

**VIETNAM: TRADE &  
INVESTMENT BULLETIN No.31**

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**VIETNAM INDUSTRIAL PARKS  
INVESTMENT PROMOTION  
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## **GENERAL REVIEW**

### **2011 - A year of economic fluctuations**

*Though Vietnam ended 2011 with a high inflation rate of over 18 percent, its macroeconomy gained remarkable achievements, creating a vital prerequisite for steady growth in 2012.*

#### **1. Controlling credit growth**

The Prime Minister issued Resolution No.11 on February 24 to curb inflation and stabilize the macroeconomy. Just one week later, the Governor of the State Bank of Vietnam (SBV) issued Directive No. 01/CT-NHNN, aimed at pursuing a tight and prudent monetary policy and keeping credit growth below 20 percent and the non-production debt rate at around 16 percent, as well as maintaining reasonable interest and exchange rates levels.

At its recent annual meeting, the SBV announced that total payment methods saw an increase of 10 percent while credit growth stood at 12 percent, doubling the GDP growth.

Vietnam's inflation rate hit 18 percent in 2011, but that figure is expected to be cut by half in 2012. The ongoing measures for restructuring of the economy, reducing bank interest rates and increasing the effectiveness of public investment are expected to open up better prospects for the national economy in the new year, targeting annual GDP growth of 6-6.5 percent.

#### **2. Economic restructuring**

The third meeting of the 11<sup>th</sup> Communist Party of Vietnam Central Committee (CPVCC) and the 13<sup>th</sup> National Assembly agreed to focus on restructuring the national economy. Accordingly, the three top priorities are promoting public investment, renewing the banking system, and restructuring State-owned enterprises (SOEs), primarily groups and corporations.

#### **3. Record export revenue**

Vietnam recorded a record trade turnover of more than USD200 billion in 2011, the highest figure to date. Export revenue saw a year-on-year increase of 33.3 percent, while import surplus was less than 10 percent, the lowest it has been in the five years since Vietnam joined the World Trade Organization (WTO).

#### **4. First ADB annual meeting in Hanoi**

The 44<sup>th</sup> annual meeting of the Asian Development Bank (ADB) was held in Hanoi on May 3 with nearly 3,600 participants. Nearly 20 seminars and group discussions were held during the meeting for financial experts and senior officials from many countries around the world.

Foreign guests praised Vietnam's socio-economic achievements during its 25 years of renovation, especially in poverty reduction. They considered Vietnam as one of their key partners that has shifted from low-to middle-income status.

#### **5. Credit debt - hot issue**

Large-scale bankruptcies of illegal capital mobilization occurred in many provinces and cities across the country in 2011, in some cases involving hundreds of billions of Vietnam dong each. Most of these bankruptcies were related to borrowers' losses in the stock and real estate markets.

The frozen housing market caused many credit organizations to go bankrupt because their clients were unable to pay debts.

## **6. First domestic bank merger**

On December 6, the Governor of the SBV approved the merger of three commercial banks in HCM City: De Nhat Commercial JS Bank, Vietnam Tin Nghia Bank and Sai Gon Bank.

The Bank for Investment and Development of Vietnam (BIDV) was the official representative of State capital in the new enterprise, with total assets of VND150,000 billion. This was the first domestic merger since the SBV announced its overhaul plan last month, aimed at restructuring the national banking system and resolving bad debts.

## **7. Gold market fever**

Domestic gold prices went up 25 percent on average and 40 percent at their peak, reaching VND49.2 million per tael on August 23. They fluctuated sharply before dropping to around VND42.6 million per tael by the year's end.

On the world market, gold prices rocketed to USD1,923.7 an ounce due to increasing public debts in Europe and general global economic downturn. Speculators and monetary management funds increased their gold reserves to a record of 2,370 tonnes, equivalent to the world's total gold mining output in 2011. However, both domestic and foreign gold prices shared a downward trend in the fourth quarter of the year, falling to USD1,562 per ounce on December 31. At certain times, gold prices on the domestic market were VND3-5 million per tael higher than those on the world market.

## **8. Securities market slowdown**

Vietnam's stock market suffered numerous difficulties in 2011 and the price of shares hit a record low.

By December 27, VN-Index lost its 350-point mark, while the HNX-Index dropped to 56 points, its lowest level so far. The Government is currently considering measures to help restructure the securities market.

## **9. Real estate market freeze**

Speculators in the real estate market suffered huge losses in 2011. Because of the country's tight monetary policies, it was more difficult to obtain bank loans to invest in real estate than it was in previous years. Moreover, the imbalance between supply and demand in the housing market is widening, leading to a sharp fall in real estate prices.

## **10. Public debt impact**

The European debt crisis has taken its toll on many countries and Vietnam is no exception. Foreign trade faced numerous difficulties, especially in the export and foreign invested sectors. The crisis will certainly affect Vietnam's export target for 2012. In another development, Standard & Poor's lowered Vietnam's local currency long-term rating to BB- from BB. It also produced negative outlook for Vietnam's debt ratings.

(Source: VOV)

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## **Vietnam Fully Implements WTO Commitments**

According to the Ministry of Industry and Trade, from December 15-17, 2011, Minister Vu Huy Hoang took part in the eighth WTO Ministerial Conference in Geneva, Switzerland.

The conference focused on three important issues including importance of the multilateral trade system; trade and development; and the Doha development agenda. The conference heard regular reports of WTO councils and approved proposals on preferential treatments to least developed countries.

In the face of worries of WTO role in the global economic crisis and the Doha negotiation rounds' delay, at the conference, ministers emphasized value of the multilateral trade system and agreed that there is a need to strengthen the system to further meet WTO member's demand, especially in the current difficult context to promote economic growth, job creation and development. Ministers affirmed that development is the main issue in WTO agendas. Ministers agreed that it is necessary for WTO to help developing, least developed countries and small and medium economies to connect to the multilateral trade system.

Pascal Lamy, the WTO director general said that although Doha rounds have been delayed, no members have given up their targets in the Doha declaration. WTO members are seeking for new approaches to promote Doha rounds such as focusing on issues that can make progress to create a catalyst for other discussions.

At the conference, on behalf of Vietnamese government, Minister Vu Huy Hoang made a speech supporting the multilateral trade system and affirmed that Vietnam, a less developed country which joined WTO in the difficult economic situation has fully implemented commitments when joining WTO. Vietnamese government always makes enormous effort to promote the multilateral trade system and considers it as an important issue in the country's policies on international integration.

According to Minister Vu Huy Hoang, apart from the goal for trade liberalization, Vietnam thinks that promoting sustainable and equal development is an important target in Doha rounds. The minister highly appreciated WTO's role in dealing with issues related to development to create favorable conditions for developing and least developed countries to effectively take part in the multilateral trade system. In addition, Vietnam welcomes initiatives on trade promotion assistance because those initiatives will help developing and less developed countries to better cope with unforeseen changes of the global economy.

Minister Vu Huy Hoang welcomed and congratulated accessions of Russia Federation, Republic of Samoa, Republic of Montenegro and Republic of Vanuatu. In addition, Vietnam called upon WTO members to finish membership procedures of the Lao People's Democratic Republic.

Vietnam took part in activities on the sideline of the conference including an ASEAN ministerial meeting, an unofficial meeting among developing countries and a meeting among new WTO members. At those meetings, Vietnam and other developing countries made delegation to support the multilateral trade system and WTO's role and oppose to protectionism to help developing countries to reclaim their benefits from the multilateral trade system.

On the sideline of the conference, Vietnamese delegation met Swiss delegation to discuss the time to start the free trade agreement between Vietnam and the European Free Trade Area (EFTA), met Ukrainian delegation to discuss possibilities to establish a bilateral trade agreement and met Canadian delegation to talk about Canada's possibilities to take part in the Tran Pacific Partnership (TPP) agreement.

(Source: VEN)

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## **Vietnamese rice certified as an organic product**

*Beginning February, a rice producer in the southernmost province of Ca Mau was granted an organic rice certification by the global organization BIO Organic, and an Organic Foods certification under the US Organic Food Production Act.*

Richard de Boer, director of Union Vietnam, the Netherlands-based company in charge of evaluating and certifying organic rice, said Vien Phu JSC was the first rice company in Vietnam and Southeast Asia to be granted the organic product certification. Vien Phu's rice will now be labeled "Certified Organic Foods," which show that the product does not contain antibiotic and insecticide residue, as well as chemical fertilizer, coloring, additives, and preservatives.

Doctor Nguyen Dang Nghia, director of the Southern Center for Soil, Fertilizer, and Environment Research said the organic product certification is more valuable than the Global GAP (Good Agricultural Practice). Products with the Organic Foods label are now much preferred by global consumers, thanks to their high economic value and safety to consumers and the environment.

Vietnamese organic rice will be recognized worldwide, and will be able to enter strict markets in the EU and North America, said Richard de Boer. Meanwhile, Vien Phu CEO Vo Minh Khai said the company is negotiating rice exports with foreign partners after receiving the certifications. "Though still lower at the initial stage, the company's total rice production is expected to top 5 tonnes per hectare by 2015," said Khai. Khai said Vien Phu will also cooperate with up to 20,000 local farming households to expand the organic rice field areas to 20,000 hectares in the near future. "If the provincial authorities support the project, Ca Mau could have all rice s, an area of up to 100,000 hectares, under the organic cultivation model," he said.

*(Source: Tuoi Tre)*

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## **Bridge linking HCMC with Binh Duong opens to traffic**

*Phu Long Bridge connecting HCMC's District 12 with Thuan An Town in Binh Duong Province opened to traffic on Wednesday (01 Feb 2012), helping shorten the distance between the two localities and reduce traffic overload on National Highway 13.*

Stretching 1.5 kilometers, the 26-meter-wide Phu Long Bridge was designed with two separate bridges with three lanes each and a total investment of VND898 billion, of which VND688 billion came from HCMC and the rest from Binh Duong Province.

