

VIETNAM: TRADE &  
INVESTMENT BULLETIN  
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*Dear all,*

*Vietnam Trade & Investment Bulletin is published by 15<sup>th</sup> every month by VIIP.COM. The Bulletin collects and reflects an overview on Vietnam economic climate. Through this, readers would find useful and general information on Vietnam for research and investment into Vietnam.*

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## VIETNAM: TRADE & INVESTMENT BULLETIN No.26

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**GENERAL REVIEW**

**Vietnam - Wage hike to counter steep cost of living**

Workers will see fatter pay packets from October 1, 2011 as the government just ratified minimum wage hike proposals.

The government enacted Decree 70/2011/ND-CP dated August 22, 2011 regulating minimum region-based wages for laborers working at assorted enterprises, cooperatives, farms, private trading households and foreign invested companies.

Accordingly, from October 1, 2011 to December 31, 2012 minimum region-based salary levels will range from VND1.4 mil (USD67.9) to VND2 mil (USD97), from VND300,000 (USD14.5) to VND 650,000 (USD31.4) per month higher than current levels and divided into I, II, III and IV regions.

Decree 70 was enacted after two months seeking comments from relevant ministries, departments and businesses and will come a quarter earlier than scheduled to help ease laborers’ burdens amid soaring inflation. Under Decree 70, the fresh region-based minimum wage levels will serve as a footing to develop diverse wage scales and relevant allowances in enterprise payroll. It is the second minimum wage hike since early 2011 marking the abolition of minimum wage divergences between local and foreign-invested firms.

The government encourages firms pay their laborers higher than Decree 70 regulated levels. Decree 70 also reads minimum wages for trained laborers must be at least 7 % higher than minimum wages in their corresponding region.

**Recent minimum wage revisions**

Region	Minimum wage levels from October 1, 2011 to December 31, 2012	Current minimum wage levels to foreign invested enterprises (in light of governmental Decree 107/2010/ND-CP)	Current minimum wage levels to local firms (in light of governmental Decree 108/2010/ND-CP)
I	VND2 mil (USD97)/month	VND1.55 mil (USD75.18)/month	VND1.35 mil (USD65.2)/month
II	VND1.78 mil (USD86.3)/month	VND1.35 mil (USD65.2)/month	VND1.2 mil (USD57.97)/month
III	VND1.55 mil (USD75.18)/month	VND1.17 mil (USD56.5)/month	VND1.05 mil (USD50.7)/month
IV	VND1.4 mil (USD67.9)/month	VND1.1 mil (USD53.1)/month	VND830,000 (USD40.1)/month

(Source: VIR)

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## **Elderly to be 18 % of population by 2020**

*The ratio of elderly population in Vietnam will reach 18 % by 2020.*

The information was stated at an international seminar on social welfare for the elderly and handicapped in Ho Chi Minh City on August 23. Meanwhile, the Vietnam National Committee for the Elderly said the ratio may reach 30 % by 2050.

Participants at the seminar agreed that the State and social and charitable organizations should pay more attention to this sector of the population by diversifying social activities and providing them with more social security benefits.

They also said that maintaining family traditions is an important factor in improving the lives of the elderly. The General Statistics Office says that Vietnam will enter the “aging-population” stage after 2017.

*(Source: VOV)*

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## **Wood enterprises fighting for survival in tough times**

*Vietnam’s lumber and wood product export markets are fighting for survival as their businesses sink into oblivion. High interest rates and rising production, power and labor costs have put some enterprises on the brink of insolvency.*

### **Market spotlight**

However, according to Bui Thi Thanh An, chief representative of the Vietnam Trade Promotion Agency under the Ministry of Industry and Trade who just led a mission of wood enterprises to Las Vegas, the purchasing power of the U.S. market has showed some optimistic signs this year.

After two years of economic recession, the inventories of many wholesale distributors of the market are improving with ten participating enterprises picking up orders and contracts to supply wooden furniture from now until the end of the year.

“Although U.S. market prices are not as high as European or Japanese markets, its number of orders is stable and often in bulk which can make up for the loss in sale prices. Compared to the two previous fairs in 2009 and 2010, it was much more optimistic,” An said. However, An said local enterprises were incurring high input costs and that was affecting their selling price which has cut into their competitiveness against foreign competitors.

Nguyen Ton Quyen, secretary general of the Vietnam Timber and Forest Product Association (Vietfores), said that a high interest rate, the increasing prices of power, water and labor along with the economic slump in many import markets, undermined the possibility of the enterprises earning ample profits. But Quyen hoped that the purchasing power of such major import markets as Europe and the U.S. maintained steady, which had growth of 11% and 13% in the export volume of lumber and wood products in European and the U.S. markets respectively, and was predicted to increase from now to end of the year given the high season.

Japan has speeded up the import of plywood and planks to meet its demand for reconstruction after March’s natural disasters. Japan has also loosened requirements on quality criteria compared to before, which opened the way for a surge in product exports into the country.

Northern enterprises received an order of up to 200,000 items of plywood and planks to export from now to the year's end into the Japanese market, Quyen added.

### Enterprises continued to handle

However, in addition to many positive factors, local enterprises were still concerned. An said the competitiveness of wood manufacturers was affected due to the high interest rate which clearly showed on the price of units of those participating in the fair compared to other countries.

According to enterprises, the interest rate remaining at a high level for a long time has resulted in an upsurge in other production costs. Consequently, even though enterprises received an abundant number of orders from earlier this year to now, the likelihood of decent profits is unlikely.

“With such high input costs, enterprises just hope to break even and not incur losses this year,” said Ngo Thi Hong Thu, deputy director general of Truong Thanh Furniture Corporation. Truong Thanh Furniture Corporation was carrying out many methods to cut down costs of management, common production as well as improving laborers' productivity to make up for the interest rate and material costs rising over 30% compared to last year. Similarly, many enterprises accumulated materials as predicted prices of forest wood, rubber, cajuput, and acacia were likely to keep climbing.

According to Nguyen Van Vy, former chief of HCMC Handicraft and Wood Industry Association, simply-processed products making use of low-cost labor of Vietnam were not effective at present when input prices upturned while selling prices could hardly increase.

Many enterprises in the wood industry have tended to shift from producing medium-class products to high-class ones required investment in technology, production devices, and labor and production management skills.

“As soon as an appropriate time comes, especially when the interest rate goes down and the enterprises can borrow money, they will change their production direction,” Vy added.

(Source: Saigon Times)

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### Vietnam's online advertising revenue remains modest

The Vietnam Advertising Association (VAA) has said advertising revenue from the internet-based sources still makes up a small fraction in Vietnam's advertising industry although online trade has recorded remarkable growth in recent years.

VAA vice president Do Kim Dung said online advertising revenue was put at only VND 480 bil (around USD 23 mil) last year and this amount was poorly compared to some VND 20 trillion (about USD 960 mil) for the whole industry.

The advertising sector is expected to achieve a year-on-year revenue rise of some 15% this year but the online advertising segment would likely grow 20%, Dung told on Monday (22 Aug 2011) after Nielsen released findings of its latest survey on the influence of online advertisements on consumers in Southeast Asia (SEA).

The global information and measurement firm's survey found that consumers in the region were highly impacted by online advertising, particularly if the content was specifically targeted or if their friends had also engaged with the product or brand.

According to the survey, up to 95% of consumers in Vietnam is ‘highly’ or ‘somewhat’ influenced by standard website advertisements on social media sites, the highest among nations in the region and much higher than the average regional percentage of 73%.

David Webb of Nielsen commented in the survey report that SEA consumers’ trust in and attitudes towards online advertisements provided opportunities for companies to engage with their target audience. “As social media increasingly becomes a mainstream activity throughout the region, brands have been quick to ‘get on board’ with the practice of better understanding and connecting with their consumers when it comes to their advertising strategies, engagement and conversion,” Webb said.

The Nielsen study showed that 79% of Vietnamese consumers have ever ‘liked’ or followed a brand or company on social networking sites, and this percentage is significantly higher than the global average of 52% and 69% in the SEA.

(Source: Saigon Times)

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### **Industrial growth index drops 7.3%**

*Growth of the national index of industry product (IIP) continuously dropped for the second time with a year-on-year increase of 7.3 % in the first eight months.*

This was about 2 % lower than in the same period last year, according to the General Statistics Office (GSO). IIP growth, GSO said, started to decrease in July. In the first six months of last year, the index increased by 9.7 % over. The figure was 8.8 % at seven months, it added. The GSO informed that in August only, the IIP increased by only 4.3 %.

According to the GSO's report, during this period, nearly half of industrial products saw a downturn in IIP compared to the same period of last year. In eight months, only 9.6 mil tons of crude oil and natural gas were exploited, a year-on-year reduction of 2.3 %.

The vegetable and fruit procession industry declined by 9.8 %, while medicine production fell by 2.9 %. Experts from the GSO had many reasons for the downturn. "Income costs have strongly increased while consumption has significantly come down. Moreover, the stockpile volume has been up, which has forced manufacturers to cut down their productions," experts said. However, some industries continue growing.

The value of pottery and china production has increased by 60.9 %, followed by sugar with a growth rate of 43.3 %. In eight months, about 2.6 mil motorbikes have been made, soaring by 16.9 %. Meanwhile, beer and beverage production is up by 14.9 % over the same period of 2010.

Regarding the inventory level, GSO reported that up to the beginning of this month, the inventory volume had increased by 17.8 % over the same time last year.

The inventory level of furniture has increased by 87.5 %. The home appliances inventory was up to 55.4 % while volume of stockpiled footwear increased by 45.6 %.

