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VIETNAM: TRADE & INVESTMENT BULLETIN

NO. 38

Dear all,

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VIETNAM INDUSTRIAL PARKS INVESTMENT PROMOTION (VIIPIP.COM)

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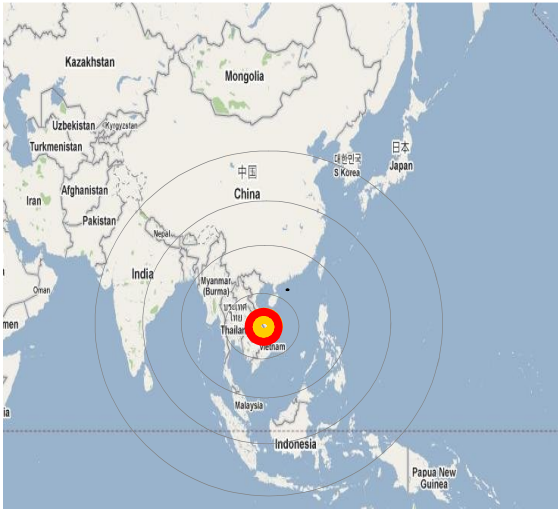
September 2012

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DEVELOPER'S INTRODUCTION

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

Chu Lai open economic zone (OEZ) - the coastal economic zone established by the Government of Vietnam in Quang Nam province, where there are two world cultural heritages: Hoi An ancient town, My Son ancient temples complex and the world biosphere reserve of Cham Island. Chu Lai OEZ is a general, multi-disciplinary, multi-sector economic zone with the total area of 42.000ha.



Chu Lai OEZ has a convenient geographical location connecting to other areas of Vietnam and the world: locates in the middle of Vietnam and the center of ASEAN; away from Ha Noi and Ho Chi Minh city about one hour flight. With the radius of 3.000 km, Chu Lai OEZ easily accesses the most dynamic center of East Asia by air and marine such as Singapore, Hong Kong, Shang Hai, China, Japan, South Korea,...

The oriented development of Chu Lai OEZ is to build the Chu Lai OEZ and the Eastern region of Quang Nam province according to the model of a general economic zone, in which automobile mechanic industry is a key one, combining with the development of the automobile auxiliary industry, electronics, high-tech

industry and constructional material industry, simultaneously, focusing on developing service industry such as tourism, urban, cargo transit and international passengers transport, commercial services.

Chu Lai OEZ has the first free trade zone of Vietnam operating under international practices with the total area of 1.700ha, contiguous to Chu Lai international airport and Ky Ha seaport; 5 concentrated industrial zones (Tam Hiep, Bac Chu Lai, Truong Hai, concentrated automobile and multi-purpose mechanic IP Tam Anh, Tam Thang) with the total area of 4,500ha, in which completed infrastructure of 3 industrial parks), 70km of seaside with the total area of 10.000 ha, white sand, sunlight - an ideal environment to build resorts and high - level entertainment complexes; especially 15.000ha for developing urban complexes with 4 main ones (South Hoi An, Tam Phu - Eastern Tam Ky, Tam Hoa – Tam Anh, Tam Hiep – Nui Thanh)



Chu Lai OEZ is powered by national power network in adequate capacity and stability and supplied 5,000 cubic meters/24 hrs from Tam Hiep Water Plant and 15,000 cubic meters/24 hrs from Tam Ky Water Plant. Besides water source from Thai Xuan and Phu Ninh lakes meets the conditions to increase the capacity of the water plants up to 100,000 to 200,000 cubic meters/24 hrs. The system of post and telecommunications infrastructure has been constructed comprehensively and completely with a full range of high-quality services.

Quang Nam Province has an ensured quality workforce to meet the demands of investors in Chu Lai OEZ. In addition, social utilities of Chu Lai OEZ and Quang Nam province ensure to meet investment projects such as 500-bed general hospital, over 4,000 international - standard rooms, resorts suitable to organize major international events such as senior official meetings, the conference of tourism Minister,...

Coming to Chu Lai OEZ, the investors will enjoy the best high preferential policies of Vietnam including land, corporate income tax, import and export tax and investment supporting policies such as clean land, electricity, water, telecommunication, training support and labour supply, free land to build houses for workers,...; synchronized infrastructure such as airport, seaport, road, railway,... Especially, “one - stop” and “one - stop shop” policy is applied in Chu Lai OEZ thereby Chu Lai OEZ Authority is responsible for procedures to invest in Chu Lai.

From its establishment, Chu Lai OEZ has attracted domestic and foreign projects from the United States of America, Japan, France, Canada, South Korea, Taiwan, China,... in which, there are some large - scale projects such as Chu Lai - Truong Hai automobile mechanical industrial zone, bus and car factories, plants for manufacturing details and spare parts of engine vehicles with the total capacity of 55.000 vehicles per year and the total investment of 400 million USD; Chu Lai Float Glass plant with the total capacity of 1.300tons per day, 150 million USD invested; Soda manufacturing plant with the capacity of 200.000 tons per year, invested 120 million USD; Chu Lai eco-tourism zone with the total investment of 25 million USD; Gold sand eco – tourism park, the capacity of 50 million USD; Engine manufacturing plant with the total investment of 125 million USD; Number one Chu Lai Beverage Plant with the total investment of 91 million USD.



To Chu Lai OEZ, the investors will enjoy peaceful land, friendly people and comfortable investment environment for developing the business.

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TAKING A SUCCESSFUL DEVELOPMENT TO THE NEXT LEVEL

Mapletree Business City @ Binh Duong

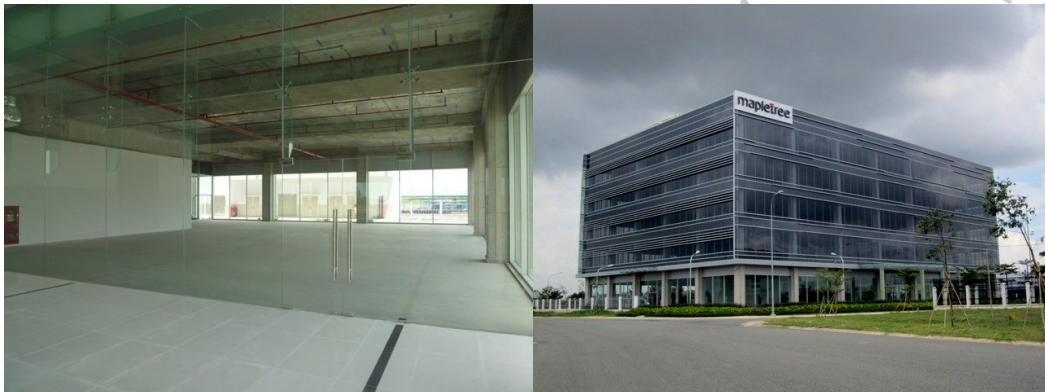


Artist's Impression of the Mapletree Business City @ Binh Duong.

The award-winning Mapletree Business City (MBC) concept is raving up in Vietnam. Modeled after Singapore's MBC, the 75-hectare Mapletree Business City @ Binh Duong (MBC@BD) is a large-scale premium development built to serve the needs of modern businesses and high-tech ventures alike.

MBC@BD is located **30km from Ho Chi Minh City and Tan Son Nhat International Airport**, or a mere **45 minutes' drive away**, in the southern province of Binh Duong, one of Vietnam's fastest-growing provinces. The strategic positioning of MBC@BD in Binh Duong New City as the centre of the Southern Key Economic Zone, further complemented by ample amenities such as retail and F&B options, has attracted multinational corporations. This has in turn driven demand for quality business spaces.

Meeting this need for quality real estate is MBC@BD, which features a contemporary modular infrastructure that offers its users a comprehensive suite of solutions, from ready-built facilities to build-to-suit options. These products feature efficient layouts and high-end specifications for modern businesses.