Previously, transportation between HCMC and Binh Duong Province was limited as the old Phu Long bridge is narrow and degraded, hampering the flow of goods between the two localities, said Tran Quang Vinh, director of the Urban Traffic Management Unit No. 3 under the HCMC Department of Transport. Two routes to travel between HCMC and Binh Duong are National Highway 13 or Binh Phuoc Bridge near National Highway 1A, he added. "Therefore, after being put into operation, Phu Long Bridge will shorten the distance between HCMC and Binh Duong and ease traffic overloads on national highways 13 and 1A. The bridge also facilitates goods transportation between HCMC and southeast provinces," said Vinh. Tran Van Hai, a resident in Thuan An Town, said that the distance from the town to Thanh Xuan Ward in District 12 was now only one km instead of 15 kilometers like before.

*(Source: Saigon Times)*

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## **Four polluters face harsh penalties**

*The HCMC Department of Natural Resources and Environment has proposed the municipal government to slap penalties totaling VND500 million on four enterprises for illegally discharging untreated sewage and emitting toxic gas into the environment.*

Under the proposed document, the culprits are Hong IK Vina Co., P.E.T Plastics Joint Stock Co., Nidec Copal Precision Vietnam Co., Ltd and Hansae Vietnam Co., Ltd.

These enterprises are accused of breaching environmental protection regulations including illegal transport of wastes, discharging untreated wastewater and emitting toxic gas.

Besides, the department also asked Cu Chi District-based Thanh Lao Co. specialized in waste collection and disposal to perform its activity in conformity with environmental protection rules. Previously, the company has installed three incinerators without carrying out any environmental impact assessment.

The environment department also suggested the above-mentioned enterprises to tackle the consequences by collecting all industrial wastewater and properly treating wastes before discharging them into environment.

*(Source: SGT)*

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## **TRADE**

### **PM approves trade strategy, during 2011-30**

*Prime Minister Nguyen Tan Dung has signed a decision to ratify an import/export strategy for the period 2011-20 with an orientation towards 2030.*

Under the strategy specified in Decision 2471/QD-TTg, the country's total exports by 2020 are expected to increase by three times against an export value of USD71 billion in 2010, ensuring balanced trade.

The Prime Minister has also instructed local industries to restructure export commodities towards industrialization and modernization, improving the export proportion of high value-added products, high-tech goods and environmentally friendly products.

The strategy focuses on four commodity groups: fuel and minerals, agro-forestry and seafood products, processing and manufacturing items and new and high-value-added products.

The strategy also sets out specific targets. The annual export growth rate will average 12 percent from 2011-15, 11 percent from 2016-20 and 10 percent from 2021-30. The trade deficit will be reduced to less than 10 percent of the total export turnover by 2015 and reach a trade balance by 2020 towards a trade surplus from 2021-30.

The Prime Minister also asked industries to tighten imports in a bid to narrow the trade deficit. To do this, it is essential to bolster production and develop fuels, raw materials and accessories, as well support industries.

Machinery and high-tech equipment will continue to be imported to save energy and protect the environment and other import markets should be diversified to guarantee reasonable prices in order to reduce the trade deficit.

According to the Ministry of Industry and Trade, Vietnam expects to reach an export revenue of USD108.8 billion this year, up 13 percent from last year. The import value is predicted at USD121.8 billion, a year-on-year increase of 15.2 percent, leaving the trade deficit USD13 billion.

Last year, Vietnam's trade deficit was the lowest in the past 10 years, reaching just over USD9.5 billion, a year-on-year decrease of nearly 23 percent – half of the Government's target of 18 percent for the whole financial year, the General Statistics Office (GSO) reported. It has been attributed to the rising export value of nearly USD96.26 billion last year, a year-on-year increase of 33.3 percent – the highest level since 1995 and tripling the National Assembly's target of 10 percent.

Head of the GSO's Trade Department Le Minh Thuy attributed the high export value last year to business expansion by a number of FDI enterprises. "In 2011, the proportion of industrial and mineral products exported rose 4 percent year-on-year and accounted for 35.2 percent of total export value," Thuy said.

(Source: VIR)

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### **Agro-forestry-aquaculture to earn USD 1.8 billion in export revenue**

*Agro-forestry-aquaculture products are estimated to fetch USD1.8 billion in export revenue in January, a decrease of 16.3 percent against the same period last year.*

According to the Ministry of Agriculture and Rural Development, the drop is due to the New Year holiday (Tet), which meant there were only 20 trading days in January.

At the same time, rice exports are calculated to hit 400,000 tonnes, earning USD240 million, down 25.4 percent in volume and 14.2 percent in value compared to the same period in 2011.

The prices of Vietnamese rice exports fell slightly, but Vietnamese businesses haven't signed many contracts because the country's rice prices are still higher than those in India and Pakistan.

Coffee exports are expected to be about 170,000 tonnes valued at USD350 million, down 20.9 percent in volume and 15.3 percent in value against last year. In contrast, 4,000 tonnes of pepper have been exported with a turnover of USD30 million, showing a year-on-year increase of 29.1 percent.

(Source: VIR)

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### **High export taxes slow rubber production**

*The rubber export target for this year of 880,000 tonnes is unlikely to be achieved since high export tariff rates of 3 to 5 percent have caused many companies to limit production.*

Southern Rubber Industry Joint Stock Co (Casumina) deputy director Le Van Tri said that his company has seen annual growth in exports of over 20 percent in recent years, but the level of increase this year was likely to be only 5-10 percent.

Tri urged the Government to delay the tax or domestic companies would be unable to compete on a world market already made challenging by the economic downturn. The global recession has, in particular, slowed auto production, reducing demand for rubber needed to produce tyres, he said.

Lower demand has already led to lower prices and tighter profit margins, he added, making the tax even more burdensome. In 2011, rubber latex could fetch about VND 90 million (USD 4,300) per tonne, but this has fallen already this year to about VND60 million (USD 2,900) per tonne.

Dong Phu Rubber Joint Stock Co chairman Nguyen Thanh Hai said that about 60 percent of his company's total rubber output was for export. The Government regularly encouraged companies to step up exports, so the export tax was contrary to policy, he suggested.

Vietnam Rubber Association general secretary Tran Thi Thuy Hoa disagreed, however, that the taxation levels were excessive, with current taxes levied only on certain products. But the association would be concerned if the Government were to apply the taxes to a wider range of products.

(Source: Vietnamnews)

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### **Shrimp exporters say material ample for this year**

*Local shrimp exporters are no longer concerned about material shortage this year as they have become more self-sufficient in material supply sources.*

Chu Van An, deputy general director of Minh Phu Seafood Corp., said his firm planned to expand its cultivation area by 200 hectares every year from the current 1,200 hectares in Kien Giang, Vung Tau and Ca Mau. The company also wants to increase its self-supplied input material to 70% of the processing demand in 2015, compared to 10% at present. "Our company aims at sustainable development, through the establishment of a closed production and processing chain in order to better manage quality risks," An said.

He stated besides capital sources, good governance is necessary for the country's leading seafood processors to efficiently invest in cultivation area. Good farming management and farming area expansion help ensure the input quality for export products to the strict markets that are now anxious about the use of prohibited antibiotics in seafood cultivation.

According to An, Minh Phu Corp. produces some 12,800-13,000 tons of tiger prawns and white-legged shrimps per year, meeting only 10% of the demand for input materials of the company's processing plants. He however asserted there would be no material undersupply this year because in 2011, high export prices attracted many large firms to invest in shrimp breeding and shrimp farming.

Meanwhile, the seafood breed company Hung Vuong Ben Tre, established by Hung Vuong Joint Stock Company and Ben Tre Forestry and Aquaproduct Import-Export Company in 2011, plans to supply some 10 billion shrimp breeds to the market this year.

The Vietnam Association of Seafood Exporters and Producers (VASEP) also holds the view that local shrimp supply will be stable in 2012 because enterprises and farmers have engaged in white-legged shrimp cultivation as well as learned experience from the tiger prawn disease epidemic last year. In addition to the local supply, processing enterprises also import raw materials from India and Indonesia.

Japan, the U.S., China and South Korea are expected to remain the main exporters of Vietnamese shrimps. The U.S. and Japan tend to boost import of value added products and reduce that of material products.

The purchasing power of the European Union market, which holds an 18% of the total export value of Vietnamese shrimps in 2011, is predicted to be impacted by the economic uncertainty and hardly recover in a short time.

In 2011, the total export value of Vietnamese shrimps amounted to USD2.39 billion, or a rise of 14% year-on-year, with tiger prawn exports reaching USD1.43 billion. Minh Phu Seafood Corp. is the country's biggest exporter with USD348 million earned last year, some 28% of which was from the U.S. market.

(Source: Saigon Times)

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## INVESTMENT

### Vietnamese Investment Abroad Matches Expectations

*The Foreign Investment Agency of the Ministry of Planning and Investment announced that in 2011, 75 projects were licensed to invest in foreign countries and territories and 33 other projects were licensed to increase their investment capital abroad, with newly licensed and increased capital totaling USD2.12 billion.*

Large Vietnamese projects in foreign countries and territories include the USD806 million, 400MW Ha Se San II hydroelectric project in Cambodia, Viettel's USD408 million telecommunications project in Peru, the USD275.2 million, 205MW Se Kong 3 hydroelectric project in Laos, Nam Cong 2 and 3 hydroelectric projects worth USD134.5 million in Laos, the Vietnam Rubber Group's USD53.7 million, 6,500 hectare rubber cultivation project in Cambodia.