(Source: VNN)

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## TRADE

### Trade surplus with US hits USD 6.8 bil in 2011

*Viet Nam's trade surplus with the US has reached USD 6.8 bil during the first seven months in 2011, according to the General Department of Customs.*

The department reported that Viet Nam exported USD9.3 bil worth of goods to the US during the period, with imports to Viet Nam from the US during the same period valued at USD2.5 bil.

Industrial products including textiles and garments, wooden furniture and footwear were Viet Nam's biggest earner in the US, with a value of USD5.6 bil in exports during the first seven months.

Agricultural, forestry and fishery products also contributed significantly to the nation's export earnings. Among these items, seafood topped the list with export earnings of USD597 mil, followed by coffee and cashew nuts with USD228 mil and USD216 mil, respectively.

Director of the Ministry of Industry and Trade's American Market Department Nguyen Duy Khien said that despite the positive results, the nation's export turnover to the US accounted for less than 1 % of the US's total import value.

The US market still presented Vietnamese exporters with many opportunities, said Khien, adding that Vietnamese garment and textile exports currently accounted for 8 % of the sector's market share in the US. The figures for footwear and seafood were also only 7.8 % and 5 %.

Vietnamese products that could enjoy brisk sales in the US include textiles and garments, furniture, bags, wallets, umbrellas, seafood and footwear alongside added-value industrial items such as machinery equipment and spare parts. However, to capitalize on the opportunities, domestic exporters must improve their supply capacity to be able to meet large-sized orders, Khien said. He explained that US importers currently still preferred to buy Vietnamese goods via intermediaries to minimize risks as they were afraid Vietnamese traders could not ensure a regular and stable supply of goods at large volumes.

Experts recommend domestic exporters to boost export of processed and high value-added products, especially agricultural produce, instead of focusing only on the export of unprocessed materials. The Government should further improve the investment climate to attract foreign investors to the country's high-tech processing industry as the sector remained restricted, the experts said.

Viet Nam's exports to the US reached USD15 bil last year, accounting for 20 % of the country's total export turnover.

*(Source: VNS)*

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### No quality stamp on 'Made-in-China' toys

*Many toy shops in Hanoi along Hang Ma, Luong Van Can and Giang Vo Streets are already beginning to stock an assortment of toys in preparation for the forthcoming Mid-Autumn Festival, with no regard to the quality of these toys.*

### Chinese made toys, without quality stamp

Most of the toys displayed in shops along Hang Ma, Hang Can, Luong Van Can Streets and Dem market, Dong Xuan market are made-in-China and are beautifully designed and attractively presented.

According to Nguyen Trung Duc, a toy shop's owner on Hang Ma Street, traditional Mid-Autumn items such as paper lanterns, Hoi An lanterns, star lanterns and wooden drums do not sell very well. On the other hand, Chinese made toys like tiaras, butterflies, angel wings, talking dolls, model dolls, stuffed animals and plastic masks sell like hot cakes, thanks to their attractive designs and cheap affordable prices.

When asked about quality-markings on the products, almost all shop owners beat around the bush with answers. They justify that cheap prices, attractive designs make it worth their while. Some feel stamp markings are not necessary nor are they a guarantee as customers rarely check that and besides the stores guarantee the quality with their own name.

### Customers indifferent

Though the government banned all children toys without quality certificates from selling in the market, a large number of unmarked toys flood the shops. Not only are the businesses ignoring the ban but the consumers too are indifferent, paying more attention to price, design and little to a child's safety. Some are even unaware of the ban.

Ta Hoang Long, while choosing toys for his child on Luong Van Can Street, said that he was only aware of a ban on dangerous toys like plastic guns made in China. Many shop owners also mentioned that as toys with quality-stamps were 20 % higher than others, they were not on the priority list of parents.

From August 15-19, the market management team in Hanoi launched a campaign to check all toy stores and find any breach of law. They collected 572 smuggled toys and 30 cartons of harmful violent toys, all made in China.

According to Nguyen Truong Son, deputy head of the market management team, toy sellers nowadays have many cunning ways to deceive both customers and authorities. They intentionally mix qualified toys with unqualified ones to cause confusion for inspection teams. They also use fake stamps to stick on items. However, the team is planning on a more thorough and careful check of each toy store in Hanoi, especially during the Mid-Autumn Festival period. The Department will also warn consumers of being more cautious when buying toys for children.

(Source: *VNBusiness*)

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### HCMC enjoys surplus, capital faces deficit

*The country's two largest cities recently posted opposing sets of results related to trade turnover achieved during the first eight months of this year.*

While Ho Chi Minh City announced a trade surplus of USD1.53 bil, the capital city reported a trade deficit of nearly USD10 bil. Ho Chi Minh City's Statistics Office said that in August alone, the city's export value reached an estimated USD2.5 bil, a month-on-month decline of 20.8 %.

Export value of state-owned firms decreased by 25.3 % while export turnover derived from foreign-invested firms saw a growth of 0.9 %.

August figures revealed the total export value of the city having hit nearly USD18.3 bil, a rise of 20.5 % over the same period last year. Import value during the same period managed over USD16.7 bil, a year-on-year increase of 24.5 %.

The Hanoi statistic office reported the city's total import value in the January - August period declined by 18.1 % over the same period last year to nearly USD 16.4 bil. While exports managed to increase by 27.2 %, it was unable to help the city cut down its trade deficit as total export value reaching only USD 6.4 bil. In August alone, Hanoi earned USD 982.5 mil from exports while spending nearly USD 2 bil on imports.

(Source: VIR/VNA)

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### **Cell phone sector enjoys USD1.43 bln trade surplus**

*Vietnam's mobile phone exports enjoy a USD1.43 bil trade surplus for the first seven months of this year, according to the General Customs Department.*

Exports of mobile phones and spare parts earned USD 2.59 bil, three times higher over the same period last year, while imports stand at USD 1.16 bil, data from the customs department shows.

The EU became the country's largest market, accounting for 40.6 % of the total export turnover. This market imported USD 1.05 bil worth of mobile phones in the past seven months, while the figure recorded last year was only USD54 mil.

Russia and India are the next top importers, who bought from Vietnam USD221 mil and USD191 mil worth of products, respectively. Meanwhile, Vietnam's imports saw USD 195 mil turnovers in July alone, a 32 % increase month-on-month. The total import turnover in the seven months was USD 1.16 bil, 57 % higher compared with the same period last year. China accounted for 63 % of total imports with a turnover of USD733 mil, while Korea followed with 33 %, or USD382 mil.

(Source: Tuoitre)

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### **High price pushes back rice export**

*Due to a strong surge in domestic rice price, August saw rice export of only 435,500 tons worth USD209 mil, or slightly over 50% of the target set by the Vietnam Food Association (VFA).*

VFA calculated that the country would export 700,000 tons of rice in August. However, the rising rice price is a major setback for local rice exporters.

Truong Thanh Phong, Chairman of VFA, said the high rice price had significantly affected traders' rice export tempo. Buyers were shifting to Thailand as Vietnamese rice is marking up significantly, he said.

Furthermore, traders who had signed contracts at lower prices in the last two months would incur losses because current rice prices have increased almost 20% against June. "We normally deliver rice to importers a month after the contracts are signed. At that time, rice exporters would incur losses in case of any volatility of rice price," said Trinh Van Man, manager in the southern province of Tien Giang.

At present, the 5%-broken grade is priced at VND 12,000 per kilo, or equivalent to USD570 per ton, excluding the costs of packing. This shows a steep increase compared to some USD485-490 a ton in early July, prompting some local exporters to cancel contracts or renegotiate contract prices with rice importers.

(Source: SGT)

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## INVESTMENT

### FDI disbursement recovers

*The amount of disbursed capital of foreign direct investment within the past two months has recovered and averaged out at over USD 1 bil monthly having fallen for several months on end earlier, the Foreign Investment Agency (FIA) reported.*

A report of the FIA under the Ministry of Planning and Investment shows the disbursed capital of FDI enterprises in August estimated to hit USD 1 bil, or equivalent to that in July.

This uptrend is especially encouraging as the figures slumped to USD 900 mil in May and even USD 780 mil in June. However, the disbursed amount is still low compared to the record USD 1.4 bil in March, according to the agency.

The high disbursement result in August raises the total disbursed capital in the year to date to USD 7.3 bil, still up 1% year on year. Experts said the increase albeit slight was encouraging in the context of global uncertainties, as foreign investors continued to maintain their confidence in Vietnam's investment environment.

However, new FDI commitment was not as upbeat in the January-August period. According to FIA, 582 FDI projects have been licensed in the year to date with total registered capital of over USD 7.9 bil, down by 34% in the number of projects and 30% in the registered capital against last year.

Also in this period, there were 168 projects registering to increase capital, with the total additional capital of over USD 1.6 bil, an increase of around 1% in injected funds compared to last year. These figures take the total fresh FDI commitments in the year's eight months to USD 9.5 bil.

In the FDI breakdown, manufacturing attracted USD 4.6 bil of fresh funds pledged, while distribution of power, gas, and water; and construction came next with the registered capital of over USD 2.5 bil and some USD 671 mil respectively.

Hong Kong topped the list of the biggest investors in the year with the total newly registered investment capital of around USD 2.9 bil, followed by Singapore with USD 1.45 bil, and South Korea with USD 851 mil.

The northern province of Hai Duong emerged as the top locality in attracting FDI with some USD 2.5 bil of newly registered investment capital, while HCMC came second and Ba Ria-Vung Tau Province was third with fresh investment pledges of USD 1.65 bil and some USD 580 mil respectively. In its report, the FIA also noted the strong performance of the foreign investment sector, especially in import-export activity.

From January through August, foreign-invested enterprises obtained an estimated USD 32.64 bil in export revenue including crude oil export, a year-on-year increase of up to 34%). Excluding crude oil, this sector still posted a revenue increase of around 32% to some USD 27.73 bil.