Completed 5-storey office building – 2,000sqm column-free office space per floorplate



RBBS2000 factories: 2,000sqm of column-free production and floor-to-ceiling glass windows at mezzanine office

MBC@BD FAST FACTS

Location : Binh Duong New City
Binh Duong Province
Vietnam

Land area : 75 hectares

Product type : Mixed-use
– Ready-Built Business Space (RBBS)
– Business Park
– Built-to-Suit (BTS)
– Land Lease

RBBS 1,000 : 5 units of 1,000 sqm Ready-Built factory space
– Completed in January 2011
– 100% occupied

RBBS 2,000 : 7 units of 2,000 sqm of Ready-Built factory space
– Completed in April 2012
– Immediate occupancy available

Business Park : Retail and office space
– Completed in May 2012
– Dynamic features:
column-free space,
large floor-to-ceiling windows
– 3 units of retail space;
NLA: 450 – 750 sqm
– A total of 39 units of business park space; NLA: 190 – 250 sqm

BTS : Customised space enabling companies to be asset-light in terms of real estate needs
– VNTT Data Centre:
GFA of 4,000 sqm;
Completed in February 2011

Land Lease : Enables customers to develop their own commercial / industrial / business park buildings for long-term use

For leasing queries, please contact:
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Prime Location with High Connectivity

With the completion of a new highway to Ho Chi Minh City, Vietnam's commercial centre, is now just a short 45-minute drive away. The travelling time will be shortened yet again as a significant part of the My Phuoc-Tan Van Highway completes in a few months.

As part of the Binh Duong New City, MBC@BD also enjoys convenient access to major transport hubs including airports and seaports. This makes it an ideal site for businesses to co-locate both their office and support operations.

Development Following Success

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

Meanwhile, the e-datacentre, purpose-built by MBC@BD for VNTT, as well as a food packaging plant, are already fully operational. The well-received phase 1A development (currently at 100% occupancy) had spun off hot enquiries, **securing lease commitments for approximately half of the remaining ready-built factories**. MBC@BD's clientele (existing and pre-committed) comprises of manufacturers from Australia, Europe, Philippines, Singapore and Vietnam.

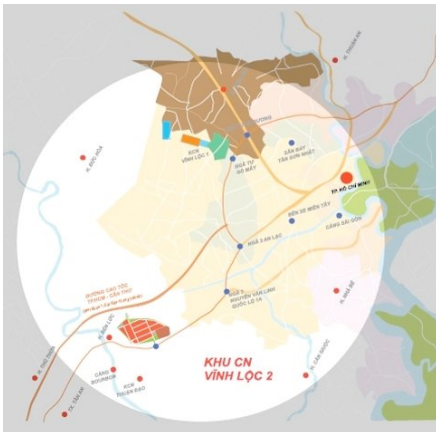
Given the high demand, MBC@BD will be proceeding with the next development phase before the end of 2012. Adhering to customers' needs for smaller industrial spaces, some of its ready-built factories may be subdivided into small factories (**approximately 750 square metres**) for new start-ups coming into Vietnam.

As with Singapore's Mapletree Business City, Mapletree envisages that as MBC@BD gains recognition among the burgeoning Vietnam business community, it will reinforce its positioning as a successful development concept that the Group will continue to roll out across Asia.

VINH LOC 2 INDUSTRIAL ZONE: THE DESTINATION FOR GLOBAL INVESTORS

After three-year operation, with the slogan “Unselective investment attraction”, Vinh Loc 2 Industrial Zone has actively promoted the investment and consulted the effective opportunities to clients. Until now, Vinh Loc 2 Industrial Zone (IZ) has attracted more than 20 local and foreign investors such as Binh Minh Plastic Joint-stock Company, Nguyen Minh Steel Corporation, Vietnam Steel Corporation, Goodearth Grenfell PTE Company...that are in the process of factory construction.

Convergence of many advantages



Located in Voi La Hamlet, Long Hiep Commune, Ben Luc District, Long An Province, Vinh Loc 2 IZ – that developed by Vinh Loc - Ben Luc Construction & Investment Corporation belongs to the key economic zone and has an important role in the Vietnam economic development



strategies. With the special advantages on strategic location: convenient transportation hub, 25km to the western center city, near the airport and international port, the main gate directly connects to National Road 1, the back closes to Saigon - Trung Luong Highway, Vinh Loc 2 IZ is well connected with modern infrastructures in HCM City to freight to the Mekong Delta provinces.

In past time, by the promotion of available advantages and implementation of many positive solutions, Vinh Loc 2 IZ has many creative steps to success in the investment attraction. In order for green - clean IZ with modern infrastructures as well as to meet the expectation of investors, Vinh Loc 2 IZ is trying to complete the

infrastructures system of power supply, water supply, water drainage, internal road, technical works, “green, clean, nice” manufacturing and working environment. In addition, Vinh Loc 2 IZ also has an available land area for utility services such as accommodation for specialists and workers, health services, banking, telecommunication, trading center, kindergarten, school ... to support their life.

Attractive policy

With the pressure on scarce land and infrastructures as well as the expensiveness in HCM City, many investors tend to seek the neighboring areas of which Ben Luc - Long An is an interesting destination for many local and foreign investors. In the posture of always attracting investors,

Vinh Loc 2 IZ has flexibly applied the investment attraction measures to fill up whole industrial land for lease in the fastest time.

Choosing Vinh Loc 2 IZ, investors have many options to own the best products and services at reasonable investment cost, competitive land price, flexible payment method, adaptive requirement of each investor, lease term extends up to March 2061 so that investors are able to develop long-term business. Moreover, with enthusiastic, experienced and dynamic staffs of Vinh Loc 2 IZ, investors will be consulted and supported the legal procedures under simple

and quick process, creating favorable conditions for enterprises.

On the basis of understanding the mutual relationship “The existence and development of investors leads to the success of IZ”. Conversely, the growth and success of IZ will improve its capacity to serve the activities and development of investors”. Vinh Loc 2 IZ has committed to bring a professional and friendly service style to investors; especially always create a really effective investment environment. The advantages and differences of Vinh Loc 2 IZ will be demonstrated during the actual development

experiences of investors. Vinh Loc 2 IZ always tries to complete its mission: “Development to improve the life quality for society and become a destination for global investors” ■



**VINH LOC – BEN LUC IZ
CONSTRUCTION AND
INVESTMENT CORPORATION**

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GENERAL REVIEW

General macro-economic news highlights until 1st Sep 2012

Gas prices continue to rise the 5th

In 3rd of August, 28/8, gasoline prices in the country shall be adjusted with an increase of 650 VND / liter for petrol and 300 - 450 VND / liter of oil. Since the beginning of the year, this is the 5th rising gasoline prices.

According to the Ministry of Finance, Industry and Trade, the adjustment is only equivalent to 50% compared with an increase of the initial business proposal.

The Ministry also agreed to the enterprise use stabilization fund 500 VND/ liter, an increase of 200 VND compared with the previous use, and 300 VND / liter instead of oil previously used. At the same time, business suspended 300VND profit per liter of petrol. To the time of adjustment, oil stabilization fund has 500 billion VND.

However, petroleum import tariffs remain in place from the beginning of July so far, at 10-12%. Explain why no reduction of import duties, the leadership of the Ministry of Finance said that the current tax rate is lower than the benchmark tax, while it has to do more to balance the budget and take some pressure other external factors in this year...

According to him, gasoline and kerosene tax is stipulated to 20%, now at 12 %. Diesel should be 15 %, now just 10 %. Mazut is regulated 15 % but still 12 %. After petrol prices rising, many taxi companies have pledged to increase fees in the next few days. Representatives of the Ministry of Finance said that the fuel price increasing this time will boost CPI by 0.199%.

Gas prices rose 51,000 VND / can from 1st Sep

From 1st Sep, the price of gas increased by 51,000 VND/ can of 12kg compared with July. Accordingly, the common retail gas prices in Ho Chi Minh City area at 418,000 - 420,000 VND/ can of 12kg.

The gas trading business said that the world's gas import prices in September rose 175 USD/ ton (up to 950 USD/ton) compared to last month, caused price increases.

In two consecutive months, the domestic gas price increased by 103,000 VND / can of 12kg.

Stock index processing industry continued to decelerate

According to the General Statistics Office, the stock index at 1st Aug 2012 of the processing industry increased by 20.8% compared to the same period last year.