According to data of businesses investing abroad, about USD950 million worth of Vietnamese capital was invested in foreign countries and territories in 2011. Of this, the Vietnam National Oil and Gas Group (PVN) invested USD347 million, Viettel invested about USD185 million, the Vietnam General Group USD134.6 million and the Song Da Holdings USD161 million.

The Foreign Investment Agency said that some of the above-mentioned projects have begun production and or trading activities and are running effectively, including Viettel's projects in Cambodia and Laos, the Dak Lak Rubber Company's rubber project and the Hoang Anh Gia Lai Group's rubber project.

Deputy Minister of Planning and Investment Nguyen The Phuong assessed that Vietnamese overseas investment in 2011 matched expectations. In 2011, Vietnamese overseas investment was mostly found in industry, energy and telecommunications in Laos, Cambodia and Myanmar and was highly efficient.

The Ministry of Planning and Investment worked with related ministries and sectors to organize activities for promoting Vietnamese investment in foreign countries and territories, including investment promotion conferences and meetings in Cambodia, Myanmar and Laos that were held following the visit of Vietnamese delegations to these countries. An agreement on investment promotion cooperation with Sri Lanka was signed on the occasion of the Vietnamese President's visit to this country.

(Source: VEN)

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## **Nation's biggest gas project licensed**

*The Nam Con Son 2 gas pipeline project was formally licensed on Tuesday (31 Jan 2012) by Ba Ria-Vung Tau Province's government, marking the start of the country's biggest project so far in gas transport, treatment and processing.*

The project worth a hefty VND27.4 trillion, or USD1.3 billion, in registered capital will be developed by PetroVietnam Gas Corporation (PV Gas), including processing facilities on a 72.5-hectare area in Long Dien District near Vung Tau.

Bui Ngoc Quang, deputy general director of PV Gas, said the Nam Con Son 2 gas pipeline project is the nation's key oil and gas project. The project consisting of 325 kilometers of offshore pipeline, some 40 kilometers of onshore pipeline and a gas processing plant based in Dinh Co is estimated to start service in the last quarter of 2014.

The project will help deliver gas from Nam Con Son and Cuu Long basins to inland facilities to supply household consumption in the southeast region, as well as transport the imported gas sources from regional countries.

The gas pipeline project is one of the four projects awarded with investment certificates on Tuesday at the Investment Day 2012 held by Ba Ria-Vung Tau. All four projects are locally invested worth over VND29.1 trillion in registered capital, and are equal to 30% of the province's investment attraction target for this year.

Together with the Nam Con Son gas pipeline project, Vung Tau House Development Joint Stock Company will develop Phuoc Thang Urban on an area of 75 hectares in Ward 12, Vung Tau City with nearly VND1.5 trillion in investment capital. Meanwhile, the Import Export International Cooperation and General Investment Corporation (Gelexim Corp.) will invest VND226 billion in the Gelexim Waterway Port covering 3.5 hectares in Kim Dinh Ward, Ba Ria Town.

Vice Chairman Ho Van Nien of Ba Ria-Vung Tau said these projects were in the fields important to the province, namely industry, property and services. Also at the event on Tuesday, the provincial government honored the investors of big-scale projects that have completed constructions and put to use in 2011 despite the economic woes. Such projects are the Ho Tram tourism project developed by Ho Tram Project Company, Cai Mep International Terminal, the soybean crushing plant of Bunge Vietnam Company, and the food container factory of LLG Vina Company.

The aforesaid projects have made a significant contribution to the high amount of disbursed capital in the province last year. In particular, the province only attracted some USD950 million of fresh foreign direct investment (FDI) and over VND12 trillion of local investment in 2011, but the realized capital reached over USD1.2 billion and VND8 trillion.

Chairman Tran Minh Sanh of Ba Ria-Vung Tau said the province would continue to reform administrative procedures to facilitate and support investors to quicken project deployment as well as to sound out investment opportunities.

*(Source: Vietnam Business News)*

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## **Workforce Skill Deficit Affects FDI Capital Attraction**

*Several years ago, Vietnam was described as a "promising land" and an "ideal destination" for foreign investors due to its many advantages, including a growing population, large consumer market and abundant workforce. However, these criteria have gradually changed.*

### ***Vietnam once attracted USD64 billion per year of Foreign Direct Investment (FDI)***

In 2008, FDI investment capital in Vietnam peaked at 1,171 projects, raising total registered capital to USD64 billion, three times higher than USD20.3 billion in 2007. However, this situation has begun to change. In 2009, registered FDI capital in Vietnam stood at only USD21.48 billion, equivalent to 30 percent of 2008's figure. In 2010, the Ministry of Planning and Investment (MoPI) set a target to increase investment attraction by 10 percent compared with 2009 to USD23.6 billion, but only some USD18.1 billion or 76.9 percent of the target was registered.

In 2011, despite an FDI capital attraction target of USD20-21 billion, Vietnam only attracted USD12.69 billion by the end of November, said Do Nhat Hoang the director general of Foreign Investment Agency (FIA) - MoPI, equivalent to 84 percent of the same period last year.

In 2012, according to FIA, Vietnam aims to attract about USD17 billion of FDI capital, which is USD3-4 billion lower than the 2011 target.

### ***Reasons for decreased FDI***

There are many reasons for the decline in FDI capital in Vietnam in recent years.

Do Nhat Hoang explained that FDI projects have been more closely monitored before being granted investment certificates in order to avoid increases in investments such as real estate and golf projects in recent times. As a result, the amount of registered capital has declined and disbursed capital has sharply increased at the same time, showing the effectiveness of FDI capital in Vietnam. In addition, some opinions suggested that the volatility of world economy such as the financial and debt crises, natural disaster in Japan and floods in Thailand also shrank global FDI flows and affected investment attraction in Vietnam. However, other analysts have suggested that Vietnam has failed to develop a proper FDI attraction strategy and some of its advantages such as its booming population, low labor costs and abundant natural resources are no longer attractive to investors.

In summary, there are many reasons for the recent pause in FDI capital. However, this article will focus on minor aspect- the impact of the low level of qualified staff to FDI capital attraction, which according to many experts will affect FDI attraction in Vietnam in the future.

In the "2010 Vietnam Competitiveness report," Professor Michael Porter from the US Harvard University said that was time for Vietnam to change its views on comparative advantages instead of relying on its available advantages. In fact, the labor capacity of Vietnam is still lower than that of other countries in the region such as Republic of Korea, Thailand, China and Singapore and this is probably the reason that makes it less attractive to foreign investors.

### ***Qualified labor and FDI capital attraction***

Doctor Edmund Malesky, the head of the 2010 Provincial Competitiveness Index (PCI) Research Group said according to the opinions of 1,155 FDI enterprises from 47 countries and territories which are operating in Vietnam (accounting for 20 percent of FDI enterprises in the country), 10 factors most affecting foreign investors were labor costs, tax preferences, land use and rental, political stability, labor

quality, material costs, intermediate services, consumer purchasing power, availability of material sources, domestic market scale, availability of industrial zones and macro-economic stability.

Nevertheless, over the past period, some Vietnamese advantages including the labor force have worried foreign investors. According to the 2010 PCI Research Group, 40 percent of foreign enterprises said they had to train Vietnamese laborers on the spot before working and it cost eight percent of the enterprise's total business expenses. However, only 65 percent of trained laborers continued working for enterprises, which means Vietnamese labor costs are not low as they expected earlier and only 18 percent of FDI enterprises had a good impression of the quality of Vietnamese unskilled workers.

To improve foreign investment attraction in the coming time, apart from investment preferential policies, Vietnam needs to focus more on investment promotion work. Particularly in the fields of high technology, Vietnam has to improve the vocational training quality as well as qualification of unskilled workers, said FDI enterprises.

Experts from the Center Institute for Economic Management (CIEM), MoPI said that Vietnamese low qualified laborers not only discouraged foreign investors from coming to Vietnam but they also limited their own incomes. Furthermore, this drives foreign investors to invest only in labor-intensive projects, which have little social value and they will take full use of the cheap labor forces. If so, the Government's target to attract high tech FDI projects to turn Vietnam into a modern industrial country by 2020 will fail.

According to experts from the World Bank, in the context of an unstable world economy, many countries throughout the globe are trying to improve their competitiveness to attract FDI capital sources. Therefore, it will be difficult for Vietnam to draw foreign investors if it fails to improve its investment environment and the quality of the laborers. Consequently, now it's time that Vietnam made a change in the laborer's qualification and it's also the way to increase the amount and quality of foreign investment capital.

(Source: VEN)

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### **More foreign invested projects licensed in Nghe An**

*The central province of Nghe An has recently granted investment licenses to a number of new foreign invested projects.*

The projects include the BSE Vietnam electronics and telecommunications equipment factory invested by the Republic of Korea's BSE Group at USD30 million with an annual output capacity of 250 million products; the Tien Phong Plastic Company factory that will produce 15,000 tonnes of plastic items each year with VND120 billion in investment capital; and a VND76 billion white stone powder grinding mill with a capacity of 45,000 cubic metres per year, invested by the Nghe An Mineral Joint Stock Company.

The province is also working on the final steps towards signing an agreement on February 5 for three investment projects in the Dong Nam economic zone invested with VND840 billion by the Thai Royal Frozen Food Company, Ltd.

Chairman of the provincial People's Committee, Ho Duc Phuoc, said Nghe An will continue improving its business environment in 2012, in order to attract more investors.

The province will focus on the quality of projects, investors' experience, and its local socio-economic development plan, giving priority to hi-tech projects that will create jobs for many workers, Mr Phuoc noted.

