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**VIETNAM: TRADE &
INVESTMENT BULLETIN
NO. 45**

APRIL

2013

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April 2013

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DEVELOPER'S INTRODUCTION

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

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BA THIEN 2 INDUSTRIAL PARK

I. INTRODUCTION

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

Ba Thien 2 Industrial Park aims to be a modern master-planned industrial park in Vietnam, with a capacity to accommodate various industries ranging from manufacturing and process to distribution. For investors who are looking for strategic industrial parks to invest in Vietnam and especially in North of Vietnam, Ba Thien 2 IP is the right place to start your investment. Ba Thien 2 IP is prepared to make you compete and focus in your core business: manufacturing.

II. FIVE REASONS TO INVEST IN BA THIEN 2 INDUSTRIAL PARK

Ba Thien 2 Industrial Park encompasses an area of 308 hectares nestled at the rapidly built-up communes of Binh Xuyen District, Vinh Phuc Province. The park is operated by Vina-CPK Co., Ltd, which is a joint venture between VinaCapital and CPK Vinh Phuc JSC. Developed in a region particularly benefiting from geographical proximity, advantageous economic features, and preferential local investment policies, Ba Thien 2 IP is competitively catered with top class services to meet upcoming demands from tenant industries. Ba Thien 2 IP's advantages are defined as 5 points below.

Reason 1 – To Reduce Costs

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

Reason 2 – To Save Time

- ✓ Ba Thien 2 IP offers the complete infrastructure with high standard included:
- Prepared land parcels
- Completed traffic, lighting, technical infrastructure system
- Stable, adequate electric power and water supply
 - Power national grid: 110/22 kV sub-stations, phase 1's capacity is 63 MVA, will be increased to 126 MVA, installed to the fence of tenants
 - Clean water supply: capacity of 3,000 m³/day for phase 1, will be up to 10,000 m³/day
- On-site waste water treatment plants: meet type A standards (QCVN 40:2011/BTNMT), phase 1's capacity is 2,500 m³/day, will be increased to 10,000 m³/day
- International standard telecommunication services (broadband Internet, telephones, fax, etc.)
- Health service, fire protection station, security 24/7

- ✓ One-Stop Service
- Ba Thien 2 IP’s service center supports investors to complete the legal investment procedures quickly.
- Investors will be supported with all the legal procedures needed both before and after the operation.

Reason 3 – Abundant labor force with low worker’s salary

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

Reason 4 – Strong support from local authority

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

Reason 5 – Quality lifestyle

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

III. LAND MAP:





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GENERAL REVIEW

Vietnam cuts fuel prices

Vietnam cut fuel prices by roughly 2 % as of 6 pm Tuesday (9 April), less than two weeks after a 6 % hike raised concerns for businesses about higher production costs.

Petrolimex, Vietnam's top oil importer and distributor, said it had lowered its retail price for 92-octane petrol, the most popular grade, to VND24,050 per liter. Diesel cost was reduced to VND21,450 per liter from VND21,900, and kerosene lowered to VND21,600 from VND22,050.

Earlier in the afternoon the Ministry of Finance, in a public statement, suggested that fuel traders adjust their retail prices, which were higher than the "basic prices" set by the ministry, according to a report on the news website Tien Phong.

The basic prices were calculated based on the 30 day average of global fuel production costs and other factors, the report said.

(Source: Thanh Nien News)

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No power price hikes in April: ministry

Vietnam's national power utility has momentarily eased concerns saying it has no plans to hike prices this month because of a sudden surge in prices of oil products.

Dang Huy Cuong, chief of the Electricity Regulating Department at the Ministry of Industry and Trade, said the ministry has not received any proposal from Electricity of Vietnam (EVN) to increase power prices. "No adjustment in electricity prices will be made in April," he said. The last hike was last December when average tariffs increased by 5 % to VND1,304 per kilowatt hour.

Diesel prices rose to VND21,912 on March 28 from VND21,552 per liter while those of fuel oil increased by 4.6 % to VND18,457 per liter. Cuong said EVN has generated some electricity using diesel and fuel oil over the past few days because of the dry season, but has tried to limit the use of the "costly resource." Apart from hydropower, it will make use of coal and natural gas as much as possible, he added.

EVN had earlier told 6,000 firms in southern Vietnam, which use 60 % of the power consumed in the region, to prepare for a 10-15 % power cut, raising concerns over stable supply. But overall output had increased by 10 % in the first quarter compared to the same period last year and EVN has been able to meet the demand, Cuong said.

(Source: TNN)

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Vung Tau recognized as first-grade city

The assessment council of the Ministry of Construction has agreed to recognize Vung Tau as a first-grade city of the southern coastal province of Ba Ria Vung Tau, as proposed by the local government.

The construction ministry convened a council to assess the project to recognize Vung Tau as the level-one city, said Phan Hoa Binh, chairman of Vung Tau City. After considering and referring to the current criteria on standards and targets, council members agreed to name Vung Tau as the first-grade city with an average score of 89.86 points, higher than the minimum requirement of 70 points.

The council's appraisal shows that Vung Tau has up to 39 out of 40 targets equivalent or higher compared to the criteria. Nine targets of the city reach the minimum level while it has only one target failing to reach the allowable level.

For instance, the city's data on population density (10,161 persons a square kilometer), per-capita-income (over USD6,000 a person), poverty rate (5.3%), housing floor space in the city center (19.94 square meters per capita) or clean water (150 liters a person a day) among others are all qualified.

Vung Tau is known as a hub of economy, culture, science-technology, education-training, and tourism-services. At the same time, it is one of the most developed areas of the HCMC Region. The council therefore deems it necessary to upgrade Vung Tau into a level-1 city.