This increase is greater than the rate of the same period last year (in 1st Aug 2011, the stock index of the processing industry increased by 17.8% compared to the same period in 2010), but this is the fifth consecutive month of growth stock index down.

Before the inventory index was high, in 17 Aug, the Ministry of Industry and Trade indicated to remove difficulties for enterprises, which has focused to remove difficulties, support enterprises to reduce inventory storage, approach to bank loans.

Besides, the industry production index in August 2012 increased 4.1% compared to the previous month and up 4.4% compared to the same period last year. In the first eight months, the industry production index increased by 4.7% compared to the same period last year.

Consumption indicators of the processing industry in 7 months of the year increased by 6.2% compared to the same period last year.

Budget deficit to 15 Aug estimated 115.5 trillion VND

According to a report from the General Statistics Office, the total revenue from the beginning of the year to 15 Aug 2012 was estimated at 418.5 trillion VND, equivalent to 56.5% of the yearly estimate.

Total expenditures from the beginning of the year to 15 Aug 2012 was estimated at 534 trillion VND, equal to 59.1% of the yearly estimate.

Thus, the budget deficit of 15 Aug was estimated at 115.5 trillion VND (~ 5,5 billion USD), with more than 82% of the planned budget deficit in 2012 approved by the National Assembly.

Number of new business in August increasing compared with July

According to information from the Department of Business Registration (Ministry of Planning and Investment), in August 2012, there were 6.118 newly established businesses, with registered capital of 73,597 billion VND, up 3.32% on number and increased by 161.33% on registered capital as compared to July 2012.

If compared with the same period last year, the number of newly established enterprises decreased by 2.64%, but 81.84% increasing of the registered capital.

(Source: Viipip + DVT)

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The new policy takes effect from September 2012

The Stock Exchange banned

According to Decree 58/2012/ND-CP detailing and guiding a number of articles of the Law on Securities and the Law amending and supplementing a number of articles of the Law on securities transactions prohibited include the following acts: Using internal information to buy or sell securities for himself or for others; accidentally or intentionally disclose, give inside information or advise others to buy or sell securities based on basis of internal information.

Manipulating the stock market transactions are prohibited including the following transactions: Use one or more of the trading account of their own or of others or in collusion with each other constantly buy and sell securities in order to create supply and demand false; constantly buy or sell securities with volume dominated at the time the market is open or closed to create the closing price or opening price of a new type of securities in the market; ...

In addition, other prohibited transactions are such as: organizations and individuals directly or indirectly, to commit acts of fraud, fraud, creating false information or omission do not disclose the necessary information on a securities, misleading serious then buy or sell such securities to profit; securities companies change the order of priority for customer orders; ...

This Decree takes effect from the date of 15 Sep 2012.

Financial regime for credit institutions and foreign bank branches

From 15 Sep 2012, financial regime for credit institutions and branches of foreign banks shall comply with the provisions of Decree 57/2012/ND-CP issued by the Government.

According to the Decree, credit institutions and foreign bank branches have to maintain the real value of capital or capital at least equal to the legal capital prescribed by the Government. When there is a change to the charter capital, issued capital; credit institutions and branches of foreign banks have to public charter and new – issued capital.

The Decree also states that credit institutions only use capital and reserve funds to contribute capital or purchase shares of the business, other credit institutions in accordance with the Law on Credit Institutions.

Credit institutions may not contribute capital or purchase shares of enterprises, credit institutions as shareholders, limited partners of the credit institution itself.

Down export tax of coconut at 0%

According to Circular No. 114/2012/TT-BTC of the Ministry of Finance, from the date of 1st Sep 2012, coconut export tax will be reduced from 3% to 0%. Coconut export tax reduction resulting from 3% to 0% is order to remove difficulties for coconut growers and producers, coconut export processing before the results of coconut price continues to fall.

1st Sep, import old mobile phones, tablet computers banned

List of information technology products used were banned to import from the date of 1st Sep 2012 including printer-copy printed by inkjet technology, laser technology; printer-copy-fax combine; matrix printers, inkjet printers, laser printers, fax machines; laptops including notebooks, subnotebook, tablet, computer keyboard, the hard disk; wireline telephone sets with cordless phones, cell phones or the phone used for other wireless networks...

The components, parts, assemblies, accessories used of all kinds of products on the list are also prohibited to import.

Ministry of Information and Communications stated that do not apply to the list of prohibited imports in the following cases: imported for repair service, new or new production and re-export of products after the manufacturing process; export directly to the means of production or service operation modeling design, research and development; re-imported after overseas for warranty, maintenance or repair, refresh; import form of transportation means of production in the same agency or organization.

(Source: *Chinhphu.vn* + *Viipip*)

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TRADE

Viet Nam's export to Egypt reaches USD201 million

Viet Nam's export turnover to Egypt reached USD201 million in the first seven months of the year, said Viet Nam Ambassador to Egypt Dao Thanh Chung.

Chung said the country's exports to Egypt in 2010 amounted to USD200 million while last year's were USD280 million, adding that Vietnamese enterprises have brought considerable goods into the market.

Viet Nam's main export items to Egypt have been rice, wooden furniture, consumption goods and seafood.

The latest report from the Ministry of Industry and Trade showed that Egypt has been the fourth largest country which imported Vietnamese goods among 67 countries having trade relations with Viet Nam.

Viet Nam has imported materials serving for production with a yearly average turnover of USD20 million. However, the ministry said that trade has not been up to the two countries' potentials despite increasing export turnover over the past few years.

Chung urged Vietnamese businesses to penetrate further into the market. He said the embassy would support and create favourable conditions for businesses to promote their trade in Egypt as well as expanding the range of export items available.

Egypt has been in need of agricultural products, cloth, electronics, mobile phones, machines and equipment. He added that the two countries should establish a Viet Nam-Egypt Business Council to promote trade, investment and co-operation. The two countries aimed to bring their bilateral trade to USD500 million.

(Source: VNS)

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Vietnam, Pakistan target 500 million USD trade

Vietnam and Pakistan are determined to achieve the 500 million USD target of bilateral trade by December 2013.

This was delivered to the second session of the Vietnam-Pakistan Joint Trade Commission in Islamabad, Pakistan on Aug. 28-29. The Vietnamese delegation to the session was led by Deputy Minister of Industry and Trade Le Duong Quang.

The two sides also proposed the signing of a cooperative agreement between the Trade Development Authority of Pakistan and Vietnam's Trade Promotion Agency to help realise the target. The two sides reviewed the implementation of agreements reached at the first session in Hanoi in October last year.

They deliberated on measures to enhance and promote trade between the two countries such as lifting trade barriers, increasing the exchange of information and creating conditions for their businesses to engage in trade and investment promotion programmes.

During the meeting, a Memorandum of Understanding was signed wherein Pakistan recognised Vietnam as a full market economy. Pakistan called on Vietnam to create more favourable conditions for Pakistani businesses, especially the granting of visas. On this occasion, Vietnam asked Pakistan to assist the country in preventing trade fraud.

Later, Deputy Minister Quang met with the Senior Commerce Minister and the Secretary of State for the Foreign Ministry of Pakistan, during which the Pakistani side expressed its hope to enhance the relationship with Vietnam.

(Source: VNA)

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US imposes zero dumping tax on Vietnamese tra fish

All 18 Vietnamese exporting tra fish fillets to the US have been exempted from anti-dumping taxes.

Among the businesses, Vinh Hoan Group has also been enjoying a zero tax rate in the US market for four consecutive years.

The decision was announced by the US Department of Commerce (DoC) following its eighth preliminary results of administrative review (POR8) for anti-dumping duties on tra fish fillets imported from Vietnam from August 1, 2010 to July 31, 2011.

Truong Dinh Hoe, secretary general of the Vietnam Association of Seafood Exporters and Producers (VASEP), said that according to the US regulations, any business which is offered a zero tax rate for three consecutive years can be exempted from anti-dumping duties indefinitely.

The DoC plans to release its final decision on anti-dumping duties for Vietnamese tra fish by early next year.

(Source: VOV)

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INVESTMENT

Vietnam the 9th destination for APEC investors: PwC

Vietnam ranks the ninth among investment destinations in the Asia – Pacific region targeted by companies in the next 3-5 years, according to a survey of PricewaterhouseCoopers (PwC) announced on Wednesday (5 Sep).

