. It has been described as a "pearl of the cape" and an ideal site for developing eco-tourism. It is not clear how the new project will impact such plans.

ASEAN connectivity

Local officials say that upon formation of the ASEAN Economic Community, which is targeted to happen at the end of 2015, the port will play a strategic role in enhancing sea links with ports in Cambodia, Thailand and other countries in the region, boosting commodity transportation and tourism development. More importantly, it will supplement the first stage of the Southern Coastal Corridor that links Viet Nam, Cambodia, Thailand and Myanmar. A 52km-long section of the corridor that runs through Ca Mau is under construction.

The project will also match with the 11,000ha Nam Can Economic Zone that has been approved by the government, creating a huge impetus for socio-economic development in the province and the delta. They also say that when completed, the new port and the corridor will create new competitive advantages for Ca Mau, which will not only become an important economic area in the Mekong Delta, but also as a business gateway for ASEAN countries.

Call for investment

The southernmost province of Viet Nam is one of the four provinces belonging to an important economic zone in the Mekong Delta. The nation's biggest shrimp exporter is 350km from HCM City and 180km from Can Tho.

In recent years, Ca Mau's economy has expanded by over 12 per cent annually. Last year, the province's GDP was VND3.13 trillion, a 10 per cent increase year-on-year. Its export turnover was \$910 million. Ca Mau, which used to be considered among the remotest and poorest provinces in the country, is calling for investment into 38 major projects in several fields including industrial zones, commercial centres, urban areas, transport, food processing and tourism development.

(Source: VNS)

[Back to top](#)

Dung Quat EZ targets \$12 billion of fresh FDI

Dung Quat Economic Zone (EZ) seeks to lure over US\$12 billion from now to 2015, according to Quang Ngai Province at an investment promotion conference held in HCMC.

Pham Nhu So, vice chairman of the provincial government, informed 111 projects had obtained investment certificates for development in the economic zone, with total pledged capital of over US\$8.5 billion, of which US\$5 billion had been realized.

The province sets a high target for investment in Dung Quat EZ, regardless of the falling foreign direct investment (FDI) inflow, because many large-scale projects are being promoted for implementation in this zone, he said.

For example, the project for expansion of Dung Quat Oil Refinery with its capacity raised from 6.5 million to 10 million tons per year is being promoted by the owner Binh Son Oil Refinery and Petrochemical Company. Such a project should cost billions of U.S. dollars, said So, who is also head of the Dung Quat EZ Authority.

Earlier, Binh Son estimated the cost of this project would be around US\$2 billion. In addition, a steel plant with a capacity of seven million tons a year costing about US\$4.5 billion will be deployed soon by JFE Steel of Japan.

Other major projects include an Indian-invested pulp mill with an annual capacity of 150,000 tons and a 1,200-MW thermal power plant worth some US\$2 billion invested by Sembcorp of Singapore, the last named having been awarded a license last week during Prime Minister Nguyen Tan Dung's visit.

Vietnam-Singapore Industrial Park Joint Venture Co. (VSIP) is developing the urban, industrial and service complex VSIP Quang Ngai, assisting the province in investment attraction. VSIP Quang Ngai will cover more than 1,700 hectares, including 600 hectares of industrial space in Dung Quat EZ to be developed in the first phase.

Enterprises renting workshops in this area will enjoy corporate income tax exemptions in the first four years and 50% tax reductions in the following nine years. VSIP Quang Ngai will attract such industries as food-beverage, fast-moving consumer goods, electronic parts assembly and others serving the gas & oil and chemicals sectors.

The Government has put Dung Quat EZ in the list of six key EZs with priority to receive investment funds. Therefore, the province's infrastructure will be improved in order to attract investors. With the nod from the Prime Minister, Dung Quat EZ will be expanded by four times to become a multi-sector EZ rather than focusing on only heavy industries. The expansion will offer more job opportunities for local workers as well as those in nearby provinces, said So.

In addition to incentives offered by the Government, the province has prepared cleared sites to lure domestic and foreign investors. Quang Ngai is striving to become a modern industrial province by 2020, said Cao Khoa, chairman of the province. So far, Quang Ngai has licensed 282 projects with total registered capital of VND192 trillion, including 22 FDI projects worth nearly US\$4 billion.

(Source: VIR)

[Back to top](#)

Work starts on rare earth plant in BR-VT

Japan-invested Vietnam Rare Chemical Company (VRec) began construction of the zirconium compound production plant in Ba Ria-Vung Tau Province's Cai Mep Industrial Park.

The firm will set aside VND1.03 trillion to turn a four-hectare land site into a plant producing and processing zircon ore to produce metasilicate and zirconium compounds.

Zirconium is a material needed for the production of refractory products and materials for the nuclear power industry. Besides, it is used to produce components for devices like cell phones, TV sets, aircraft shells and brakes for racing cars.

According to VRec, in the first phase the plant will produce zirconium oxychloride and sodium metasilicate with respective capacities of 13,300 tons and 8,500 tons per year.

The plant is scheduled for operation after 12 months of construction.

VRec is one of the first foreign investors that invest in Cai Mep Industrial Park in the rare earth sector. Having convenient road and sea transport and being near Binh Thuan, a province with rare earth potential, are the reasons why the Japanese investor has chosen Cai Mep Industrial Park.