To turn Vung Tau into a sustainable city, members of the council proposed solutions and development orientation for the city in the near future. The solutions focus on responding to climate change, developing technical infrastructure, applying proper waste treatment technology and improving drainage systems.

With the recognition of Vung Tau City as a first-grade city, Vietnam has currently ten first-grade cities under provincial management, namely Vung Tau, Hue, Vinh, Dalat, Nha Trang, Quy Nhon, Buon Me Thuot, Thai Nguyen, Nam Dinh and Viet Tri. Besides, there are also three centrally-governed cities namely Haiphong, Danang and Can Tho.

(Source: *The Saigon Times Daily*)

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Mekong Delta's competitiveness index improves

The Mekong Delta has seen a sharp jump in the Provincial Competitiveness Index (PCI), an indicator of economic governance and business environment performance, over the last three years.

The assessment was announced at a seminar held in the Mekong Delta province of Bac Lieu on April 9 by the Vietnam Chamber of Commerce and Industry (VCCI). Experts and local authorities analysed the index and put forth measures to improve the business environment for better foreign investment while accelerating administrative reforms.

VCCI Vice Chairman Hoang Van Dung stressed the role of the Mekong Delta in the country's economic strategy. He hailed the Government and local leaders' efforts to change the region's investment and business environment.

Mekong Delta provinces have topped the PCI list since the index was set up in 2006. In the 2012 PCI, the Mekong Delta ranked first nationwide. Dong Thap, An Giang and Tra Vinh provinces took the lead while six other regional provinces were among the top 10.

(Source: *VNA/VOV online*)

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Tax reduction will bring more gains than losses

It would be better to reduce tax and collect tax sufficiently, than setting up high tax rates which prompt businesses to evade tax.

The corporate income tax being drafted by the Ministry of Finance stipulates that the popular tax rate would be lowered from 25 % to 23 %. Meanwhile, the tax rate of 20 % would be applied to the small and medium enterprises, i.e. the enterprises with less than 200 workers and total revenue of no more than VND20 billion a year.

The tax reduction seems to be a "favor" for enterprises. However, in the current big difficulties, when most of businesses have been "living from hand to mouth," they want more than what the Ministry of Finance offers. Le Diem, Chair of the Vietnam Association of Small and Medium Enterprises in Rural Areas, said in 2000, the business community once proposed to lower

the corporate income tax to 20 %. “Therefore, the tax cut to 23 % is a modest reduction, and we want more than this,” Diem said.

Diem said his association, which once had more than 1,000 member companies, has seen the number decreasing by a half over the last two years due to the economic downturn. It is estimated that only 400 enterprises still can exist, while only a few still can make profit.

“We have not received any support from the state in terms of capital or bank loan interest rates. We have been running our businesses with our own capital,” Diem said. “Meanwhile, the modest incomes have been used to either to pay loan interests or corporate income tax,” he complained.

Nguyen Van Kien, Director of Nam Anh Garment Company, said the 2 % tax reduction (from 25 % to 23 %) would “make nothing” for a business with 1,000 workers like his. Therefore, Kien has proposed to slash the corporate income tax further to 20 %. In case the sharper reduction is impossible, he said, the Ministry of Finance should consider applying different tax rates to different groups of businesses. There could be the group of import-export companies, or the group of companies in agriculture and rural development.

The finance ministry, when planning the 2 % tax cut, has estimated that the sum of money to be collected from tax payers in 2014 would decrease by VND16 trillion. The decrease of VND12 trillion would come from the lowering of the popular tax rate from 25 % to 23 %, while the VND2 trillion decrease from the tax reduction to 20 % to be applied to small and medium enterprises.

Le Dang Doanh, a well-known economist, also thinks that it’s necessary to slash the tax rate further, or Vietnam would lose a big source of income for the state budget. Doanh said that once businesses have more capital, they would have more driving force to resume their production and make re-investment. “If the tax rates are lowered, businesses would be ready to pay tax. But if the government insists on the high tax rates, businesses would try to evade tax,” Doanh said. “Therefore, it’d be better to reduce tax rates to collect tax sufficiently, than losing tax payers,” he added.

(Source: Vietnamet)

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TRADE

Trade surplus reaches USD482 million in Q1

Vietnam’s trade surplus was recorded at USD482 million in the first quarter of this year, according to the Ministry of Industry and Trade.

The export turnover in Q1 was estimated at USD29.68 billion, up 19.7% compared to the same period in 2012. Of that figure, State-owned businesses brought back USD10.4 billion, accounting for 35% of the whole country’s total and up 10.1 % against last year.

Foreign-invested businesses raked in USD19.25 billion, making up 65% of the nation’s exports, a year-on-year increase of 25.6 %. Total three-month imports hit USD29.2 billion, rising by 17% compared to the same period in 2012. The import turnover of foreign-invested businesses stood at USD16.1 billion, increasing by 25.5% against the previous year.

State-owned businesses imported USD13 billion worth of goods, up 7.9%. The Ministry of Industry and Trade says that the 19.7% export growth in the first quarter is an encouraging sign, beating the 10% target set by the National Assembly. The three-month exports have met 23.5 % of this year’s target. The processing industry showed the highest growth rate for exports with 31.8%, while mineral-fuels increased slightly by 1.2%. In contrast, agricultural products and seafood exports fell by 0.3%.

(Source VOV)

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Seafood exports to hit USD6.5 billion

Vietnam is expected to earn USD6.5 billion from seafood exports by the end of 2013, representing a year-on-year increase of 5 %.

Nguyen Huu Dung, Deputy Head of the Vietnam Association of Seafood Exporters and Producers (VASEP), says that shrimp exports will fetch USD2.2 billion, equivalent to last year' figure, while Tra fish exports are forecast to generate USD1.9 billion, up 5.5 % over the previous year.