Foreign-invested enterprises spent USD 30.1 bil on imports, a rise of 31%, meaning they enjoyed a trade surplus of some USD 2.54 bil within the past eight months, according to the report. Vietnam early this year set targets to attract some USD 20 bil of fresh FDI capital and around USD 11-12.5 bil of FDI disbursements.

*(Source: The Saigon Times Daily)*

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## Delta has wind power in its sails

*The Mekong Delta has great potential for wind power development.*

Following on from Ca Mau-based Cong Ly Tourism-Trading-Construction Company Limited building the region's first wind power plant, at 99 megawatts at a cost of VND4.5 tril (USD217.4 mil) in Bac Lieu city last year, last month United States-based GE Group inked a deal to supply the developer with 10 wind turbines with a combined capacity of 16MW.

The first turbine group would be commissioned on September 9, 2011, according to Bac Lieu Province Department of Planning and Investment head Luu Hoang Ly. Ly added the provincial Planning and Investment Department had proposed Bac Lieu People's Committee embark on wind power survey and planning in the province to serve as a footing for investment certificate licensing.

Soc Trang reportedly hosted several dozen investors searching for investment opportunities on wind power.

The Mekong Delta province agreed in principle for four wind power projects with a total accumulative capacity of 300MW in the first phase. Such projects are in the survey and feasibility study stage.

Vinh Phuoc and Vinh Tan communes are the best sites for building a 'wind power farms', according to German-based EAB Group. "Soc Trang can leverage on the [wind power] potential to promote renewable industry development, clean energy supply and appeal to visitors," said the German group.

In a recent meeting with the provincial authorities, Kien Giang Radio and Television Station proposed building a wind power-solar energy plant with a combined capacity of 90KVA to serve the station.

According to German partner Nord Energy calculations, it would take around 10 years for the VND11 bil (USD 531,000) project to recoup investment over its 20 year duration, said the station deputy director Le Thanh Phuong.

The Mekong Delta is home to 13 provinces and municipalities with eight of them having coastlines spanning over 700 kilometers and hundreds of islands. Industry experts assume the Vietnamese government needed to support the delta region in wind power survey and assessment to help it woo investors.

*(Source: VIR)*

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## Time to walk the talk on Phu Quoc

*Investors keen on jumping onboard the Phu Quoc tourism bandwagon will have to put their money where their mouth is.*

Kien Giang People's Committee last week confirmed it was still calling for investment into Phu Quoc Island and that financially weak projects could expect to make space for stronger projects if they failed to stump up the necessary cash.

The message comes despite a Phu Quoc Investment and Development Management Authority proposal to stop calls for new investments. The authority argued that all the sites reserved for investment on the island already gobbled up by over 200 domestic and foreign investors.

"This proposal should be carefully considered. In the near future we will collect site clearance costs from many projects," Kien Giang People's Committee Chairman Le Van Thi said in an announcement.

“Many investors definitely do not have enough financial ability to implement their project, and many project licences will be revoked, he said. “That is why we will not stop licensing new projects,” he added.

But Thi agreed with a Phu Quoc Investment and Development Management Authority proposal which would see investment certificates withdrawn from investors failing to meet their financial commitments. The provincial authority announced it had revoked four projects initiated by domestic developers Thai Nam Company, Bien Xanh Company, Bien Sang Trade and Aquaculture Company.

Phu Quoc Island, 120 kilometres off the coast of southern Kien Giang province, is the largest island in Vietnam.

A government master plan has it earmarked as a space dedicated to recreation, trade, finance and banking.

The island is among the most attractive destination in Vietnam for tourism developers, with 75 projects having been granted investment certificates. Those projects have a total investment capital of around USD2.2 bil over nearly 4,000 hectares.

The provincial authority has also given approvals in principle for 180 other projects in Phu Quoc.

Swiss-backed Trustee Suisse Group has, for example, said it wanted to build a USD2.6 bil tourism complex in Phu Quoc that is to include a finance centre, a tourism area and an urban area. In addition, in a similar development, the US-based Rockingham Asset Management LLC has signed on the dotted line to build a USD1 bil tourism project in Phu Quoc while Hong Kong’s Millennium Group, via its subsidiary Starbay Holdings, is building a USD1.6 bil resort on the island.

Last month, the Vietnamese government set up a workgroup to look into the development of a casino project in Phu Quoc. The casino project is expected to come online in 2017.

To help investors in Phu Quoc Island, the government plans to upgrade the existing Duong To airport, giving it international status. It also plans to improve the inland transport infrastructure system.

Nguyen Van Hon, deputy director of Phu Quoc Investment and Development Management Authority, said the number of investors registering to invest into Phu Quoc was evidence this was one of the top choices for tourism investment in Vietnam.

To ensure the quality of investment, Kien Giang People’s Committee have also announced that investors will have to deposit 3-5 % of their total committed capital. Any investor declining to do so or delaying payment of the deposit will see its investment certificate revoked to make space for another project.

(Source: VIR)

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## **Japan to build large-scale industrial zone in Vietnam**

*Some major Japanese groups will build a large-scale industrial zone (IZ) in the south of Vietnam to attract more Japanese businesses to invest in the country, Nikkei newspaper announced on August 26.*

The Sojitz Group, Daiwa House and Kobelco Eco-Solutions Company under the Kobe Steel Group will construct the Long Duc IZ on an area of 270ha in Long Thanh, Dong Nai province, at an estimated cost of USD 100 mil.

The Long Duc IZ, which will include a data centre and a modern water treatment system, scheduled to open in 2012, aiming to attract the investment of 100-150 businesses. Japanese businesses have been accelerating the construction of their offices overseas and more and more businesses are choosing Vietnam as their location because of its cheap labor force.

According to the Japan External Trade Organization (JETRO), total Japanese direct investment in Vietnam for the first half of this year reached USD 1.169 bil, 8.3 times higher than the same period last year.

The number of Japanese businesses that have become members of the Japanese Business Association in Vietnam has increased from 327 in 2000 to more than 950 in 29 Aug 2011.

(Source: VOV)

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### **China's FDI into Vietnam crosses USD 3 bil mark**

*From early this year to July 2011, Chinese investors have invested in 805 FDI (foreign direct investment) projects in Vietnam, according to the General Department of Vietnam Customs (GDVC).*

In recent years, the friendship and comprehensive cooperation between Vietnam and China have been constantly evolving. In 2010, the bilateral trade turnover between the two countries reached USD27.328 bil, up 29.8% over 2009's figure. In particular, Vietnam's import value was USD20.019 bil and export turnover reached USD7.309 bil.

The figure from GDVC also showed in July, Vietnam's trade deficit from China was nearly USD1 bil. Totally in Jan-Jul, the country's import value from China was USD13.03 bil while Vietnam's export turnover to China reached only USD5.56 bil, leading a trade gap of USD7.46 bil in Jan-Jul, or 140% of the country's trade deficit in the period.

From beginning of this year till July, 2011, Chinese investors have invested in 805 FDI projects with a total pledged investment capital of USD3.184 bil.

In 2010, ASEAN – China Free Trade Area (ACFTA) officially applied a strong commitment on tax reduction from both China and the ASEAN countries. Accordingly, the ranges of goods will have import tariffs of 0-5%, including the agricultural and industrial products.

However, in fact, during the 2007-2010 cooperation period, Vietnam has been always providing raw materials and agricultural products, while China exports industrial products to Vietnam with bigger volume.

Vietnam Chamber of Commerce and Industry (VCCI) said it hopes that enterprises of the two partners should seek and take advantage of cooperation opportunities on trade, investment, production joint ventures.

(Source: Vietbiz24)

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### **Jaks close to plugging in power project**

*Malaysia's Jaks Resources took a major step to kicking-off Vietnam's fourth foreign-invested build-operate-transfer power plant.*

The independent power producer on Friday (26<sup>th</sup> Aug 2011) signed build-operate-transfer (BOT) and government guarantee agreement contracts with ministries of Industry and Trade (MoIT), and Finance, respectively for the 1,200 megawatt plant. In addition, it also signed land leasing contract with Hai Duong People's Committee, power purchasing agreement with Electricity of Vietnam and coal supply agreement with Vietnam National Coal-Mineral Industries Group.

The contract deals, inked two months after Jaks Resources received investment certificate from the Ministry of Planning and Investment, finished three years of negotiations between the investor and the Vietnamese government, the electricity distributor and coal supplier. "This event set a solid foothold for us to build a power plant in Vietnam," said Jaks Resources chief executive officer Ang Lam Poah.

The power plant, located in northern Hai Duong province - about 60 kilometres east of Hanoi, has total investment capital of around USD2.25 bil.

MoIT Minister Vu Huy Hoang said the contract signing between Jaks Resources and its partners "marks a milestone for Vietnam's power industry". "From this time, Jaks Resources will officially play an important role to ease the power shortage in our country," he said.

Vietnam has a great power sector potential as power demands in country expected to grow at 17-22 % during 2006-2015. However, power supplies are way behind the curve, resulting in severe electricity shortages in recent years. At this time, the growing shortfall is considered as one of foreign manufacturers' biggest concerns in Vietnam.

Hoang said the government would do its best to help Jaks Resources put the power plant into operation on time. Under the national electricity master plan VII, Jaks Resources will have to operate the first turbine at the end of 2014. The second one will be operational one year later.

Jaks Resources is the fourth foreign investor allowed to build a BOT power plant in Vietnam. Last year, the US' AES Corporation received investment certificate to build a USD1.9 bil BOT power plant in northern Quang Ninh province. The other ones are a joint venture between Japanese Sumitomo Group and TEPCO Company and French EDF Energy with Phu My 2.2 project and a consortium of Kyushu Electric and Sojitz Corporation, BP and SembCorp Utilities with Phu My 3 project.