(Source: the Saigontimes Daily)

[Back to top](#)

HCM City industrial sector expands

Industry and trade in HCM City have had five consecutive months of growth, even in the face of national economic challenges.

The city's policies on coping with inflation have contributed to steady growth. In May 2013, the industrial production index rose by 5.5 percent against the previous month, and 4.4 percent compared to the same period last year.

Of 26 industries, 22 of them improved capacity, especially in food processing, beverages, leather and shoes. Only ore mining, tobacco and automobiles were stagnant. The storage index for the industrial sector also improved by 0.26 percent.

“The major reason for this growth is that the Government and related industries have offered many solutions to overcome difficulties,” said Nguyen Van Lai, Director of the city's Industry and Trade Department. Industrial production has also increased. By early May, total loans in the city had reached 873 trillion VND (41 billion USD), an increase of 1.4 percent against the previous month long period and 15.1 percent compared to the same period last year.

“However, the international and national economies face low demand and a high quantity of stockpiled goods. Lower foreign direct investment, equal to only 43 percent in the same period last year, has affected industrial production,” Lai added. To cope with the situation, the textile and garment industry has expanded local market by changing its business model but keeping the high quality of exported goods. For the first five months of the year, the industry grew by 5.4 percent.

The food processing and beverage industries have also earned good results. Retail sales and turnover from services in the city totaled 288 trillion VND (133 billion USD), a year-on-year increase of 10.4 percent. The figure showed that buying demand had increased.

To support enterprises, the Industry and Trade Department has organized meeting with enterprises. Nine meeting have been held with 100 enterprises thus far. The department is also continuing to develop delivery channels to the city outskirts and processing zones.

(Source: Vietnam+)

[Back to top](#)

Energy capacity affects Intel's Vietnamese expansion plans

Energy capacity is the biggest risk factor hindering Intel's Vietnamese investment activities.

Intel Products Vietnam General Director Sherry Boger said this at a seminar in Hanoi in May 2013.

Intel is focusing on developing Vietnamese leadership staff and human resources with the ultimate aim of consolidating Intel Products Vietnam as one of the Intel Group's strongest manufacturers, Boger said.

Intel has coordinated with Vietnamese agencies to organise a cooperative technology training program over the 2013–2017 period, a Master of Engineering Program at RMIT Vietnam in the 2013–2020 period, and a teacher training program for Intel instructors themselves.

To assist Vietnam's push to become a strong information technology (IT) nation by 2020, Intel has worked with Vietnam Digital Television (VTC) and Hanoi National University to produce simple instructional video clips, aiming to reduce the IT knowledge gap between residents in rural and urban areas.

Addressing the seminar, Deputy Minister of Information and Communications Nguyen Minh Hong committed his ministry to fostering a better investment environment for Intel and other foreign IT enterprises operating in Vietnam.

Hong also expressed a wish that Intel will expand its Vietnamese production and trade activities and help enrich the country's developing business community.

(Source: VOV)

[Back to top](#)

UK firms keen to invest in HCM City infrastructure

UK companies wish to assist and invest in projects to build financial centres, urban railways and Long Thanh international airport for the strong development of Vietnam.

Visiting UK Minister of State for Trade and Investment Lord Green told Chairman of the Ho Chi Minh City People's Committee Le Hoang Quan on June 11.

Green said his visit aims to devise specific programmes to invest in Vietnam and the city in particular. He said he hopes dialogues and exchanges between the city leaders and UK partners on the public-private partnership model will benefit the city's urban development.

Quan expressed his belief that the visit will help make it easier for potential UK investors to invest in the city in the future.

At present, HCM City is home to 50 UK representative offices with 30 projects worth nearly 600 million USD.

He said bilateral ties are yet to meet their potential, and there remain various fields that need stronger collaboration in the time to come.

While introducing plans for urban railway projects and Thu Thiem new urban area, the host expressed his wish that UK

investors will provide official development assistance for urban railway No. 4 and engage in the Thu Thiem new urban area project.

He added that he hopes the city can learn from the UK 's experience in science research, financial and urban development.

(Source: VNA)

[Back to top](#)

Vietnam's long-term business potential noted

Vietnam 's long-term potential for business is promising, Teo Eng Cheong, Chief Executive Officer of International Enterprise Singapore , a government agency driving Singapore 's external economy, has said.

In a press release issued on June 2 on IE Singapore Global Conversations session with Prime Minister Nguyen Tan Dung on June 1, CEO Teo mentioned fundamentals, like rapid urbanisation, a large domestic economy and abundant natural resources as opportunities to invite businesses.

He highlighted the consumer sector as a growing area, fuelled by an expanding urban population, better educational qualifications and rising disposable incomes.

This month, NTUC opened its first hypermarket in Ho Chi Minh City , the first in a series of hypermarkets planned for the Vietnam market.

With urban populations in Vietnam 's three largest cities of Hanoi , Ho Chi Minh City and Hai Phong expected to triple by 2020, demand for urban solutions and infrastructure development is set to rise.

Sembcorp Development is currently operating four Vietnam - Singapore Industrial Parks (VSIPs), with progress underway for a fifth VSIP in central Quang Ngai province.