The export value of other seafood products is likely to rake in USD2.4 billion, up 10 % compared to 2012. Dung is optimistic about the recovery of major seafood importers in the second half of 2013, including the European Union (EU) and the US, from which Vietnam will see slight increases in export turnover to USD1.2 billion (up 5.3 %) and USD1.3 billion (up 9 %), respectively.

Shrimp exports to the Japanese market should also record positive results, he says highlighting the rising demand for seafood in other markets, such as China, the Republic of Korea, Australia, Southeast Asia, South America, Africa and the Middle East.

According to the VASEP official, the seafood export sector will have to face a number of challenges in 2013, such as technical barriers, strict food hygiene and safety standards, capital shortages, and rising costs of input materials. He stresses the need to devise appropriate zoning plans for aquaculture breeding areas, increase seafood quality, reduce anti-biotic residue, apply modern technologies, protect the environment and create closer links along value chains. Dung voices his concern about tough competition in the global market and other issues related to anti-dumping prices in the US. To corner the market, he says, local exporters should increase their competitiveness, set up reliable distribution networks and develop product trademarks.

(Source: VOV)

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Wood-product industry faces stricter regulations on exports

The forestry sector this year faces serious challenges because of newly issued regulations from key markets like the US and EU on wood products, officials said at a forum held last Friday (March 29) in HCM City.

Vo Dai Hai, deputy head of the Ministry of Agriculture and Rural Development's Forestry Department, said the EU on March 3 issued a regulation that requires exporters to give proof of legal origin of wood and wood products.

The Forest Law Enforcement, Governance and Trade (FLEGT) regulation will make it hard for exporters to find legal wood sources because the country remains heavily dependent on imported raw materials, according to Hai. Hai was speaking at a forum held by the HCM City Wood Industry and Handicrafts Association, in collaboration with the German Academy for International Cooperation (GIZ) and the Forest Trend Organisation.

Viet Nam and the EU continue to negotiate the Voluntary Partnership Agreement (VPA/FLEGT) that would build a system to ensure legality and FLEGT-licensed timber for shipments of timber and timber products exported from Viet Nam to the EU.

In the interim, Vietnamese companies that export timber and timber products have to carry out due diligence under Regulation 995/2010, which requires timber from the EU to be in line with the Action Plan on FLEGT. In addition, many other countries are applying strict measures against illegal wood products. The Forest Stewardship Council (FSC) Certificate is increasingly required for many products.

In Viet Nam, implementation has been slow to reach the target of 30 % of certified-forest areas by 2020 under the government's Forestry Development Strategy. Last year, the total area of FSC-certified forests in Viet Nam covered only

45,170 hectares. Problems in land-dispute settlements and high-certification fees as well as the pace of implementation have all failed to meet expectations.

Ha Cong Tuan, deputy minister of Agriculture and Rural Development, said Viet Nam was the sixth biggest wood and wood-product exporter in the world. It is the second-largest in Asia and the first in Southeast Asia.

In the first quarter of this year, Viet Nam's wood and wood-product exports recorded more than USD1.2 billion, the biggest turnover ever recorded, with a 15 % growth rate compared to the same period last year. Last year, Vietnamese wood products were exported to 100 countries and territories, of which there were four key markets: the US (more than 38 %), China (15 %), Japan and Europe (28 %). This year, wood and wood-product exports are expected to reach a growth rate of 10-15 % compared to last year.

Apart from policies that would greatly hinder exports from Viet Nam, the domestic timber industry is facing challenges to sustainable development. Currently, the plantation wood supply in northern and north-central provinces accounts for 70 % of the country's total demand. However, investment in the wood processing industry in the region has been inadequate.

Support industries for the wood-processing sector have not developed well. Most auxiliary raw materials have to be imported, leading to unexpected price increases. Most Vietnamese exporters have not built distribution networks in other countries, only through middleman. It leads to weak prices and market competitiveness.

(Source: VNS)

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Vietnam records USD96 million trade surplus with Malaysia

Vietnam registered a trade surplus of USD96.6 million with Malaysia in the first two months of 2013.

Two-way trade revenues between the Southeast Asian nations reached USD1.466 billion in two months, with Vietnam reaping USD781.7 million from exports while spending USD685.07 million on imports.

Key exports to the Malaysian market included crude oil (USD256.9 million); computers, electronic appliances and components (roughly USD164 million); telephones and rubber products. Vietnam also imported petrol, chemicals, plastics, animal fat and vegetable oil, from its SE Asian trade partner.

Malaysia is currently eighth largest out of the 101 foreign investors in Vietnam, with 436 valid projects, (as of March 20, 2013), worth nearly USD10.2 billion. Vietnamese businesses are also implementing nine projects in Malaysia with total registered capital of approximately USD413 million.

(Source: BusinessTime)

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Firms rush to export rice despite limitations

According to a recent report by the Ministry of Industry and Trade, there has been a sharp increase in the number of companies seeking a licence to export rice.

This race to rice export has placed many food companies in a risky situation and State management agencies in difficulty. There are 100 companies in the country meeting the necessary requirements for a rice-export licence stipulated in the Government Decree 109, and 40 others that can possibly meet them.

The stipulations include having a warehouse with a capacity of at least 5,000 tonnes, a rice husking mill with a capacity of at least 10 tonnes of rice per hour, and capacity to export at least 10,000 tonnes of rice a year. The country turns out 42-43 million tonnes of rice per year of which only 7.5 million tonnes can be exported. Production of rice is

concentrated in the Cuu Long (Mekong) Delta provinces of Kien Giang, An Giang, Dong Thap, Long An, Tien Giang, Can Tho, Soc Trang, Tra Vinh, Vinh Long, and Hau Giang.