(Source: VIR)

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### **Hoa Lac tech capital plan approved**

*The prime minister has agreed in principle to this year's additional ODA capital allocation plan for Hoa Lac Hi-Tech Park (IP) infrastructure development project.*

The Ministry of Planning and Investment will take charge of coordinating with the Ministry of Finance to balance capital sources for allocation to the project based on total state budget estimates the National Assembly ratified and reported to the prime minister.

Earlier on April 15, 2011 the prime minister gave the thumbs up to add Hoa Lac's infrastructure project into the Grade A project list sourcing investment capital for construction in 2011 of the Hoa Lac IP Authority.

State budget allocation regulated in prime ministerial Decision 2145/QD-TTg dated November 23, 2010. Hoa Lac IP was founded in 1998 covering 1,600 hectares. The park is one of the venues drawing special attention from local and international investors.

Since its dawn, the park has lured in 52 investment projects worth USD1.3 bil, with 13 operational and six others in construction. A number of potential projects are awaiting investment certificates. In 2011, Hoa Lac IP Authority expects to woo 12-15 projects valued at USD1 bil in total registered capital.

(Source: Vietnam Investment Review)

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### **PetroVietnam signs a USD451.3 mil contract in Algeria**

*PetroVietnam Exploration Production Corporation (PVEP) and partners, Thailand's PTT Exploration and Production Pcl (PTTEP) and Japan Gasoline Corporation on Sunday (28 Aug 2011) signed a USD 451.3 mil contract with Algerian state energy firm Sonatrach.*

The 31-month lasting oil building deal will be implemented at Bir Seba mine in southern Algeria. Under the deal, PVEP and two partners will build a 20,000 barrel-per day-capacity oil treatment centre, a 1 mil-cu.m/ day gas transportation plant, two oil pipelines, an electricity plant and a water separation plant.

Oil output is expected to reach 20,000 barrels a day in 2014 and 36,000-40,000 barrels in 2016. Also under the deal, Sonatrach will receive 51 % of oil output and income of its joint venture. PetroVietnam contributes 40 % of the joint venture's total capital.

Meanwhile, Vietsovpetro - the Russian-Vietnamese oil and gas joint venture, has announced on Saturday (27 Aug 2011) it successfully launched Moc Tinh drilling platform's sole with its weight 11,000 tonnes, and height of 136m. It is the biggest-weight domestically manufactured drilling platform sole in Viet Nam.

(Source: VNS)

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### **Foreign firms eye Vietnam software**

*Norway-headquartered software company, Conexus, has said it sought a partner in Vietnam to enter the domestic market and use it as a launching pad to penetrate other Southeast Asian markets.*

Conexsus managing director Steinar Evensen said his company had gotten sufficient information, "necessary and reliable" for the extension of software manufacturing to Vietnam, which may serve as a gateway to other ASEAN markets.

Another software firm from Norway, Advalli, wants an additional facility other than its software centre in Bangalore, India. A company representative thanks to the availability of a good quality workforce and reasonable costs has assessed Vietnam as a positive candidate. This company targets software firms with a staff between 30 and 50. Meanwhile, French firm Dassault Systemes has already entered into a strategic cooperation agreement with the domestic Financing and Promoting Technology Corp (FPT).

The two will devise a list of products to develop, using Dassault Systems' solutions, targeting Vietnam's telecommunication and banking sectors, apart from further co-operation projects, according to Philippe Forestier, vice president for global affairs and communities.

Hewlett-Packard has already established a wholly owned software company in Vietnam and put into operation a USD18 mil software centre in HCM City.

(Source: VIR/VNA)

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## **Bitexco's second skyscraper project to kick off in Sep 2011**

*Bitexco Group will start work on its second high-rise structure Ben Thanh Towers in HCMC's center in late September after putting the city's tallest building Bitexco Financial Tower into service last October.*

The 55-floor Ben Thanh Towers project, having two towers and covering 8,600 square meters, is surrounded by Calmette, Le Thi Hong Gam, Pho Duc Chinh and Pham Ngu Lao streets in District 1.

The investor plans to spend some USD 450 mil building a complex of shopping space, Grade A offices, serviced luxury apartments for lease in this area with seven ground floors and five basements. The project is scheduled for completion in 2015.

The tower is designed with offices in the middle and hotel rooms on lower and upper floors. Ground floors will be used for commercial space, including meeting room, restaurant, bar, sporting hall. Meanwhile, serviced apartments for lease are placed in the other tower having 48 floors.

The occupancy rates of Bitexco Group's first skyscraper are 35% and 50% for Grade A office and shopping space among a total area of 37,000 and 8,000 square meters respectively.

Besides these buildings, the group has plans to build another project in another area of 6.5 hectares in District 1 and surrounded by Nguyen Cu Trinh, Tran Dinh Xu, Nguyen Trai and Cong Quynh streets. This project will provide offices, apartments, and commercial center, hospital, school and amusement facilities.

*(Source: The Saigon Times Daily)*

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## **Vietnam's investors foray into African markets**

*Vietnamese investors are pumping into African markets, which are offering many preferential policies to attract foreign investment flows.*

Furniture maker Truong Thanh has inked an agreement with South Africa to make strong investments in the African country. The Vietnamese enterprise has finished the training course for 21 trainees from the African country.

“At the outset, we planned to hold the course in three months,” says Vo Truong Thanh, general director of Binh Duong Province-based firm. “But then we gave those foreign trainees two more months as they would become the major staffs of our factories in South Africa.”

Under the agreement, Truong Thanh's wood processing plants in South Africa will create 300-1,000 jobs, while the amount of Vietnamese labors will make out 10 % of the total workforce. Truong Thanh will build a wood processing plant with an investment of USD30 mil, grow 10,000 hectares of forests for materials and open show rooms in the African country, Thanh says.

Software developer FPT has signed a deal with Nigeria's 21st Century Technologies to provide broadband and digital services and telecommunication solutions. Military-run telecom Viettel has been granted license to provide mobile phone services in Mozambique.

Figures from the Africa, West and South Asia Markets Department (AWSAM) indicate that 13 investment projects have been carried out in seven African countries and territories, with the total registered investment of more than USD777 mil.

Vietnamese investors have invested in various sectors, including oil refining, telecommunication and wood processing.

### Advantages

Local investors are pumping into African countries including South Africa, Mozambique, Central African Republic and Nigeria, which are offering preferential policies to attract foreign investments, according to AWSAM.

Preferential policies have encouraged Vietnam's furniture maker Truong Thanh to opt for building a wood processing plant and growing forest in South Africa, says general director Thanh. "South Africa's government offered us low-cost loans, which amount to 50 % of the total investment," he says. "It also gave us 30 % of the costs of equipments and covered the expense of training local employees for the wood processing plant."

Statistics from the Vietnam General Department of Customs show Vietnam's export to around 10 African countries was worth USD2.1 bil in the first seven months of the year, a significant year-on-year increase of 209 %. Among the main exported products are rice, seafood, textile and furniture.

(Source: VietNamBusiness)

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### New tax on land, property transfers

*People who transfer land use rights and ownership of houses and apartments will be subject to a tax of 25 % on their income from the transactions, said the Ministry of Finance.*

The new tax rate was stipulated in Circular 113/2011/TT-BTC, recently issued by the Ministry of Finance. The circular also outlines ways to calculate personal income tax including income tax on real estate transactions.

Under the new circular, organizations and individuals paying commissions, salaries, wages and other service charges valued at more than VND1 mil per transaction will have the tax deducted before paying their general income tax. Deductions are applied at a rate of 10 % for individuals who have tax file numbers and 20 % for those without tax file numbers.

Purchasing contracts for houses or apartments signed before Decree 71/2010/ND-CP on the implementation of the Law on Housing came into effect on 23 June, 2010, have to pay 25 % of their personal income tax.

For the transfer of purchasing contracts on housing built in the future, people making tax declarations will be subject to a tax of 25 % on their income.

(Source: VNS)

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### Binh Dinh welcomes two big projects

*Viipip.com - In 10<sup>th</sup> Aug, Khang Thong Group with partners in Thailand & Russia signed in a contract on engineering design of petrochemical plant project in Binh Dinh and a contract on feasibility study of Binh Dinh thermal power plant in Nhon Hoi economic zone.*

The capacity of petrochemical refinery plant is estimated 12 million tons / year; phase 1 is 6 million tons. Thermal power plant's capacity is 700 MW in phase 1, developed in an area of 90 hectares, with

investment capital of 972 million USD, will start commencement in the second quarter of next year and go into operation in 2015.

(Source: Khang Thong Group - Viipip)

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## FINANCE – BANKING

### Stabilizing foreign exchange rates

*The importance of keeping foreign exchange rates under control to stabilize domestic gold prices in line with the world market has never been more pertinent.*

In recent days, gold prices have hit record highs in both Asian and global markets. Vietnam's gold market has also experienced wild fluctuations, forcing the State Bank of Vietnam (SBV) to import a large volume of gold.

In the current context, soaring gold prices have brought pressure to bear upon the exchange rate between the Vietnam dong (VND) and the US dollar (USD).

#### Unrelenting pressure

According to economists, there are three main factors, namely the impact of the gold market, high foreign currency credit, and growing demand for foreign currency before the end of the year. The current "gold fever" in the domestic market, in part, contributes to the increasing exchange rate between the VND and USD, even though it remained rather stable in the past three months. On August 24, Vietcombank announced the exchange rate at VND20,830-20,834/USD, up more than VND30/USD compared to the previous day.

Dr. Le Tham Duong, head of the business administration faculty of Ho Chi Minh City Bank University, says that the recent import of gold has led to an increase in the import surplus and the value of the US dollar. Dr. Duong says that Vietnam has imported three tonnes of gold despite wild fluctuations in the world market.