Nghe An has a number of key economic zones including Dong Nam economic zone in Vinh City and Cua Lo town in the southern part of the province, Hoang Mai industrial zone in the north, and Nghia Dan, Thai Hoa, Quy Hop and Tan Ky districts in the west region.

(Source: Agencies)

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### **More Israeli businesses eye Vietnamese market**

*Vietnam is currently an attractive destination for Israeli diamond processing businesses, according to the Asia Pacific Market Department under the Ministry of Industry and Trade (MoIT).*

Some Israeli businesses in this field are now transferring operations from China to Vietnam, and have opened a factory in Ho Chi Minh City.

Besides, Vietnam and Israel have much potential for cooperating effectively in the fields of food preservation, agriculture, telecommunications, electronics, solid waste and waste water treatment.

In fact, Israeli businesses are increasingly visiting Vietnam to seek partners. For example, Netafim Company is developing irrigation technology in many southern provinces, and planting sugar cane in Thanh Hoa and cotton in the Central Highlands. Meanwhile Afimilk Company is cooperating with Vietnam's TH Milk in rearing dairy cows in Nghe An.

(Source: VOV)

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### **Empowering Foreign Investment in the Mekong Delta**

*Progressive improvements in transport infrastructure, the investment environment and linkages between Southwestern provinces in the Cuu Long (Mekong) Delta in Vietnam and between them and neighboring areas have together created many opportunities for foreign economic development cooperation in the delta to make the region an open, dynamic, sustainable and integrated economy.*

The Ministry of Planning and Investment reported that between 1988 and 2010, the Mekong Delta drew 657 foreign direct investment (FDI) projects with total registered capital of a little more than USD9.89 billion. Of this, almost 30 percent has been invested accounting for 4.8 percent of FDI projects in Vietnam, 4.6 percent of the amount of registered investment capital in the country, and 5 percent of the total investment in the delta during those years. In 2006-2010 alone, the delta received 358 FDI projects with total registered investment capital of USD7.61 billion.

Apart from FDI, the delta has also strongly attracted other sources of capital such as official development assistance (ODA) and assistance capital via non-governmental organizations (NGOs). Between 2006 and 2010, ODA pledged for the Southwest amounted to almost USD1.9 billion, including about USD1.7 billion in ODA loans and about USD99 million in non-refundable aid. These sources of capital have contributed actively to socioeconomic development in the region. ODA and NGO capital has channeled to major socioeconomic fields in the delta such as economic infrastructure, education, health, social security, research and development, environmental hygiene and clean water, and business support.

Bui Ngoc Suong, the deputy head of the Southwest Steering Committee, said that through an understanding of the key role played by foreign affairs, provinces and cities in the delta have actively recommended links with foreign provinces and cities to learn from their experience in the development of agriculture, health and culture. For example, Long An Province has made friends with Chungcheongnam Province in the Republic of Korea; Vinh Long Province has connected with Kongponspu Province in Cambodia, while An Giang Province has formed friendship with Campasac Province in Laos and Val d'Oise Province in France. Ho Chi Minh City in particular is expanding trade exchange and economic development cooperation.

In addition, the Provincial Competition Index (PCI) for provinces and cities in the delta has increased for years now. All these provinces and cities were ranked above the average PCI level in the last three years. This has become an engine for them to increase external investment attraction. Four provinces in the Mekong Delta - Dong Thap, Ben Tre, Long An and Ca Mau - were listed among the top ten provinces and cities in Vietnam in 2008, regarding their levels of improvement. The delta was a highlight in a PCI survey in 2009, with Dong Thap and Vinh Long provinces recognized as excelling in terms of PCI over five years. Dong Thap took fourth place with 68.54 points, and Vinh Long took fifth place with 67.24 points and took the lead in the region in four consecutive years. In 2010 the delta was in the group of provinces and cities nationwide that recorded a bevy of improvements in administration. Specifically, one of all 13 provinces in the delta was in the very good group, eight were in the good group, and the remaining four were in the fairly good group. None of them were listed in the average and fairly low groups. Rapid improvements have made provinces and cities in the delta more attractive to domestic and foreign investors and have created conditions favorable for the delta to expand foreign relations and to integrate with the rest of the country.

The Mekong Delta is developing robustly through many national major projects. Its contributions to the national Gross Domestic Product (GDP) has also increased from year to year. As for now, the delta is in a dire need of investment capital for economic development. Required investment capital should total VND2,700-2,850 trillion between 2011-2020, including VND420-450 trillion in terms of the state budget. For this reason, provinces and cities in the delta should actively seek solutions to boost foreign relations and cooperation ties and to make the most of external assistance on the basis of developing internal strengths.

To achieve the development goals in the new period and foster foreign affairs, the Mekong Delta needs to take specific steps towards building alliances, integration and cooperation in the economy to further grow in the next period, said Trinh Minh Anh, the deputy chief of the Office of the National Committee for International Economic Cooperation. The steps should be to enlarge the export markets for the delta's most advantageous products, particularly farm products and seafood, attract investment from outside the delta and improve the quality of Foreign Direct Investment (FDI) and domestic investment capital, continue developing advantageous sectors and increase sector competitiveness, and broaden people's understanding of international economic integration, particularly international legal practice.

At the same time, the delta needs to properly deal with other issues such as protecting the environment to ensure sustainable development, improve the mechanism for management, combination and connection of regions and sectors, identify foreign economic development goals for each sector, each province and the entire region to practically use FDI, official development assistance (ODA) and non-governmental organization (NGO) investment capital, and examine and evaluate operations every quarter and every year to timely overcome shortcomings.

In addition, Nguyen Phuong Nga, the Deputy Minister of Foreign Affairs, pointed out the need for the delta to clarify the level of contributions from overseas Vietnamese in order to apply sound policies on support, cooperation and development in each and every sector, particularly in terms of science and technology, human resources, and training.

She also said that the delta needs to better attract overseas Vietnamese investment and to call on overseas Vietnamese to invest in the delta. Provinces and cities in the region need to timely observe legal regulations and policies towards overseas Vietnamese, regarding preferential treatment, land, investment and more. It is also important for the delta to simplify administrative procedures, to break down barriers and to put in place a one-stop policy for overseas Vietnamese. Other tasks include encouraging overseas Vietnamese intellectuals and experts to work in the delta and to build database on overseas Vietnamese businesspeople and experts in the delta in order to facilitate policy research, composition and application.

(Source: VEN)

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### **New cement plants to start despite low consumption**

*Although the domestic cement sector has yet to be able to solve its oversupply problem, a number of new cement plants are expected to become operational this year.*

According to Nguyen Van Thien, chairman of the Vietnam Cement Association, if the cement projects that are under construction can meet their deadlines, the country this year will welcome seven to eight more cement manufacturing plants with a total design capacity of 7 million tons a year.

These projects all belong in the cement industry development plan that has been approved by the government, Thien told Tuoi Tre.

“[The new projects] will raise the total supply of the cement sector to 60 million tons, far more than the real demand of less than 10 million tons,” Thien said.

“In terms of design capacity, the industry’s production capacity will be 77 million tons a year, exceeding the actual consumption capacity of only 50 million tons.”

For his part, Phan Dinh Quang, head of marketing of Fico Tay Ninh JSC, said the additional plants will exacerbate the already tough situation facing the cement sector.

“Cement manufacturers will face heavier competitive pressure,” Quang lamented.

### **Low consumption; exports eyed**

Meanwhile, the cement manufacturing industry is still struggling to solve the problem of low consumption. Thien of VNCA said total consumption last year was only 49.5 million tons, down by nearly 1 million tons against 2010. “We also have a pessimistic outlook on the figure this year, which is expected to be less than 50 million tons,” Thien said.

Nguyen Van Trung, CEO of Fico Tay Ninh, confirmed that 2011 was a hard year for the cement manufacturers. Trung said the tightened credit policy targeting the real estate sector and the government’s cutting of public spending are the main causes for the sector’s low consumption. “Such a situation is likely to repeat itself this year, with the difficulties expected to be even more unpredictable,” Trung stated.

With such a stiff challenge facing them, Quang said many cement manufacturers have considered exporting their products. However, Quang said that export prices are only around USD56 – 68 a ton, due to tough competition from Thai and Chinese rivals. “Such prices will result in poor business effectiveness given the expenses spent for exports,” he said, adding that the export effectiveness is even lower than selling the product domestically.

The CEO of a subsidiary of the state-run Vietnam Cement Industry Corporation also said exporting cement is just “a temporary solution.” His company last year exported 100,000 tons to Cambodia, he said. He said the domestic cement industry cannot compete with its Chinese, Thai, and Indonesian counterparts since the latter all have had their production lines reach complete depreciation. “Meanwhile, Vietnamese manufacturers are still burdened by clearing bank interests, making their cost prices much higher.” Industry insiders also said cement exports should not be encouraged, since it brings in low value and poor effectiveness.

(Source: Tuoi tre)

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### **Vietnam Airlines launches promotion on int’l flights**

*The southern office of the national flag carrier Vietnam Airlines on February 3 announced airfare discounts on international flights in the beginning of this year.*

The special offer will be applied to flights from Ho Chi Minh City to cities in Europe, Japan and the Republic of Korea. Flying to Europe, passengers now pay USD699, 46 percent less than the normal airfare. A single airfare on the HCM City-Moscow route is discounted by 39 percent to just USD700.

For Asian destinations, Vietnam Airlines offers a price of USD480, or 36 percent off, on the HCM City-Tokyo (Japan) route; USD530, or 30 percent off, on the HCM City-Osaka/Fukuoka/Nagoya (Japan) route; and USD449, or 18 percent off, on the HCM City-Pusan/Seoul (Republic of Korea) route. Promotions will last until March 31.