To qualify for an export licence, many firms have invested or plan to invest in warehouses and husking mills.

In 2010 the storage capacity was only 2.63 million tonnes, but this increased to 4.4 million tonnes by last year. The figure is expected to reach 6.4 million by the end of this year. The problem with this is that it would exceed the actual need, resulting in waste of resources. Besides, though many companies are ready to build warehouses and husking mills, they lack the capability to efficiently carry out exports. Of the 100 licensed exporters, only 69 managed to export more than 10,000 tonnes in 2011. Last year the figure came down to 68 firms.

The trade ministry has already withdrawn licences issued to three companies because they were unable to export rice within 12 months as required by the decree. To address the situation, the ministry has suggested temporarily stopping the issue of new rice export licences except to those who can meet the decree's requirements and also already have warehouses and mills.

State firms diversify

The Government said last July that State-owned companies have to complete their pullout from non-core businesses before 2015. This is considered a critical step in restructuring them, especially those that have invested in risky sectors like property, banking and finance, and insurance.

According to a report by the Party Committee for Central Agencies Block, 21 out of 31 State-owned corporations have diversified into non-core business areas, investing a total of VND22.6 trillion (USD1.8 billion). They include Song Da Holdings, which has invested VND6.94 trillion (USD330.47 million), Petro Vietnam (VND5.4 trillion), and Electricity of Viet Nam (VND2.1 trillion). Following the Government's diktat, some State-owned companies have started to divest from non-core areas.

Among them is Vinacomin that recently decided to withdraw capital from its non-core businesses. It has invested VND115.8 billion (USD5.5 million) in the Viet Nam National Aviation Insurance Company, BIDV Expressway Development Company, Hai Ha Economic Zone Development and Investment Company, and Long Thanh Development and Investment Joint Stock Company. But for State corporations, withdrawing from non-core areas is no easy task especially because they are required to ensure their investments are fully recouped.

The Viet Nam Northern Food Corporation (Vinafood 1), for instance, has invested in real estate, building some shopping malls, supermarkets, and residential buildings. But the continuing slump in the property market means Vinafood 1 would have to book huge losses if it decides to withdraw from these projects.

The Viet Nam Coffee Corporation (Vinacafe) is struggling to divest from ventures like Intimex Supermarket and sugar mill. The pullout from loss-making businesses is likely to be delayed until an appropriate time to minimise losses. But even with other factors being favourable and the SOEs not demanding unreasonable prices, it is not going to be easy to sell their stakes because of the bad economic situation.

For instance, last year Vinacomin tried to sell all its five million shares in the Viet Nam National Aviation Insurance Company at just VND10,000, but still found no takers. Obviously, all those that are in the real estate sector have a bigger problem on their hands than some of the others. To encourage the process of divestment, the Government should have appropriate policies. For instance, it could allow the State firms to run up a certain amount of loss while pulling out of a business, and set it off against future profits.

Viettel bid challenged

The Viet Nam Pay Television Association (VNPAYTV) has once again petitioned the State President, Government Office, and National Assembly to prohibit the military-run Viettel from entering the cable TV business. It said the cable TV market, with 67 service providers, shows signs of saturation. Besides, cable TV is not a core business for Viettel, and the Government wants State-owned enterprises to pull out of non-core businesses, it pointed out.

If Viettel gets a licence for cable TV services, other operators would suffer huge losses and there could be serious conflicts within the industry, it warned. Earlier the association had demanded that the Ministry of Information and Communications not issue cable TV licences to telecom firms. The ministry rejected the argument that the cable TV market is saturated, pointing out that only 20 % of households in the country subscribe yet. It has even expressed its support for telecom companies entering the market.

VNPAYTV's move is seen as an attempt to keep out strong players like Viettel from the market, especially since the military firm comes with a massive cable infrastructure in place. There are around 20 million households in the country, but only 4.5 million have cable TV. The remaining don't have are mostly in rural areas where the service is not available. This means there is great potential in the industry. Viet Nam Television holds a 70 % share of the market, with SCTV and VCTV being major providers. This monopoly means consumers are suffering from rising prices.

The planned foray by telecom firms like Viettel, VNPT, and FPT threatens VTV's monopoly position, and promises to sharply drag prices down. For the telecom companies, cable TV should not be considered a non-core sector since they have a large cable infrastructure. This also means they can take cable TV to remote and rural areas where terrestrial television is necessarily poor because of weather and other conditions.

(Source: VNS)

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INVESTMENT

Big investors can negotiate about tax incentives with the government of Vietnam

The draft corporate income tax law stipulates the jurisdiction of the government in deciding the investment incentives for the big investment projects, which are expected to have high socio-economic impacts.

This means that big investors, who are considered the “special investors” thanks to the great impacts on the socio-economic development of Vietnam, would be able to require the “specific mechanisms” for them. In other words, the big influential investors can “haggle” with the government of Vietnam about the incentives they can enjoy if investing in Vietnam.

A member of the law compilation committee said that a lot of big investors whose projects have big influences to the local economy development, but they cannot enjoy high-level investment incentives, if referring to the currently applied laws. Meanwhile, tax incentives are one of the most important factors behind the investors’ decisions to make investment in Vietnam.

The law compiler has implied Samsung, Nokia, LG and Canon. The investment incentives offered to Samsung once raised controversy among state management agencies. Samsung’s projects create a lot of local jobs and its exports allow it to pay in much money to the state budget. Therefore, local authorities believed that they needed to offer high incentives to attract the big investor. Meanwhile, management agencies disagreed with the incentives, saying that the incentives went beyond the current incentive frame.