Economists say that the foreign currency market is likely to face difficult time, as many businesses have to repay their loans in USD in the coming months. The SBV's recent statistics show that foreign currency credit in June rose by more than 23 %, while VND credit only saw a 3-% increase. General Secretary of the Vietnam Bank Association, Duong Thu Huong, says there will be a high demand for USD in the next few months.

Financial specialist Nguyen Tri Hieu, who says that businesses will buy a large amount of USD to pay off their bank loans, shares her view. They will also borrow USD from banks, change it into VND, and then send the money back to banks to enjoy higher interest rates. As a result, commercial banks will also buy USD to meet the increasing customer demand. All these will raise the value of the US dollar.

#### Stabilizing the value of VND

Judging from Vietnam's overall balance of payment in 2011, which show an estimated surplus of USD 2.5-4.5 bil, the SBV has announced its plan to stabilize the VND-USD exchange rate.

Dr. Nguyen Thi Mui, member of the National Advisory Council for Monetary Policy, notes that there is a big gap between supply and demand for USD and Vietnam's import surplus will remain high. It is essential to keep a balance between supply and demand while restoring investor trust in VND, Dr. Mui

says. Many people and businesses are worried about the current trade deficit, high interest rates and foreign exchange rates. To ease their minds, the SBV has purchased over USD 6 bil.

(Source: VOV)

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### **S&P downgrades Vietnam on revised methodology**

*The international credit rating agency Standard & Poor's has announced its downgrade of Vietnam's local currency long-term rating from BB- to BB as it has recently revised the methodology and assumptions for rating sovereign governments.*

The BB- sovereign credit rating on Vietnam reflects the country's low-income economy, developing financial system, and evolving policy framework. Healthy economic growth prospects, reinforced by the Government's persistent efforts in economic restructuring, partly offset these weaknesses, S&P said.

In line with this, the institution lowers the ASEAN regional scale long-term rating to axBB from axBB+. S&P also affirms its BB-foreign currency long-term rating, and B short-term foreign and local currency ratings on Vietnam.

"We lowered the local currency long-term rating on Vietnam after the implementation of Standard & Poor's revised methodology and assumptions for sovereign ratings," said Standard & Poor's credit analyst Kim Eng Tan.

Standard & Poor's affirms its foreign currency long-term rating on Vietnam because it is unaffected by the criteria update and the sovereign's underlying credit fundamentals have not changed. "Under the revised methodology, we are narrowing the gaps between the local and foreign currency ratings, where these had existed, for many sovereigns. This is because we believe that governments are likely to have fewer incentives to differentiate between their local and foreign currency debt in the event of debt restructuring, given the increasing globalization of markets," Tan said in the statement.

In accordance with the S&P criteria for sovereign ratings, the local currency rating on Vietnam is now equal to the foreign currency rating because the Vietnamese dong's pegged exchange rate limits its monetary policy independence and its domestic financial and capital markets are at the early stages of development.

S&P also said the macroeconomic volatility of recent years, amid strong lending growth, has weakened the banking sector's resilience to a new financial or economic shock. The outflows of resident capital have reduced domestic liquidity and raised the cost of domestic funding.

"A large part of domestic credit, estimated to equal 118% of GDP at the end of 2011, is priced at nominal interest rates above 15% per annum," Tan said.

The outlook on ratings of Vietnam given by Standard & Poor's is still negative. "The negative outlook on the ratings reflects S&P's view that Vietnam faces risks of near-term economic and financial instability," said the agency.

It said it could lower the sovereign credit ratings if balance-of-payment pressures mount or fiscal contingent risks from the financial sector rise. The ratings could stabilize at the current level if it assesses that the risks to financial sector stability have declined. This is likely to reflect the successful implementation of policies that lift confidence in the domestic currency and reduce private sector and public enterprise leverage, it said.

In exception to the above weaknesses, openness to foreign direct investment (FDI) has improved Vietnam's economic prospects. FDI has averaged above 8% of GDP during the past four years. These foreign-invested projects should help maintain Vietnam's trend annual real per-capita GDP growth at 5%-6%. Standard & Poor's estimates Vietnam's growth in 2011 at 5%.

Earlier, another credit rating agency, Fitch, has given a downgrade warning on Vietnam's creditworthiness if the country cannot take measures of monetary and fiscal tightening policies as committed to curb inflation in the coming time.

(Source: *The Saigon Times Daily*)

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### The costly gold rush

*No one knows, for now, that the recent correction on the domestic gold market is short-lived. But many investors, mostly individuals, must have taken a big hit from the sharp decline in 25<sup>th</sup> Aug.*

On global markets, the yellow metal suffered its biggest two-day loss in more than 30 years. Tuesday and Wednesday saw gold crashing by USD160 an ounce, thus sending a shock wave to the Vietnamese market.

International media quoted analysts as saying it is still too early to say the bull market has climaxed since there had been such corrections in the past. However, a unique feature about local gold trading is market price movements mainly driven by B2C transactions while individuals mainly target short positions.

As world gold prices were breaking through records, amounting to the all-time high of USD1,911.46 an ounce late Monday (29<sup>th</sup> Aug) or early Tuesday 30 Aug (Hanoi time), Vietnamese people from all walks of life, particularly short-term investors, housewives and salaried workers with small savings, scrambled for a slice of luck given their high hopes of a sustained price rally.

The buying frenzy caused gold prices to change within a matter of minutes. And in some occasions, major bullion trading houses delayed price changes given the breakneck global market movements, fueling anxiety among individual buyers.

Snowballing demand, coupled with the country's huge gold exports in July despite other countries' push for gold imports and large piles of gold deposits which the local banks were sitting on, resulted in an immediate undersupply.

In such a situation, the market was looking at the State Bank of Vietnam for action to calm investors, but it seemed the central bank's arsenal of policy tools had run dry. One of the easiest things to do to put off the fire and thwart any attempt to speculate as claimed by the central bank was to allow big gold traders to import gold.

SJC, the country's biggest bullion trader, has since last week imported gold non-stop with total volume of 1.5 tons, equivalent to 40,000 taels (a tael = 1.2 troy ounces). But this is like a drop in the ocean, according to an SJC source.

The rationale for the gold import is to pull down the wide gap between local and international prices. The differential on Tuesday even shot up to VND2 mil per tael as local gold surged to VND49.2 mil per tael hard on the heels of world markets seeing the yellow metal setting a new record of USD1,911.46 an ounce.

The gap has begun narrowing but remained big. SJC gold traded at VND45.5 mil at 2 p.m. on Thursday (25<sup>th</sup> Aug) while the world price at the time was USD1,748.2 an ounce, equivalent to VND43.95 mil per tael, leaving a difference of over VND1.5 mil per tael. This effectively neutralized the central bank's original goal for gold import.

The price drop on Thursday made buying go wilder as purchasers, who an SJC executive said are mostly individual bargain hunters rather than speculators, believed the correction is short-lived and the price might swing back up to the high of VND49 mil per tael.

SJC's sales volume amounted to 10,000 taels on Wednesday and 7,000 taels by 2 p.m. on Thursday. Why was SJC able to sell such big volumes? Because the company has been responding to the central bank's call for price stabilization by cutting off VND200,000 to VND300,000 from each tael sold, according to a newspaper. The resulting outcome is huge crowds have flocked to SJC to enjoy the discount price in recent days.

Do Minh Phu, chairman of DOJI Gold & Gems Group, a bullion trading arm of SJC in Hanoi and northern provinces, told that the company must ensure business efficiency, or exactly profit, and at the same time, be responsible for narrowing the price gap as much as possible by supplying all what the market needs.

However, what has happened so far on the market is proof that gold traders have made some handsome profit but have yet to bring down the local price to make it nearly match the world level. So people still pay a higher price for gold as admitted by Phu.

"We've tried to lower the price and sell gold as much as possible to help to cushion the impact of the volatile world market on the local one. But it's hard to say what has been done is enough to stabilize the market," he said.

Let's put this another way. The gold price stabilization effort for the benefit of individual buyers is doomed to fail as no wise traders do business at their own expense; they have to keep the price differential at a level that can help them respond to any market upheavals.

With 17,000 taels of gold sold by SJC from Wednesday to 2 p.m. on Thursday, buyers had their pockets depleted by VND25.5 bil (USD1.22 mil) due to the VND1.5 mil per tael gap between local and international prices. The gold import has so far benefited the trader as the few, instead of the buyer as the majority.

(Source: SGT)

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## **Loan interest rates down to 17-19 % in mid-September 2011**

*The State Bank of Vietnam on August 29 announced a group of solutions to adjust monetary and banking policies in the last four months of 2011.*

Accordingly, it will not apply the regulations on the percentage of capital used to create rotation and harmonization of capital between market 1 and market 2 as well as between the banks with redundant capital or insufficient capital, in order to help the banks short of capital to increase credits and lower their lending interest rates.

The State Bank of Vietnam will continue to maintain the ceiling mobilization interest rates for the Vietnam dong at 14 % per year with the aim of reducing the loan interest rates for the production sector

to between 17-19 % per year. It will also continue to keep the ceiling interest rates for mobilized foreign currencies.

In a move against ‘dollarization’ the State Bank will tighten the mechanism for lending foreign currencies and increase the rate of compulsory reserve in foreign currency with a view to controlling foreign currency credit growth.

