



Dear all,

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

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INVESTMENT BULLETIN  
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**VIETNAM: TRADE & INVESTMENT BULLETIN No.6**  
**June 2014**

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## DEVELOPER'S INTRODUCTION

TAN PHU INDUSTRIAL ZONE					
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Add.: No 131, Ta Lai road, Tan Phu district, Dong Nai province Tel: (061) 3697 193 Fax: (061) 3699 202					
LOCATION, REGION AREA, PLOT INFORMATION					
<b>Location</b>	Landway distances:	90 km from Bien Hoa city 125 km from HCM city 150 km from Da Lat	<b>Electricity supply</b>	<b>Power supply</b>	National power grid of 22Kv. Supply: 110/220KV – 25 KVA substations. Regular-time : 1.023 VNĐ/Kwh Low-time : 589 VNĐ/Kwh Peak-time : 1.938 VNĐ/Kwh
	Railway distances	100 km from Bien railway station 110 km from Song Than railway station	<b>Water supply</b>	<b>Capacity</b>	Water supply network, fight prevention & fighting system completed. Rate: VND 8,100/m <sup>3</sup> .
	Waterway distances	Vung Tau port : 210 km Dong Nai port: 100 km	<b>Waste water system</b>	<b>Quality</b>	Waste water treatment plant with capacity of 1,800 cu.m. round-the-clock: +Phase 1: 600 m <sup>3</sup> /r-t-c (planned to operate in February, 2011). +Phase 2: 1,200 m <sup>3</sup> /r-t-c. Treatable waste water category: living and manufacturing. Input waste water criteria: QCVN 24:2009/BTNMT (column B). Output waste water criteria: QCVN 24:2009/BTNMT (column A). Waste water treatment fee: USD 0.36 USD/cu.m. (VAT excluded).
	Airway distances:	Tan Son Nhat airport : 125 km Long Thanh airport (new) : 80 km			
<b>Land</b>	<b>Scale</b>	49.76 hectares in phase 1, of which 7.51 hectares for green trees, 6.11 hectares for internal traffic, 36.14 hectares for lease for factory, warehouse, service administration center, technical clues. Phase 2 to expand more 76 hectares to the north.			
<b>Geography</b>		Elevation : 28m Average humidity : 78 – 82% Average temperature : 26°C Annual average rainfall : từ 1.800 – 2.000mm	<b>Telecommunication</b>		Telecommunication networks completed. Telephone operator switch : covers 400 lines, ADSL internet lines
<b>Internal Road</b>		Main road system: 4 lanes for local transportation, connected to National highway 20. Internal road system: 8 local lanes with 6- 8m	<b>Salary</b>		Workers: minimum 80 USD/person/month. Clerical staff: around 130 – 150USD/person/month. Engineers, Technicians: around 200 – 250USD/person/month. Managers and Chief Accountants: around 200 – 350USD/person/month.

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**PHO NOI B TEXTILE AND GARMENT INDUSTRIAL PARK, HUNG YEN PROVINCE, VIETNAM**



**Developer:** Pho Noi Textile and Garment Infrastructure Development Company.

**Operational time:** 50 years (from 2009)

**Main investment sector:** Textile and Garment industry and other related industries.

**Location:** Pho Noi B Textile and Garment Industrial Park is located between Highway No 5 and Highway No 39, connecting major economic centers in the North, 10 km from Hanoi’s boundary, 40 km from Noi Bai International Airport, 15 km from Lac Dao railway station (Hung Yen), 73 km from Haiphong Port, 90 km from Cai Lan Port, near Hung Yen customs station on Highway No 5. This location is convenient for trade, shipping goods to regions and areas throughout the country as well as attracting labor source from neighboring provinces.

**Total area:** 121.81 hectares

- Phase I: 25.17 hectares has been completed and fully occupied by 11 companies.
- Phase II: 96.64 hectares is being constructed and calling for investment.

**IP infrastructure:**

**Land substance is ready for leasing**

- Wastewater treatment station: capacity of **12,000 m<sup>3</sup>/day**, provided by the Netherlands and installed in accordance with European standards II
- Water supply station: capacity of **17,000 m<sup>3</sup>/day**.
- Residential area meets the demands of **10.000** workers
- Power supply: Electric power of 22KV, 50HZ; supplied by Hung Yen Power Company.

**Investment incentives:**

- Land use tax free until 2020
- Support investors freely in completing investment procedures, finding construction contractor and labor recruitment. **Support financial expenditure in setting up factories.**

**PHO NOI TEXTILE AND GARMENT INFRASTRUCTURE DEVELOPMENT COMPANY**

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## GENERAL REVIEW

### PM's remarks at 2014 mid-term business forum

*PM Nguyen Tan Dung delivered the following remarks at the 2014 Mid-term Viet Nam Business Forum on June 5, 2014.*  
Ms. Victoria Kwakwa, World Bank Country Director in Viet Nam

Ladies and gentlemen, I welcome and highly value the importance of the Viet Nam Business Forum which serves as the regular and effective dialogue mechanism between the Government and the business community. On behalf of the Government of Viet Nam, I would like to warmly welcome all of you to the forum today.

Ladies and gentlemen,

I would really like to listen to your ideas at this forum. Last night, I read all of your draft speeches that you sent to the organizing board. I highly appreciate and thank for the constructive ideas you share with our nation. A number of our Ministers and Deputy Ministers presented their comments on the contents you have suggested. The two-way discussions will continue in the next sessions. Now, I would like to share some major issues that you are interested in.

**- Firstly, in term of Viet Nam's socio-economic panorama,** I would like to stress following four main points.

**The first point: We can affirm that the economy in 2013, in the first five months of 2014 has been increasingly stable and sound, even for the whole year 2014.** The inflation has been put under control. In 2013, the consumer price index only increased 6 percent. In 2014, we will keep the inflation rate at around 5 percent. The gross domestic product expanded 5.4 percent in 2013 and is expected to rise 5.8 percent in 2014 and above 6 percent in 2015. The average export value grew over 20 percent in the three consecutive years of 2011, 2012 and 2013. In the first five months this year, the export turnover rose 16 percent and is expected to grow 15-16 percent for the whole year. The foreign exchange rate has been stabilized and confidence in Viet Nam Dong rose. The nation's foreign reserves have sharply increased, equivalent to over 12 weeks of imports since 2012. The overall balance of payment surplus is forecast to reach over US\$8 billion this year. The gold market has been controlled quite well. The interest rate sharply decreased in accordance with the control of the inflation and the market economy. The bad debts of the banking system have been controlled and gradually decreased. Positive progress and outcomes, though not as good as expected, have been recorded in restructuring the Vietnamese economy with focus on investment, banking system and financial institutions, and State owned-enterprises, thereby contributing to the overall economic growth and gradual improvement of the economy's competitiveness. Strong export growth also partly reflects the nation's economic competitiveness.

**The second point: Along with economic development,** we have continued strengthening environmental protection and social progress and equality. Positive changes can also be seen in such fields of health, education, job creation, and poverty reduction, etc. Noticeably, in the face of economic hardship, Viet Nam has fulfilled most of the Millennium Development Goals ahead of the deadline and has been encouraged and hailed by the United Nations over the past three years.

**The third point: The socio-political stability has always been ensured in Viet Nam thanks to the public consensus and support for the socio-economic development guidelines and policies of the Party and State.**

**The fourth point:** I would like to share with all of you about the recent spontaneous and illegal activities destroying foreign businesses' assets in Viet Nam.

Ladies and gentlemen, China's illegal placement of the drilling rig in Viet Nam's waters have sparked resentment among all Vietnamese people. In some localities, some people demonstrated to oppose China's perverse action. Taking advantage of the patriots' demonstrations, some individuals violated the laws by attacking people, robbing and destroying foreign business' assets. As the incident took place, the Vietnamese authorities have promptly launched drastic measures to stop the incident and determined not to let this happen again.

The Vietnamese authorities at all levels have directly shared, cooperated and supported these enterprises and almost all these affected businesses have resumed operations. Around 20 seriously damaged enterprises have not yet returned to normal operation. The Government has tasked ministries, agencies and local authorities to directly discuss with the owners of these businesses to make plans for production restoration. What we are doing is sincere and responsible and we have received the consensus and coordination from these enterprises. We hope for your support and cooperation to settle the unexpected incident so as to bring benefits for all of us.

**- Secondly, at the forum today, I would like to inform you that the Vietnamese Government is developing the five-year socio-economic development plan for the period 2016-2020 with the overall goals of consistently and determinedly building a peaceful, independent, self-reliant Socialist Republic of Viet Nam, wealthy people, strong, fair, and civilized country.** Viet Nam will continue to be a trustworthy partner and friend of all countries, an active and constructive member of the international community. Viet Nam will continue to pursue fast and sustainable economic development on the basis of increasingly improving market economy institutions and actively integrating deeply and widely into the global economy. Economic development must be coupled with promoting social progress and equality, protecting the environment, and firmly ensuring the national defense and security. As the economic growth rate is expected to reach 5.8 percent in 2014 and around 6 percent in 2015, the nation sets the target to achieve the average growth rate of around 6.5-7 percent between 2016-2020, based on macro-economic stability and sustainable development.

**- Thirdly, to fulfill the goals that I have mentioned, Viet Nam will synchronously launch a number of solutions and policies, especially the following ones:**

**First, Viet Nam will continue to improve the institutions for socialist-oriented market economy towards modernity, dynamism and efficiency.** Besides, Viet Nam will actively accelerate the progress of integrating deeply and widely into the global economy. We will fully follow market economy rules, especially price system and resource allocation. At the same time, Viet Nam will also introduce suitable policies, tools and solutions, including the State economic sector's resources to orient the economy, regulate and re-allocate resources to ensure social progress and equality.