Currently, the national flag carrier is operating 25 flights per week from Vietnam to Europe (including the UK, France and Germany), 7 flights per week from Vietnam to Russia, 25 flights per week from Vietnam to Japan and 14 flights per week from HCM City to the Republic of Korea.

(Source: VOV++)

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### **Border gate gets master plan**

*The Prime Minister has approved a master plan for the Thanh Thuy border gate economic zone (EZ) in northern mountainous Ha Giang province to 2030.*

The zone is set to become a trade and tourism complex aimed at promoting international integration and socio-economic development while ensuring national security. The EZ is expected to have a population of about 35,000 – 40,000 people by 2030, about 60 percent of whom will be workers.

Seven economic centres are also scheduled to be established, including Thanh Thuy and Lao Chai as the two largest. Tourism sites will also be developed at Lang Ping, Suu and Nam Tha springs along with the Phong Quan and Tay Con Linh protected areas.

Infrastructure development is a key focus for comprehensive development of the EZ.

New roads and bridges over the Lo River will be constructed along with upgrades to the portion of National Highway 4 which goes through the zone. The EZ spreads over an area of more than 28,700ha through seven communes in Vi Xuyen and Phuong Do districts.

(Source: VNA/VOV)

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### **New skyscraper to get rising by April 2012**

*Bitexco Group prepares to kick off the construction of a 55-storey building in downtown HCMC by this April.*

The Ben Thanh Towers project will be developed on 8,600 square meters in HCMC's District 1 with investment capital of some USD400 million and bordered by four streets of Calmette, Le Thi Hong Gam, Pho Duc Chinh and Pham Ngu Lao.

The high-rise structure will provide around 138,000 square meters of floor area, including serviced apartments, offices for lease and shopping malls when it is complete by 2015.

In related news in the property sector, Nhon Trach Investment Joint Stock Co. plans to put villas in the Eastern Saigon new urban area project up for sale. It is a part of Nhon Trach new urban area project situated in Dong Nai Province's Nhon Trach District.

Some 150 villas ranging from 300 to 600 square meters and townhouses with a total area of 170 square meters per unit will be on sale by the second quarter of this year, said Nguyen Hieu Loc, managing director of Nhon Trach Investment Joint Stock Co.

The project will be constructed on 942 hectares of land at a total cost of up to USD6 billion. It is slated to become a key hub of Dong Nai Province for industry, commerce, education, training, science and technology. The investor has already paid site clearance, compensation and land use fees for about 700 hectares. For the completion of this project, the investor must mobilize through many channels including issuing corporate bonds and joining forces with other companies.

(Source: Saigon Times)

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### **Can Tho to shut down delayed FDI projects**

*Can Tho City will revoke the licenses of foreign-invested projects that have been delayed for a long time, the municipal administration has announced.*

A Vietnam Investment Review (VIR) report on FDI projects in the Mekong City quoted Vo Thanh Thong, Deputy Chairman of Can Tho City People's Committee, as saying: "The city is determined to revoke the licenses of FDI projects which were delayed because the investors failed to implement them or because of insufficient financial capacity." Thong said the revoked projects will be transferred to other investors who have sufficient capacity to implement them.

The city authority has also asked the Can Tho Department of Planning and Investment to inspect the implementation of FDI projects and propose measures to help their investors remove any difficulties they are encountering in completing their paperwork, so as to speed up implementation.

A typical reason for the stalling of FDI projects in Can Tho City are differences in opinion between the foreign and local partners in the project, leading to delays in capital contribution as well as construction of these projects, said Thong.

Five FDI projects in the city, with combined registered capital of nearly USD542 million, have suspended operations.

These include the Can Tho Refinery project which was licensed in 2008. The foreign partner has withdrawn from the project due to difficulties caused by the global economic downturn, leaving the local partner unable to carry out the project alone.

### **FDI licenses in 2011**

Last year, Can Tho granted licenses to six FDI projects located outside the city's industrial parks, with a total registered capital of over USD138.2 million, a 5.4-fold increase over 2010.

In addition, the city licensed a capital expansion of USD78.7 million for three FDI projects under operation in the city. By the end of 2011, Can Tho had 53 FDI projects with a total registered capital of USD956.6 million. However, capital disbursement for FDI projects in Can Tho City was very low, just USD8.38 million in 2011. By the end of last year, accumulative disbursements of capital for FDI projects in the city was USD195.2 million, accounting for 20.4 percent of the total registered capital for all FDI projects in the Cuu Long (Mekong) Delta city.

The city now has 48 valid FDI projects with a combined registered capital of nearly USD415 million, for which a total of USD191.8 million, or 46.2 percent, has been disbursed, said Thong.

(Source: VNS)

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## **FINANCE – BANKING**

### **Will stocks, gold remain attractive to investors?**

*As the stock and gold markets started the Lunar New Year with several upheavals, two experts had a talk on whether these two channels are still appealing enough to attract investors this year.*

Dinh Nho Bang, general secretary and deputy chairman of the Vietnam Gold Trading Association, told Tuoi Tre that the gold market this year will remain in its heating state as it did last year, with domestic gold expected to fluctuate in accordance with its global counterpart's development.

Amid the ongoing global economic turbulence, the public, investors, and investment funds will choose gold as their main investing channel, Bang said. The average gold price in 2012 will be around USD1,800 an ounce, Bang said, saying the forecast is based on consultancies from international experts.

“Global price currently revolves around USD1,674 an ounce, so at first, it is likely to rise to the USD1,700 an ounce mark,” he said. “There is little likelihood the price will drop below USD1,600-USD1,500 an ounce.” Bang added that the price of the precious metal in Vietnam will continue to rely on global fluctuation. “However, the exact gold price can only be determined by the management policies of the State Bank of Vietnam,” he said. “The gap between domestic and global prices last year once widened to as much as VND2 million (USD100) a tael, but we hope that the difference would be reduced to VND400,000 as the central bank governor had claimed.”

With the global gold price development expected to remain unstable in 2012, Bang said local investors are advised to put their money into the bank savings channel.

“At a time when inflation is high, and gold prices fluctuate in an unpredictable way, depositing your money is a good choice,” he said. “Investing in gold is a double-edged sword: you can reap whopping profits, but can also incur massive losses.”

### ***Stock market still attractive: HOSE chairman***

Running counter to Bang’s advice to send money to banks, Tran Dac Sinh, chairman of the Ho Chi Minh Stock Exchange (HoSE), told Tuoi Tre that the stock market is still able to attract investors this year.

“Securities remain an attractive investing channel, and investors will still manage to earn profits, though it is harder to do so compared to last year,” Sinh said. He said the outlook is made based on certain good signs of the macro-economy, such as cooling inflation, and an expected drop in bank interest rates.

“Once the economy posts bright outlook, money will flow into the stock market.” Sinh said that the current banks’ interest rates are still too high, causing difficulties for businesses. “Moreover, the high interest rates have attracted money to banks, while such investments should be put into channels like securities, real estate, or gold.”

Sinh said the government will soon provide assistance in the near future to help the stock market get out of this tough spot, a move he said will not only benefit the stock market itself, but also businesses and industries.

*(Source: TuoiTre News)*

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### **President of US Ex-Im Bank to visit Vietnam**

*Fred Hochberg, President of the Export-Import Bank (Ex-Im Bank) of the United States and other high-ranking leaders of the bank will pay a visit to Vietnam from February 5-8, 2012.*

The three-day visit aims to seek opportunities for financial support for US high-quality goods and services in Vietnam.

Accordingly, the delegation of the US finance organization will meet with Vietnam’s trade partners and Government officials to introduce financial support programmes from Ex-Im Bank. In its strategy, Ex-Im Bank is seeking new markets apart from Vietnam such as Mexico, Brazil, India, Indonesia and South Africa.

The bank is focused on regenerated energy, construction, agricultural machinery, medical technology, and aviation. In 2011, Ex-Im Bank provided over USD40 billion in financial support for US exports to other countries over the world.

*(Source: VOV)*

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### **Banks must cover restructuring costs: central bank**

*The government will facilitate the restructuring of banks but not fully subsidize the costs involved in the process, State Bank of Vietnam governor Nguyen Van Binh has said.*

“During the process of restructuring and dealing with weak credit institutions, state-owned banks and healthy partly-private lenders will play a major role with support from the government and the central bank,” he said in an interview on Monday (30 Jan). But the costs involved would have to be shared with

the government by bank owners, investors and depositors, he said. “Bank owners will have to take full responsibility for the damages first,” the governor said.

The State Bank of Vietnam announced its plan to restructure the banking system last October. Governor Binh has said the central bank will complete reviewing, classifying and reorganizing all banks by the end of March 2012.

He told that while the restructuring plan is not easy to implement, it is “totally viable.” The timing is also favorable for such a plan as the country is also restructuring the economy as a whole, Binh added. He said banks are encouraged to seek merger and acquisition opportunities voluntarily.

Binh said the central bank will also focus on dealing with bad debts of commercial banks and improving their management to meet international standards.

(Source: Thanh Nien News)

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## ANALYSIS – OPINION

### M&A activity continues rising in domestic realty market

*Since its slide into difficulties four years ago, the local property market has remained challenging for developers as secondary investors have left the market while homebuyers are holding a wait-and-see attitude.*

Brett Ashton, managing director of Savills Vietnam, as the company released its fourth quarter report on the property market on Wednesday. Excerpts:

*As a property services provider with in-depth research into the market, how do you comment on the property market in 2011?*

- 2011 was a tough year for everyone and it got harder as the year wore on. The interest rate environment along with high inflation meant that developers started to feel the interest pain at the same time buyers of apartments left the market. While this is a fairly normal occurrence in any property market, it has been pretty rare in Vietnam. People think prices will fall, so they wait.