The APEC CEO Survey 2012 was carried out by PwC International Survey Unit between June and August 2012, polling 376 chief executive officers (CEOs) and industry leaders in 40 economies, including all 21 APEC economies. This is an important survey conducted annually by PwC as the Knowledge Partner of the annual APEC Summit.

Asia-Pacific CEOs said China and the United States were their dominant targets for investment over the next three to five years. Resource-rich areas such as Russia, Indonesia and Australia, and Asian services capitals like Hong Kong and Japan were also cited as top draws for investment.

Vietnam ranks the ninth among investment destinations in the region for companies headquartered in fast-growing economies that are making their largest investments in the next 3-5 years. Besides, the country is the eleventh destination for companies headquartered in mature economies that are making largest investment in the next 3-5 years.

About 40% of CEOs said potential trade agreements by both the Association of Southeast Asian Nations (ASEAN) and the Trans Pacific Partnership (TPP) could have potentially significant impact on their companies.

According to the survey, economic disruptions, including possible recession in the U.S., the Eurozone crisis and the slowing growth in China, have taken a toll on the confidence of CEOs in the Asia-Pacific region.

Just 36% of executives surveyed by PwC said they are “very confident” of business growth over the next 12 months. Longer term, however, prospects improve, with more than half (54%) expressing a high level of confidence for the next three to five years. In addition, according to the survey, CEOs said the top priorities of the APEC organization should be promoting the free flow of investments in the region, harmonizing regulations and standards, and mapping skills in the region with an eye to helping ease restrictions on immigration.

The survey was announced before the 2012 Annual Summit of the Asia – Pacific Economic Cooperation (APEC) Forum taking place on September 7-8, 2012 in Vladivostok, Russia.

(Source: VBN)

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FDI keeps the nation smiling

About USD8 billion of foreign direct investment is expected to flow into Vietnam this year, significantly boosting economic growth and local currency stability.

Dang Xuan Quang, deputy director of the Ministry of Planning and Investment's Foreign Investment Agency (FIA) said the total disbursement at foreign invested projects in Vietnam could be USD11 billion in 2012, equally to last year's level.

"In which, we estimate foreign investors will bring USD8 billion into Vietnam and about USD3 billion will be contributed by Vietnamese partners," said Quang. FIA statistics show that the disbursement capital of foreign invested projects in Vietnam reached USD7.28 billion from January to August this year, slightly down 0.03 % from one year earlier. This is a very stable level given the context of the committed capital declining," said Quang. The FDI commitments trended down since 2008 when reaching only USD8.47 billion during the past eight months, dropping 33.9 % against the same period last year.

The decline in FDI commitments indicated that foreign investors' confidence in Vietnam's outlook was declining given policy and economic obstacles, said Tran Dinh Thien, director of Vietnam Economic Institute. Quang said the stability of foreign direct investment (FDI) disbursement was an important factor keeping the economy growing this year. "If foreign invested enterprises were not doing well in our country at this time, the economy would be in a worse stage," said Quang.

Despite the global economic turmoil, export turnover at foreign-invested enterprises was reported at USD45.6 billion during the first eight months of this year, up 34.1 % from one year earlier. Foreign invested enterprises also made over USD7 billion of trade surplus at the same time, playing a big role in narrowing Vietnam's trade deficit chronic disease.

Meanwhile, the FDI disbursement is contributing to stabilising the local currency. "Once we look at the FDI sector, we always see the disbursement. A stable disbursement at this time is good for the economy in general and help strengthen local currency in particular," said Phan Thi Thanh Binh, director of ANZ Vietnam's Financial Market Department.

Quang said the FDI disbursement would continue this momentum next year as the government was trying to ease the obstacles to ongoing foreign invested projects. "We have been implementing many measures to boost the FDI disbursement. Though the measures will take time, we see some positive signs now," said Quang.

(Source: Vietnam Investment Review)

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British Telecom eyes Vietnam market

The British telecom giant is seeking business opportunities in Asian countries with high growth and large population, including Vietnam.

Channelnewsasia.com reported that BT regards those potential markets of Vietnam, the Philippines and Indonesia as key drivers of its expansion strategy in the near future.

The news wire quoted Tim Harris, CEO of British Telecom Southeast Asia, as saying BT plans to double its market share in Asia. "We're very positive on Asia. We grew a double digit growth last year, and our intention is to grow twice the size at the market," said Harris. "We'll be investing significantly further into the region. Because that's where we see our customers investing a lot at the moment."

BT said the Asian market for its services is growing strongly at 6 % a year overall and 15 % for managed services. It estimates that the Asian market for its services is worth 8 billion pounds (USD12.56 billion).

(Source: VOV)

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Healthcare sector turns magnet for foreign investors

For years in the recent past, the local healthcare sector attracted very few foreign investors who saw it as requiring a long time to recoup investment. The tide has turned now when a new wave of foreign entrepreneurs are coming in, seeking to tap a market seen as highly potential given the rising demand and the inadequate supply of services.

Several foreign investors have shown keen interest in the healthcare sector in Vietnam, at least for now. This will likely help remedy the current hospital overload.

New investment pledges

After developing two drug plants in HCMC and Binh Duong, the Filipino pharmaceutical firm United Lab has just decided to boost investment in Vietnam through medical service supply. In late August, United Lab signed a deal with High Precision Diagnostics (HPD) of the Philippines to open a clinic specializing in diagnosis and medical tests in HCMC. The two companies plan to form a joint venture in the city for developing this clinic, set for completion next year. Meanwhile, Trip EYE of Canada has recently pledged to build an international-standard hospital at Dai An Industrial Park in Hai Duong Province. Under the plan, a 200-room hospital worth USD160 million will get off the ground in the first quarter of 2013. It is expected that the project will start service in 2015 to serve over 20,000 workers at Dai An Industrial Park, as well as residents of Hai Duong and neighboring localities.

In a recent trip to Vietnam, a representative of Mercatus Capital Pte Ltd. informed the Singaporean company would establish a healthcare investment fund. The purpose of Mercatus's business trip to Vietnam is to seek competent investors for medical projects in Vietnam, which the group has done successfully in some regional countries.

Even Fortis Healthcare, an Indian operator of hospitals, intends to deepen its investment in Vietnam, after the group acquired a 65% stake worth some USD64 million in Hoan My Medical Corp. last year.

Vishal Bali, CEO of Fortis Healthcare, said his firm would join hands with Hoan My to expand the healthcare network in Vietnam, after the local private investor had developed five hospitals in HCMC, Danang, Can Tho, Dalat and Ca Mau, along with four clinics.

According to experts, investment in Vietnam's healthcare sector has not met the actual demand. The country's healthcare system is now underdeveloped in terms of quantity and quality.

The central budget spending on the healthcare sector only accounts for 7-8% of GDP, and private hospitals only makes up 12% of the total number of facilities nationwide.

According to the Foreign Investment Agency under the Ministry of Industry and Trade, as of July 2012, there were only 78 foreign direct investment (FDI) projects in the medical sector, with a total capital of USD1.16 billion, including ten hospitals, 66 clinics and two drug factories. These figures are quite trivial compared to hundreds of billions of dollars of FDI pledged in other sectors in Vietnam.

Targeting the high-grade segment

Although the number of healthcare projects is on the rise, investment in this industry is still poor.

Compared to other fields, investors in the healthcare sector enjoy more incentives, such a minimum corporate income tax rate of 10%, tax exemption in four years and a 50% tax cut in the following years. However, so far, there have only been 137 private-invested hospitals, versus a total of 1,063 hospitals across the nation. Most of the private hospitals are located in big cities like Hanoi, HCMC and Danang.

Investors frankly pinpoint the reasons why the medical sector is not attractive to investors, one of which is slow capital recovery. With the same amount of money, investment in banking, finance or real estate would be recovered faster than in healthcare, said several investors.

Because of the huge capital demand, most of the foreign investors in the healthcare sector aim at the high-grade segment, serving foreigners working in Vietnam, overseas Vietnam coming back home for treatment, and local citizens with above-average incomes. In addition, investors also target Vietnamese high-income people with demand to go abroad for medical treatment. Customers in this segment would afford high service charges. Therefore, investors tend to set up hospitals in big cities, such as FV Hospital in HCMC.