In the tourism and hospitality sector, Vietnam received 6.8 million international tourists and 32.5 million domestic tourists in 2012. This generated revenues of nearly 7.7 billion USD. In November 2012, Banyan Tree opened Vietnam 's first large-scale luxury integrated resort in Central Vietnam .

Singapore is the third largest foreign investor in Vietnam , with cumulative registered capital of 27.2 billion USD across more than 1,000 projects to date.

In the first three months of 2013, Singapore overtook Thailand and Japan as the top foreign investor. Singapore is Vietnam 's sixth largest trading partner, with total trade reaching 15.8 billion SGD in 2012, about 12.6 billion USD./.

(Source: Vietnam+)

[Back to top](#)

FINANCE – BANKING

Top Finnish fund deserts Thailand for Vietnam seeking growth

PYN Elite (ELITE), Finland's best-performing fund, is helping to drive a stock rally in Vietnam as it abandons Thailand, where the portfolio has reached annual returns of almost 25 percent for the past 14 years.

Petri Deryng, who manages 220 million euros (\$285 million) in two funds called Elite and Populus, has sold over 100 million euros in Thai stocks during the past five months, while investing about 40 million euros in 51 different Vietnamese companies, including PetroVietnam Drilling and Well Services JSC and Dinh Vu Port Investment & Development JSC.

“Vietnam’s economy will grow faster than Thailand’s economy during the next 10 years,” Deryng said in an e-mail. “As Vietnam’s stock exchange is trading below historical average valuations and Thailand above them, it’s clear that the Vietnamese market has a more attractive growth potential.”

International investors are buying the most Vietnamese stocks in five years, lured by Southeast Asia’s cheapest valuations and government efforts to boost growth. The country’s benchmark index rose the most in Asia to a 27-month high on May 30.

PYN Elite has had an average annualized return of 23.4 percent since its 1999 inception, returning more than 18 times the initial capital over 14 years and beating the Bangkok SET Index, according to data compiled by Bloomberg. It is the top performer among funds domiciled in Finland over the past 10 years, according to data compiled by Bloomberg.

Asian crisis

Deryng started buying Thai stocks shortly after the Asian financial crisis of 1997, which brought the booming economy into a halt and caused the baht to be disconnected from its US dollar peg.

During his first visit to the country in 1998, he bought a data CD containing balance sheets and price quotes of Thai listed companies at the library store of the Bangkok stock exchange, Deryng said. The CD cost the equivalent of 15 euros.

“I focused all my time into studying Thai stocks, made company visits and bought shares through a Finnish broker,” he said. He established Elite in February of 1999.

Thailand’s central bank cut its benchmark interest rate this week as slowing economic growth bolstered government calls for easing. The government had earlier lowered its 2013 growth forecast to as little as 4.2 percent. The SET reached a 20-year high of 1643.43 on May 21, compared with 363 points when Elite started.

Overhaul plan

Vietnam’s government is currently preparing a plan to overhaul state enterprises and recently approved a formation of a debt asset management company to absorb bad loans.

“The reform of state-owned companies seems to proceed very slowly,” Deryng said. “The more essential thing now is to recognize the problematic credit in Vietnamese banks and move them in a separate company under the central bank.”

The country is set to benefit from a young population, access to natural resources like offshore oil and gas, strong agriculture and a long coastline suitable for ports, according to Dennis Lai, a Hong Kong-based senior portfolio manager at Allianz Global Investors.

"Nordic investors are more familiar with Asia and more willing to take risk," Lai said in an interview in Helsinki after meeting clients in Finland and Sweden. "Even the smaller frontier markets in Asia are attracting attention -- Vietnam, Sri Lanka, Pakistan. These are high-volatility markets where the valuation is attractive for long-term investors."

Dampened demand

Vietnam's economy expanded 5 percent last year, the slowest pace in 13 years as a slump in bank lending damped domestic demand. The growth will accelerate at an annual rate of 0.5 percentage points, reaching 6.5 percent in 2015, according to estimates by 13 economists in a Bloomberg survey.

After a burst property bubble, Vietnam is restructuring its economy gradually, said Lai, who manages about \$700 million in Asian small- and medium-sized company equity and a separate \$75 million frontier market fund.

"The growth isn't very high at the moment because of this restructuring," Lai said. "It's still a very attractive economy for the long term. Out of all my frontier countries, I prefer Vietnam."

(Source: ThanhNienNews)

[Back to top](#)

JBA's eased monetary concern

The Japan Business Association in Vietnam (JBAV) chairman Motonobu Sato said at the Vietnam Business Forum last week that the government recently adopted a loosening monetary policy to control the economic situation.

"We understand that with the loosened monetary policy, the government wants to support Vietnamese companies in seeking loans from banks," Sato said. "But, our biggest concerns are that high inflation and shortage of dollars may come back again," he said.

The State Bank in March lowered the deposit interest rate from 9 to 8 per cent and in May it continued to cut the rate to 7 per cent. As a result, many banks like Techcombank, Southern Asia Bank, PG Bank, Dai A Bank, Tienphong Bank and Eximbank have reduced annual lending rates to 8.25, 9.43, 10, 10, 9.7 and 9.2 per cent, respectively. Vietcombank's deposit interest rate also dropped to 6 per cent last month.