(Source: VietNamBusiness)

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## ANALYSIS – OPINION

### Time not right to declare victory in fighting inflation

*While the central bank’s Governor is of the opinion that conditions are suitable for cutting the interest rate beginning next month to lend a helping hand to enterprises, several experts are worried that a rate cut may undermine efforts to contain high inflation. Louis Taylor, CEO of Standard Chartered Bank, on the State Bank of Vietnam’s intended move and possible consequences on an interest rate cut. Excerpts:*

*Now that macroeconomic stability has to some extent been achieved and inflation has shown signs of easing, do you think that it is suitable now to think about an interest rate cut?*

**Louis Taylor:** The Government and the State Bank of Vietnam (SBV) are right to focus policy on reducing inflation and achieving stability for the value of Vietnam dong. High interest rates have been a significant part of enforcing those policy aims. While the pace at which inflation is growing has slowed down, it would be viewed badly by the market if “victory” was declared too early and interest rates lowered before it is clear that inflation is on a downward trend. Once it is on a downtrend, there may be scope to reduce interest rates gradually.

It is not clear that the fight against inflation is won, and until that is clear it is difficult for the authorities both to reduce interest rates and retain the markets’ confidence in its anti-inflation policy.

Recently, the central bank has lowered the rate via open market operations (OMO), which fairly reflected the good liquidity in the short end of the yield curve. However, the market was very confused as to whether the change in OMO rate marked a change in overall policy because there was little explanation given for the rate cut. When the central bank begins to reduce interest rates, it would be best if it also gives, the reason behind the reduction to ensure the market understand the policy being pursued.

*The Governor has lately mentioned the aim of cutting the lending rate to 17%-19% per year. Do you think current economic conditions in Vietnam support the move?*

- It is possible, although the timeframe is still unclear. At some point, the SBV’s policy rates will come down, and this will affect market rates in a similar way. At that time, it is likely that banks’ lending rates will also come down.

However, banks’ lending rates will always need to be above their deposit rates, or else there will be a loss. If banks offer depositors, 14% they can still profitably lend at 17-19%. However, if banks offer depositors 19% then they cannot lend at 17-19% without incurring a loss.

*In your opinions, does the deposit rate need to be higher than the inflation in a country like Vietnam to attract capital in the public? How about this in foreign countries that you had learned of?*

- Deposit rates are generally lower than the inflation rate in most countries. Saving cash is a relatively low risk activity compared to investing that cash in other assets like bonds, shares, and real estate. So it is reasonable that the rate of return on a cash deposit will be lower than that expected from investing in assets that carry greater risk, and reasonable that those with cash should have to invest it in order to increase its real value relative to inflation.

*How about the forex rate, how will the rate cut impact on the foreign exchange rate?*

- While higher interest rates can lead to currency strength, if rates are too high for too long they can reduce economic growth to the point where confidence in the overall economy is lost. If Vietnamese interest rates are reduced gradually once inflation is clearly on a downward path, then there need not be an adverse impact on the forex rate.

If interest rate cuts are timed appropriately, the foreign exchange market will accept that it is reasonable to maintain growth in the economy, and the currency needs not automatically depreciate further.

*Does Standard Chartered Bank have any forecast about Vietnam's 2011 inflation and the forex rate at the end of this year?*

- Our economists publish forecasts for Vietnam, and their latest forecast is for the average inflation rate in Vietnam for 2011 to be around 19%, and for the foreign exchange rate to be around VND20,600 per US dollar. These forecasts assume that the authorities stick to their stated policy objectives, and with the policy measures to achieve them.

(Source: SGT)

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### **Investing is not risky, following bad advice is**

Bellum Tan, a renowned millionaire investor in Singapore and CEO of Rich Dad Training (S.E.A), had a talk during his teaching trip to HCMC. He is an associate of Robert Kiyosaki, the author of the worldwide best-selling book series on personal financial education “Rich Dad, Poor Dad”. Excerpts:

*The world financial crisis seems to be not yet over. But can we still invest and get money?*

- **Bellum Tan:** I think this is the best time to invest and get rich. However, I would advise everybody to learn first about the market by regularly reading the financial section of newspapers. Moreover, get many financial books to read as well as attending investment seminars whenever they can.

*In your word, making money now is easy...*

- In fact, for rich people, for people who are aware, making money is very easy. Although people say it's due to luck I don't think it has much to do with luck. It's about knowing things for sure.

*How can we know for sure something which is not happening yet?*

- You have to make it into a habit. I think, because you have been reading, analyzing, looking into the market, that is how you know to invest. If you look out to the streets in HCMC you see that cars, motorcycles are speeding everywhere but you can also see people crossing the streets. By experience, you may guess that at that speed, a driver cannot pull the brake, and eventually he will hit a pedestrian. However, this does not happen. In fact, if you understand the habit and the behavior of people here, you can avoid an accident: when you cross the road, just go on walking straight, cars and motorbikes will avoid you. To me it was impossible to cross the street the first time I was in Vietnam. Once I am aware of, it is easy. It now becomes a habit.

*But investing involves some risks anyhow...*

- There are always risks in the market. Of course, you have to take some risks but you can calculate those risks. In terms of investment, we must also understand the difference between risk and risky. Risky is like, for instance, I am going to cross the street with my eyes blindfolded. If so I am sure to be hit by a car. Investing is not risky, but following bad investment advice is.

*So what is the best investment for the time being?*

- Gold is a very good investment today, because it will continue to go up. I believe that people are losing their faith in the viability of the U.S. dollar, and that the greenback will continue to go lower and lower. Since the Federal Reserve was created in 1913, the U.S. dollar has lost between almost 100% of its purchasing power. Gold serves as a safe haven.

Already for years, people have held gold as a hedge against a falling dollar, against inflation. Silver has played this role too.

*How much higher can gold go by the end of this year, USD2,000 per ounce maybe?*

- I would say USD1,800. However, it could go much higher. Before year-end it will retreat, and after that go up again. Every time it plunges down, the next time it will go up, and much higher than the previous height.

*And silver, by year-end?*

- You can confidently say silver will go up to USD70 per ounce. Because silver supplies around the world are being exhausted faster than replenished, and silver is critical to modern industry (it is used in a wide range of consumer products such as electrical and electronics devices). Silver has also maintained its status as an investment vehicle for years, aside from its industrial uses.

*How about other commodities?*

- Natural resources like coal, iron, timber and natural gas are also good investment instruments. Because of the recent tsunami and earthquake in Japan, many things have been destroyed; Japan needs all of these raw materials to rebuild the badly damaged areas.

*Looking around the world, let's say in property, where can we find the best investment deals?*

- For now the best deals are in the United States. If you look at the U.S. property you will see that it costs more to buy a piece of land and build a house than to buy a prebuilt house. Today you can easily buy a nice mansion with a cheaper price than building your own residence. As an investment, you can easily rent it up, and are able to get positive cash roll. That means you buy and rent it out; the rent is enough for you to pay off your mortgage, and you still can put money into your pocket. In some states in the U.S. you can get a house valued by the bank at USD 300,000 for only USD30,000. It's what investors call a "distressed property" – which is under a foreclosure order or is advertised for sale by its mortgagee.

*Is Singapore property a good investment right now?*

- Property price is too high in Singapore. Given the current high price, it is unlikely to go further up. You cannot make money in such a market.

*(Source: The Saigon Times Daily)*

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## Health care for every citizen tops the list of Government priorities

*New Minister of Health Nguyen Thi Kim Tien had a talk about measures to improve health care services during her term in office.*

*You are now both a National Assembly deputy and Health Minister, a member of the Government's cabinet. Do you think these positions will help you facilitate the development of the health care sector?*

As a cabinet member in charge of health care and as a long-time NA deputy, I am familiar with the shortcomings of Viet Nam's health care sector and the concerns of voters. So, I try to address these concerns whenever I have the chance.

*What are the difficulties and challenges facing the sector now?*

Health is essential for every single person and for society as a whole, and access to high-quality health care services is a universal right. The quality of health care must increase in line with population growth and higher living standards.

Viet Nam's population has grown rapidly in the last 30 years, but the health sector's infrastructure has yet to meet the demand. Thanks to Government bonds, many hospitals have been upgraded at the district level and have been expanded to reduce pressure in overloaded central hospitals. However, it is not enough. The State's funds are limited to public hospitals and they face a huge capital shortage. More investment is needed for public hospitals from the Government and localities; for example, provinces should reserve land for public hospitals.

Although the Government previously attempted to pour more money into the health care sector, the National Assembly has not provided it with a regular fixed percentage of the gross domestic product.

A new financial mechanism that allows hospitals to manage their finances independently has not yet been approved while services fees that were imposed long ago make it hard for them to balance spending. Moreover, human resource training and hospitals' capacity to cope with natural disasters and epidemics have not been sufficient.

*Which difficulties would be given priority during your term?*

I think there are five most pressing issues to solve.

First, it is necessary to continue reducing pressure on central hospitals, especially hospitals specialized in cancer treatment, cardiovascular medicine, obstetrics and paediatrics.

The second issue is to ensure health insurance for all people. This is an important part of achieving social security, but it needs time and the participation of both the leadership and the whole community. We need a National Assembly resolution to boost the implementation of health insurance.

In addition, it is necessary to have a clear road map to increase the number of people with access to health insurance, reduce the administrative difficulties in applying for coverage, and improve the quality of services. In the short term, we need to focus on poor people, students and farmers.

Third, we have to come up with a new financial mechanism that would help improve the quality of public health care services.

We will adjust commune-level health standards to reach the goal of basic health care, especially those in remote, mountainous areas and encourage patients to come to local clinics. It will reduce pressure on higher-level hospitals and help people access public health care services throughout the country.

Finally, we aim to develop hi-tech health care services that will promote domestic treatment.

Besides the main tasks mentioned above, other fields like epidemic disease prevention, food safety, professional ethics and medicinal price management will be more closely scrutinised.

*What can the Ministry of Health do to help people understand that prices are outdated and adjustment is necessary?*

Health care services were last priced in 1994. With the outdated fees, it is hard for hospitals to offer good quality services. Thus, we should renew this financial mechanism. As of now, people have to pay a part of the total charge, which is still not enough for treatment, and the rest is paid by the State.