As Vietnam's population is reach-ing90 million, and the local economy is developing, experts forecast the demand for high-grade medical services would surge further in the future. Therefore, now is the time for investors to eye high-grade healthcare projects.

(Source: The Saigon Times Daily)

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Binh Thuan removes 13 industrial zones

Binh Thuan Province has sent a proposal to the Ministry of Industry and Trade seeking approval for removing 13 industrial zones from its development plan until 2015 as the zones have been largely inactive for long.

The provincial government ten years ago announced a master plan of developing 40 industrial zones covering a combined 1,628 hectares. Until now, there have been only 12 operating zones with 220 industrial tenants with total registered capital of around VND513 billion and providing jobs for 3,520 local labors.

Other industrial zones are implemented slowly while some companies after registering for investment have dissolved. The 13 zones to be removed from the master plan have a total area of nearly 430 hectares.

The provincial government has so far revoked licenses of several industrial zones. For instance, La Gi Town has five industrial zones with a total area of 468 hectares, with the 112-hectare La Gi industrial

zone awarded to South Korea-based Asian Development Co. in 2007. However, this project was not carried out and then recalled as the province was unable to contact the investor.

The slow-moving 50-hectare Ba Dang shipbuilding industrial zone invested by Binh Thuan Hamico Mineral Joint Stock Co. has also been recalled after staying idle for many years. Meanwhile, under the planning, Duc Linh District will have six industrial zones with 260 hectares. However, after ten years of attracting investments, these areas have yet to have facilities developed, except for hundreds of brick kilns.

Regarding difficulties in attracting investments and developing industrial zones, provincial chairman Le Tien Phuong said that the development planning was not based on the real demand. Besides, no industrial zones in Binh Thuan have built the central wastewater treatment system, which has somehow discouraged investments in such zones.

Chairman Phuong has proposed the Ministry of Industry and Trade to soon issue decisions on investment incentive policies for industrial zones, facilitating provinces to develop infrastructure and industrial zones, especially ones having difficulties in investment attraction like in Binh Thuan.

(Source: VBN)

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[Mammoth Phu Quoc project to roll ahead](#)

Switzerland's Trustee Suisse Group is to continue rolling the dice with its mega tourism project on Phu Quoc Island, despite having its wings clipped by the authorities.

Van Ha Phong, head of the island's Investment Management Authority, said the developer would continue pursuing the USD2.6 billion Asia Pearl project even though it did not have permission to build casino and golf course segments. "The project remains slow, but the developer has been actively mapping out the investment plan and complete administrative procedures. We appreciate that," said Phong.

Trustee Suisse initially proposed Asia Pearl in 2007. The project, to cover 102 hectares, will be the island's largest tourism project.

One year ago, Kien Giang People's Committee set deadlines for Trustee Suisse and its local partner – Vinaconex R&D Corporation – to finish a detailed master plan for the project and also a plan for land compensation and resettlement. The plans must be delivered before August 30, 2012.

"We have not received a detailed investment plan nor land compensation and resettlement plans," said Phong. "We really want to support Trustee Suisse. But our opinion is that we cannot wait the developer forever. If the developer delays this project too long, we must revoke its investment proposal," said Phong.

Phu Quoc, 120 kilometers off the coast of Kien Giang, is among the most attractive destinations for developers to develop tourism projects in Vietnam, with 75 licensed projects. The projects are capitalised at around USD2.2 billion, covering nearly 4,000 hectares. Furthermore, the provincial authority also agreed in principle for 180 other projects. Besides the Trustee Suisse project, Hong Kong's Millennium Group, via its subsidiary Starbay Holdings, is building a USD1.6 billion resort. In addition, under the government's plan, there will be a big tourism project comprising a casino facility in Phu Quoc, expected to open in 2017.

(Source: VIR)

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Long An recalls delayed realty project

Long An Province's authorities have cancelled a large-scale property project invested by DM LEE Limited Co. due to long delays, said the provincial Department of Planning and Investment.

The South Korean investor planned to construct serviced apartments, villas, public service facilities and offices with total investment capital of USD52 million on a total of 100 hectares in Long Hau Commune, Can Giuoc District. However, the investor has been unable to start the scheme even though nearly three years have passed since the investment license of the project was issued.

According to the planning department, the withdrawal of the project's license will give opportunities for other investors to join the scheme. In fact, a number of local investors have shown keen interest in developing other real estate projects in the location.

The government of Long An Province in recent times has revoked the investment certificates of slow-moving and cash-strapped projects of local and foreign developers, including those to develop housing, golf courses and industrial clusters.

According to the department, the province has since 2009 taken back more than 13,515 hectares of land from foot-dragging projects, with 10,867 hectares recovered in 2009, 534 hectares in 2010 and 565 hectares in 2011.

In the year's first half alone, Long An withdrew 1,548 hectares of land from 21 suspended projects. Among them is the Vietnam-South Korea golf course project covering 240 hectares in Can Giuoc District consisting of an entertainment facility and high-class residential area. Vietnam-South Korea Company as the investor of this project failed to get the project done on schedule due to financial constraints.

The province since 2007 has agreed to allocate land to investors to develop eight residential and urban area projects with golf courses included. However, the Prime Minister in 2009 only approved the planning of two golf courses.

There is only a golf course project left in Long An at the moment and it is being developed by C.S.Q International Investment JSC on a total of 200 hectares in Duc Hoa District.

(Source: The Saigon Times Daily)

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FINANCE – BANKING

Vietnam has highest tax rates in Asia

A recent report released by the NA's Economic Committee showed that Vietnam has ratios of tax revenue to GDP at 1.4-3 times higher than neighbouring countries.

Unofficial taxes and corruption

The report pointed out that the taxes and fees are on the rise in Vietnam, while the state's revenue has remained quite stable during the 2007-2011 period, standing at around 29% GDP, of which 26.3% was derived from taxes and fees.

The revenue from crude oil accounted for 21.6% GDP of the state's budget and has continued decreasing. In 2007, revenue from crude oil stood at 6.9% but fell to 3.1% in 2011, indicating that revenue from others sources was increasing.

In the last five years, Vietnam has the highest ratios of tax revenue to GDP in the region and in comparison with other emerging Asian countries at 20% while in China they are 17.3%, 15.5% Thailand and Malaysia, Indonesia 12.1% and India just 7.8%. In 2010 and 2011, Vietnam's tax rate continued to rise from 22.6% to 24.4%.

The report said the people not only have to bear "inflation tax" but other taxes arising from subsidies, import tax, excise tax and "unofficial tax" rises.

The Provincial Competitiveness Index (PCI) in 2011 reported that 52% of enterprises said they had to bribe state agencies to make work smoother. 7% of enterprises said 10% of their income was used for unofficial spending.

While small scale bribery had decreased, large bribery had become more common. 56% of enterprises who have participated in bidding for state projects said making corruption payments was common.

High taxes may encourage fraud

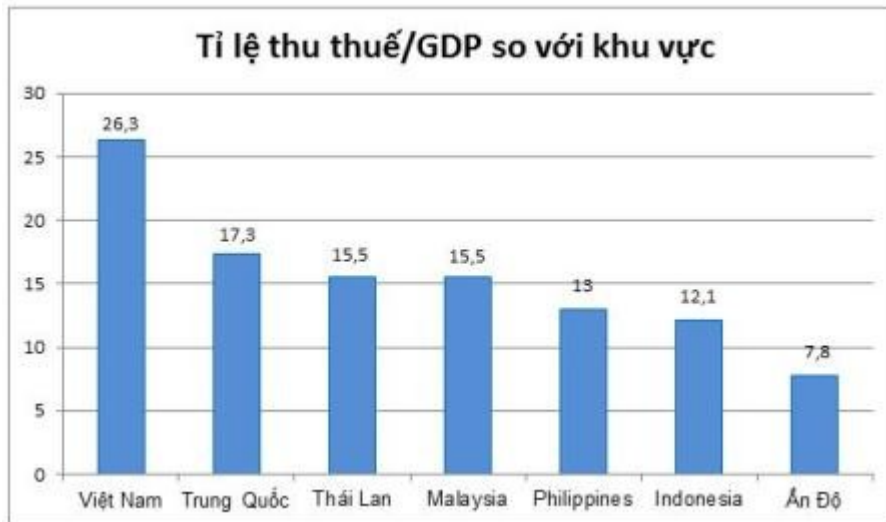
High taxes not only hinder investment and development but also encourage tax fraud. Recently, many foreign invested companies have report lower product prices than their actual prices to avoid taxes.