The Ministry of Planning and Investment (MPI) said in a bid to revitalize local production, the government would find ways to boost credit growth to a targeted 12 per cent rate for 2013. During this year's first five months, credit expansion rate touched 2.29 per cent only.

Sato said Vietnam's economy up to 2011 witnessed local currency depreciation against the dollar due to the trade deficit. This trend saw a depreciation of the dong and high inflation, while local companies struggled to buy dollars, because they had to purchase materials in dollars and sell to domestic companies in dong.

In February 2011, the government issued Resolution 11 to tighten the monetary policy and strangle the black market to stabilize the macroeconomy. According to the JBAV, despite decreases in lending rates now, local enterprises were unable to absorb new capital. Meanwhile, it said the major reason for Vietnam's high inflation was state-owned enterprises' ineffective use of capital and these enterprises' monopoly over petrol and electricity, as well as ineffective public investment.

MPI deputy minister Dao Quang Thu however said in response to foreign investors' concern at the VBF that with Vietnam's foreign currency reserve equivalent to more than 12 weeks of import, there should be no fear of dollar shortage to satisfy businesses' demand. "The Vietnamese government commits to create all best conditions for investors to change the dong into foreign currencies," he said.

(Source: VIR)

[Back to top](#)

Vietnam eyes foreign investors to expand stock market

Vietnamese regulators will submit a proposal next month to ease restrictions on foreign ownership in companies as they lure more international investors to a stock market that's 14 times smaller than Singapore's.

The proposal would raise the foreign ownership limit for publicly-traded companies from the existing 49 percent, Vu Bang, chairman of the State Securities Commission, said in an interview yesterday. The Ministry of Finance will submit the plan, which the commission has helped prepare, to the government next month for consideration, he said, adding that the government will decide the new ownership limit.

Vietnamese regulators see foreign investment as one key to the stock market's growth, as the biggest year-to-date stock purchases by international investors since 2008 made the benchmark VN Index Southeast Asia's best performer. The nation's stocks are valued at \$45 billion, compared with \$614.7 billion in Singapore, the region's largest market.

"If there is a breakthrough in foreign investment, it will positively impact the development of the stock market," Bang said. "In previous years, there were recommendations, but they were just at a low level. Now we are having official discussions and have been consulting with the relevant ministries."

The proposal will include allowing foreign investors to buy non-voting shares to boost their holdings, he said.

Largest advance

The VN Index closed 1.2 percent higher today, the biggest increase in Asia, at a one-week high of 520.9. The gauge has climbed 26 percent this year, at least 10 percentage points more than any other Southeast Asian benchmark gauge tracked by Bloomberg. The Jakarta Composite Index was the next best performer with a 16 percent gain.

Under the proposal, ownership limits may be raised for certain industry groups or approvals may be granted on a case-by-case basis, Bang said. Changes to foreign ownership limits are subject to the government's approval and no time frame has been set, he added. The government will consult with ministries and others before making a final decision, he said.

“Expectations are high,” said Dominic Scriven, chief executive officer of Ho Chi Minh City-based fund manager Dragon Capital, which oversees about \$1.1 billion. “We would need to see exactly what comes out, but certainly there’s scope for the market to be positively impacted.”

About \$51 million of securities traded daily on average this year on the Ho Chi Minh City Stock Exchange, the country’s main bourse, compared with \$1.34 billion for Singapore, according to data compiled by Bloomberg.

Impressive growth

International investors bought a net \$244 million of Vietnamese stocks since the start of the year to June 5, the biggest purchases for the same period dating back to 2008. The VN Index has rallied 48 percent since the start of 2012 to yesterday as the central bank cut interest rates eight times and the government approved the formation of a debt asset management company to soak up banks’ bad loans that were hampering growth.

Vietnam’s stock market has expanded “impressively” as the government succeeded in curbing inflation, interest rates fell and foreign-exchange reserves rose, Bang said.

The central bank has reduced policy interest rates by 8 percentage points since March 2012 as inflation slowed to 6.36 percent in May, the lowest since August 2012. Prime Minister Nguyen Tan Dung approved on May 22 the formation of the asset management company to address bad loans in the banking system and boost sluggish credit growth.

The VN Index rallied 3.8 percent since then to a 27-month high on May 30 before falling 1.3 percent to yesterday. The gauge trades for 14.7 times reported profit, more than the MSCI Emerging Markets Index’s 11.9 multiple, data compiled by Bloomberg show.

Fund access

The market’s rebound “hasn’t been really sustainable” because companies still face many difficulties, Bang said, adding that one in five publicly traded companies may post losses this year. Investors are awaiting the results of the government’s plans to resolve non-performing loans, restructuring banks and state-owned enterprises, Bang said.

Non-performing loans reported by commercial lenders stood at 4.51 percent at the end of March, Deputy Prime Minister Nguyen Xuan Phuc told the National Assembly on May 20, down from the central bank’s estimate of 7.8 percent at the end of last year. Credit-rating companies estimate bad debt at between 10 percent and 20 percent, according to JPMorgan Chase & Co.