The official from the law compilation committee said that in such special cases, the government would make the final decision on whether to offer incentives to investors, and how high the incentives should be.

Samsung and Nokia, the mobile phone manufacturers, have been offered the highest possible investment incentives reserved for high technology firms. However, the local authorities offered the incentives just after considering the possible effects of the projects on the local economy development, rather than referring to the current laws.

Under the current laws, the investors cannot receive the incentives reserved for high technology firms, because mobile phones are not listed as high technology products subject to preferential treatment. The general principle being pursued by the government is that Vietnam supports all the authentic investors who have serious long term business plans in Vietnam. However, the government must not make the decisions which come contrary to the current laws. Therefore, Robert Bosch and Kumho Asia, also considered the big investors, still have to wait for the government's decisions.

The suggestion of the law compilation committee to give more power in deciding the investment incentives to the government, if approved, would help settle the existing problems. In fact, the mechanism has been applied in some regional countries such as Thailand and Indonesia. The governments of the countries have been negotiating with big investors about the investment incentives for big-scaled projects which have national influences to the socio-economic development.

"We need to do this in our current conditions," Bui Quang Vinh, Minister of Planning and Investment said on Dau tu. His words can be understood that Vietnam needs to offer the incentives big enough to compete with other regional countries to attract big investors. Experts have agreed that the investors, who implement multi-billion dollar projects, apply modern technologies and create many jobs, would have the right to claim for their benefits. Dr. Tran Dinh Thien, Head of the Vietnam Economics Institute, agreed on the special mechanism, saying that it's necessary to harmonize the benefits of the investors and the sovereign benefits.

(Source: VietNamNet Bridge)

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Vietnam licenses Las Vegas-style casino

Canada's Asian Coast Development Ltd, owner of the Ho Tram Strip, a group of integrated resorts in the southern province of Vung Tau, has received approval to operate casinos in the resort.

The company can start operating its casinos as early as this year.

The first phase of the first resort, costing some USD500 million, has been completed with 541 five-star rooms and suites, nine restaurants, Las Vegas-style casinos, convention and meeting spaces, a shopping mall, bars, a spa, and swimming pools. It was originally to open in the first quarter of this year, but was delayed due to the withdrawal of MGM Resorts International.

The US-based gaming, entertainment and hospitality company MGM Resorts International in November 2008 signed an agreement with ACDL to provide pre-opening services and run the first resort. The reason for its withdrawal in early March has not been explained yet.

The other shareholders in the project, Harbinger Capital and casino operator Pinnacle Entertainment Inc remain committed. ACDL is now building the second phase of the first resort, which will have 559 five-star rooms and suites and an 18-hole golf course. The Las Vegas-style resort, situated some 127 kilometers from Ho Chi Minh City, is estimated to cost around USD4.2 billion. The project is planned to be finished by 2020 with 2,300 rooms in two five-star resorts, 180 gambling tables and 2000 machines. Entry will be restricted to foreigners and overseas Vietnamese.

(Source: Thanh Nien News)

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Japanese food-beverages company comes to Vietnam

Japanese food and beverages company Maruzen Foods Corporation will build in southern Vietnam what it calls the largest and most modern plant in Southeast Asia.

The USD106-million plant in Binh Duong province's My Phuoc 3 Industrial Zone will begin a trial run at the start of next year before going on stream in April. It will have an annual capacity of 2.5 million cases of bottled drinks and 100 tons of canned food. It will be the company's first plant in Vietnam.

The number of Japanese firms setting up shop in Binh Duong has risen to 170 as of the first quarter of this year, and they have invested a total of USD3.5 billion, according to the province's Department of Planning and Investment. It has proven to be the most popular province with not just Japanese investors but also other foreign investors, attracting a total of USD17.83 billion in 2,156 projects.

(Source: TNN)

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USD2.65 billion invested abroad in Q1

Vietnamese enterprises are increasingly investing overseas, especially in Laos, Cambodia, Myanmar and Russia, with their investment reaching USD2.65 billion in the first quarter.

Of the total, USD720.7 million came from 22 newly-licensed projects and the remainder was additional capital from existing projects, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment (MPI). Notably, the Russia-Vietnam Oil and Gas Joint Venture (Rusvietpetro) decided to increase its investment in a Russia project by USD1.4 billion, and the Vietnam Chemical Corporation (Vinachem) added USD518.9 million to its salt mining project in Laos.

Most Vietnamese firms are keen on mineral exploration, information and communications, accommodation and restaurant services. They registered to invest in 12 countries and territories in the first quarter of this year. By March 20, 2013, they poured investment in 742 projects with a total registered capitalisation of USD15.5 billion. So far, Vietnamese businesses have invested in 59 countries and territories, with 227 projects worth over USD4.2 billion in Laos, and 129 projects worth USD2.7 billion in Cambodia. About USD3.8 billion has been disbursed, including USD2.9 billion in the oil and gas industry, nearly USD500 million in rubber plantation, USD400 million in hydro-electric power plants, and USD249 million in the telecom sector.

(Source: VOV)

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Industrial zones show recovery signs

Export processing and industrial zones in HCM City are showing signs of economic recovery with increased investment and higher production levels, according to the city's Export Processing and Industrial Zone Authority (Hepza).

In the first quarter of the year, local EPZs and IZs attracted a total investment of nearly USD145 million, a year-on-year increase of more than 21 %, said Ho Xuan Lam, head of Hepza's chief office.

Of the total, he said that USD123 million was from foreign investors, an increase of 80 % compared to the same period last year. Domestic investors poured in nearly USD22 million, a year-on-year decline of 57 %.