Viet Nam has been a member of the World Trade Organization (WTO) and joined eight free trade agreements (FTAs). We commit to full implementation of our international commitments while actively joining negotiations for other six FTAs, including the Trans-Pacific Partnership (TPP) and FTAs with EU, the Customs Union of Russia, Belarus, and Kazakhstan and the Republic of Korea. The talks are progressing positively. While improving its market economy institutions, Viet Nam is actively integrating into the global economy and the two aspects will mutually support each other and help beef up the country's reform progress and sharpen the competitiveness of the economy.

Against that background, we are redoubling efforts in improving the business environment and reforming administrative procedures in order to create favorable conditions for people and enterprises of all economic sectors to conduct business and production activities in a transparent and fair competition environment. With that spirit, I really appreciate your constructive ideas. I ask my Cabinet members to consider reasonable suggestions, and assign the Minister of Planning and Investment to collect and include all your suggestions on improving the business environment in Viet Nam in a report to submit to the Government and the Prime Minister for consideration and final decision in line with the international commitments, the market economy and the international integration process of the country.

**Second, Viet Nam is stepping up the restructuring of the economy with a view to quickly enhancing the competitiveness and effectiveness of the national economy.** We consider it as a solution of decisive importance to Viet Nam's fast and sustainable development. The restructuring is being conducted across all sectors of the economy, including industry, agriculture, service, investment, banking system and financial institutions, business system and especially the State-owned enterprises (SOEs).

For SOEs restructuring, we have made a long leap forward. In 2014-2015, we will equitize over 400 SOEs, including many corporations and economic groups while solutions to improve the corporate governance capacity will also be introduced. The SOEs will be put in equally competitive environment in the market economy.

The Government will continue to create the most favorable conditions for the development of private businesses, which are considered a major impetus for fast and sustainable economic development. More favorable conditions will also be created to further attract foreign investors to do business successfully in the country's equally competitive environment. Foreign investment and trade in Viet Nam have kept on rising and been effective despite difficult situation during the past years.

**Third, Viet Nam will supplement policies to further encourage domestic and foreign investment in socio-economic infrastructure development, including transportation, power, energy, environmental protection, healthcare and education,** in which the private-public partnership (PPP) model is strongly encouraged. The Vietnamese Government will also continue to allocate sufficient resources while following the market rules in investment to spur the development of healthcare, education, especially high-quality human resource training to meet the requirements of the labor market and businesses' real demands.

**Fourth, Viet Nam is improving the law-governed socialist state of the people, by the people and for the people;** building a state as the development facilitator with an effective governance capacity, a strong and transparent state, preventing and gradually pushing back corruption, ensuring and promoting the people's direct democratic rights as well as their democratic rights via their legal voluntary organizations. To improve the efficiency of the law-governed state, we attach great importance to building and improving the institutions and policies, reforming public administration, especially in such fields as labor movement, land, tax, customs, insurance, construction investment, etc that you have mentioned in this forum.

**Fifth, Viet Nam will continue to enhance political security and social order and safety;** ensure a peaceful and safe living environment for all people. Once again, the Vietnamese Government affirms that Viet Nam will ensure absolute security and safety for foreign organizations, enterprises and nationals working, studying, doing business and living in the country. The Vietnamese political system has sufficient capacity and conditions to realize this determination.

Viet Nam is resolved to take peaceful measures to protect the national sovereignty in accordance with international law while committing that the past upsetting actions damaging business property will not repeat in the future.

*Ladies and gentlemen,*

Basing on the realities and the future policies and solutions, please keep on you belief in Viet Nam, a country of 100 million people in the near future; a country with the socio-political stability, a fast-growing and sustainable economy, a fair, transparent and friendly investment environment, an improving market economy which is increasingly integrating into the world economy. Viet Nam will always be a trustworthy friend and partner of countries and an active and constructive member of the international community.

May you all be of good health, happiness and success.

Thank you very much!

Source: VRI



## Vietnam highlights investment from Russian oil and gas firms

*Russia's new Turn East energy policy opens up huge opportunities to exploit Vietnam and Russia's advantages in the oil and gas field, said Russia's Deputy Minister of Energy Yury P. Sentyurin.*

The Russian Deputy Minister made the statement at a working session with the Party Central Committee's Commission for Economic Affairs in Hanoi on June 10.

At the working session, Vuong Dinh Hue, Chairman of the Party Central Committee's Commission for Economic Affairs said that the Russian delegation's visit is part of a programme to implement an agreement on strategic comprehensive cooperation between Vietnam and Russia. Vietnam is devising a strategy to develop energy in general and oil and gas in particular to strengthen energy cooperation between the two nations.

Vietnam is set to become an oil refinery centre in the region and to develop other oil refinery projects, especially the upgrade of Dung Quat Oil Refinery factory with a design capacity of 8-9 million tonnes per year, doubling the current figure.

"Therefore, Vietnam highlighted further investment from Gazprom and Russia's major oil and gas companies."

For his part, Sentyurin said that his delegation discussed with the Ministry of Industry and Trade and Vietnam Oil and Gas Group (PetroVietnam) about a project to upgrade Dung Quat oil refinery factory and consider some major energy projects.

The Deputy Minister introduced Russia's advantages of the energy and oil and gas sector, noting that the Ministry of Energy will give priority to supporting energy projects with Vietnam

Hue highlighted the Russian delegation's initiatives and emphasised that both sides have great potential for energy and oil and gas cooperation. Vietnam welcomed cooperation from international groups including Russian oil and gas firms in exploiting Vietnam's continental shelf in accordance with international laws as well as the UN Convention on the Law of the Sea (UNCLOS).

Source: CPV/VOV

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## Denmark grants USD90 million in ODA for Vietnam

*In the 2014-2015 period, Denmark will disburse USD90 million in official development assistance to Vietnam, said Danish Ambassador to Vietnam John Nielsen in a press conference held on June 10 in Hanoi.*

According to the ambassador, the capital, which is a non-refundable assistance, will be poured into the green growth, climate, private sector development, water and sanitation, culture and governance activities.

The Danish support also comprises a comprehensive cultural support program, with a focus on supporting artists and performers.

"We trust that our development assistance will support the Vietnamese Government's effort to fight poverty and promote a more sustainable economic development," said Ambassador John Nielsen during the press conference.

Since 1994, Denmark has provided over USD1.3 billion in ODA for Vietnam. According to the latest European Union Blue Book, Denmark is the biggest provider of non-refundable assistance among EU member states in Vietnam, with the assistance accounting for nearly 25% of the total non-refundable assistance fund provided by all EU member states

Source: CPV

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## Vietnam, Netherlands bolster plant quarantine cooperation

*Vietnam and the Netherlands signed a memorandum of understanding (MoU) on plant quarantine at the Vietnam-Netherlands cooperation forum on fruit and vegetables, held in Hanoi on June 16.*

Signatories to the MoU were Vietnam's Minister of Agriculture and Rural Development Cao Duc Phat and Dutch Minister for Agriculture, Sharon Dijksma.

Addressing the forum, Minister Sharon Dijksma said that the Netherlands has devised solutions to improve labour capacity and hi-tech varieties resistant to epidemics. At present, the Netherlands has successfully provided food to many nations around the world.

Ms Dijksma said that Vietnam's fruit and vegetables sector has bright future prospects for exports, due to its diversified products in both local and foreign markets and its attractive destination for foreign investors.

She emphasized that it needs to strengthen cooperative relations by devising proper solutions and boost closer co-ordination among businesses and the governments to fully tap Vietnam's advantages.

Minister Phat affirmed that Vietnam has always considered fruit and vegetables spearhead produce which can bring high economic efficiency. In recent years, cultivation areas have developed rapidly with many high quality specialties meeting the local demands and competing with products from the US, EU, Australia and New Zealand.

So far, Vietnam's fruit and vegetables are available in 40 foreign markets in the world with annual export turnover increasing by 30%. Last year, the sector earned an export turnover of more than US\$1 billion and the country has 13 import markets with total turnover fetching upward of US\$10 million per year.

Minister Phat expressed hope that with experience and advanced technologies, the Netherlands will support Vietnam in develop the sector sustainably to bring practical efficiency to both countries.

Source: VOV

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## TRADE

### Vietnam considers allowing foreigners building houses for business

*Some legal problems would arise if Vietnam allows foreign institutions (Viet Kieu, or overseas Vietnamese) to build houses in Vietnam for business (leasing, trading).*

The Ministry of Construction and the National Assembly's Economics Committee have begun making examination over the draft of the amended real estate trade law which would be put into discussion at the 26th National Assembly's session slated for March 10-14, 2014. The most important provision of the amended law is that foreign institutions are allowed to build houses for lease or sale.

### Foreigners build houses, Vietnamese grant ownership certificates

Under the draft law, Viet Kieu would have the right to do business in the real estate market under four modes 1) building houses for sale, lease 2) leasing houses for re-leasing 3) building technical infrastructure works on leased land for lease, and 4) leasing the land with technical infrastructure works for re-leasing.

What will happen, if the draft law is ratified, then? Though Viet Kieu individuals and institutions can spend money to build houses for sale or lease in Vietnam, they will not have the right to grant the ownership certificates. Under the current laws, only the State of Vietnam can grant the certificates.

In Vietnam, possessing houses in reality and having the ownership certified are the two different stories. This explains why in Hanoi and HCM City, tens of thousands of apartments, which have been used for the last many years, still have not got the land use right certificates, or called “red book” because of the red color of the certificate.

A report showed that in Hanoi, 82,200 sold apartments still have not been granted red books by October 2013.

According to the Hanoi Department of Natural Resources and the Environment, there are 3 reasons behind this. First, the investor might not accord the approved designs when building the houses. Second, the investors still have not fulfilled the financial duties. Third, the real owners of the apartments have not made payment, or have not applied for certificate granting.

However, no matter what the reason is, it is foreseeable that once Viet Kieu investors join the market, the existing problem would get even more serious.

This would cause a bigger headache to the watchdog agencies, which have to deal with too many documents and problems. Meanwhile, buyers would feel discouraged because they don’t know when they can receive red books which prove their ownership.