In the first five months, the number of companies that were able to raise capital through the stock market dropped between 50 percent to 60 percent from the same period last year, according to Bang.

“When companies are more easily able to access bank funds, their businesses will fare better,” he said. “The stability of the stock market will definitely come back.”

Exchange merger

The commission will also submit this year a proposal to merge the country's two main exchanges in Hanoi and Ho Chi Minh City by the end of the year, he said. Bang announced the merger in March last year and had initially set a target for the proposal in the third quarter of 2012.

To help further attract investors, the two exchanges plan to add more products such as covered warrants, he said. The regulator will also offer a plan for derivatives by the end of this year, Bang said.

Earlier this year, the regulator expanded trading bands on the country's two exchanges and raised the margin-financing ratio limit. The commission has also proposed extending tax exemptions and reductions for stock trading this year.

(Source: Thanh Nien News)

[Back to top](#)

Vietnam considers equitizing sea ports

Vietnam National Shipping Lines (Vinalines) decided that Quy Nhon would be the first port of Vinalines' system to be equitized. According to Vinalines' General Director Nguyen Canh Viet, after the equitization, the state would hold 75 percent of Quy Nhon's stakes.

Nguyen Huu Phuc, General Director of the Quy Nhon Port, said the procedures would be fulfilled prior to June 30, 2013, so that the port would become operational as a joint stock company from July 1, 2013.

However, Phuc admitted that too many things still need to be done during the equitization process. It's very difficult to value enterprises and deal with the redundant workers. Agreeing with Viet, Deputy General Director of the Hai Phong Port Bui Chien Thang said it will take much time to evaluate the enterprise's assets and strike a balance for the ODA (official development assistance) funded projects, while the enterprise has not much more time.

The Saigon, Quang Ninh and Da Nang Port would have more time to fulfill the works, because their deadline is 2014. However, Nguyen Ngoc Toi from the Saigon Port also complained that it's really a complicated work to assess such a big port like Saigon. Meanwhile, the Saigon Port would have to relocate to the Hiep Phuoc area during the equitization.

According to Le Cong Minh, Chair of the Board of Directors of the Saigon Port Company Ltd, the equitization process would begin in June 2014, while the state would still hold 75 percent of the chartered capital after the equitization.

Equitizing the first class ports is believed to be a strong measure to diversify the investment resources for the sea port system. This would allow the state to reduce the investments in the sea ports to reserve capital for the more important fields.

However, Minh admitted that he still cannot assess the opportunities and the development strategies after the equitization, because no port equitization had occurred in the past for reference.

In principle, in order to obtain success in the equitization, the ports need to find the partners who accept to buy 25 or 49 percent of stakes. "We are seeking buyers, but we have not found any yet," Minh said.

Meanwhile, Thang said that under the Vinalines restructuring plan, which has been approved by the Prime Minister, about 10 first class ports and its subsidiaries would go equitized by 2014. This means that trillions of dong worth of the state's capital would be put on sale. Therefore, it's really very difficult to find the buyers for such a huge sum of stakes.

Ho Kim Lan, Secretary General of the Vietnam Sea Port Association, thinks that no need to force the ports to get equitized by 2014, while it would be better to draw up a reasonable roadmap for the equitization.

Lan cited the success of the equitization of Doan Xa port, belonging to the Hai Phong Port, as an example to prove that equitizing port is a good idea.

Prior to 2001, Doan Xa never got more than VND8 billion in turnover a year. Meanwhile, its turnover jumped to VND40 billion in 2004, or 3 years after the equitization.

However, Lan said that Doan Xa's equitization succeeded because it was equitized in the favorable conditions, where the national economy saw a high growth rate.

(Source: the Saigontimes)

[Back to top](#)

ANALYSIS – OPINION

Japan investors from Thailand want to enter Vietnam

Not only Japanese firms operating in China but those in Thailand are also eyeing Vietnam as a favorite destination for business, said Hirotaka Yasuzumi, managing director of the Japan External Trade Organization (JETRO) in HCMC.

Japanese investors in China are shifting some of their operations to Vietnam or looking for material supplies from Vietnam. Meanwhile, those active in Thailand have shown interest in Vietnam because labor cost in Thailand is rising, said Yasuzumi.

He was speaking at a press briefing on Wednesday on an upcoming exhibition in HCMC aimed at promoting supporting industries in Vietnam.

The trend of Japanese enterprises in China leaving for other nations started long ago but it has recently grown due to the rising labor cost in China and the tense relationship between the two countries, he said.

Meanwhile, the trend of Japanese companies in Thailand switching to Indochina began last year and is still continuing, with Vietnam being on their radar. Therefore, investment of Japanese firms in Indochina in general and in Vietnam in particular is forecast to increase.

Japanese enterprises invest more in Thailand than Vietnam, said Yasuzumi. The number of Japanese firms operating in Thailand is about three times bigger than in Vietnam, he estimated.

The biggest obstacle to Japanese businesses wishing to invest in Vietnam is the lack of supporting industries, he noted. The percentage of local supplies for Japanese companies is only 28% in Vietnam, versus 61% in China and 53% in Thailand, according to a survey done last year by JETRO.