During this period, about 12 projects received investment certificates to set up in local zones. Five others have been permitted to add capital. Two new projects had been put into operation, and another is waiting for a construction license. "Production in

the first quarter in these zones was more stable, with no bankruptcies or stopping of operations," Lam told Viet Nam News. "Some of the companies in food and foodstuff processing want to widen their investments." He said that several sectors, such as the building materials industry, still faced challenges. To help companies solve difficulties, Hepza promises to hold conferences in which companies located in Hepza will discuss their problems with local authorities and officials in the banking and tax sectors. Hepza also plans to open trade promotion fairs in regional countries such as Laos and Cambodia to widen export markets.

Lam predicted that investments would improve until the end of next year. Many investors are thinking of setting up business in local zones and others are considering widening their investments. Lam said that, at the end of March, there were about 1,254 projects, worth a total of USD7.3 billion, in local zones. Of the total, foreign investors got involved in 495 projects with a total capital of nearly USD4.4 billion. Domestic investors poured USD2.9 billion into another 759 projects, he said. Local authorities have reported that more than 1,000 projects were under operation, while 32 projects were under construction, 66 projects had yet to be carried out and more than 100 projects had been suspended or closed. Last year, due to tough economic conditions, investment in local industrial zones and export processing zones fell substantially compared with previous years.

(Source: VNS)

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Phu Yen to invest in strong sectors

Prime Minister Nguyen Tan Dung in beginning of April urged leaders of central Phu Yen Province to improve its investment environment as a way to make a breakthrough in its development process.

The province should create favourable conditions for investment in the sectors which are deemed to be the driving forces for socio-economic development, he said. The province's strengths lay in agriculture, aquaculture and seafood processing and tourism, according to the Prime Minister. Dung requested the provincial leaders to find solutions to help businesses and producers overcome difficulties in the current economic downturn, while paying much more attention to health care, education, job creation and poverty reduction.

The authorities should also diversify models of investment to speed up the implementation of key infrastructure projects in the province and ensure the capital is used effectively. Chairman of the provincial People's Committee Pham Dinh Cu affirmed that this year, Phu Yen would make its best efforts to reach a GDP growth rate of 12.5 %, create 23,500 jobs, and build 400km of rural road.

Last year, the province's GDP growth rate was at 10.5 %, and more than 22,500 people got employment. Industrial production value in the first quarter of the year increased by 12.2 % compared to the same period last year. Earlier the same day, Dung inspected the combat training at Air Force Regiment 910 and worked with the Air Defence-Air Force. The PM affirmed the importance of national defence and asked the Air Defence-Air Force to always heighten vigilance and preparedness as it continues to build a strong air force to fulfil all assigned tasks.

At a meeting with its officers and soldiers, Dung praised the regiment's achievements, as well as its contributions to the country over the past years, noting that the defence building task is still extremely important for a peaceful country. The regiment has to give lessons on patriotism, morality and dignity to pilots and officers in the new revolutionary period so that they become a unified unit, which is absolutely faithful to the Party, State and people, and deserving of the heroic regiment's glorious tradition, he added. He asked the regiment to actively renovate its training methods, especially for pilots. Over the past 54 years, Regiment 910 has always fulfilled its assigned duties, including the training of thousands of Vietnamese pilots, thus improving the fighting capacity of the country's Air Force. It has also actively participated in search and rescue activities.

(Source: SGPP)

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Japan machinery producer doubles investment in Vietnam

Japanese precision machinery manufacturer Nidec Tosok will double its investment in Vietnam to USD205.6 million, news website Saigon Times has reported.

Ho Chi Minh City authorities gave the firm approval on March 29 to invest an additional USD96 million in its factory in the Tan Thuan Processing Zone. Kamijukoku Takashi, its general director, said the company wants to expand manufacturing of precision machinery for cars to meet rising global demand. It would install more production lines, allowing the plant to increase capacity by 50 %, he said.

The company is among 10 Vietnam-based subsidiaries of Nidec, which has invested over USD500 million in the country and earns annual revenues of USD600 million. On the same day, French healthcare leader Sanofi announced construction of its third and largest plant in Vietnam to meet growing demand for its products in southeast Asia, news website *VnEconomy* reported.

The USD75-million plant is expected to begin operations in 2015. As of March 20, foreign investors have pledged USD6 billion this year, the Foreign Investment Agency said. It represents a 64 % jump year-on-year. Manufacturing and processing has attracted the largest amount of USD5.54 billion, followed by real estate at USD249.8 million.

(Source: TN News)

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Danang hi-tech Park construction starts

A ground-breaking ceremony for the Danang Hi-Tech Park was held in Hoa Lien commune, Hoa Vang district, the central city of Danang on April 6.

Built on an area of more than 341ha, the USD278 million park will follow the Silicon Valley model in the US and the Hsinchu Science Park in Taiwan (China). It aims to attract domestic and international scientists, engineers and businesses in the information technology field, and to promote hi-tech training and education in local universities.

In the next decade, the park is expected to house some 100 businesses, create 25,000 jobs and generate USD3 billion in revenue. Danang is the first locality in Vietnam where a foreign private group is allowed to build an IT zone's infrastructure.

(Source: VOV)

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Malaysian firm to produce biogas from rice husk in Vietnam

Malaysia's Innovative Engineering Ventures Holdings Ltd has announced plans to enter the renewable energy business in Vietnam through biomass production.

IEV will build its first plant to produce biogas from rice husk bought in the Mekong Delta, the country's rice bowl, and hopes to begin production next year and export its biomass products, starting with North Asian markets like Taiwan and Korea, for power generation and industrial use. It is in the process of finalizing its plans and calling for bids to construct the plant in an undecided location in the delta.