*Some people say the housing price is at the bottom, and thus this is a good time to buy apartments for accommodation. However, buyers for some reasons are still waiting for a better chance. What will you tell your customers?*

- If you are looking for an apartment to live in long term, now is a great time to buy. You can get good quality products at affordable prices and you can benefit from the incentives from developers. Once people believe prices have bottomed, the market will rebound and those who get in early will benefit the most.

*The year 2011 saw some property projects, both office buildings and condos, changing hands, and the M&A activity is projected to become busier in 2012. Do you think this is a good chance for foreign investors to join the property market?*

- Foreign investors are a sizable part of the real estate market in Vietnam and will continue to be so. Of course when any developer gets into trouble, they may look to sell assets. There will always be buyers if the price is right, and we expect 2012 to continue seeing M&A activity.

*What do developers learn from the market downturn?*

- Time will tell if they have learned anything at all. Hopefully it teaches them that they need to know their customers before they build. Design to the market, not to your rich friends, and property development is not easy. Everyone saw a few make big money and jumped in without enough capital and now they are feeling the pain.

*Many developers have entered into 2012 with a gloomy outlook, saying they see no light at the end of the tunnel. How do you expect to see the market develop this year?*

- Who knows? If interest rates come down and the Government stops treating real estate as a social evil in terms of financing, then perhaps we will start to see a recovery in the late second half of this year. Of course, if interest rates do not drop and the economy continues to suffer, it may take until 2013.

\*According to Savills, the condo market in HCMC for the first time since 2006 saw no fresh supply in the fourth quarter of 2011. The average rent decreased 2% compared with the previous quarter to VND567,000 per square meter. Moving among buildings and grades accounted for the majority of office transactions in the quarter. Tenants moved from old buildings to new ones to take advantage of better office space and lower rent.

The market also saw tenants to have moved from shop-houses to office buildings. Currently, the total stock of office space in HCMC is around 1.2 million square meters, and the number is expected to double in the next five years when 81 projects with more than 1.2 million square meters enter the market from 2012 to 2016.

In the apartment segment, the market recorded some 1,000 units to be absorbed in 2011's last quarter, a decrease of 25% q-o-q and a shrink of 65% y-o-y.

Low-cost apartments were the main market driver, and only a few projects that offered the most competitive price level/discount programs were able to attract buyers. The condo market is expected to see a future supply of some 39,000 units from 2012 – 2015.

*(Source: Saigon Times)*

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## **Vietnam attractive to East European airlines**

*Do Xuan Quang, general director of Vector Aviation, which is a general sales agent for many cargo and commercial passenger carriers in Vietnam, said there is “a wave of airlines from Eastern Europe flying to Vietnam” as this country is turning a magnet for the airlines. Mr Quang had a talk about this point. Excerpts:*

*Could you elaborate on “a wave of airlines from Eastern Europe flying to Vietnam”?*

- Over the past years, Vietnam has enticed a number of airlines from Eastern Europe, and as far as I understand, more airlines from Eastern Europe are pressing ahead with their plans to launch direct flights to Vietnam. For me, this signals a wave of airlines from the region flying to this expanding market.

After years of recovery and development in the region, local airlines are looking for new markets and Vietnam is definitely on their radar, as this is a market that has close connection with Eastern Europe and great potential in Asia in general and Southeast Asia in particular.

Recent years have seen LOT Polish Airlines conduct its direct service between Warsaw and Hanoi and Ukraine's AeroSvit Airlines fly between Kyiv and HCMC in addition to Russian operators of services

linking Vietnam and Russia and Eastern Europe. The airlines of Kazakhstan, Hungary and Czech Republic also plan their flights to and from Vietnam. Actually, Czech Airlines intended to fly to Vietnam last year and I do expect that this intention will come into reality this year. Currently, Vector Aviation assists with cargo for Czech Airlines in the Vietnamese market.

I believe that a number of airlines from Eastern Europe are actively looking into the possibility of servicing Vietnam.

*Why do you believe so? And is there any chance for airlines from Eastern Europe to efficiently conduct flights to Vietnam?*

- The bright prospects of such air routes are projected based on the demand for air travel between Vietnam and Eastern Europe. Reality shows that more people are traveling to a warm country like Vietnam to escape from the very cold weather in Eastern Europe, especially in winter, and those are target passengers of the airlines.

Airlines have traced the opportunity to service an increasing number of people in Sweden, Norway, Finland and other North European nations coming to Vietnam. Many of these travelers opt for Eastern Europe-based carriers to enjoy lower fares than the rates offered by the airlines in Western Europe.

For example, AeroSvit sells fares from as low as USD720 for a return trip to Vietnam while the air-tickets of airlines in Western Europe are hundreds of U.S. dollars higher. This big fare difference makes travelers weigh and then usually choose the airlines that provide services able to meet their demand.

In addition, Vietnamese community in Eastern Europe is large and this is the target passenger group of the airlines. Official statistics that I have indicate that the Vietnamese community in Ukraine alone exceeds 12,000 and in Russia it should be very much bigger. From what I have said the potential for direct flights between Vietnam and countries in Eastern Europe is great.

*The demand and potential are there. But the number of current flights between Vietnam and Eastern Europe is still small compared to the air links between Vietnam and other regions?*

- The main obstacle that I think is not the difficulty in launching direct services linking Vietnam and Eastern Europe but the visa. It is now still difficult and time consuming for Vietnamese passport holders to get a visa to enter those nations. I used to study at a school in an Eastern European country and I recently had to spend and wait for three weeks to obtain a visa to return to the school on the occasion of its 50th anniversary celebration.

I repeat that there is great demand of alumni to return the schools in East European countries and many Vietnamese businesspeople want to explore opportunities in those countries, as they are new markets for them.

We have surveyed those markets and realized that there is a chance for Vietnamese companies to export their consumer goods, foods and foodstuff among others to Eastern Europe, particularly in the wintertime. As Eastern Europe holds a host of opportunities for trade and tourism, it will attract many Vietnamese businesses and tourists if visa procedures are simplified for them.

*How do you say about cargo transport by air between Vietnam and Eastern Europe?*

- I can say that there are two main types of goods transported from Vietnam to Eastern Europe for consumption and transshipment. The goods for consumption in Eastern Europe remains modest and the majority of consignments are carried by airlines to Moscow, Kyiv and other airports in Eastern Europe before going to Frankfurt, London, Milan, Amsterdam and other destinations in Western Europe. This

promises an opportunity for Vietnam to boost its exports to Eastern Europe and trade with this region. The main export markets for the items produced in Vietnam and transported by air include the United States, Europe, Japan and the Middle East. The U.S. market is more than 30% of such total exports.

(Source: *The Saigon Times Daily*)

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### **Industrial zones draw investment**

*Although the domestic and international economy has faced many difficulties, enterprises in industrial zones of northern Bac Giang province experienced a good growth rate last year. Deputy head of a local industrial zone's management board, Pham Huy Dap had his opinion on how operations were going, as well as their 2012 plan.*

*Would you talk about enterprises in Bac Giang's industrial zones in 2011?*

About 85 enterprises are operating in three out of our five industrial zones.

Last year, turnover from these enterprises reached more than VND12 trillion (USD690 million), doubling the figures of 2010. Export turnover from our industrial zones tripled 2010's figure, earning USD450 million. Last year, demand for employees in our industrial zones suddenly surged. Between 24,000 and 25,000 laborers were employed, an increase of 8,000 against the previous month.

*The economic situation last year was tough on many businesses. What are the reasons why enterprises in Bac Giang's industrial zones had such good results?*

In previous years, when facing a world recession, the management board of our industrial zones advised enterprises to buy raw materials at low prices and target new markets for potential.

Our management board also encouraged new investors to replace the weaker ones to keep laborers through the tough time. Thanks to that, they could recover quickly after the world economy started to improve so that they were able to meet the orders from their partners.

*What about the weak and slow projects?*

Last year, we withdrew investment certificates from seven weak and slow projects.

Investors of these projects could not recover in the tough economic conditions and because they lacked a solid direction, they could not operate. These projects have been replaced by other ones. This year, we will encourage weak companies to sell their projects to other investors with stronger financial capacity.

The ones who don't want to sell their projects will be advised to rent out their plants and workshop spaces. With this method, I think, companies still benefit from their investments. Also, they effectively use land.

*This year is forecast to be continuously tough for businesses. What is the plan to attract investments to your economic zones?*

Bac Giang plans to invest in 18 projects with a total capital of about VND3 trillion (USD143 million) this year.

In 2012, we will give priority to projects using modern and high technologies, those in the support industry, and the ones that contribute to the provincial budget. The management board has guided our infrastructure companies to soon upgrade. This year we will also build kindergartens, housing, and community centers to create a stable life for investors, experts and laborers in the long run.

We will co-operate with local authorities in land clearance and in constructing other works, such as a water treatment system. Investment licenses of violated projects will be withdrawn to give land to other projects. Moreover, we will give enterprise legal support in terms of labor, investment and environment.

*What are the advantages that enterprises will receive when investing in your province?*

Policies we give investors are common with national policies. But when investing in our province, investors will enjoy advantages in transportation as we are near the high way. Since we have a population bigger than neighboring provinces, it is very easy for companies to find laborers.

Bac Giang is still a poor province and in need of a great deal of investment. The province will thus create conditions to serve investors. In coming to Bac Giang, we promise that investors can enjoy very quick and clear administrative procedures. We will support operations as much as possible.