Over the past ten years, JETRO has conducted trades and organized exhibitions on supporting industries in a bid to foster the development of supporting industries in Vietnam. However, the percentage of local supplies has not improved much. Yasuzumi ascribed this situation to the fact that local workers have limited skills, the domestic market is not big enough, and most enterprises active in supporting industries are small and medium.

In 2012, Japan represented more than half of the total foreign direct investment (FDI) in Vietnam. Since the beginning of this year, Japanese investors have poured nearly US\$3.7 billion into Vietnam, accounting for 43% of the total number.

Last year the average for workers was US\$6,734 per capita per year in China, US\$6,704 in Thailand and US\$2,602 in Vietnam. As for managerial staff, the respective wages were US\$19,761, US\$27,204 and US\$12,245 in China, Thailand and Vietnam.

Three exhibitions will take place at the same venue in HCMC this October. Reed Tradex of Thailand along with JETRO and the HCMC Investment and Trade Promotion Center (ITPC) will organize three exhibitions at Saigon Exhibition & Convention Center (SECC) in HCMC's District 7 from October 10 to 12.

Two of these exhibitions are METALEX Vietnam, an international exhibition on machine tools and metalworking solutions for production upgrade, and NEPCON Vietnam, an exhibition on surface-mount and testing technologies and supporting industries for electronics manufacturing. The third exhibition is an exhibition of the coalition of enterprises active in supporting industries in HCMC. The event offers Japanese and Vietnamese entrepreneurs a chance to carry out trade of molds, electronic components and machines.

(Source: VIR)

[Back to top](#)

Vietnam may allow bigger foreign stakes, but restrict voting rights

Vietnamese regulators will next month propose allowing foreigners to own bigger stakes in listed companies to boost the country's stock markets, but some investors warned that gains could be limited because of the lack of attractive firms and restrictions on voting rights.

The State Securities Commission (SSC) wants to encourage more foreign inflows into one of Asia's best performing bourses and the plan to raise the 49 percent foreign shareholding limit by 10 percentage points helped lift the benchmark VN Index 1.4 percent on Friday to a week high of 527.97 points.

Traders say the index in Ho Chi Minh City, which has gained 26 percent this year, has been an attractive bet for foreign and domestic investors reluctant to put their money elsewhere in Vietnam. A slowing economy hamstrung by banks laden with bad debts and uncertainty about the government's ability to tackle structural problems are the main reasons for the exchange's allure.

"It's good policy and it would help the market with more liquidity from foreign investors," said Alan Pham, chief economist at VinaSecurities. "It will bring more foreign capital." Nguyen Son, director of SSC's Market Development Department, told Reuters the additional stakes made available to foreigners would be restricted to non-voting shares, which some traders said could dampen enthusiasm.

"Though it will have a positive impact initially, the regulator's move is not strong enough for foreign investors to put money in (for) the long term," said Trinh Hoai Giang of Ho Chi Minh City Securities. Vietnam's two stock indices, the benchmark VN Index and the smaller Hanoi Stock Exchange Index, have a combined market capitalization of almost \$45 billion, compared with \$420 billion in Thailand and \$459 billion in Indonesia. Vietnamese regulators say they are also working out plans to merge the country's two bourses.

Michel Tosto, director of institutional sales at Ban Viet Securities, said the plan to increase foreign shares could take time to implement and foreign investors would be selective about companies in which they wished to buy shares. "Of course, should that project move forward, it would certainly attract foreign investors to Vietnam. The problem is that there's not enough quality companies," he said.

(Source: Reuters)

[Back to top](#)

NEWS IN BRIEF

Can Tho to build 8 pumping stations

The city has started a project to build eight pumping stations in a move to provide clean water to about 5,740 rural households. The water drawn from underground will go through several stages of treatment. After the project is complete, about 84 per cent of rural residents of the city will have access to clean water. The city plans to build 182 pumping stations from now until 2020, which will provide 95 per cent of rural area residents with access to clean water.

Credit Suisse buys 13.64pct of Hoang Anh Gia Lai

The deal was for the purpose of hedging transactions it had entered into with its off-shore clients, the business said earlier this week. The amount of shares/fund certificates held by Credit Suisse Hong Kong after the transaction is equal to 13.64 per cent of Hoang Anh Gia Lai's outstanding shares. It made Credit Suisse the second-largest shareholder after Doan Nguyen Duc, the Vietnamese company's chairman. Before the transaction, the investor held only 12 per cent of HAG shares.

Rolls-Royce eyes Vietnam market

Rolls-Royce Motor Cars CEO Torsten Muller-Otvos was speaking in St Petersburg, Russia in response to questions from correspondents. He added that Rolls-Royce sold nearly 3.6 million cars last year, including 100 in Russia, which accounted for 4 percent of the company's total revenues. He noted that this year, the company also expects to see significant growth in revenues but it has not unveiled detailed figures. Vietnam is emerging as a destination for foreign automobile manufacturers. British car brand Bentley has planned to set up a sale agent in this Southeast Asian country thanks to its growing number of luxury cars. HCM City will host the 9th Vietnam Motorshow this October, expecting to attract 14 respected auto brands.