Under the current laws, red books must be granted within 30 days from the day the properties are transferred to buyers. However, in most of cases, people cannot get red books within the given period.

A senior executive of EZ Vietnam Real Estate JSC frankly said that in the current conditions, it is impossible to fulfill the administrative procedures within 30 days as stipulated.

### **Law lends a hand to violators?**

MOC has recently released the Circular No. 02 which guides the Decree No. 121 on sanctioning the violations in the field of construction. The legal document, taking effects on November 30, 2013, stipulated that the investors may have to pay the fine valued at 50 percent of the prices of apartments, offices, and 100 percent of the prices of separated houses.

This means that the violators will not be forced to tear down the buildings or fix the problems. They can pay fine instead to maintain the violations.

Source: TBKD/VNN

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### **January-April footwear exports increase by 26.4%**

Vietnam’s footwear exports during the first four months of 2014 reached nearly US\$3 billion, up 26.4% year on year, according to Lefaso, an association of footwear manufacturers.

Lefaso quoted a report by the General Department of Customs as saying that footwear shipments to the EU and the US, two of Vietnam’s biggest footwear markets, were valued at US\$984 million and US\$947 million, which represent respective rises of 26.7% and 26.5%.

The trade association said exports to a number of smaller markets, such as Chile and Israel, saw dramatic surges in the January to April period. These markets were up by 72.1% and 110.24% respectively when compared with a year earlier.

Footwear manufacturers attribute the sector's impressive growth in the past few months to the GSP, a preferential tariff system that the EU has granted to Vietnam. Steady economic recovery in the EU and the US, alongside the high quality of Vietnamese products, are two additional factors that boosted the consumption of Vietnamese footwear in these two markets.

Lefaso said the majority of manufacturers have received orders for delivery in June and July, while many even had orders for delivery in August and September.

*Source: GreetingVN*

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### **Vietnam posts trade surplus with Turkey**

Vietnam recorded a trade surplus of 474 million USD with Turkey in the first five months of 2014, equivalent to 93 percent of its total export turnover, Cong thuong (Industry and Trade) newspaper has reported.

Two-way trade between Vietnam and Turkey hit 548 million USD in the reviewed period, of which the former's exports fetched around 511 million USD.

Cell phones and components and fibres topped the list as they made up more than 65 percent of Vietnam's total exports to Turkey.

Bilateral trade is expected to reach 696.7 million USD in the first half of the year, an increase of 25.7 percent year-on-year, according to data released by the Ministry of Industry and Trade.

Of the total, Vietnam's export turnover is estimated at 611.5 million USD, up 20 percent, while its imports will rise 17.3 percent to 52.2 million USD.

*Source: VN+*

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### **Garment industry stands firm in global market**

Vietnam's garment and textile industry has so far posted a year-on-year rise of 16.4 percent in export value to reach 10.21 billion USD.

The highest growth was seen in the Republic of Korea market with 30.1 percent, followed by the US and Europe, 14.5 percent and 11.3 percent, respectively, said Tran Viet, head of the market department of the Vietnam National Textile and Garment Group (Vinatex), at a press conference in Hanoi on June 16.

Since the beginning of this year, the State-run group raked in 1.62 billion USD from exports, posting a year-on-year increase of 15 percent. The group is focusing on a number of sub-material projects to increase the production capacity and cater for the demands of Trans Pacific Partnership (TPP) Agreement.

It will launch its initial public offering (IPO) – the first sale of stock to the public, in Ho Chi Minh City on July 22.

In 2013, the garment and textile sector earned 19.8 billion USD from shipment, up 16.9 percent year-on-year. Vinatex's export revenue hit nearly 3 billion USD, a 12 percent rise against 2012, while its domestic earnings reached 22.5 trillion VND (1.05 billion USD), up 15 percent.

The same year, Vietnamese garments and textiles shipped to 11 TPP economies touched over 11 billion USD, accounting for 22.7 percent of Vietnam's total export volume to TPP

Source: VNN

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## INVESTMENT

### Siemens keen on Vietnam's metro opportunities

Germany's Siemens AG is pursuing major infrastructure projects in Vietnam. Roland Busch, a member of Siemens AG's managing board and CEO of Siemens Infrastructure & Cities told VIR at last week's Singapore-based World Cities Summit that his company was "finding more partners and will not miss any investment and business opportunities in Vietnam".

He said Siemens AG was discussing investment opportunities with Vietnamese leaders and heads of cities in metro expansion, smart traffic system management, power supply and energy efficient buildings. "If these solutions are applied, the Vietnamese government and public could save significant sums of money."

Andreas Mehlhorn, head of Siemens AG's IT Solutions, Mobility and Logistics, told VIR that Siemens had been pursuing the Metro Line 2 project in Ho Chi Minh City since 1993, "and we're also working with the city's authorities in developing the proposal for a feasibility study for a traffic control centre in Vietnam's fastest growing city".

Under Siemens' Metro Line 2 study, the 10.2 kilometre metro line will run mostly underground beneath the busiest parts of the city and potentially handle two million passengers a day. The project, mainly constructed of recyclable materials, should lead to 1,100 tonnes of carbon dioxide (CO<sub>2</sub>) savings per day. "Currently, the city has a population of around 10 million people and still lacks a mass transit system. Public transport and an intelligent traffic management system are keys to resolving this dilemma", Mehlhorn said. Siemens has worked on metro systems throughout the world, including Singapore, where Siemens' signalling and electrification systems have been used.

A recent Siemens-commissioned study conducted by London-based consulting firm Credo on transportation networks in 35 major cities around the globe released last week revealed that if the cities implemented relative "best in class" standards, they could gain economic benefits of up to \$238 billion annually by 2030.

"The big opportunity for Vietnam is to apply the experience of the world's leading cities without having to upgrade or alter much in the way of existing infrastructure – particularly so with the metros. It will require significant investment over the long term, but the opportunities for Vietnam to develop world class transportation systems in its major cities are highly significant," Predo's partner Chris Molloy told VIR.

Siemens currently has a factory in the southern province of Binh Duong making busbar trunking systems which are exported to over 50 countries. "We will invest more to increase the output thanks to the growing global demand," Mehlhorn said.

Siemens Vietnam's CEO Pham Thai Lai also said the company would contribute to helping ease Vietnam's severe power shortage through participation in the 720 megawatt Phu My 3, 1,500MW Ca Mau 1 and 2, and 750MW Nhon Trach combined-cycle power plants. Siemens' technologies have also been widely applied in the healthcare, metal, cement, paper, food and beverage sectors.

Source: VNBN

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### Japanese enterprises eye Hanoi market

A number of Japanese companies will attend two exhibitions on machinery and technology for support industries, at the Cultural Friendship Palace in Hanoi on August 27-29.

The Vietnam Manufacturing Expo 2014 (VME) and “Industrial Components and Subcontracting (ICS) Vietnam 2014 are seen as the most important manufacturing industry events.

Masato Hayashi, Head of Business Office of Hitachi Cable Company Vietnam, said that the events provide an opportunity for the company to seek business opportunities in Vietnam, especially in the fields of industry and social infrastructure.

He added that the company has also spent time studying the Vietnamese government’s policy and even culture.

According to Seiji Masuda, general director of Sanko Fastem company, Japan considers Vietnam as one of the most attractive investment destinations.

“We are the largest anchor bolts manufacturer in Japan and Vietnam will need us to repair production lines,” he said. “This is the second time we have attended VME in Vietnam, after reaping healthy revenues at the previous event.”

“The exhibition is an effective marketing tool for us. Moreover, it provides a golden opportunity for us to explain and offer guidance to Vietnamese customers using the product”, he added.

There are 520 Japanese invested projects operating in Hanoi with a total capitalisation of US\$4.6 billion, accounting for 22% of the city’s total foreign direct investment, generating 130,000 jobs and contributing US\$109 million to the city’s budget every year.

However, Japanese investors say Hanoi needs to accelerate administrative reform and introduce more incentives to attract foreign investment.

Source: Vietmaz

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### **Indian animal feed suppliers to explore Vietnam market**

*A delegation of animal feed suppliers from India will join a seminar in Ho Chi Minh City on Wednesday to meet potential local importers and producers and establish future business relationships.*

They are on a fact-finding trip to explore new opportunities in the Southeast Asian market, which imported \$4 billion worth of animal feed and raw materials last year.

Those Indian suppliers are the members of the Solvent Extractors’ Association of India (SEA), an apex body of the solvent extraction industry in India with over 850 members comprising manufacturers, processors and exporters in the South Asian country and abroad.

Their main job is to process oil cakes, oil seeds and rice bran in modern solvent extraction plants, and to produce the extractions or meals of rapeseed, soybean, groundnut, copra, de-oiled rice bran, sal seed, cottonseed, sesame seed, mango kernel, safflower seed and sunflower seed.

Those animal feed products, which have passed strict quality control tests, can be used for poultry and cattle as they contain high nutritional value with a protein content ranging between 15 percent and 50 percent, said SEA.

The fact-finding trip and the seminar are held to strengthen relations with end users of Indian De-oiled Meals in the Far East countries and to explore new markets for oil meals, according to the SEA.

They are also meant to undertake on-the-spot studies on overall demand and to understand quality requirements of oil meals by end users, they added.

It will offer both Indian and local firms a chance to study the overall feed industry, the supply and demand of feed ingredients and to enhance mutual co-operation between suppliers and importers.

India is one of the world's leading oil seed producers with total production currently standing at over 30 million tons per annum.

Indian exports account for over 5 million tons of oil meals annually.

Source: TTO

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### **German newspaper hails investment environment in Vietnam**

*German newspaper "The Mirror" recently ran an article praising the Vietnamese investment environment as well as its open policies for foreign businesses.*

German investors and representatives from German Industry and Commerce Vietnam (GIC) as part of the German Chambers of Industry and Commerce (AHK), praised the Vietnam Government for offering favourable conditions for foreign investors.