Although foreign invested firms account for 20% of GDP their contribution to the state budget is less than 10%. Many companies though repeatedly reporting losses still ask for permission to expand their businesses.

Vietnam's tax revenue mainly come from regressive VAT, corporation tax and import and excise taxes. In the recent past, the VAT and import taxes have increased while the other taxes have fallen.

The report pointed out that if the government continues to depend on these taxes then Vietnam budget deficit will escalate when the country is forced to cut taxes in accordance with its WTO commitments.





Vietnamese tax rates in comparison with neighbouring countries



(Source: VBN)

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Tax audits focus on transfer pricing

At least 20 % of annual tax audit activities in the 2012-15 period would be devoted to transfer pricing, according to survey results released by Ernst&Young Vietnam in HCM City in 6 Sep.

The "2012 Global Transfer Pricing Tax Authority Survey" says such activities would focus on four main areas: labor-intensive industries; automotive industry; pharmaceutical industry; and export processing enterprises in garments, textiles and footwear industries.

The survey report said, "all companies in Vietnam are likely to be subjected to be on the examination list." However, it said, Vietnamese auditors would give high priority to inspect firms that have reported losses for consecutive years, but continued to expand during the period.

Companies having manufacturing contracts but reporting losses or those with significant related-party transactions would also be inspected, said Nitin Jain, Partner, Tax&Advisory Services and National Transfer Pricing Leader for Ernst&Young Vietnam.

Vietnamese tax authorities would also focus on companies under suspicion of abusing transfer pricing or have significant tax dues, he said, adding that the list included companies that have not been audited for multiple years and were entitled to tax incentives.

Out of 48 countries and territories surveyed, Ernst&Young found Vietnam was the only one that had no advance pricing agreement. "This was an advanced step and it is a good time for Vietnam to apply this method now. By the end October, the country would have regulations relating to it," the report said.

In terms of human resources, the survey found that like other countries, Vietnamese authorities were setting up a centralized transfer pricing team that would develop transfer pricing policies, monitor implementation of the rules and participate in transfer pricing audits.

Tax authorities in large localities have also been developing separate teams for transfer pricing administration and audit. In 2011, auditors found that 900 companies had abused transfer pricing, the survey report said.

(Source: VNS)

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ANALYSIS – OPINION

Vietnam semiconductor firms need global mindset

Mike Holt, vice president of the Singapore Semiconductor Industry Association and CEO of the Singapore Microelectronics Incubator Get2Volume, talked on the sidelines of the Second Solid-State Systems (4S-2012) organized in HCMC around in the middle of August by the Vietnam National University of HCMC and the Saigon Hi-Tech Park.

What are the needs of the semiconductor industry in Singapore?

- The semiconductor industry in Singapore is really a full ecosystem. All the different pieces of the industry, from fab design, tabs, test assembly, software around it. The needs in Singapore are always talent - new and talented engineers. While there is a need, for certain parts of the industry we're transitioning to what's called "Making More than Moore" kind of products, meaning not just leading edge technology to drive cost, but things like sensors and mems.

These areas require different levels of package and assembly and test that have a lot more of a stronger human component. That's something Vietnam can contribute to greatly. It is bringing together those kinds of capabilities where there is not all the automation already established.

Do you see any cooperation between Singaporean and Vietnamese firms yet?

- Yes, there are some. In our company, for example, we are involved in working with emerging growth companies in the semiconductor space and above, in Singapore and other places like Vietnam. So we have been very involved with one Vietnamese company and they bring great skills set in mems assembly, something that we can't actually get cost-effectiveness in Singapore.

In the semiconductor business it is hard to think regionally. Semiconductor companies are global from day one. You must have a global mindset because the talent, the manufacturing, the customers, the partners or the capital can come from very different places. With this global mindset you are able to bring talented teams, capability manufacturing from Vietnam to complement what we are doing in Singapore.

What do you mean by “global mindset”?

- Here is an example. Certainly for big companies it is very clear, but one of our companies (within the Association) is a 25 person company. This company designs its chips in Australia, manufactures the chips in Taiwan and assembles them in Singapore. It sells them largely to customers in China. We have our lead architect driving the definitions of our products in California. Our CEO is in California. That is what I mean by “global mindset”. This is a 25 person company and yet involved everywhere and there is nothing unusual about that. It is the nature of our industry. Vietnamese semiconductor companies need to have that same connected and involved global mindset.

There are many overseas Vietnamese working in this sector. The involvement of partners and companies in other places is significant. It happens by definition in our industry but being able to foster those relationships in growing the businesses here, I think it is very important. The semiconductor industry is a global industry. Every company is global in mindset and capability and so Vietnamese companies need to also have that mindset. I think you do that by being involved in these other outreach and industry.

What can we do together between Singapore and Vietnam in the future?

- There are a lot of things that can happen right away. Of course Singapore and Vietnam are very close and so we can bring teams together to execute projects and supply to companies.

The first step to doing that is coordination between the industries. There is a lot going on between the governments in the semiconductor space, but beyond that we also need collaboration between industry associations. In Singapore we formed an industry association for semiconductors about seven years ago. Of course we are very well connected with the other industry associations in the region, but Vietnam doesn't have such an industry association yet.

I know people are forming such an association here. Future collaboration between those groups is a good first step. That can happen in very easy ways. It can be just companies having exposure to each other, companies from Singapore attending events like this or visiting companies in Vietnam, and vice versa. So that we can learn about the capabilities, the needs of the customers, and then being able to start doing business together and help grow both industries.

If you have a suggestion, what would you like to advise the Vietnamese semiconductor industry to do, besides setting up an association?

- That's really being able to bring together their design centers that are here. Maybe that implies involvement with other multinational companies. I know it is happening here, but it would be very interesting to have ties to some Singapore companies. At these design centers, people can continue to develop skills set based on the involvement from other people outside of Vietnam and as well contribute to projects that are bigger than those that might happen just here in Vietnam.

Of course, building that credibility for the industry leads to more capital, more companies, more design centers, and more commitments from other people and that just grows the industry even further. Then more of the Vietnamese engineers see that this is a good place to work, and more companies see that this is a good industry to build companies in, and continue to build the industry.

(Source: SGT)

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Gov't says to disband several economic groups

The Government is looking to pull down the number of State economic groups to around five or seven, meaning several conglomerate-type groups will be disbanded, stated Minister Chairman of the Government Office Vu Duc Dam.

Replying to local media's question over the Ministry of Construction's proposal to abolish the State economic group model of Song Da Corporation and Housing and Urban Development Corporation (HUD) due to inefficient business, Chairman Dam said the plans for reorganizing HUD and Song Da are under consideration.

"The current number of eleven groups will certainly shrink to five or seven," he said.

This is part of the process for State group and corporation restructuring already approved by the Government.

Particularly, the Prime Minister's responsibility to manage the conglomerates active in the State monopoly fields like Electricity of Vietnam (EVN), Vietnam Oil and Gas Group (PVN) and Vietnam Posts and Telecommunications Group (VNPT) will be enhanced.

The remaining groups will be reorganized through dissolution, consolidation or handover to ministerial and local agencies, under the spirit of Decree 32 on State ownership in State-owned enterprises.

At the regular press conference of the Government on Wednesday (5 Sep), the Finance Ministry also fielded questions on tax issues.

"From now to 2020, the Government will propose tax reduction per unit of goods to encourage production and business activities," said Deputy Minister of Finance Vu Thi Mai, in response to a report of on the macro-economy made by the National Assembly Economic Committee, with an emphasis on tax burden.