European enterprises spur investment up in Vietnam

The eleventh quarterly survey on business climate index of European enterprises conducted by the European Chamber of Commerce in Vietnam in May this year shows that confidence and business prospects among the European business community have gradually improved. After standing below 50-point levels for three consecutive quarters, this quarter, the index rose from 48 points to 50 points. The key indicators of this development include improved business outlook, increasing revenue and orders, and optimism about the overall economy. More than half of European enterprises participating in the survey are services providers, a quarter are manufacturers, and the rest are traders and in other sectors. According to the report, investment plans have been improving with firms planning to significantly increase investments at a rate double that of 7 percent in the last quarter, to 13 percent. Especially, 84 percent of enterprises said that their orders/ revenue remained stable or had improved.

Tech firm opens two offices in VN

Agilent Technologies yesterday announced the opening of two new offices in Ha Noi and HCM City in a move to expand its business in Viet Nam. "As one of the fastest developing infrastructure and business regions in the world, Viet Nam is a critical component in Agilent's key emerging markets strategy," said president of Agilent's Life Sciences Group Nick Roelofs. In Ha Noi,

Agilent's Advantage Services facility, a repair and calibration centre for electronic testing instruments, will serve customers spanning industries such as government, defence, education and manufacturing. In HCM City, Agilent's Technology Demo Centre is equipped with cutting-edge bio-analytical instruments used by scientists and researchers

Mobile retailer takes on foreign investors

Vietnam's largest mobile phone retailer in May 2013 announced it was selling more than 20 percent stakes to two foreign investors, including an American entrepreneur. However, Chairman of the Gioi Di Dong (Mobile World) Investment Joint Stock Company Nguyen Duc Tai did not reveal how much CDH Electric Bee Ltd and Robert A Willett, former CEO of Bestbuy International, were each buying or what they paid for the shares. Willett will also act as strategies adviser to the company. He said he chose to invest in Mobile World because it has a "good leadership team", the mobile sector is growing and a "great place to be in" and Vietnam has been a great investment destination. Mobile World claims that in April it had been valued at US\$100 million.

HCM City sees rise in foreign visitors

The city earned 24.4 trillion VND from tourism during the reviewed period, up 15 percent year on year. Although the growth rate was not as high as expected, it was seen as a positive sign for the city's tourism as the country's tourism sector was facing many difficulties and the number of foreign visitors to the country decreased compared to the same time last year. However, the department also pointed out that the growth rate in the numbers of foreign visitors tends to go down. The city is preparing a number of programmes to lure more tourists in the coming months.

VietinBank partners with Japan Finance Corporation

The Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) has reached a cooperation agreement with the Japan Finance Corporation (JFC), becoming the first and only bank in Vietnam to be selected as JFC's partner. Under the agreement, JFC will introduce VietinBank's services to small and medium-sized Japanese enterprises and issue Standby Letters of Credit to guarantee their loans at VietinBank. The two sides also agreed to promote information exchange, as well as introduce potential partners and clients to each other

Lacoste studies business conditions in Quang Nam

A delegation from the French Lacoste group has made a fact finding tour of the Phuoc Ky Nam Joint Stock Company in the central province of Quang Nam as part of a plan to seek invest opportunities here, according to the Quang Nam Newspaper Online. During their trip last week, Global President of Lacoste Footwear Andy Simister and his entourage also held a working session with officials of the provincial People's Committee. Quang Nam officials briefed the guests on the local labour supply, land policy and investment procedure as well as preferential treatment for investors. The delegation made positive assessments about the investment conditions of Quang Nam province as well as its target partner's capacity. The French group also sent delegations to the province earlier to study the possibility of opening a processing facility

Big C builds super-centre in Quang Ninh

A ground-breaking ceremony was held to mark the start of construction on a Big C super-centre in Ha Long city, northern Quang Ninh province in May 2013. The work covers an area of 20,000 square metres with investment totalling 18.6 million USD, and includes a car park, shopping area, modern cinema centre and restaurants. The project helps meet shopping and entertainment demand in the locality and will generate 400 jobs for local people, said Laurent Zesci, C.E.O at Big C Vietnam. Vice Chairman of the provincial People's Committee Nguyen Van Thanh said the project highlights Quang Ninh's attractive business and investment climate, especially in services, and would contribute to promoting the province's socio-economic development.

Lixil Group prepares for more investment in Binh Duong

Japan's Lixil Group wants to expand its American Standard sanitary ware factory in the southern province of Binh Duong, Group Chairman Toshimasa Iue said during a recent visit to the province to seek investment opportunities. Its original factory, with initial invested capital of 16.5 million USD, went into operation in 1997. The factory is capable of producing 400,000 units of products annually. In 2011, American Standard decided to double its production capacity and now plans to increase productivity to meet rising consumer demand. In November 2012, the group opened a 441-million-USD factory producing building materials in Long Duc Industrial Zone in the southern province of Dong Nai. Lixil now has 11 factories in Vietnam and has committed to investing more in the country in the next decade.