Among German investors, Evert Helms CEO of Pepperl & Fuchs Company (P&F), specializing in industrial sensor and processor technology, said he is happy to be working in Vietnam, not only because his company is provided with the best conditions for production, but the more importantly, that his company's products exported to Southeast Asian markets enjoy tax exemption.

He said Vietnam has maintained political stability and the Vietnamese people have always shown a progressive spirit. According to him, business activities of the P&F, with a team of 5,600 employees worldwide and revenues of more than 500 million Euros per year, will certainly achieve double-digit growth in Vietnam.

The P&F CEO also commended Vietnam's Labour Code with confidence and clarity, the same as the EU standards. He advised small and medium sized German enterprises to come to Vietnam if they intend to do business in this region.

Also, regarding the investment environment in Vietnam, General Director of Saigon Leather Tan Tec, Uwe Hutzler appreciated the investment policy and preferential tariffs for foreign enterprises. According to him, Vietnam has a more stable framework conditions than some other regional countries.

The article quoted AHK Deputy Chief Representative in Vietnam, Peter Kompalla said there are about 300 German enterprises doing business in Vietnam and dozens of businesses are looking for partners in the country.

Meanwhile, German Bank for Reconstruction (KfW) Chief Representative in Hanoi, Ms Birgit Erbel emphasized Vietnam's admirable achievements.

In 1993, the Southeast Asian country had nearly 60% of the poor population but this rate has now dropped to below 12%. Besides, Vietnam has recorded economic growth of 5% for years and is expected to reach 6.4% in 2018.

The Vietnamese Government aims to develop Vietnam into an industrialized country by 2020, she added.

Source: *Vietnambreakingnews*

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## **Dung Quat Economic Zone calls for \$2b investment in new projects**

*Dung Quat Economic Zone (EZ) in central Quang Ngai Province is seeking investment capital of US\$2 billion in 10 to 15 projects over the next two years.*

Pham Nhu So, vice chairman of the provincial People's Committee and head of the EZ management board, said the EZ has received more than VND781 billion (\$37.1 million) from the State budget to invest in infrastructure to attract investors. Its management board also granted investment licenses to 21 projects worth VND15 trillion (\$730 million) over the past three years.

In the past 16 years, the EZ has approved 113 projects with total registered investment capital of more than \$8 billion. Its disbursement was estimated at \$5 billion, accounting for 60 per cent of the total. The EZ would license 125 projects by 2015, bringing the total capital to \$10 billion.

Of these, the number of foreign direct investment projects totaled 13 and total FDI registered capital of \$3.85 billion. Its industrial production, service and commercial value last year reached VND130 trillion (\$6.1 billion). However, Nguyen Minh, acting Secretary of the provincial Party Committee said financial resources poured into the EZ has not been up to its development.

In addition, mechanism and policies on providing clean land for the EZ have been slowly promulgated to accelerate investment attraction. Minh said the EZ should give priority to untie the difficulties while continuing to mobilise all resources to appeal investment.

It should also build a long-term and sustainable development strategy. The zone was urged to further improve its investment environment by upgrading infrastructure and timely addressing investor concerns.

It planned to attract investment into projects to expand and upgrade Dung Quat Oil Refinery and setting up oil refinery complex, Build-Operate-Transfer Thermal Power Plant and Jk-Sojitz Paper Pulp Plant in the period of 2015-20. The EZ targets to contribute VND16 trillion (\$761.9 million) to the State budget by 2015.

Source: TalkVN

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## **Binh Phuoc boosts cooperation with Cambodian provinces**

*The southern province of Binh Phuoc and five Cambodian provinces will strengthen friendship and cooperation for the sake of prosperity, mutual understanding and development.*

To this end, a cooperation agreement was signed on June 17 by the Binh Phuoc provincial People's Committee and the five Cambodian provinces of Kampongcham, Kratie, Mondulhiri, Stung Treng, and Tabong Khmum.

Under the agreement, the six parties will continue to maintain cooperation ties spanning investment, economy, construction, agriculture, cultural exchanges, and health care. They will also promote information exchange on policies of the governments to facilitate import-export activities and travel through their border crossings.

Priority is given to accelerating the operations of quarantine stations in accordance with agreements signed by the two governments, raising the effectiveness of bilateral cooperation, ensuring security along border areas, and boosting the fight against smuggling, illegal immigration, and drug-related crimes.

The provinces also agreed to invest in infrastructure construction and upgrade traffic systems connecting border gates, aiming to further promote economic, trade and agricultural exchanges.

At the signing ceremony, Chairman of Binh Phuoc People's Committee Nguyen Van Tram said the agreement offers Vietnamese and Cambodia localities an opportunity to strengthen friendship and cooperation in a number of important fields

Source: VOV

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### **Gemadep extends convertible debenture issue to raise funds**

*Gemadep Corp. will extend the issue of convertible bonds or debentures by the end of 2016 under a new plan approved by shareholders at the company's recent general meeting.*

The extension comes at a time when the previous plan to raise \$70 million of a total \$96.3 million investment required, expired at the end of last year with only \$40 million in convertible debts issued. The Ho Chi Minh City Stock Exchange-listed logistics and port operator will attract the remaining \$30 million from private placement institutional investors to finance both its core business and rubber plantation projects.

These instruments will have a term of between one to five years and carry a maximum interest rate of 6 per cent per annum. They can be converted into common shares with the conversion ratio open to negotiation, but not be any lower than 70 per cent of Gemadep's average market prices a month prior to the conversion date.

Gemadep will use the money to upgrade its Dung Quat International Port in the central province of Quang Ngai, thus enabling the terminal to service ships of up to 70,000 DWT. It will also expand the 15-hectare Nam Hai Dinh Vu Port in the northern coastal city of Haiphong by six hectares.

For its logistics business, Gemadep plans to enlarge its distribution centres and enhance the firm's IT system to better manage these centres. It will also plant an additional 2,000 hectares of rubber in Cambodia to expand total acreage to 7,000 hectares this year and to 10,000 hectares by 2015.

Nam Hai Dinh Vu Port, which was inaugurated almost a month ago, is now able to handle four to five ships per week. This is fourth port in Gemadep's portfolio alongside Dung Quat International Port, Phuoc Long ICD in Ho Chi Minh City and Nam Hai Port in Haiphong.

Gemadep expects the new terminal will be able to offset almost all the profits generated by leasing offices at the Gemadep Tower in Ho Chi Minh City's District 1 this year after it sold an 85 per cent stake in the building owner Marproco to South Korea's CJ Group and its affiliates late last year.

Source: Maf.vn

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### **Binh Duong set to become economic hub by 2020**

*The southern province of Binh Duong is set to become a centrally-run city, acting as a core centre for socio-economic development in the southern key economic region by 2020.*

Under a new master plan for the province's socio-economic development by 2020, which was approved by Prime Minister Nguyen Tan Dung on June 11, Binh Duong will focus on promoting environmentally-friendly industry by applying high-tech and green technology.

At the same time it will also improve the modern infrastructure system for trade and services, while diversifying tourism products and developing agriculture in attachment with advancing biotechnology.

The locality's annual economic growth in the 2011-2015 period will be adjusted downwards to 13.5 percent instead of the 14.9 percent stated in the 2007 plan. The ratio of the service sector in its economic structure will increase to 38 percent from 30 percent, while that of the industry-construction sector, 59 percent from 62.9 percent. The figure will be 3 percent for agro-forestry.

The total population of the locality by 2015 is predicted to stay at 2.043 million. Its urbanization proportion is predicted to stand at 70 percent, while per capital GDP will be 63.2 million VND (around 3,000 USD). Binh Duong will also have less than 1 percent of poor households by 2015, according to the plan.

For the 2016-2020 period, Binh Duong will finish its road to become a centrally-run city with an annual economic growth of 13 percent and per capital GDP of 135.2 million VND (6,170 USD) every year. Meanwhile, the ratio of poor households will be brought down to only 0.8 percent.

By 2020, Binh Duong is set to become one of the major industrial hubs in the region, focusing on wood processing, garment and textiles, footwear, rubber processing and food and beer for its key exports, among others. The proportion of the support industry and green industry in economic zones is hoped to account for at least 30 percent of the province's total exports.

Binh Duong expects to have 35 industrial parks by 2020, covering an area of 13,764 hectares. By 2025, it is planned to put 18 industrial clusters to operation with a total area of 1,190 hectares

Source: VNN

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### **Lao Cai: foreign businesses run smoothly**

*Foreign businesses in the northern province of Lao Cai, which borders China, have been running smoothly despite the ongoing tensions at sea between Vietnam and China.*

A tour of foreign-invested businesses based there gave Vietnam News Agency reporters insights into the current performance of their facilities.

The Lao Cai iron and steel factory, which is partnered by the Vietnam Steel Corporation and the Chinese Kungang steel and iron company, is operating steadily with the participation of more than 200 Chinese experts and workers.

Wang Xu, first Vice Director General of the Vietnam-China Mineral Resources and Metallurgy Company, the project's investor, stated that the plant has enjoyed fantastic assistance from the local authorities.

He recalled the presence of Nguyen Thanh Duong, Vice Chairman of the provincial People's Committee, at the May 26 ceremony to witness the first batch of cast iron being churned out from workshops of the factory and answer workers' problems.

With construction started in 2011 with a total investment of USD337 million, the factory can produce 12-13 batches of cast iron every day, with a total output of 1,500 tones.

The factory's Vice Director, Do Xuan Thanh, said despite the tensions at sea between the two countries, Vietnamese and Chinese experts and workers at the plant have maintained a good relationship and the Chinese have been provided with the best possible living and working conditions.

At Tang Loong Industrial Park, where Chinese people account for the majority of the 422 foreign experts and workers, construction and production activities are running as normal.

Although spontaneous protests against China's illegal placement of its oil rig in Vietnam's waters took place in other parts of the country, sparking some social disorder, none occurred here, according to the Lao Cai Economic Zone Management Board on June 11.