(Source: VNS)

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## NEWS IN BRIEF

**Hanoi industrial zones draw USD97.6 mln in January.** Industrial parks in Hanoi have attracted USD97.6 million in foreign investment in the first month of this year. Of the amount, more than USD96 million was additional funding for two Japanese companies and a Thai business. Shoe maker O'shoe of Japan received a new licence with a total registered capital of USD1.95 million. By the end of January, the city's industrial parks registered 258 FDI projects with a total investment of USD3.8 billion.

**Around 80,000 tourists in Ho Chi Minh City and neighboring provinces went abroad through Tan Son Nhat International Airport Minh City to enjoy their lunar New Year holiday,** representing a year-on-year increase of 20 percent. According to the municipal Department of Culture, Sports and Tourism, the number of people traveled by road to Cambodia via the Moc Bai border gate in the southern province of Tay Ninh reached 40,000. Meanwhile, about 90,000 others chose Phu Quoc, Phan Thiet, Nha Trang, Da Lat and Hue as their destinations during the Lunar New Year holiday. In January 2012, HCM City welcomed around 310,000 foreign visitors, including 60,000 overseas Vietnamese, equivalent to the figures of the same period last year.

**Fred Hochberg, President of the Export-Import Bank (Ex-Im Bank) of the United States and other high-ranking leaders of the bank will pay a visit to Vietnam from February 5-8.** The three-day visit aims to seek opportunities for financial support for US high-quality goods and services in Vietnam. Accordingly, the delegation of the US finance organization will meet with Vietnam's trade partners and Government officials to introduce financial support programs from Ex-Im Bank. In its strategy, Ex-Im Bank is seeking new markets apart from Vietnam such as Mexico, Brazil, India, Indonesia and South Africa. The bank is focused on regenerated energy, construction, agricultural machinery, medical technology, and aviation. In 2011, Ex-Im Bank provided over USD40 billion in financial support for US exports to other countries over the world.

**The State Bank of Vietnam branch in Dong Thap Province fined three tourism companies in 01 Feb for violating financial and monetary regulations.** Diamond for Life Co Ltd in Ward 1 of Sa Dec Township and DHT Minh Tien Co Ltd in Thanh Binh District's An Phong Commune were fined VND11.33 million (USD540) each, while DHT Minh Phu in Thanh Binh District's Tan Thanh Commune was fined VND5 million (USD240). The fines were imposed after the companies were found listing prices of their 4-day, 3-night tours in US dollars, according to a statement on the central bank website. Vietnam decrees that all transactions, payments, advertisements and price listings are done in the national currency, excepting those carried out by banks, airports and customs agencies.

**The Dung Quat economic zone authority (DEZA) has issued investment certificates for 111 projects with a total registered capital of USD8 billion and realized capital of USD4.8 billion, early this year.** There are currently 67 active projects including 31 highly effective ones such as petrochemical projects under the Vietnam

National Oil and Gas Group (PetroVietnam), Dung Quat Shipyard and Doosan Heavy Industries Vietnam (Doosan Vina). After two years, the Dung Quat Oil Refinery had produced over 10 tons of quality products for domestic and foreign markets, said Nguyen Hoai Giang, Managing Director of Binh Son Refinery, who plans to increase productivity, diversify their products and produce low-cost, quality crude oil.

**Agribank, the largest State-owned commercial bank, will carry out its restructuring plan over the next three to four years, said bank chairman Nguyen Ngoc Bao.** The plan was submitted to the Government before the Tet (lunar new year) holiday and was expected to be approved this month, Bao told the online newspaper VnEconomy. Under the plan, Agribank would remain a State-owned commercial bank, playing a key social policy role as assigned by the Government and the State Bank of Vietnam, focusing on agriculture and rural development.

**Foreign invested enterprises had contributed positively to the growth of Da Nang's industrial area, said the city's Investment Promotion Centre director Lam Quang Minh.** "They generate significant foreign trade values and lure a large labor force," Minh said. At present, the central city has 65 foreign invested firms investing in six industrial zones with a total registered capital of USD574 million. They disbursed around USD351 million, 70 percent of the total, and attracted about 33,700 workers.

**Vietnam and the UK in 01 Feb concluded the fifth meeting of the Joint Economic and Trade Committee (JETCO) that further created a better business climate between the two countries.** At the meeting headed by Deputy Industry and Trade Minister Ho Thi Kim Thoa and British Ambassador in Vietnam Antony Stokes, the two sides discussed measures to lift bilateral ties in line with the Strategic Partnership Agreement signed in 2010. The two sides agreed to organize working groups to deal with the local incorporation of the branches of UK banks, HSBC and Standards Charter, and work closely to build a public-private model in Vietnam. Vietnam agreed to continue to consult the UK about the amendment of Decree No. 40 on liquor production and trading. The UK pledged its support in principle to Vietnam's negotiations on a Voluntary Partnership Agreement under EU's Forest Law Enforcement, Governance and Trade (FLEGT) accord. The sixth JETCO is expected to be held in November in London.

**Vietnam's northern port city of Hai Phong has approved the construction of a USD575 million tire factory by a subsidiary of Japan's Bridgestone Corp,** the state-run newspaper Nhan Dan quoted municipal authorities on Thursday (02 Feb) as saying. The factory will start operation in 2014 and have a capacity of 24,700 tires a day, all of which will be exported, said the report. Macroeconomic instability in recent years has spooked some foreign investors, but businessmen and associations say Japanese companies, propelled in part by a strong yen, have been aggressively looking for opportunities in Vietnam.

**Around 183,000 foreign tourists visited Hanoi during the lunar New Year (Tet) holiday, a year-on-year increase of 16%.** The city's Culture, Sports and Tourism Department said that thanks to visa exemptions, the number of Overseas Vietnamese increased sharply to almost 700,000. The department predicted that the number of tourists from traditional markets including China, Japan, France, Australia, the Republic of Korea and other Southeast Asian nations will increase in the first quarter of the year. Hanoi also welcomed more than 1.8 million domestic visitors, a year-on-year rise of 40%. The Huong (Perfume) Pagoda festival and Thang Long Imperial Citadel relic site attracted the largest number of tourists. Around 28,500 Vietnamese people went abroad to spend their long Tet holiday that lasted from Jan. 21 to 29. Malaysia, Singapore, Thailand, Laos, Cambodia and China remained their favorite destinations.

**Da Nang Airport expects to welcome 3.6 million visitors this year, an increase of 600,000 people compared with last year.** The increase in visitors is largely due to a new flight route and the airport's new passenger terminal. The new terminal at Da Nang's International Airport has been open for a month, said Le Xuan Tung, director of the Middle Airports Corporation, adding that the number of visitors may even surpass 3.6 million to as high as 4.5 million if the new flights remain popular. It is expected that the airport's sales this year would increase by 21 percent compared with last year. Seven international airlines have flights to Da Nang City but this number is set to rise as international airlines such as Vietjet and Hainan Airlines are scheduled to begin flights to the city

in the time to come. It is forecast that Da Nang International Airport will welcome six million visitors each year by 2016.

**Southern Tien Giang Province is aiming to attract 1.14 million tourists this year, a 9-per-cent increase over 2010, according to the province's Culture, Sport and Tourism Department.** It said it expected 551,000 international tourists for an estimated VND258 billion (USD12.3 million) in turnover. The province welcomed about 150,000 tourists over the Tet (lunar new year) holiday. Thoi Son Island and other islands in the Tien River have been the most popular destinations.

**Coffee production this year is likely to fall as trees are blossoming early, according to Vietnam Cocoa and Coffee Association.** The association blamed unseasonably warm weather and rain. Some 30 percent of the country's total coffee-producing area is located in Tay Nguyen Province in the Central Highlands.

**Software giant FPT said last year's turnover reached VND26 trillion (USD1.23 billion), a 27 percent year-on-year increase.** During the period, its after-tax profit reached VND2 trillion (USD95.2 million), surging 24 percent against 2010's figure.

**The Prime Minister issued Decision No 04/2012/QĐ-TTg on January 19, extending by an additional three months the deadlines for paying corporate income taxes due from small- and medium-sized enterprises and labor-intensive enterprises for the first and second quarters of last year.** Under the decision, the deadline for first quarter 2011 tax payments is moved to July 30, 2012, and that for second quarter payments becomes October 30, 2012. The deadlines have been previously extended twice, under Decision No 21/2011/QĐ-TTg of April 6, 2011, and Decision No 54/2011/QĐ-TTg of October 11, 2011.

**The Ministry of Public Security and the Ministry of Foreign Affairs issued Joint Circular No 01/2012/TTLT-BCA-BNG on January 3, clarifying regulations and procedures for foreigners seeking a temporary residence card (TRC).** The dossier must include: Application for TRC (Form No N7A); information document of the foreigner requesting TRC (Form No N7B); passport; and documents proving the purpose of residing in Vietnam, e.g., a work permit, certification as the head of a representative office, member of a board of management, or other equivalent documents. A TRC shall be granted for each individual under Form N8 attached to the joint circular. The joint circular takes effects 45 days from the date of signing.

**The Ministry of Finance issued Circular No 03/2012/TT-BTC on January 5, regulating auction royalties and fees paid to professional auction organizations by individuals and entities** selling property by auction pursuant to Decree No 17/2010/ND-CP of March 4, 2010. Under the circular, the royalty rate is to be calculated upon the value of property sold at auction.

**The Ministry of Science and Technology issued Circular No 37/2011/TT-BKHCHN on December 27, 2011, guiding implementation of Government Decree No 97/2010/ND-CP of September 2010 on administrative sanctions for industrial property violations.** The new circular defines the unlawful gains arising from infringements of industrial property rights to include the sale price of infringed goods and services based on valid receipts and documents. If needed, competent authorities shall inspect, verify and collect evidence in accordance with the law. The circular, which also details behaviors constituting violations of industrial property rights, takes effect on February 10.