The company's CEO, Christopher Do, said: "Biomass is a renewable source of energy that is expected to be more economical than fossil fuel, and its worldwide demand has been increasing significantly. "The entry into renewable energy will allow IEV to explore the vast opportunities in this sector, not limiting to biomass but also through other renewable resources in the Asia Pacific region."

IEV Ltd offers integrated engineering solutions to the offshore oil and gas industry, predominantly in the Asia Pacific region. It has operations in Malaysia, Indonesia, and Vietnam, as well as sales and representative agreements with agents in Europe, USA, India, and China.

(Source: TNN)

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Vietnam plans to strengthen post-licensing control to heighten FDI quality

Vietnam believes that it's now the right time to shift from the pre-licensing to post-licensing inspection over foreign invested projects to improve the foreign direct investment (FDI) quality.

The draft of the government resolution on improving the effectiveness in attracting, using and managing FDI, shows a lot of measures to tighten the control over the FDI project implementation after the licensing. The draft resolution says that local authorities and watchdog agencies need to keep a close watch over the implementation of the projects to timely help investors settle their arising problems.

There's a noteworthy point in the draft resolution that competent agencies will have the right to stop the investments and revoke investment licenses of the projects which do not fit the development strategies of the industries or the localities, or the projects whose investors are too slow in the implementation.

Phan Huu Thang, Director of the Foreign Investment Research Center, an arm of the Hanoi Economics University, while applauding the viewpoint, said that it's a necessary work, which allows to ensure the committed disbursement speed and help settle arising problems timely.

Dr. Nguyen Mai told that it's now the right time for Vietnam to shift from the pre-licensing to post-licensing control mechanism. If Vietnam does not follow that way, it would never be able to improve the quality of the foreign investment.

Analysts also commented that over the last 25 years, since the day Vietnam opened its doors to FDI, it has been concentrating on considering the registered projects thoroughly before licensing. Meanwhile, local authorities have not been paying much attention to the implementation of the projects. This explains why they don't have updated information about the disbursement rate or the difficulties of the investors.

In many cases, foreign investors escaped Vietnam, leaving big unpaid debts. However, the competent agencies had no information about the enterprises until the day the investors left Vietnam. Especially, they knew nothing about the bad business performance of the enterprises which occurred many years before the day the investors escaped.

Over the last 25 years, FDI has been bringing to Vietnam not only capital and technology, but also bringing environment pollution and tricks, such as the transfer pricing. This has been blamed on the Vietnam's unreasonable FDI management mechanism: it has been gathering on the pre-licensing control, while making light of post-licensing management, while the latter is the most important work. "If we had kept tight control in the post-licensing period, the Vedan case would have occurred," said Mai. Vedan, a seasoning powder manufacturer, was found as causing the serious environment pollution when discharging its waste water directly to the environment without any treatment.

The problem, according to Mai, was that the competent agencies only considered the report on the possible impacts on the environment submitted by the investors, while they did not keep a close watch over the implementation of the project after the licensing. "Let the investors build their factories and put them into operation. We will supervise their operation to be sure that they don't break the commitments. If they do, we will ask them to halt operation or shut down," Mai said. "Investors would not dare to make violations to see their factories shut down, because by that time, they will have spent big money on the projects already," he continued.

(Source: VietNamNet Bridge)

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Government urged to cut down cement projects

Anticipating the excess of 40 million tons of cement by 2020, the Vietnam Building Material Association has proposed the government to stop some cement projects. However, it's easier said than done.

Oversupply anticipated

Tran Van Huynh, Chair of the association, believes that with the financial crisis, the domestic demand in 2011-2013 would decrease by 14-15 million tons. By 2015, the domestic demand is expected to reach 60-65 million tons, lower than the initially predicted level of 75-76 million tons.

If Vietnam continues implementing the cement industry development plan stipulated in the government's Decision No. 1488, the total cement output would reach 94 million tons by 2015 and 130 million tons by 2020. If so, Vietnam would have 25 million tons in excess by 2015 and 40 million tons by 2020.

A report by the Vietnam Cement Association showed that the cement productivity in February dropped by 50 % over January and 49 % over the same period of the last year. Forty two % of the total sales were consumed in the north, 33 % in the south and 25 % in the central region. Huynh said the economic difficulties and the weak demand have led to the slower sales of cement. But he believes that the main problem lies in the unreasonable cement industry development programming.

Investors rushed to inject their capital in cement projects, believing that the projects would “lay golden eggs.” Even the investors with no experience in the field and small investors with limited financial capability also threw their money into cement plants.

A report showed that there are 46 cement manufacturers who churn out cement products bearing a lot of different brands, and many of them have been on the verge of bankruptcy after taking loss repeatedly. Other manufacturers have realized the supply-demand imbalance and have to cut down the production plan in 2013.

The Vietnam Cement Corporation (Vicem), the big guy in the cement industry with 8 subsidiaries, has also decided to set up the modest production target of 19-20 million tons in 2013, after experiencing a difficult year 2012 with the high inventories of 1.39 million tons. The corporation hopes to obtain the total revenue of VND30 trillion in 2013 and the profit of VND500 billion, which are nearly the same as 2012's targets.

Stop cement projects?

The Vietnam Cement Association has proposed to reconsider some projects which it believes unfeasible and unsuitable to the cement industry development program.

Huynh said that the 9 inverter furnace cement plants with the designed capacity of 2,500 tons of clinker per day, slated for the 2016-2030, utilizing medium technologies, should not be implemented in the current conditions. The projects, if implemented, would consume much energy, have low labor productivity and cause the environment pollution. However, Huynh has admitted that it would be not easy to put a brake on the cement projects, which are now at the “launching pad” already.