Construction of the DAP fertilizer plant No.2 of the Vietnam Chemicals Group – a national work – is running smoothly with the involvement of 164 foreign workers and experts from the UK, Malaysia, the Philippines, India, Thailand and China.

Costing USD265.2 million, the plant is designed to produce 330,000 tones of DAP a year, which would bring in a revenue of VND4 trillion a year.

Nguyen Thanh Duong, Vice Chairman of the provincial People's Committee, said the province has unceasingly worked to better its investment environment along with rolling out incentives pertaining to tax, administrative formalities, and site clearance favoring foreign staff.

Ronan Biachi, Director of five-star Victoria Sa Pa hotel, said he is pleased with the local authorities' assistance. Policies such as tax exemption or reduction have helped the province reel in more foreign businesses, he said.

At present, the locality is home to 30 Foreign Direct Investment (FDI) projects with a total registered capital of USD504.5 million.

Source: DCS

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### **Singapore leads foreign investment in HCM city**

*Singaporean companies are very pro-investment in Vietnam and have emerged the prominent leader among foreign companies investing in HCM City in the early months of 2014.*

Le Manh Ha, Vice Chairman of HCM City's People's Committee told this to participants at a recent Vietnam-Singapore business forum.

In the three months leading up to April, HCM City granted investment licenses to 71 foreign-invested enterprises (FIEs) with total investment capital tallying in at nearly US\$750 million.

The total included nine Singaporean FIEs capitalised at over US\$200 million, comprising 31% of the total, Ha said, adding that Singaporean companies have cumulatively invested in over 667 projects capitalized at nearly US\$7 billion.

Ha emphasized that the confidence demonstrated by the continued investment in the City is reassuring following the recent anti-China protests in May.

It demonstrates the Singaporean Government and business community were reassured by Vietnam's timely response and that the actions taken restored their faith that both Vietnam and the City are committed to maintaining a favourable, stable and safe investment environment for FIEs.

Edlyn Khoo, Director of the International Enterprises (IE) Singapore's Ho Chi Minh Centre in turn said that HCM City leads in attracting investment from Singapore, followed by Quang Ngai, Hanoi, Bac Ninh, Binh Duong and Ba Ria Vung Tau provinces.

Ms Edlyn Khoo emphasized that Singapore's future goal is to strengthen its partnership with HCM City as well as with and other Vietnamese provinces in Vietnam Singapore is desirous of expanding cooperation with Vietnam in a host of areas including trade, import-export, technological transfer and preservation of food and farm produce to increase the value of Vietnam's agricultural sector.

In addition, Singapore's famous brand names are keen on the Vietnamese consumer market, and cooperating in franchising opportunities in such fields as retail, food and service, Khoo concluded.

Source: *Dtinews*

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### **Nam Van Phong refinery still in infancy, six years on**

*Six years since being licensed, the Nam Van Phong oil refinery is still calling for investment capital as its scale has nearly doubled requiring a total \$8 billion investment.*

Located in the Nam Van Phong Economic Zone in Khanh Hoa province, the refinery is on the list of 127 large-scale projects calling for foreign investment through 2020. The local investor in the project is Vietnam National Petroleum Group (Petrolimex), which is calling on foreign investors to join under the joint venture model.

When the project was approved by the government in 2008 it had an expected investment of \$4.4 to \$4.8 billion with a capacity of 10 million tonnes per year. It was planned to start construction in 2011 and go operational by 2013.

After it received the license, Petrolimex was instructed by the government to conduct an investment plan and feasibility study for the project. The government also suggested the investor carefully conduct the environmental impact assessment, implement appropriate technologies, design a careful capital structure, and find appropriate partners who could supply crude oil over the long-term.

Near the end of 2011, it was reported that Korea's Daelim Industrial Corporation had negotiated with Petrolimex to invest in the Nam Van Phong project. The two sides also signed a memorandum of understanding on the investment. However, since then no further information has been released about co-operation between Petrolimex and Daelim.

To this day, the refinery is still calling on investors with total needed capital doubling since 2008 to \$8 billion.

The slew of refineries and petrochemical complexes in the pipeline has roused concerns from the public of excessiveness. However, at the end of last year Prime Minister Nguyen Tan Dung confirmed that the government would strictly manage the efficiency of these projects.

The only refinery currently operational in the country is the Dung Quat, while the Nghi Son started construction just last year. The remaining projects are still in the preparation phase. Can Tho oil refinery is behind schedule and local authorities have proposed revoking its investment license.

Already in Vietnam there is another refinery, the \$28 billion Nhon Hoi, to be financed by PTT of Thailand and located in Binh Dinh province.

Meanwhile, also in the Nam Van Phong area, last year the Khanh Hoa People's Committee decided to put a stop to a \$1.3 billion oil service centre invested in by Sao Mai-Ben Dinh Joint Stock Company (under PetroVietnam) as the firm failed to source the needed capital.

Source: *TalkVN*

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### **Dinh Vu closes on deep sea access**

*Deep-sea port access will soon become a reality for Dinh Vu Industrial Zone in the northern city of Haiphong.*

Construction is now underway on a deep sea port connection between Dinh Vu Industrial Zone (DVIZ) and Cat Hai Island.

This infrastructure project is part of the development of the Dinh Vu-Cat Hai Economic Zone, focusing on transportation links to and from the DVIZ, which also benefits from the economic zone package, the best tax package available in Vietnam, and one of the most competitive packages in ASEAN.

The project will provide direct access to the Lach Huyen Deep Sea Port for ships of up to 100,000 dead weight tonnage (DWT); direct access to the Dinh Vu General Port of 20,000 DWT; direct access to the Dinh Vu Liquids Jetty up to 20,000 DWT; direct access to Highway 5 and the new Hanoi-Haiphong-Dinh Vu road. It also connects to Cat Bi International Airport, and is only seven kilometres from Haiphong city centre.

The Dinh Vu-Cat Hai sea-crossing bridge connecting the existing DVIZ to the deep-sea port of Lach Huyen is currently under construction. The Tan Vu-Lach Huyen sea-crossing bridge is directly linked to the new Highway 5 connecting Haiphong with Hanoi and other provinces. Linked with DVIZ, these important projects will provide easy access to transportation links for businesses in the DVIZ Industrial Park Zone.

Japanese contractors built the bridge, with the access road constructed by a domestic firm. This link will facilitate the transportation and distribution of materials and products in DVIZ to and from the Lach Huyen deep sea port to the rest of the world.

The Lach Huyen deep sea port is being constructed by international developers. Upon completion in 2016, Lach Huyen will cater to vessels of up to 100,000 DWT. This crucial development will compliment Haiphong's other ports, enabling direct shipment of goods to and from other ports across the world.

In other words, Dinh Vu-Cat Hai Economic Zone will be a strategic location for investments with convenient access to local markets and direct access to countries in the region and further afield.

The critical features of this project have pointed towards a comprehensive development picture of Dinh Vu-Cat Hai Economic Zone, differentiating DVIZ from other industrial zones and bringing success to DVIZ's clients.

To date, DVIZ has welcomed 54 projects from Europe, Japan, Korea, Singapore, the US and other countries in the region.

DVIZ has proven to be a well-considered location in the eyes of international and local industries thanks to its advantages in terms of transport, utilities, workforce, economic issues and tax benefits.

DVIZ is an industrial park developed by a consortium of international developers together with the city of Haiphong. The zone began operations some 15 years ago and has proven to be one of the most successful developments in the north of Vietnam.

Source: VIR



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### **Waste not, want not incentives offered**

*Vietnam has introduced an incentive policy for the first time which will encourage private investors to build waste-generated power projects in Vietnam.*

A range of new incentives will encourage waste-generated power projects. "The mechanism, effective from June 20 this year, will be one of the most important pillars to support renewable power projects generated from solid waste. It will help attract investors in this type of renewable energy," said Nguyen Duc Cuong, head of the Ministry of Industry and Trade's (MoIT) Institute of Energy.

The incentive feed-in-tariff for renewable power generated from solid waste-power plant will be 10.05 US cents per kilowatt hour. This is higher than the tariff of 7.8 US cents fixed for wind power plants.

MoIT's Deputy Minister Le Duong Quang said that the waste-to-power model contributed to Vietnam's environmental protection policy as well as its energy program. Le Anh Hung, chairman of Ecotech Vietnam, a technological and environmental solution provider, stated that investors in this sector were waiting for this mechanism to come online. He added that Ecotech Vietnam had a strong desire to contribute to the development of the waste-to-power sector as well as develop environmental protection and pollution treatment facilities here.

He said his company was currently consulting on the establishment of waste-to-power projects in Hanoi, Ho Chi Minh City and Ba Ria-Vung Tau with the estimated investment capital of \$150 million for each project.

Although Vietnam is said to have huge potential for renewable energy, private investors have not yet invested much in this sector due to a lack of incentive mechanisms. Currently, the Vietnamese government is supporting small hydro-power projects, wind power projects and biomass power projects dating from 2008, 2011 and 2014 respectively.

In past years, several private investors proposed building renewable energy projects generated from solid waste, but most of them were not actually built due to a lack of support mechanisms. Australian-based Trisun International Development proposed a \$400 million waste-to-power project, as did Vietnam Waste Solutions Company, however neither of these projects made it off the ground. The \$30 million waste-to-power project in Hanoi, which is a joint venture of Japan's Hitachi Zosen Company and Hanoi Urban Environment Company, is the only one being developed so far.

All investors have proposed a feed-in tariff of around 10 US cents per kilowatt hour. Trisun International Development even proposed a feed-in-tariff of 12 US cents per kilowatt hour.

Before the provision of support mechanisms for power generation projects using solid waste in Vietnam, Yoshioka Toru, director of Hitachi Zosen stated that the cost of investment in a waste-to-power plant was very high. He added that investors would hardly make a profit if they built renewable power plants in Vietnam due to the low retail price of electricity.