**Inflation in Vietnam could cool down this year, yet by a lower rate than expected, while GDP growth may also lag behind target, foresees a recent report by Ernst & Young.** In its report, Ernst & Young said Vietnam would not be likely to achieve the GDP growth target of 6 – 6.5 percent in 2012, given the low figure of 5.89 percent recorded last year. The report concerns the economic outlook of the countries with fast economic growth in Asia – Pacific including China, India, Indonesia, Korea, Malaysia, Thailand, and Vietnam. The Ernst & Young forecast also stated that Vietnam's inflation would remain higher than expected. However, the report said the country's economic outlook would get brighter next year, when inflation is expected to drop below 10 percent, and strong export growth would help reduce trade deficit.

**On January 31, Vietnam's low-cost carrier, VietJetAir, announced discounted one-way tickets between HCM City and Hanoi for just VND590,000.** The prices will apply to passengers departing between March 1 to April 25 who purchase tickets online through its website in the 48 hours from 12:00, February 2, to 11:59 February 4. Passengers can make online payments via Visa and MasterCard or at nationwide ticketing offices and transaction sections of HD Bank. VietJet Air launched an earlier discount program during the Lunar New Year Festival (Tet) with one-way tickets on the Hanoi-HCM City route for VND250,000. Nearly 50,000 passengers logged onto the airline's website to buy tickets online. For further information on discounts, travelers can visit the website [www.vietjetair.com](http://www.vietjetair.com) or call 1900 1886 from 8 am to 10 pm everyday.

**Banking, telecommunications, electricity and airlines businesses have applied e-invoices in their operations and gained significant advantages,** according to the General Department of Taxation (GDT). Using e-invoices helps them save costs on printing, delivering and storing paper invoices and makes accounting easier. The GDT is encouraging businesses, especially large ones, to implement the e-invoice system and plans to choose some to take part in a pilot project to facilitate their application.

**The Delmar Group is pleased is opening new offices in Vietnam as part of its Southeast Asia expansion strategy.** Delmar International (Vietnam) Ltd., the most recent addition to the Delmar Group will operate as an International Freight Forwarder, consolidator and NVOCC headquartered in Ho Chi Minh City, with branches servicing Hanoi and Haiphong. The Delmar Group now operates in Hong Kong and all major cities throughout China and has plans to make additional investments in mainland China and in Latin America in the near future. Delmar was founded in Montreal, Canada in 1965 and is now located at major gateways throughout Canada, The United States and Asia. Delmar provides a wide array of services including International Freight Forwarding, Customs Brokerage, technology, Supply Chain Management and Trade Consulting Services.

**As of early 2012, the Dung Quat Industrial Zone (IZ) has granted licenses to 111 projects with total registered capital of USD8 billion, of which USD4.8 billion has been disbursed.** To date, 67 projects have been put into operation, with 31 operating effectively, including a Vietnam National Oil and Gas Group oil refinery project, a Dung Quat shipbuilding project and a Doosan Heavy Industries Vietnam (Doosan Vina) project. Nguyen Hoai Giang, General Director of the Binh Son Refinery-Petrochemical Company that manages and operates the Dung Quat Oil Refinery, said after two years of operation, the plant has produced more than 10 million tons of various types of oil.

**The southernmost province of Ca Mau is accelerating the development of more trademarks for its farm produce.** The Department of Intellectual Property previously acknowledged three product trademarks from the province namely Rach Goc dried shrimp, U Minh Boi dried fish and U Minh Ha honey. The Ca Mau Farmers Association has been focusing on developing production and improving the quality, quantity and value of these three products.

**Ca Mau Nitrogenous Fertilizer Plant under the National Petroleum and Gas Group (PVN) has churned out the first batch of Vietnamese-made urea fertilizer for the local market.** The USD800 million plant with annual capacity of 800,000 tons is expected to meet 40 percent of domestic demand, enough for farming activities in the Mekong Delta - Vietnam's key agricultural region. It will help save around USD400 million spent on urea fertilizer imports for the country every year, said Prime Minister Nguyen Tan Dung. The plant, a part of the USD1.4 billion Ca Mau Gas-Power- Fertilizer complex covering 62 hectares in U Minh District in the southernmost location of Vietnam, succeeded in the trial run of the plant to produce the first product on November 24, 2011.

**The southern province of Ba Ria-Vung Tau on January 31 granted licenses to four new projects with total investment capital of VND26,729 billion (USD1.3 billion),** accounting for 30 percent of province's targeted registered capital for 2012. The projects include the Nam Con Son 2 gas pipeline, Phuoc Thang urban area, Gelexim port and kindergarten, and Phuoc An center for disabled children. Seven investors also donated VND1.31 billion to the provincial charity funds to help the handicapped and the poor. Despite economic difficulties, Ba Ria-Vung Tau attracted 25 foreign investment projects in 2011 with total capital of USD950

million, as well as 38 domestic investment projects worth nearly VND12 trillion (roughly USD570 million). The province also created jobs for 33,500 laborers last year.

**The Government has approved changes to the time the gate is open from February 1 in an attempt to improve conditions for traffic and trading between Vietnam and Laos** through the Lao Bao International Border Gate. This pilot program will be tested over the next six months, during which time the gate will be opened from 7am to 10pm, including holidays and weekends, rather than shutting at 7.30pm as before. The gate is located on the East-West Economic Corridor (EWEC). In recent years, inconsistencies in operation times between EWEC countries has led to problems through the corridor. For example, working hours in Laos run from 7am to 10.30pm, while in Vietnam, the border shuts at 7.30pm, causing difficulties for trading, transportation and tourism.

**In recent years, e-commerce has assisted several Vietnam garment companies to substantially increase their exports, according to a survey conducted by the Ministry of Industry and Trade.** The report says the investment for e-commerce makes up only 5 percent of a company's total outlay, but it can potentially increase the company's sales by around 33 percent. It adds that through e-commerce garment firms can gain access to foreign buyers, reduce costs, build their brand image and earn more profits.

**Hansae Vietnam Co. Ltd. has started construction of its third apparel manufacturing unit in Tan Huong Industrial Zone in southern Vietnam's Tien Giang province.** Hansae Vietnam is a subsidiary of South Korean apparel producer Hansae Company Ltd. The new plant, being set up with an investment of USD 30 million, will have a production capacity of 30 million pieces of garments per annum, all meant for exports. Currently, Hansae Vietnam is operating two garment units in HCM City and apparels manufactured in these units are exported to leading clients of the Seoul-based Hansae, which include GAP, Nike, Navy, Abercrombie & Fitch, Wal-mart, Sears, American Eagle and Target. Hansae Company also has production bases in Indonesia, Nicaragua and Guatemala. However, Vietnam is the largest production base of the company outside South Korea.

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## COMING EVENTS

### International Exhibition on Shipbuilding, Marine Technology & Transportation

Venue: Hanoi National Convention Center

Country: Ha Noi, Vietnam

Industry: [Railway, Shipping & Aviation](#)

Start Date: 28 Feb 2012

End date: 01 March 2012

#### Event profile

Vietship is the sole and biggest specialized international exhibition on Shipbuilding, Marine Technology & Transportation in Vietnam. This event is sponsored and instructed directly by the Prime Minister of the Socialist Republic of Vietnam, organized by Vietnam Shipbuilding Industry Group - VINASHIN and C.I.S Vietnam.

#### Visitor's profile

Shipowners, Shipbuilding Cos; managers in purchasing from shipyards, Marine Rescuers, Marine Researchers, Marine Fire Fighters, Marine equipment manufacturers, Trading companies, Port authorities, Equipment & Component Manufacturers, Fish-farm managers, Managers and Engineers in the Shipping industry, Cruise & Ferry operators and Marine researchers.

### *Exhibitor's profile*

Profile for exhibit include Design, construction and outfitting of vessels, heavy machinery for loading on/off ships and related functions at ports, fire alarms and safety systems, gas detection, fire-fighting equipment, electronics, nav/comm. Systems for ships and ports, engines, marine defence systems, classification and publications etc.

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## **VietShip & Maritime**

Venue: [GiangVo Exhibition Centre & Fairground](#)

Country: [Ha Noi, Vietnam](#)

Industry: [Marine & Boat Shows](#)

Start Date: [28 Feb 2012](#)

End date: [01 March 2012](#)

### *Event profile*

VietShip & Maritime is organised by state-owned Vietnam Shipbuilding Industry Group (Vinashin) and managed CIS Vietnam. This biennial event provides focus on Shipbuilding, Ship-Repair, Ship-chandling, Bunkering, Port Operations & Logistics, Maritime communications and equipments.

### *Exhibitor's profile*

Shipyard owners, builders and ship repair companies, ship-chandling and bunkering, port logistics, maritime communication and equipment.

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## **International Conference on High Performance Scientific Computing**

Venue: [Institute of Mathematics, Vietnam Academy of Science & Technology, Hanoi](#)

Country: [Ha Noi, Vietnam](#)

Industry: [Computer Hardware, Software & Accessories](#)

Start Date: [05 March 2012](#)

End date: [09 March 2012](#)

### *Conference Description*

5th International Conference on High Performance Scientific Computing will provide a wide range of updated information to the attendees. The eminent keynote speakers of the conference will be Frank Allgöwer, Ralf Borndörfer, Ingrid Daubechies, Mats Gyllenberg, Karl Kunisch, Bob Russell, Volker Schulz, Christoph Schwab, and Tamás Terlaky. The conference will also witness many scholars from all over the world who will present their latest advances related to the concern topics. The conference will gather experts and the professionals to discuss the latest trends. 5th International Conference on High Performance Scientific Computing will create new partnerships and alliances which assist them to generate leads and new business.

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