Mai said tax and fee payment contribution to the State budget had reached as much as 29% in the 2007-2011 period. However, this figure does not fully reflect the actual situation, as it comprises taxes levied on land and crude oil.

If land and crude oil tax payments were excluded, tax payments would only account for 12-14% of GDP, which is average compared to the world's level.

The figure revealed by Mai is much different from the one given in the macro-economy report of the NA Economic Committee. According to this report, tax and fee payments, exclusive of crude oil, stand at some 26.3% of GDP, a very high ratio compared to levels in the regional countries.

Mai said the current corporate income tax rate in Vietnam is 25%, which falls to 16.32% with graces and incentives factored in. Meanwhile, the average tax rate is 30% in Thailand and the Philippines, and 27% in 83 other countries.

Similarly, the value-added tax rate of Vietnam is 5-10%, versus 12-25% in 112 other nations.

Mai said taxes in Vietnam had been constantly reviewed and amended, with 243 kinds of tax and fee removed since 2003. The Government will continue to ease tax obligations of citizens and businesses from now to 2020.

(Source: The Saigon Times Daily)

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NEWS IN BRIEF

EVN sells low-price power to farmers. Southern Power Corporation under Vietnam Electricity Group (EVN) has announced that it will sell power to farmers in An Giang Province at a lower price compared to the normal price by subsidizing the price for pumping stations. According to the corporation, EVN will sell power to farmers in this Mekong Delta province at a price VND300 per kWh lower than the normal rate to help farmers cut production costs. Selling low-price power to pumping stations will help farmers in An Giang Province save on an amount of VND200 billion each year compared to diesel pumps, reduce production costs and increase profits.

There have been 940 pumping stations developed in An Giang since 2008, raising the total number of power pumping stations in the province to nearly 1,500 which serve irrigation for over 255,000 hectares of rice, equivalent to 91% of farmland there.

The Minister of Industry and Trade, Vu Huy Hoang, has approved 44 projects in the second phase of the National Trade Promotion Program that will run until the end of this year. The program, which aims to step up export and domestic trade promotion activities, especially in rural, mountainous, border and island areas, is estimated to cost VND35.456 billion (USD1.7 million). With the second phase, the National Trade Promotion Program 2012 will have a total of 90 projects costing VND79.39 billion (USD3.78 million). According to the Ministry of Industry and Trade's Vietnam Trade Promotion Agency, the projects will cover a range of promotion activities including domestic trade exhibitions, international conferences on export commodities and capacity building for trade promotion officials. It aims to popularize the potential and strengths of various regions and localities and promote the use of Vietnamese goods by Vietnamese people.

The Ministry of Finance (MoF) has decided to remove export tax on coconut starting in Sep. MoF made this decision after receiving a petition from the People's Committee of southern Ben Tre Province, known as the country's "kingdom of coconut", to stop imposing a 3-per-cent export tax on coconut because of slumping prices. Currently, each coconut is sold at VND2,000 (USD0.09), a price five times lower than that of previous years.

The Asian Development Bank (ADB) has agreed to provide an incentive loan worth USD40million to help Vietnam develop a model of market-oriented micro-finance. The agreement was signed in Hanoi on September 7 by Governor of the State Bank of Vietnam (SBV), Nguyen Van Binh, and ADB Country Director in Vietnam Tomoyuki Kimura. Addressing the signing ceremony, Kimura said the agreement shows the strong commitment and joint efforts of the Vietnamese Government and ADB in developing a healthy and sustainable micro-finance sector. The loan aims to narrow development gap and help poor people, especially those living in rural areas, gain easy access to social services. ADB also approved a micro-finance development program attached with non-refundable technical aid for Vietnam to improve the inspection of micro-finance and infrastructure work in the financial sector, the protection of consumer rights, and the exchange of credit information.

Fund manager MB Capital, a subsidiary of Military Bank, has become the first fund in Vietnam to apply to the State Securities Commission for a license to establish an open-end bond fund. The application was submitted on August 30 and, if approved, would make the Military Bank Bond Fund (MBBF) the first of its kind in Vietnam. The MBBF would focus on Government bonds, secured corporate bonds and term deposits, with Japanese investors expected to contribute 30-40 % of the fund's initial capital. The fund's goals would be to achieve higher earnings than interest paid on bank deposits, with low risk to investor capital. MB Capital planned to conduct roadshows and offer fund certificates to the public after receiving approval from the State Securities Commission.

Vietnamese exports to Mexico have maintained a strong growth, earning USD564 million in the first half of this year, a year-on-year rise of over 24 %. According to Vietnam's Embassy in Mexico, this figure is mainly attributable to key export items including footwear, garments, aquatic products, electronic goods and spare parts, coffee and rubber. Vietnamese Commercial Counsellor in Mexico Hoang Anh Dung said that during the reviewed period, Vietnamese businesses imported Mexican goods worth over USD46 million, an annual rise of 64.72 %, including iron and steel, computers, animal feed, electronic products, spare parts and accessories. In June alone, Vietnam's exports to the country hit over USD97 million, up by nearly 21 % year-on-year.

DongA Bank in 29 Aug signed a contract to join the International Finance Corporation's Global Trade Finance Program. The IFC, the financial arm of the World Bank, will provide DongA Bank with a total credit guarantee of USD20 million for its international trade-related transactions. The guarantee can take the form of letter of credit, bill of exchange, or draft so that DongA Bank will be able to provide working capital to importers and exporters. Its general director, Tran Phuong Binh, said the bank met IFC's criteria on corporate governance and credit and risk management, so it was able to join the program. In an unrelated event, five commercial banks – Sacombank, Vietcombank, Vietinbank, HDBank, and MHB – signed contracts on Tuesday (28 Aug) with 18 HCM City businesses to provide them with credit of almost VND96 billion (USD4.7 million).

Saigon Infrastructure Real Estate Investment Joint Stock Company (SII) will spend some VND5 trillion developing seven projects for water supply, water purification and electricity production in HCMC and some other localities. SII general director Truong Khac Hoanh told the Daily that the company would focus on implementing these environmental infrastructure projects in 2012-2013. Of the seven projects, the most notable is the first phase of the urban wastewater treatment project in HCMC with a daily capacity of 150,000 cubic meters, worth a total of over VND3 trillion. Meanwhile, a system for raw water supply and power generation will be developed in Van Phong Economic Zone in Khanh Hoa Province, with a capacity of 30,000 cubic meters per day. The total investment capital of the project is nearly VND100 billion.

The Government has agreed to grant tax exemption for farm goods grown in Cambodia by Vietnamese enterprises and individuals. This follows the growing number of people cultivating and investing in farming in border provinces. Statistics show that in southern Tay Ninh Province alone 120 individuals from the districts of Chau Thanh, Tan Bien, Trang Bang and Tan Chau have invested in 2,400 ha in Cambodia. However, the exemption does not cover processed farm products.

The Vietnam Chamber of Commerce and Industry and the Japanese-ASEAN center hosted a seminar in Tokyo on Tuesday (28 Aug) to promote Vietnamese-Japanese trade. Addressing the event, Nguyen Trung Dung, commercial counselor of the Vietnamese Embassy in Japan, said Japan was Vietnam's third largest trading partner and the second largest importer of Vietnamese goods. In the first half of this year, two-way trade hit over USD12 billion, a year-on-year rise of 28 %, of which Vietnam's exports to Japan reached about USD7 billion, up 45 % on the same period of last year. Notably, Japanese enterprises working in Vietnam contributed over 50 % of Vietnam's total exports to Japan. Huynh Cong Trung, deputy director of the Saigon Trading Group (SATRA), said the group had established a representative office in Yokohama city to share information and promote economic, trade and investment ties with Japanese localities and businesses.

Vinacomin is hoping to start trial production at the country's first alumina refinery in September, a company source said Tuesday (28 Aug). The 600,000 mt/year plant in Lam Dong province is expected to undergo at least three months of trial runs before commercial production, the source said earlier. All of the plant's output is to be exported. Marubeni of Japan has agreed to market about 150,000 mt/year of the plant's alumina in a multi-year contract. Vinacomin also plans to ink yearly contracts with other customers, and is hoping its material will find outlets in China, Malaysia and the Middle East, the source said earlier. Discussions with direct term contract customers have been put on hold pending the plant's commissioning, he said.