Its project is scheduled to go into operation in 2014 with the capacity to treat 75 tones or 30 per cent of Hanoi's daily industrial waste. The plant will use advanced Japanese technology, and the subsequent energy produced will be harnessed to generate power for about 4,500 households and a neighboring industrial park.

Source: *VNBreakingnews*

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## **Current power supply allays foreign investor concerns**

*Power outages are currently not an issue for foreign investors, reported the Ministry of Industry and Trade.*

Vu Huy Hoang, Minister of Industry and Trade affirmed to foreign investors last week at the bi-annual Vietnam Business Forum held in Hanoi that, "there are no outages in Vietnam at this time".

Hoang's statement was in response to Marc Townsend, chairman of the American Chamber of Commerce, who said that a lack of adequate infrastructure facilities in terms of power and transport had discouraged foreign investment to Vietnam. Hoang asserted that, "Power supply in Vietnam has never been as good as it is now". This was aimed at dispelling foreign investor concerns, as in the recent past power shortages had severely affected their operations.

He admitted that there were outages in some parts of the country, but that they were caused by weak transmission systems, and not a supply shortage.

According to the Ministry of Industry and Trade (MoIT), the nation's electricity generation in the first four months of this year rose 10.28 per cent on-year, reaching 41.9 billion kilowatt hours.

Hoang said this was enough to meet the current electricity consumption demand throughout the country. He added that current electricity reserves were around 20-30 per cent of total generation capacity.

Though Hoang did say there were no outages at this time, he did not address the issue of future outages as demand rises commensurate with economic recovery. Power shortages have been one of the biggest concerns of foreign investors in Vietnam for many years. To deal with the problem, many companies such as Intel and Formosa built their own power plants to supply their manufacturing facilities.

The Vietnamese government has plans to build more new power plants to ensure national energy security, but most of the projects are moving slowly. Tran Viet Ngai, chairman of the Vietnam Energy Association, said the government must push up the construction of power plants to increase supply by 2015, when he believes the country could face a severe power shortage due to rising demand.

In order to accelerate the construction of new power plants, last year the government ordered the MoIT to adjust the national electricity development master plan for the 2011-2020 period. The ministry, however, has not yet given any information on the revised content.

According to the government, the construction of many power projects, particularly those in the south, have been delayed, requiring additional supply from the north and central regions to be sent to the south. This threatens the supply security of the entire power system.

Source: VIR

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## FINANCE – BANKING

### Banks entice local, foreign firms

*With bank lending rates falling sharply in recent months, companies should grab this opportunity to borrow to develop their business, analysts said.*

Since banks are awash in liquidity, they are offering loans at 9-10 per cent to companies and household businesses, with some even going lower. HDBank said it has earmarked VND500 billion (US\$23.7 million) for lending to foreign firms from now through September.

The companies can get medium-term loans to modify or build plants and buy equipment and materials but are not required to produce collateral. Those affected in the recent riots will get priority.

An official at the State Bank of Viet Nam's HCM City branch said five foreign enterprises affected by riots in the city have outstanding bank loans, and the lenders are considering ways to support them, including by reducing interest rates.

The central bank has instructed banks to continue stepping up credit and other activities at export processing zones and industrial parks, he said.

Last week 10 banks in HCM City signed a credit contract worth VND718 billion (\$34.03 million) with 34 companies in District 10 at 7 per cent interest rate.

They are Sacombank, VietinBank, Agribank, Vietcombank, DongABank, ABBank, HDBank, MHB, SCB, and VID Public Bank.

Besides this, the banks also have their own programs to lend to companies in various fields.

SeABank is offering dong loans at 6.5 per cent and dollar loans at 4 per cent to import-export companies under a credit programme worth VND300 billion and \$20 million.

Besides, borrowers under this program will enjoy a 20 per cent reduction in fees for international payments and free foreign fund transfers. The bank is also lending to small and medium-sized enterprises and household businesses at 8.5 per cent through a VND4 trillion preferential credit program.

The program will go on until December 31. Agribank has earmarked VND10 trillion for lending at 6-8 per cent to enterprises involved in exports and imports of agricultural products, food, and items used for agricultural production.

The program will run from June through September.

*Source: GreetingVN*

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### **Home Credit releases stunning market share data**

*Home Credit has now achieved 45 per cent market share of Vietnam's consumer finance sector*

This information was released by Igor Prerovsky, CEO of Home Credit Vietnam, at a recent press meeting.

In 2013, Home Credit exceeded its business targets impressively. It contributed more than VND180 billion (\$8.57 million) to the state budget, increased its customer base by 13 million, and grew its outlets to 5,000 in 63 cities and provinces nationwide, according to the firm's April 2014 data. "Home Credit has great advantages in the consumer lending sector, with a broader network, diverse products, quick approval processing and extremely professional training for sales agents," Igor said.

He said that regarding its business model, the company handles 5,000 loan applications every day, which are approved or denied with 10-15 minutes each, all while strictly protecting the identities of customers. In terms of corporate income tax, Home Credit was one of the biggest contributors in the financial industry in 2013.

According to Home Credit, one of the most significant factors in measuring up its success has been changing consumption behaviour. Accordingly, instead of saving money for a long time to buy products, Vietnamese consumers now tend to buy it first and make payments by saving later.

Home Credit statistics show that 20 per cent of its customers in the south bought products through consumer finance, while the rate was 10 per cent in the north. The company also revealed that 75 per cent of consumers who apply to Home Credit are accepted for loans. And that its non-performing loans were only at 4 per cent due to good risk management.

To ensure stability in the Vietnamese market, Home Credit emphasizes service quality, particularly in terms of its consultants. "The ability of our consulting staff, thanks to their training, is the key to ensuring payment. Our staff go through the terms and conditions of the contract with customers very carefully so they are clear on their payment responsibilities. Each staff member knows that if a consultation does not go well, the company will suffer from risks – customers who cannot pay debts.

"We have also organized programs to deliver financial knowledge to Vietnamese people by the distribution of thousands of consumer lending booklets so customers have all the necessary information before signing a contract," he said.

*Source: VNBN*

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## **SBV leader explains post-riot measures**

*Deputy head of the State Bank of Vietnam's Ho Chi Minh City branch Nguyen Hoang Minh sheds some light on measures being taken to support foreign invested enterprises after violent protests erupted mid-last month in response to China's illegal placement of an oil rig in Vietnam's continental shelf.*

### **Can you brief our readers on the lending situation between HCMC banks and the firms that were attacked during the recent incidents?**

Statistics from our branch show that a total 32 FIEs based in the city's export processing and industrial zones were damaged in the recent protests. Seventeen of these have credit relationships with banks and they have taken out a total \$11 million in loans, none of which are in default.

By the end of April this year, total lending to 1,459 firms based at the city's export processing zones and industrial zones came to VND75.5 trillion (\$3.6 billion), with medium and long-term loans accounting for around 25 per cent of the total.

### **How have city-based banks provided support to help affected FIEs revive their operations?**

Our branch has been cooperating with the management of EPZs and IZs in the area to meet affected FIEs to understand their situation and support them effectively.

We have also met with commercial banks to discuss how to support affected firms. From this we have decided on the three following measures:

First, maintaining current credit levels and making loans available to FIEs once they need them.

Second is to take the initiative in lowering or exempting interest rates to damaged firms.

Third, for firms whose losses are critical, city-based commercial banks will report to the central bank and the government on possible ways to support them (such as freezing their debts).

But as of yet, no FIEs have asked to freeze their debts. Rather, most want to be able to borrow more.

### **On a separate note, the foreign exchange and gold markets have seen slight fluctuations recently. Could you briefly discuss this?**

The dong-US dollar rate went up slightly in mid-May against earlier in the month, but did not reach the regulated cap. This indicates that dollar supply is still sufficient enough to meet the economy's needs. Banks have sufficient capital, both dong and foreign currencies, to meet business demand and if they do not, they can turn to the central bank for more.

I have to say that the central bank has been effective at ensuring supply is meeting demand in the gold market.

The gold price going up slightly recently was mostly psychological due to the situation in the East Sea. The international market saw gold prices fall. Therefore, people should be vigilant in observing overall market movements.

Source: VIR

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## **SBV head vows to keep forex changes on hold**

*The State Bank of Viet Nam Nguyen Van Binh made clear that he would keep the forex market stable till the year-end; if adjustment is a must, the margin would be within 2 per cent.*

The policy-maker's commitment was delivered in a broadcast program titled "Taxpayers ask, ministers answer" (Dan hoi, Bo truong tra loi) on Sunday by VTV, that was to response to recent public's expectation of a foreign exchange adjustment.

The expectation indicated through 'remarkable changes' in selling/buying prices of US dollar on the parallel market and fluctuations of gold prices.

In the last two weeks, foreign exchange went through strong adjustments of up to VND40-60 per US dollar. Last Wednesday, banks pushed the exchange to VND21,246 per dollar, marking the highest price since last July.

Binh said that psychological factors somehow ruled the market, which was caused by tension in the resource-rich East Sea due to China's illegal placement of the Haiyang Shiyou-981 oil rig in Viet Nam's exclusive economic zone and continental shelf.

"In fact, deposits in foreign currencies keep sliding while those in Vietnamese dong are on the rise," Binh said. "Market supply and demand relations are balanced and secured."

Trade surplus recorded positive signals when it reached US\$1.65 billion in May, and \$2 billion in April.

The State Bank of Viet Nam added \$10 billion in foreign reserves in the first months of the year, raising the total foreign reserves to \$35 billion.

The country's foreign direct investment (FDI) registered in the first five months capital was \$5.51 billion while disbursement was slightly inched up 0.4 per cent against the same period last year to \$4.6 billion.

"Under this circumstance, we assume that factors leading to forex adjustment don't exist," Binh said.

Last week, the central bank's Head of Monetary Policy Nguyen Thi Hong said that the changes on the parallel market were almost caused by speculations and prices manipulation to take the most of herd mentality.