When rich people cannot find good health care in domestic public hospitals, they go abroad for treatment. The ministries of Health and Finance are working together to set up a decree to adjust some health care services charges.

The adjustment will not much affect employees, retired people, underprivileged people, ethnic minorities or children under six years old. These groups already benefit from full health insurance.

*As a new Health Minister, what do you want to say to people and health officers?*

We have a right to demand good-quality health care, but not all issues can be solved overnight.

Everybody needs to take responsibility for his or her own health, while health care workers have to improve their professional knowledge and skills. The ministry will ask the Government to institute preferential policies for health workers.

With my responsibility, I will try to contribute to tackling these difficulties and shortcomings.

(Source: VNS)

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### **Struggling firms not good for banks**

*Commercial banks posted impressive earnings in the first half of this year, though the economy and businesses are in dire straits.*

VietinBank, the nation's largest partly private lender by assets, has posted first half pre-tax profits of VND3.62 trillion (USD 176 mil), or 71 % of the annual target. Vietcombank, the second largest partly private lender, has reported first half-gross profits of more than VND3 trillion, up 8.2 % from a year ago.

However, businesses have to run well and earn healthy profits for banks to have a sustainable, long-term future, economist Le Dang Doanh pointed out in a talk.

*Commercial banks have earned dozens of mils of dollars in first half profits. Is this a paradox given the state of the economy?*

Le Dang Doanh: Banks' profits come from various sources, not only from lending - foreign currency trade, for instance. However, they will not do well in the end if firms do not operate effectively and earn profits. Many companies have been unable to continue running their business in these times. According to the Vietnam Association of Small and Medium-Sized Enterprises, 20 % of firms have gone bankrupt, and 60 % have had to scale back operations and cut employees.

In this situation, banks can earn big profits in one year, maybe, but it cannot continue in this vein in the coming years. If commercial banks are earning big profits, while firms suffer because of high interest rates, the banks' development is unstable.

*According to some commercial banks, up to 80 % of their profit comes from lending activities. Did the banking sector overcharge customers even amidst the market's decreasing purchasing power sparked by high inflation?*

Deposit interest rates are high, but banks have still charged too much from their customers. For example, they offered interest rates on dong deposits of 18-19 %, while asking for 26-27 % on dong loans. The State Bank of Vietnam and the Vietnam Banks Association should discuss ways to deal with the issue.

In other countries, banks also earn big profits because they have mils of customers. The margins are not high, but profits are. However, regulations of fees and other things are stricter than ours.

*There are some who feel banks in Vietnam are able to make huge profits because they seem to hold a monopoly on raising and providing capital for firms, as other channels such as investment funds and financial leasing are not really effective. Can you comment?*

Yes. The stock market no longer plays its role in mobilizing medium-term capital. And other channels are apparently not operating as well, so banks do have a central position in mobilizing and providing funds.

*Some small commercial banks have competed in mobilizing capital by raising deposit interest rates to very high levels as well. How should we manage the issue?*

I don't think that the liquidity situation at banks is good. Many small banks are actually facing difficulties in mobilizing capital. Now, their dollar loans have increased much faster than that of dong loans.

But to reduce the burden of high interest rates for firms, the government should regulate transaction fees that banks can charge their customers, and not let banks arbitrarily set them as is happening now. We should not have ceiling interest rates, because banks could still break them. The state should ask commercial banks to increase their compulsory reserves, as this can be monitored quite well.

Most commercial banks have broken the central bank's dong deposit interest rate cap of 14 %, but nobody fines them. The State Bank of Vietnam should turn to other tools that it can use effectively, and seek ways to reduce interest rates, which now stand too high.

*What is the risk that high interest rates would bring to the economy?*

According to figures reported by the Vietnam Association of Small and Medium-Sized Enterprises, the outlook is very gloomy for business and production. Inflation may continue to rise and economic growth slows down. It means we may see both inflation and recession.

## **'NOT THEIR FAULT'**

Economist Bui Kien Thanh says banks are businesses, so they can earn big profits when they do good business. In the current context, high interest rates are not the banks' fault. But at the current lending rates of over 20 %, enterprises will not be able to function properly. The central bank should therefore offer commercial banks loans at interest rates of 2-3 %, so that they can lend to firms at interest rates of just 7-8 %. The high interest rates at present will make production costs rise, contributing to rising

inflation and hold back economic growth.

The State Bank of Vietnam should take measures to guarantee that commercial banks operate in a more orderly fashion and take fewer risks. The higher the interest rates that commercial banks offer are, the bigger the default risks they face. In addition to interest rates, other fees are also charged, which impose a bigger burden on firms and hurt the economy. Small banks have increased their deposit interest rates to lure customers, and large banks have followed suit to keep their customers. Thus, interest rates increase but total deposits in the banking system do not, so it is necessary to take more measures to control the issue.

(Source: Thanh Nien)

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## NEWS IN BRIEF

**Vietnam's rice export this year may reach over seven mil tons, up 3.5% year on year, according to the plan of Vietnam Food Association (VFA).** The Ministry of Industry and Trade confirmed that Vietnam's rice export in 2011 is expected to exceed the record in 2010 with an export volume of over seven mil tones, rising 3.5% from 2010's figure. As of August 23, the country exported nearly five mil tons of rice, worth USD2.361 bil (basing on FOB price). The average FOB export price reached USD473.82 per ton, rising USD43 per ton from the same period last year. In particular, in April, Vietnam exported 717,000 tons against 682,000 tons in last April (up 5%), 702,000 tons in May (it was 709,000 tons of rice in last May, down 1%) and 642,900 tons in June compared to 645,400 tons of rice in June 2010, down 0.4%.

**Kuwait Chamber of Industry and Commerce expressed readiness on Sunday to offer facilities and services for Vietnam with the aim of boosting commercial ties between the country and the Asian nation.** The desire to boost the trade ties between the two countries was expressed by the First Deputy Chairman of the Chamber of Commerce and Industry Khaled Al-Sager and the General Director Rabah Al-Rabah during a meeting with the Vietnamese ambassador to the country, Bui Quoc Trung. Al-Sager, during the meeting, expressed readiness to offer various facilities and services for the Vietnamese diplomatic mission in the country for enhancing the level of commercial ties between the two friendly countries. For his part, Trung praised the Kuwaiti entrepreneurs who have launched successful businesses worldwide.

**Vietnam's central bank said on Monday (29<sup>th</sup> Aug 2011) it will raise the amount of compulsory reserves banks must keep on non-term foreign currency deposits** and on those with terms of up to 12 months to 8 % from 7 %. The rate for compulsory reserves on foreign currency deposits with terms longer than 12 months was raised to 6 % from 5 %, the central bank said in a statement. The ruling will come into effect for deposits from September, it said.

**PetroVietnam Exploration Production Corporation (PVEP) and partners, Thailand's PTT Exploration and Production Plc (PTTEP) and Japan Gasoline Corporation on Sunday signed a USD 451.3 mil contract with Algerian state energy firm Sonatrach.** The 31-month lasting oil building deal will be implemented at Bir Seba mine in southern Algeria. Under the deal, PVEP and two partners will build a 20,000 barrel-per day-capacity oil treatment centre, a 1 mil-cu.m-per day gas transportation plant, two oil pipelines, an electricity plant and a water separation plant. Oil output is expected to reach 20,000 barrels a day in 2014 and 36,000-40,000 barrels in 2016. Also under the deal, Sonatrach will receive 51 % of oil output and income of its joint-venture. PetroVietnam contributes 40 % of the joint-venture's total capital.

**The Phu Yen People's Committee has announced a list of 31 projects that need a combined investment, either foreign or domestic, of USD 4.1 bil.** They include developing infrastructure for the Nam Phu Yen economic zone at an estimated USD1.3 bil, and for the Hoa Tam Oil Refinery Industrial Zone at USD1 bil. The Tuy Hoa-Tay Nguyen railway link is another big-ticket project requiring USD625 mil. All the others require

investment of USD5-70 mil. In the tourism sector, the province has called for developing five eco-tourism projects at USD15-30 mil each in three districts. The south-central coastal province has so far attracted investment of USD6.39 bil in 258 projects, including 37 from foreign businesses. Almost half of the foreign projects, involving more than USD400 mil, are operational.

**Ssangyong Engineering and Construction Co. on Wednesday signed the contract to build part of the Southern Coastal Corridor Project that runs from Vietnam to Thailand**, reentering the Vietnamese market after 11 years. Since the completion of the Dami Dam in Bao Lac in the northern part of the Southeast Asian country in 2000, Ssangyong E&C has not carried out any projects in Vietnam. Under the USD47.3 mil project, Ssangyong E&C will build the 31 kilometer stretch of road linking Thu Bay and Kenh in southern Vietnam, as part of the Southern Coastal Corridor Project. Once completed, the Southern Coastal Corridor Project will measure 924 kilometers and will run from the southern Vietnamese city of Ca Mau to Bangkok through Cambodia. According to the company, the Vietnamese Ministry of Transport's project is funded using the Korea Exim Bank's economic development cooperation fund.

**Prudential Assurance Vietnam reported a new business premium of VND 615 bil (USD 30 mil) during the first half of the year, an increase of 21.2 % year on year.** Total premium income increased to VND2.8 trillion (USD137 mil), a rise of 12.3 %, which in turn accounted for a 38 % market share, total assets reaching VND30 trillion (USD1.5 bil), an increase of 13.3 %. Prudential Plc, at the same time, experienced a 20 % rise in new business profit while International Financial Reporting Standards (IFRS) operating profit and European Embedded Value (EEV) operating profit increased by 25 and 28 %, respectively.