Vietnam is estimated to have produced 36.9 million tons of cement in the first eight months of this year, a fall of 5.7 % from the same period of last year, according to the General Statistics Office (GSO). Cement output in August is likely to have increased by 14.29 % from July to 5.5 million tons, the government office said in a report released on Monday (27 Aug). The GSO has revised down its cement output figures for the first seven months of 2012 to 31.4 million tons from the previously-estimated 32 million tons. Last year, Vietnam produced 49.3 million tons of cement and exported 5.5 million tons of cement and clinker.

Thang Long Cement JSC plans to double monthly cement exports to Cambodia from its Hiep Phuoc grinding plant to 10,000 due to increased demand in the neighboring market. Since the start of this year, the company has shipped around 5,000 tons and 2,000 tons of cement to Cambodia and Indonesia, respectively from the grinding facility, according to the company's director Mai Anh Tai. Thang Long Cement plans to export around a further 150,000 tons of cement to these two markets between now and the end of the year. The Hiep

Phuoc grinding plant, located in Hiep Phuoc Industrial Park, Nha Be district, has just marked the production of 1 million tons of cement one year on from being put into operation in July 2011. Thang Long also operates a 2.3-million-tons-per-year integrated cement works in Hoang Bo district in the northern province of Quang Ninh. Currently the company is boosting its exports to Myanmar, Bangladesh and some African countries.

Yokogawa Electric Corp. said it will supply control systems for the Mong Duong 2 coal-fired power plant, now under construction in Vietnam's Quang Ninh province. The order was placed with its subsidiary, Yokogawa Electric Korea Co., by Doosan Heavy Industries & Construction Co. in South Korea. The Mong Duong 2 plant is one of Vietnam's largest. It will have a total output of 1,200 megawatts. Yokogawa's global network of 90 companies spans 55 countries. It was founded in 1915.

Authorities in Hanoi have proposed a new tax to be imposed on vacant villas in the city in an effort to curb land waste and speculation. Owners of villas that have been abandoned for more than three months will have to pay 5 % of their market value, and 10 % for those abandoned for over a year. Investors or owners of vacant villas will also be fined from VND10-20 million (USD480-960). The Ministry of Finance will be in charge of re-examining and collecting fines. Statistics from the municipal Department of Construction showed that as of June, the city had 655 villas and 574 semi-detached houses that were unused, despite having been completed.

A business contract to buy electricity generated from Bac Lieu wind-power plant was signed in the Cuu Long (Mekong) Delta province of Bac Lieu on Monday (27 Aug). The project is invested by the Cong Ly Construction-Trading-Tourism company at a cost of VND5.2 trillion (USD247 million) and will be connected to the national grid in early November. The plant, with a capacity of 99.2 MW, is expected to generate 320 million KWh per year.

A leading retailer of Thailand is implementing new plans to penetrate Vietnam's retail market, said President of the BJC's Management Board Aswin Techajaroenvikul on August 29. If the contract worth Baht 1 - 3 billion (USD32 – 96 million) is signed with a Vietnamese retail corporation, the Berli Jucker Corporation (BJC) will expand the supply network to 200,000 stores from the current 50,000 to become a leading supplier in Vietnam. It is an important step to expand its retail system in all member countries of the Association of Southeast Asian Nations. The BJC is seen as one of the big businesses in the retail industry in Thailand, employing 50,000 people. Its annual turnover is about Baht 10 billion.

Vietnam and Russia have agreed to cooperate in areas of mutual concern related to economic stabilization and management, financing, state budget collection and spending, social welfare and human resource training. A memorandum of understanding (MoU) in this connection was signed by the Vietnamese and Russian Ministries of Finance in Moscow on August 29, on the sidelines of the Asia-Pacific Economic Cooperation (APEC). Accordingly, the two sides will exchange working delegations and co-ordinate in organizing seminars, conferences and short-term training courses in Vietnam and Russia. The MoU will be valid in three years from January 1, 2013 to December 31, 2015 and can be renewed as agreed by the two sides.

A trade and agriculture fair opened in Phan Thiet city, southern Binh Thuan province on August 29. It has more than 400 stalls put up by 170 domestic businesses from south central provinces. On display are different kinds of agricultural products and advanced machinery. In addition, a seminar on the potential of agricultural development in the south central region, a food festival and arts performances will be held during the fair which lasts until September 3.

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COMING EVENTS

Architecture Building M&E Vietnam

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

Address: [799 Nguyen Van Linh Parkway, Tan Phu Ward, District 7](#)

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

Start Date: [19 Sep 2012](#) *End date:* [21 Sep 2012](#)

Event profile

Architecture Building M&E Vietnam is the International Building Management, Mechanical and Electrical, Maintenance and Engineering Technologies, Supplies & Services Exhibition & Conference. Cleaning Equipment & Maintenance Systems, Energy Efficient Equipment, Energy Management Services will be targeting Architecture, BS Contracting and Consultancy, Civil & Environmental Engineering/Surveying.

Visitors' Profile

Agency/Distribution/Wholesale, Building Services, E&M, Architecture, BS Contracting and Consultancy, Civil & Environmental Engineering/Surveying, E&M Engineering, E&M Contracting and Consultancy, Facilities Management, Government Department, HVAC & R Contracting/Installation, Interior Design, Property Development/Management, Telecommunication, Utilities.

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Pharmed & Healthcare Vietnam

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

Address: [799 Nguyen Van Linh Parkway, Tan Phu Ward, District 7](#)

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

Start Date: [26 Sep 2012](#) *End date:* [29 Sep 2012](#)

Event profile

Pharmed & Healthcare Vietnam is not only an important annual activity to provide lots of business opportunities to exhibitors but also a platform for exchanging experiences, popularizing and promoting the guidelines and performance of local and International Healthcare to specialists and the public. Pharmed & Healthcare Vietnam 2012, displaying and introducing products and services in 05 major industries: Pharmaceuticals and machinery, processing equipment, pharmaceutical packaging PHARMEX, Chemical products and test equipment ANALYEX, Equipment and Medical instrument MEDEX, Equipment and supplies, hospital consumable supplies HOSPEX, Products and equipment aesthetic beauty BEAUTYCARE, Care, healthcare MADICAL SERVICE, with the scale over 550 booths of 450 exhibitors from 25 countries and territories around the world, expected to obtain a great success and bring efficiency to businesses and organizations attending the this special event.

Visitors' Profile

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

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5th Exhibition On Supporting Industries In Ho Chi Minh City

Venue: Investment and Trade Promotion Centre - ITPC

Address: 51 Dinh Tien Hoang St., Dist 1, Ho Chi Minh City, Viet Nam

Start Date: 4 Nov 2012 *End date:* 6 Nov 2012

Organizer:

- Investment & Trade Promotion Center (ITPC);
- Japan External Trade Organization, Ho Chi Minh Office (JETRO);
- Reed Tradex.

For more information, please contact:

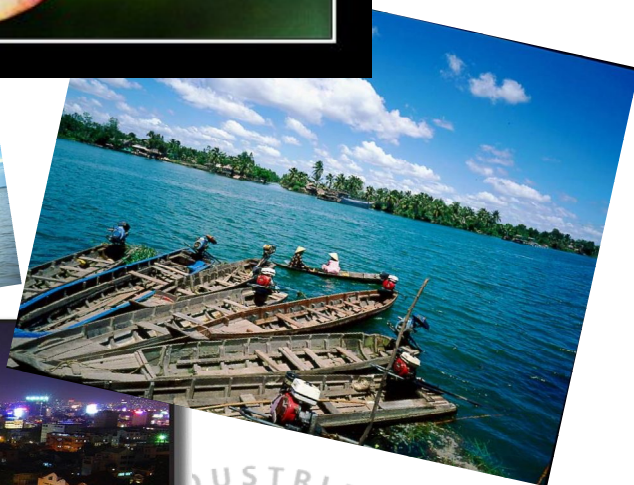
Investment Promotion Division

Tel: (+84-8) – 3910 1302/ 3823 6738

Email: investment@itpc.gov.vn

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

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