Source: VNN

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## ANALYSIS – OPINION

### The benefits of transparency

*The draft amended Law on Environmental Protection's guidelines on Strategic Environmental Assessment (SEA)s and Environmental Impact Assessment (EIA) reports have been simplified and outline the obligations of implementers as well as appraisal by authorities and dialogue mechanisms with community stakeholders. The content is welcomed and appreciated from both institutional and legal points of view, says JICA expert Tomisaka Takashi.*

### A positive step toward economic development and environmental protection

To integrate environmental consideration right from the planning stage, the role of SEA is really important.

The guiding role of strategies, master plans and socio-economic development plans which are serve as the primary strategies, is very important in Vietnam. Reflecting warning and preventive measures taken from EIA implementation in those strategies is therefore critical.

Also, by looking through the lens of environmental protection, efficiency can be improved and economic pressures can be eased. Therefore, the Law on Environmental Protection (EIA)'s master plan for SEA is a big step in the right direction for Vietnam's socio-economic development and environmental protection.

Additionally, the responsibility for environmental protection is clearly put in the hands of the Ministry of Natural Resources and Environment and other related ministries and bodies, and the role of provincial people's committees in appraising an SEA is made undoubtedly clear.

The law would regulate that an appraisal committee is set up by the appraising body, but does not stipulate the selection of members or appraisal methods, which are vital to the quality of SEA reports. These stipulations are expected to be provided in the guiding documents of the amended LEP.

### **The responsibility of project owners**

Regulations governing EIA reports in the draft LEP are much clearer than those in previous version – LEP 2005.

It is clearly defined that projects which have the potential to harm the environment and/or society must conduct an EIA. This means the revised law will expand the kinds of projects that have to do EIA reports.

The way to choose which projects could be implemented EIA is the first step to ensure the transparency of EIA procedures. The list of projects which are forced to do EIA in the decree 29/2011/ND-CP was declared, therefore appropriated regulations on projects which have to do EIA must be released in the new decree based on the revised law.

Choosing which projects must implement EIA reports is the first step to ensuring transparency of EIA procedures. Projects which must conduct EIAs was outlined in Decree 29/2011/ND-CP, and therefore this decree will also have to be amended based on upcoming related revisions in the LEP.

In terms of conducting EIA reports, project owners' responsibility is clearly defined in the draft LEP. Even if they outsource this to consultants, project owners are still responsible for the completion and content of the reports.

Also, the amendments concerning the initial regulation-assessment phase and re-assessment phase are helpful in clarifying the process by which to conduct EIA reports. While this is still fairly limited in the draft, it is a positive move forward.

EIA report contents have been re-organised in the draft as well, as in the current law there is overlap, for example, between articles 20 and 23. EIA reports must be monitored closely in the coming time to ensure all the functions of the law are activated.

In particular, the selection of content and research, measurement and assessment methodologies requires careful debate. It is essential that EIA reports are detailed and fully transparent.

The amended law is also expected provide regulations on hiring consultants to prepare EIA reports. Although project owners take the full responsibility of the quality of the reports, hiring licensed consultants who have adequate techniques and methodologies is a solution to ensure EIAs are reliable. Licensing procedures are expected to be clarified in guiding documents of the amended LEP.

### **Strong measures**

Another important factor in the draft LEP is the requirement that projects have a certificate of environmental protection granted by the government. This certificate would only be granted after an enterprise submits its EIA report, environmental protection plan, and other related documents to the local Department of Natural Resources and Environment.

Environmental protection solutions and technical standards are now part of EIA reports and are required by law, according to the amended LEP.

As a result, enterprises must not only follow the LEP but also have to strictly take and follow measures to protect the environment as defined clearly in their EIA report.

Compared to EIA regulations in other countries that only anticipate, measure and assess the impact of a project on the environment and separate reports from environmental regulations, Vietnam's EIA policy is a strong tool in the environmental protection process.

Those legal documentations bring about both advantage and disadvantages to the EIA owner. The advantage is that the EIA contains solutions and technical standards based in the existing legal regulations. This makes easier to put through the approval process of EIA.

These new additions are a double-edged sword for projects. One advantage is that the EIA would include solutions and technical standards based on existing regulations and the EIA approval process would become easier.

However the disadvantage is that it would take time to improve environmental protection technology if regulations change and this would undoubtedly require yet another revision to EIA policy.

To reduce the consequences of this disadvantage, policy makers need to consider how to make EIA reports appropriate with updated regulations.

In my opinion, guidelines on technical assessments and simplifying EIA procedures should be addressed in the coming time.

Apart from that, since EIA has its legal role, the government needs to strictly monitor reports' contents and instruct projects' owners to obey and release future policies and comments on their reports.

For appraisal bodies such as the Ministry of Natural Resources and Environment, more than just checking the content of EIA reports, they need to study and use information therein toward future policies and law.

Source: VIR

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## **Vietnamese stocks offer great value**

*Legendary investment advisor Dr. Marc Faber, who will be the keynote speaker at the Vietnam Investment Forum (VIF) 2014 slated for June 19 in Ho Chi Minh City was present in Vietnam on the day that China illegally deployed an oil rig in Vietnam's continental shelf.*

Vietnamese stocks, which Faber had predicted last year would be among few best longs in 2014, suffered huge sell-offs as a result. Given the new context following the escalating tensions in the East Sea, Marc Faber agreed to an exclusive telephone interview with VIR about his analysis of market trends following the incident.

### **What's your views on investment opportunities in Vietnam?**

Basically, as you know or as you've been told, I'm the chairman of Indochina Capital and chairman of Vietnam Growth Fund that is managed by Dragon Capital, and I'm a partner and shareholder in the Hyatt Hotel in Vietnam and I have a villa there. I have investments in Vietnam and in the long run I believe that Vietnam offers attractive opportunities.

### **How deeply have you been involved in investment decisions at Indochina Capital and Vietnam Growth Fund?**

Basically, the board of directors does not make the investment decisions. That's up to the management of the companies. The board of directors is responsible to represent all of the shareholders and ensure their interests are treated equally.

### **Do you have any new plans in Vietnam?**

I own Vietnamese shares, but after the strong rally we had in the last two years until April of this year, we've now had a setback as the result of the East Sea tensions and I think the market won't increase a lot. It will kind of vary around this level but still offer a relatively attractive entry point.

### **But do you think you will be involved further in investment in Vietnam?**

Yes. I've been involved in Vietnam since the early 1990s when we built the first project at the Furama Resort in Danang and later on we sold it, and then we built Nam Hai via Indochina Land which is managed by Indochina Capital. The Hyatt Hotel in Danang is a project invested in by another fund also managed by Indochina Capital. So, we're already involved and I intend to continue to be involved in Vietnam.

### **Is that because investment opportunities here are better than elsewhere?**

The world is a very large place and there are plenty of investment opportunities everywhere. I'm an international investor, I've told my clients to allocate some money to Vietnam.

### **Late last year, you said Vietnamese stocks would be one of the three best long bets in 2014. Do you want to change the prediction given tensions in the East Sea triggered jitters among investors and a subsequent huge sell-off?**

Basically, Vietnamese stocks are still up I think by about 8 per cent so far this year, so they have certainly performed better than the S&P 500 in the US or the Russell 2000. But as I said, I don't think they'll go up a lot because the tensions will represent a cloud over the Vietnamese asset market. I think I don't see a significant downside risk, but I don't see a huge upside potential for now.

I think that eventually the dispute between China and Vietnam will be settled through negotiations, but I don't think it will happen right away.

### **Do you think the Vietnamese markets have over-reacted to the China-Vietnam relation tensions?**

I don't think it was an over-reaction. As I've just said, in terms of the economic point of view it's negative certainly for the near term as Vietnam and China have bilateral trade of \$50 billion annually and China is a large foreign investor in Vietnam. The correction in my view is not an over-reaction also because the market was strong in 2012 and 2013 and as of April 2014 it was one of the best performing markets in the world this year and so some profit-taking would happen anyway.

### **Have you ever seen such a situation before?**

I've been involved in stock markets since 1970 so I've seen so many markets sell off abruptly, much more than the sell-off in Vietnam. Usually, after the initial sell-offs, there is no rush to buy shares. Now, as I've mentioned to you, I think the share market is reasonably inexpensive, if not incredibly inexpensive but that doesn't mean stocks will go up strongly.

### **Investors and local business leaders are expected to ask you to share investment strategies in the current context at the upcoming VIF 2014 event. What are you going to say?**

I'll talk about that if I'm asked. At the forum, I'll focus on global macro-economic trends and geopolitical shifts in the world and financial trends at the event.

Source: VIR



PROMOTION

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## Conditions for sea transport

*Decree No 30/2014/ND-CP (14 April 2014) relates to sea transportation, sea transportation agency services and sea transportation towage services businesses in Viet Nam. It applies to both Vietnamese and foreign organizations and individuals that are engaged in these businesses.*

### Sea transportation business

To obtain the five-year license for offering sea transportation services in Viet Nam, an enterprise must:

1. Register its sea transportation business;
2. Have professional units perform tasks relating to safety controls, maritime security, operations of seagoing vessels and legal affairs in compliance with the nation's laws;
3. Ensure that persons in charge of seagoing vessels' operations have the minimum qualification of a bachelor's degree (in maritime business, foreign trade, commerce or economics) and at least three years of experience in managing operations of seagoing vessels;
4. Ensure that persons in charge of safety or security management systems have at least two years of relevant experience in the management and use of seagoing vessels, and possess legally recognized certification for training and guidance received in discharging relevant tasks;
5. Ensure that persons handling legal affairs have Bachelor-of-Law degrees and at least two years' experience in the legal field;
6. Have capital and other assets equaling at least 20 billion dong for use in international sea transportation, and five billion dong for domestic sea transportation.

The license for sea transportation business can be renewed if:

1. The license has expired;
2. The license is lost or damaged and cannot be used. In this instance, the term of the regranted license term will not exceed the time remaining on the original license;
3. The license is still valid but the enterprise desires to amend its content. The regranted license term will not exceed the time remaining term on the previously issued license.