Aquafeed plant inaugurated in Vinh Long province

The Netherlands' De Heus Branch Co. Ltd. on May 8 put into operation an aquafeed plant in the Hoa Phu Industrial Zone, southern Vinh Long province. Covering an area of 3 hectares, the 7.5 million USD plant has a designed capacity of 100,000 tonnes of aquafeed a year, providing aquafeed for northern provinces and the southeast region and export. By 2015, the company will inject an additional investment of 5 million USD to raise the plant's production capacity to 200,000 tonnes per year. The Hoa Phu Industrial Zone now has four aquaculture feed plants with a total capacity of 5,000 tonnes per month.

Retail sales, services up 11.94 percent

Total retail sales of goods and service revenues nationwide were estimated at over 1,065 trillion VND during the first five months of this year, representing a year-on-year increase of 11.94 percent. The figure included 215 trillion VND in May (2013) alone. Commodities highly consumed during the period were fridges, air conditioners, sun-glasses and soft drinks.

Airbus components to be produced in Vietnam

Korea Aerospace Industries, which produces components for European aviation giant Airbus, is planning to build a factory in Vietnam, and its executives have visited a technology park in the central city of Da Nang to check out its facilities. Revealing this, a member of the Da Nang Hi-tech Park management, said a site has already been earmarked for the Korean company, news website VnExpress reported Monday. According to a BBC Vietnamese report in June 2010, Korea Aerospace Industries, Airbus Corporation, and the European Aeronautic Defense and Space Company (EADS) surveyed Da Nang to set up an industrial zone specializing in aviation equipment.

[Back to top](#)

COMING EVENTS

4TH ANNUAL VIETNAM POWER AND ENERGY SUMMIT

Venue: [Melia Hanoi, Vietnam](#)

Country: [Ho Chi Minh City, Vietnam](#)

Start Date: **18 June 2013**

End date: **19 June 2013**

Conference Description

This year's summit comes at a critical time for planning when Vietnam's power authorities are re-capitalizing and the domestic economy is on the brink of an expected shift in foreign investment. The summit will bring together insight from the industry's key stakeholders; including representatives from the government, leading independent developers, investors and consultants.

Topics will cover all aspects of contemporary power projects in Vietnam, from how to best work with the regulatory environment and transmission line infrastructure, to capitalizing on weather and the latest efficiency-boosting technologies. With regulators setting the stage for market growth and developers showcasing the latest investment opportunities, this event is set to energize the power sector.

[Back to top](#)

VIETFISH 2013

Venue: [Saigon Exhibition & Convention Center \(SECC\)](#)

Country: [Ho Chi Minh City, Vietnam](#)

Start Date: **25 June 2013**

End date: **27 June 2013**

Event Description

Please kindly refer to <http://vietfish.org/2012081302242474p49c64/vietfish-2012-golden-opportunity-for-seafood-trade.htm>

[Back to top](#)

MTA VIETNAM 2013

Venue: Saigon Exhibition & Convention Center (SECC)

Country: Ho Chi Minh City, Vietnam

Start Date: 2 July 2013

End date: 5 July 2013

Event Description & Exhibitors' Profile

“MTA VIETNAM is the biggest machine tools exhibition in Vietnam, and it provides us with visibility not only to the Vietnamese manufacturing industry, but also to the international brands which are also present on the show floor. We are happy with the exhibition, and many of the Japanese exhibitors under the Japan Jetro Pavilion, such as Showa Electric MFG Co. Ltd and Asada Corporation, are planning to return to the next exhibition.”
Mr. Keisuke Ozaki, Manufacturing and Environment Industry Planning Division, Manufacturing and Environment Industry Department of Japan External Trade Organization

Please kindly refer to <http://www.mtavietnam.com>

[Back to top](#)

THE 15TH INTERNATIONAL SHOES & LEATHER EXHIBITION - VIETNAM

Venue: Saigon Exhibition & Convention Center (SECC)

Country: Ho Chi Minh City, Vietnam

Start Date: 11 July 2013

End date: 13 July 2013

Event Description & Exhibitors' Profile

14 years from its inception, **The International Shoes & Leather Exhibition - Vietnam (SHOES & LEATHER - VIETNAM)** is the most important dedicated international trade show in Vietnam footwear and leather industry, each time able to offer a complete and top quality spectrum of the products.

Let's get ready to experience the excellent synergy offered by **SHOES & LEATHER - VIETNAM 2013** to do a brisk business well!

Please kindly refer to <http://www.shoeleather-vietnam.com/>

[Back to top](#)



©Bùi Trâm Quý / Trái Bão & Gió



About Viipip.com

Viipip.com, most powerful [InfoGate for Vietnam Industrial Park](#) headquartered in Centre of Ho Chi Minh City, is national consulting firm with 66 experts in industrial properties. Viipip.com serves industrial properties' owners, investors and occupiers in Vietnam, specializing in Southern Key Economic Zone and other zones. Viipip.com offers Investment strategic Advisory, Investment Studies, Market Intelligence, Development Services and Business Trip Customization regarding industrial properties.

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

Please visit our InfoGate at <http://Viipip.com> for your better view of Vietnam.

Disclaimer: Information within this bulletin is combined from various Vietnamese Governmental agencies, local and international media for reference purpose only. Viipip.com hereby disclaims responsibility for the accuracy of the information contained in this bulletin. No Claim for damages, actual anticipated or consequential, economic or otherwise, will be entertained.

Edited by: Huy Nguyen & Trieu Nguyen