**Beer distributors are facing difficulties as retails sales have fallen.** Nguyen Thi Phuong, who runs a company distributing beer and beverages in HCM City, said recently her company was currently selling only 500 barrels per month, less than half of previous levels. Sales of other beverages and snack items had also fallen by about 30 %, resulting in her company holding a large stockpile of unsold goods and suffering losses, Phuong said. Hue Brewery Co general director Nguyen Mau Chi has also noted a drop in beer consumption, requiring him to step up sales to distributors and reduce prices by about 9 % in order to move inventory and avoid higher inventory taxes. Servicing bank loans and avoiding product expiration dates were also increasingly problematic, Chi said.

**The Fisheries Departments of Vietnam and Myanmar will set up a working group on fisheries cooperation and hold its first session soon in Hanoi.** The plan was revealed during talks between Minister of Agriculture and Rural Development Cao Duc Phat and Myanmar Agriculture and Irrigation Minister Myint Hlaing, in Hanoi on August 22. The two sides agreed to boost cooperation in personnel training and exchange of research results and scientific advances in the agricultural sector. Minister Myint Hlaing pledged to create favorable conditions for Vietnamese businesses to invest in agricultural areas such as long-term leasing of land for industrial crop growing, processing and husbandry. Vietnamese businesses can rent land to grow rubber for 50 years or more, he added. Minister Phat said that many Vietnamese businesses are ready to cooperate and invest in rubber, sugar cane planting and processing.

**HCM City announced a trade surplus of USD 1.53 bil in the January – August period.** HCM City's Statistics Office said that in August alone, the city's export value reached an estimated USD2.5 bil, a month-on-month decline of 20.8 %. Export value of State-owned firms decreased by 25.3 % while export turnover derived from foreign-invested firms saw a growth of 0.9 %. August figures revealed the total export value of the city having hit nearly USD18.3 bil, a rise of 20.5 % over the same period last year. Import value during the same period managed over USD16.7 bil, a year-on-year increase of 24.5 %. The August consumer price index (CPI) in Ho Chi Minh City rose 0.68 % against July and 13.49 % compared to the beginning of 2011.

**The capital city of Ha Noi reported a trade deficit of nearly USD10 bil in the January – August period.** The Ha Noi statistic office reported the city's total import value in the January – August period declined by 18.1 % over the same period last year to nearly USD16.4 mil. While exports managed to increase by 27.2 %, it was unable to help the city cut down its trade deficit as total export value reaching only USD6.4 bil. In August alone, Ha Noi earned USD982.5 mil from exports while spending nearly USD2 bil on imports. Hanoi's August CPI was up 1.06 %. Goods and services experienced the most significant increase (1.52 %), followed by restaurants and

catering (0.99 %), and education (0.96 %). Household appliances, drugs, and medical services slightly increase but post and telecommunications decreased by 0.15 %. The price of gold went up by 8.76 % while the US dollar by 0.15 % from the previous month.

**Around 130 businesses across the country and 22 others from Thailand, Indonesia and Cambodia will attend the Central Highlands International Trade Fair in Phu Yen province from September 1-6 2011.** The event marks the province's 400<sup>th</sup> anniversary. Bui Xuan Lich, Head of the Vietnam Trade Promotion Agency's Representative Office in Da Nang, said the fair will provide a good opportunity for businesses to exchange experiences and seek investment partners and trade services in the central highland region. A number of conferences involving 120 delegates from embassies in Vietnam, as well as investors, businesses, associations and international organizations will take place simultaneously with the fair.

**Vietnam had a trade deficit of USD 800 mil in August, against a trade surplus of USD1.1 bil in July, local media said Monday (22th Aug 2011).** Exports in August fell 10.9% from the previous month to USD8.3 bil, reported the online news provider Gafin, citing figures from the General Statistics Office. Imports in the month were USD 9.1 bil. The country's trade surplus in July, the first monthly surplus since March 2009, was mostly backed by the exports of gold. For the first eight months of the year, the country had a trade deficit of USD 6.22 bil, the report said. The GSO is expected to officially announce August trade data later his week.

**Bumi Armada Bhd's floating production, storage and offloading (FPSO) Armada TGT 1 has "achieved" first oil for its Vietnamese customer on Monday, Aug 22.** The company said on Tuesday, Aug 23 the first oil for the Hoang Long Joint Operating Company (HLJOC) signified the start of production. "The FPSO contract with HLJOC was secured in 2009 and it is for a seven-year contract on the Te Giac Trang Field, Vietnam with an option to be extended for additional one year periods over a further eight-year period," it said.

**The total volume of steel inventory reached 420,000 tons, marking a high level against the allowable average steel inventory of about 250,000 tons,** Nguyen Tien Nghi, vice chairman of Vietnam Steel Association (VSA) said. Statistics showed that in July, the country's total steel production output reached nearly 310,000 tons and steel consumption reached 359,000 tons, up 20.5% from June but down over 30% from the same period last year. According to VSA, steel consumption at less than 400,000 tons per month is a low level. The burden on high loan interest rate together with big steel inventory will increase the financial costs and affect the productivity of many enterprises.

**The Vietnam National Oil and Gas Group (PetroVietnam) has signed a cooperation agreement with the state-owned oil and gas company of Bolivia (YPFB)** aimed at studying the South American country's gas potential. The Bolivia News Agency (ABI) reported that results from the study would lay the foundation for partners to sign contracts on natural gas exploration, exploitation, development and production in the Isipote, Yoai and Algarrobilla areas in southeastern Bolivia. Bolivia is estimated to have natural gas reserves of around 281 bil cu.m and is calling for foreign investors to exploit its huge resources. The country exports around 30 mil cu.m of gas to Brazil and some 7 mil cu.m to Argentina annually.

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## COMING EVENTS

### International Travel Expo HCMC

Venue: Saigon Exhibition & Convention Center (SECC)

Country: Ho Chi Minh City, Vietnam

Industry: Travel & Tourism

Start Date: 15 Sep 2011

End date: 17 Sep 2011

#### Visitors' profile

Consumers who are interested booking their next vacation and travel trade professionals who are interested in exploring what is new and the latest destinations to offer to clients.

#### Exhibitor's profile

Adventure / Special Interest Holiday Companies, Attractions/Theme Parks, Airlines /Airport Services, Business/Incentive Travel Managers, Convention/Conference/ Meeting Facilities, Cruise/Ferry Companies, Cultural/Eco- Tourism Operators, Study Tour/Youth Travel Operators, Ground Transportation (Car Rental, Coach) Hotels/Resorts/ Hotel Management Companies, IT / Telecom / Insurance for Travel Industry.

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### Vietnam Manufacturing Expo

Venue: Hanoi International Center for Exhibition (I.C.E. Hanoi)

Country: Ha Noi, Vietnam

Industry: Plant & Machinery

Start Date: 15 Sep 2011

End date: 17 Sep 2011

#### Visitors' profile

Managing Director, Owner, OEM Sub-contractor, Design Engineer, Factory Manager, Production Manager, Purchasing Manager, R&D, Marketing & Sales Executives are the target visitors.

#### Exhibitor's profile

Profile for exhibit includes Pre-processing/Recycling Machines & Equipment, Blow Molding Machines, Metalworking Machine Tools, Tools and Tooling, Sheet Metal Working, Mold & Die Processing Machines, CNC Lathe/Turning Machines, CNC Machining Center, Cable and Cable Handling, Control Systems and Software, Computer Integrated Manufacturing Systems, Data Acquisition Equipment/Loggers.

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### Automation Vietnam

Venue: Hanoi International Center for Exhibition (I.C.E. Hanoi)

Country: Ha Noi, Vietnam

Industry: Industrial Goods

Start Date: 15 Sep 2011

End date: 17 Sep 2011

### ***Visitors' profile***

Presidents, Managing Director and CEOs, Plant Managers, R&D, Project Design Engineers, Business Managers, BARC Decision-Makers, Railways, Defense, Telecommunications, Power Fertilizers, Chemicals & Petro-Chemicals, Refineries, Cement Plants Associations & Institution, Decision-Makers of Industrial Institution, Overseas buyers to same Indian products for contract manufacturing.

### ***EXHIBITOR'S PROFILE***

Analyzers/Analytical Equipment, Automation Elements, Cable and Cable Handling, Control Systems and Software, Computer Integrated Manufacturing Systems, Data Acquisition Equipment/Loggers, Electrical Energy Distribution, Conversion, and Storage, Electronics Instrumentation, Flexible Manufacturing Systems, Frequency Converters, Industrial Robotics, Instrumentation, Pick & Place Mechanisms, PLC's, Plant Monitoring System, Production Control Systems, Software Development.

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### **Pharmed & Healthcare Vietnam**

Venue: [Tan Binh Exhibition & Convention Centre](#)

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

Industry: [Medical & Pharmaceutical](#)

Start Date: [21 Sep 2011](#)

End date: [24 Sep 2011](#)

### ***Visitors' profile***

Professionals from local and foreign hospitals, from the field of [Healthcare services](#), Production, Wholesale, Scientific research, Information/consulting services, Educational establishment, Doctor, Scientific researcher etc.

### ***Exhibitor's profile***

Profile for exhibit includes material, pharmaceuticals, pharma-chemicals; Eastern, Southern, Chinese pharmaceuticals; Pharmaceutical processing, manufacturing, packaging equipment and machinery; Medical equipment, hospital's clinic equipment, furniture; Surgical equipment; Diagnostics; Ophthalmic, Dental, Laboratory equipment and instrument; Emergency equipment; Rehabilitation Equipment/ Orthopaedic supplies; Medical consumables, furniture & equipment, communication technologies, waste treatment system; Teaching aids, mock-up for universities, colleges; Health consultancy, insurance, healthcare services and publication, etc.

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