### Sea transportation agency services

Organizations and individuals providing sea transportation agency services in Viet Nam must:

1. Establish and register the business;
2. Have professional experts in charge of sea transportation agency operations and legal affairs;
3. Ensure that persons in charge of sea transportation agency operation must have at least two years of experience in sea transportation agency operation.
4. Ensure that staff of sea transportation agencies are Vietnamese citizens, have bachelor degrees (in maritime business, foreign trade, commerce or economics).
5. Ensure that persons in charge of legal affairs have bachelor-of-law degrees and at least two years' experience in legal field.

To maintain a business offering sea transportation agency services, the enterprise must have (1) insurance contract for professional liability for services offered; and (2) sea transportation agency contract for each specific shipment or specific time limit.

Foreign organizations and individuals are entitled to establish joint venture enterprises to offer sea transportation agency services. Their capital contribution ratio cannot exceed 49 percent of the enterprise's charter capital.

### **Sea transportation towage services**

Organizations and individuals providing sea transportation towage services in Viet Nam must:

1. Establish and register the enterprise;
2. Have professional experts conducting sea transportation towage services and legal affairs;
3. Ensure that persons in charge of sea transportation towage operations have at least two years of specific experience;
4. Ensure that persons in charge of legal affairs have bachelor-of-law or equivalent degrees and at least two years' experience in legal field;
6. Have at least two special-use tugboats.

To maintain a sea transportation towage services business, the enterprise must have: (1) insurance contract for professional liability of services offered or equivalent guarantees; and (2) sea transportation towage contract for each specific shipment or specific time limit.

Foreign organizations and individuals are entitled to establish joint venture enterprises for sea transportation towage services. Their capital contribution cannot exceed 49 per cent of the enterprise's charter capital.

This Decree takes effect on 1 July 2014 and replaces Decree No 115/2007/ND-CP (5 July 2007).

Source:VNN

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## **NEWS IN BRIEF**

### **Japan group inaugurates lubricant oil factory in Haiphong**

JX Nippon Oil & Energy Vietnam has just opened a lubricant oil factory at Dinh Vu Industrial Zone in Haiphong. The company, an affiliate of Japan's JX Nippon Oil & Energy group, was granted a license to run a project at Dinh Vu IZ in 2010. It started building the factory in November 2013 and officially began operating less than a year after construction began. JX Nippon Oil & Energy Vietnam General director Toshiaki Nagasawa said the factory, one of the group's eight overseas, uses modern technology with a capacity of 40,000 tones per year to supply high quality products of gasoline, diesel, ATE and industrial oil. He added that the company can now directly supply products to Vietnamese consumers. JX Nippon Oil & Energy is Japan's leading group in oil refinery and material oil which accounts for one-third of the country's volume and is the sixth largest lubricant oil producer in the world. In addition, it also operates in electricity, fuel gas and solar energy generators and is expanding investment in oil and gas exploration and development.

### **Italian Prime Minister Matteo Renzi visits Vietnam-based Ariston plant**

The Prime Minister of the Italian Republic, Matteo Renzi, June 10, 2014 visited Ariston Thermo production plant in the northern province of Bac Ninh in the framework of his institutional visit in Asia. The new Ariston Thermo production facility, opened on April 11 this year, is at the forefront in the production of electric water heaters with an annual capacity of 1 million products. The plant employs around 300 people through an area of over 50,000 m<sup>2</sup> further improving Ariston Thermo ability to meet the needs

of Southeast Asia markets. Ariston Thermo has been present in the country since 1988, more than a quarter of a century in which the group has become the main player of the thermic comfort market and one the most relevant Italian companies in Vietnam. During the years, the Group has led the technological innovation of the sector with significant improvement of the market standards, among them the life-saving integrated systems installed on all electrical products and the introduction of the renewable energy usage. Ariston Thermo maintains a strong leadership in the market through Ariston brand, which is a synonymous of Made in Italy and among the top international brand in Vietnam.

During 2013, the group achieved a total turnover of €1.335 billion and sold 7.2 million products in more than 150 countries.

### **Dentsu Aegis Network Vietnam has new CEO**

Dentsu Aegis Network on June 11, 2014 announced changes in its leadership team in Vietnam as part of the next phase of integration between the former Dentsu and Aegis brands. The combined network, which employs 162 people in the country, named Toshinori Aoki the chief executive officer for the group's operations in Vietnam.

He will step into his new role starting from July 1. With innovative brand building at its core, the Dentsu Aegis Network will continue to provide integrated solutions to clients in Vietnam by tapping into the presence of its strong agency brands in the country: Dentsu Vietnam, Dentsu Media Vietnam, Dentsu Alpha, Carat and iProspect.

### **Samsung invests over \$1 billion in HCM City factory**

Ho Chi Minh City has approved the application by the Republic of Korean Samsung Group to construct a US\$1 billion electronics manufacturing facility at the city's Hi-Tech Park. It demonstrates investors' continued faith and trust in the city's effort to accelerate administrative reforms, simplify investment procedures and offer incentives to facilitate foreign businesses operating in the city. Regarding the social disorder earlier in May, a number of workers and people demonstrated against China's illegal deployment of its oil rig Haiyang Shiyou-981 in Vietnam's Exclusive Economic Zone (EEZ) and continental shelf. A handful of extremists took the occasion to violate the law and vandalize some foreign direct investment (FDI) businesses, causing property damage and loss of profits as business had to temporarily shutdown. The city timely responded to the incidents, directed forces to take control of the situation, restoring law and order enabling the business to resume full-unimpeded operations. Samsung's investment in the electronic factory is in line with the city's guidelines encouraging investment in high-tech products so the city will soon complete procedures, clearing the pathway for the Samsung to proceed, Ha affirmed. In 2009, Samsung Group inaugurated a US\$2.5 billion factory in Bac Ninh province manufacturing mobile phones. In March 2013, it started construction of a second high-tech complex in Thai Nguyen on 100ha at a cost of US\$2 billion. Once completion, the factory will produce and assemble mobile phones and other hi-tech products.

### **US imposes anti-dumping tax on Vietnam's steel pipe**

The United States has levied duties on stainless steel pressure pipes imported from Malaysia, Thailand and Vietnam after finding the products had been sold at unfairly low prices. Reuters reported that the US Department of Commerce decided to introduce duties as high as 167.1% for some products from Malaysia. The pipe is used in pharmaceutical lines, petrochemical lines, brewery process and transport lines and general food processor lines. US imports from the three countries totaled US\$39.1 million in 2013. The US International Trade Commission is due to make its final decision on whether the imports harmed local industry on July 6.

### **Binh Duong: All affected businesses re-operate**

All businesses affected by recent anti-China protests in the southern province of Binh Duong have resumed their normal production. Up to 98% of the workers at these enterprises have returned to their work, according to the provincial People's Committee. The committee will announce concrete support measures given to the affected businesses on June 18.

Earlier, the Ministry of Finance cooperated with the province and insurance companies to advance insurance payments of VND114.7 billion for 113 the affected enterprises. A total number of 87 Taiwanese investors have received the advance of VND59.5 billion. The disturbances erupted on May 13 and 14 in Ha Tinh, Binh Duong and Dong Nai provinces during workers' rallies against China's illegal dispatch of oil rig Haiyang Shiyou-981 to a location within Viet Nam's continental shelf and exclusive economic zone. Some protesters incited others to destroy the property of foreign firms, the State, and private domestic businesses. They acted against law enforcement officials, disrupting social order and business activities. Thanks to the Government's timely interference, most affected companies have returned to work, and social order and security have been restored.

### 3 big Vietnamese firms join in \$566mn cattle project

A multifaceted group has joined hands with a major dairy producer and a leading cattle-slaughtering company in a multi-million-dollar project that will raise cows and bulls for meat and milk in Vietnam's Central Highlands. Hoang Anh Gia Lai Group, Vissan, and NutiFood inked the cooperative deal for the project that will include as many as 236,000 cows on Monday. The property developer HAGL will cover half of the VND12 trillion (US\$566.04 million) investment required to raise the cattle. NutiFood will earmark VND5 trillion (\$235.85 million) to set up a fresh milk and yoghurt manufacturing plant, using raw materials from the project. Meat supplier Vissan will cover the remaining investment. HAGL will raise 120,000 meat cattle of Australian breed to supply to Vissan, which will slaughter the animals and distribute their meat domestically, chairman Doan Nguyen Duc said. It will also breed 116,000 dairy cattle imported from Australia to supply raw milk to the NutiFood plant. The first batch of the meat cattle will arrive at HAGL's farm in the Central Highlands province of Gia Lai by the end of this month, Duc said. They will be raised for seven months before being taken to Vissan. The first dairy cattle imported from Australia are expected to arrive late this year

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## COMING EVENTS

### Automation Ho Chi Minh City

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

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

Start Date: **26.06.2014**

End date: **28.06.2014**

#### Event Description

Fair for industrial automation

Automation Vietnam is an international trade fair for industrial automation in Ho Chi Minh City. Visitors will find there the new technologies and solutions in the fields of automation, control, measurement and robotics. In addition, new business contacts can be linked.

Please kindly refer to [www.machinery-vietnam.com](http://www.machinery-vietnam.com)

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### Plastics Fair Ho Chi Minh City

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

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

Start Date: **26.06.2014**

End date: **28.06.2014**

#### Event Description

International plastics fair

Vietnam Plastics Fair is a trade fair for plastics production, processing and recycling in Ho Chi Minh City. The themes of the fair covers the entire spectrum of the plastics industry, from raw materials, through manufacturing and plastics processing technology, to plastic recycling systems and plastic finished products. It allows exhibitors and visitors to see the latest products, to identify the current trends in the industry and to network with the leading manufacturers and suppliers and maintain.

Please kindly refer to [www.machinery-vietnam.com](http://www.machinery-vietnam.com)

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*Reviewed by: Huy Nguyen & Nguyen Minh*