Investors may accept to stop the project implementation if they find the projects unfeasible. However, this may not be accepted by local authorities. In general, licenses were granted to investors after the site clearance finished. As such, if the local authorities allow stopping the projects, they would have to pay back money to the investors. Meanwhile, investors don't know how to deal with the projects, since it's difficult to transfer the projects, especially the small scaled ones, to others.

(Source: VietNamNet Bridge)

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FINANCE – BANKING

SCIC seeks to acquire non-core stakes of State groups

Efforts by State-owned groups and corporations to withdraw from non-core businesses may be given a boost if the Prime Minister approves a proposal by the State Capital Investment Corporation (SCIC) to acquire such stakes.

An SCIC executive said the firm as a financial investment arm of the Government is seeking the nod from the Prime Minister to buy those stakes in line with its business scopes.

SCIC is tasked with managing State capital at State-turned-shareholding enterprises, but the firm is also allowed to make financial investments. The firm has invested a total of nearly VND9.3 trillion in the economy via many forms, including buying stocks and bonds issued by entities, contributing capital to set up new firms, or increasing capital at businesses as a State shareholder. Sources from SCIC said that the corporation has joined forces with Vietnam Electricity Group (EVN) to carry out power projects Vinh Son-Song Hinh, Thac Ba, Haiphong and Quang Ninh.

SCIC now is working with foreign and local investors to deploy key projects such as developing buildings of the Ministry of Foreign Affairs overseas and a number of important seaports and roads. As per SCIC's recent report on 2012 business performance, the market value of the firm's investment portfolios amounted to an estimated VND50 trillion as of December 31 compared to its book value at about VND14 trillion only.

The report shows that SCIC in 2012 beat all its business targets, recording high growth against the preceding year. For instance, SCIC obtained a pre-tax profit of more than VND4.5 trillion last year, rising 34% year-on-year, while its after-tax profit was nearly VND3.9 trillion, up 30%. The firm paid over VND600 billion to the State budget, jumping 83% from the previous year, while its return on equity averaged out at 22%.

Le Song Lai, deputy general director of SCIC, said that his firm has sold State stakes in nearly 600 enterprises so far, collecting over VND3.3 trillion for the Government. "The transferred value is twice the book value, showing that SCIC not only secured State capital but also earned a high margin," Lai said.

The increased capital would allow SCIC to boost its investment in key sectors and large or important projects or make flexible investments to enrich State capital, he noted. Now that many State groups have been asked by the Government to divest its capital from non-core businesses between now and 2015, opportunities abound for SCIC. In the end of February, SCIC put into operation its first subsidiary SCIC Investment One Member Limited Co. (SIC) that specializes in financial investment, project investment and investment consulting services. SIC has total chartered capital of VND1 trillion which will be replenished during its operational process in three years, with a maximum recapitalization sum of VND500 billion for the first year.

(Source: SGT)

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MOF to restore tax incentives to encourage FDI to Izs

The draft of the corporate income tax law compiled by the Ministry of Finance (MOF) is comprised of the provision saying that the tax incentives for industrial zones (IZs) would be restored.

Not only having suggested offering continued tax incentives to expanded investment projects, MOF has also decided to restore the investment incentives for IZ developers and IZ enterprises in an effort to attract more investors to the zones.

"It's really good news," said Vo Van Hai, Head of the Dong Nam Nghe An Economic Zone when hearing that MOF submitted the draft law with the provisions on tax incentives for the enterprises in IZs, to the National Assembly's Steering Committee on March 28.

In the past, corporate income tax incentives were once offered to the enterprises in IZs and IZ development companies. However, since the day the 2008 Corporate Income Tax took effects on January 1, 2009, the tax incentives have been removed. Hai said that the tax incentive removal has made it very difficult to call for the investment in IZs. “Sometimes we could not attract any investor,” Hai said.

The situation was seen not only in the central province of Nghe An, but in all other localities as well. The Ministry of Planning and Investment (MPI) has many times proposed to restore the tax incentives for the subjects in order to attract investments in IZs.

A report of MPI showed that most of the IZs are located in economic areas (80 % of existing Izs), not in the areas with difficult socio-economic conditions. The IZ developers, though enjoying the advantageous positions, have to pay high for site clearance, infrastructure development. This explains why they have to set up land leasing fees at high price levels. Therefore, investors would not set up their production bases in IZs to have to pay high land leasing fees and enjoy no tax preferences.

Fred Burke from Baker & McKenzie law firm also repeated many times that the removal of tax incentives has resulted in the loss of many good projects. An MPI’s official revealed that the latest draft law submitted by MOF comprises a provision saying that the investors who implement new projects in IZs, not including the central IZs, would enjoy the corporate income tax exemption for two years and the 50 % tax reduction in the next four years.

MOF has stated that it does not intend to grant incentives to all investors. “We have to be selective in offering incentives. No need to encourage the development of the IZs in the central cities including Hanoi, HCM City, Da Nang, Hai Phong and Can Tho, which have been decided to develop into service, finance and cultural centers of the country,” said Vu Thi Mai, Deputy Minister of Finance. However, the viewpoint on offering tax incentives to investors by the Ministry of Planning and Investment, and the Ministry of Finance has not been shared by the National Assembly’s Finance & Budget Committee.

Phung Quoc Hien, Chair of the committee, has pointed out that Vietnam has offered tax incentives to too many subjects and in a too large scale. “The fact that the majority of investors set up their production factories in the IZs of the localities with advantageous infrastructure conditions has made the efforts to attract investments into difficult areas vain,” Hien said.

(Source: VietNamNet Bridge)

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Government orders a lowering of lending interest rates and taxes

The government has requested the State Bank of Vietnam (SBV) to continue cutting lending interest rates, along with corporate income and value added taxes in an urgent measure to hasten the recovery of the national economy.

The SBV will also check the implementation of lending procedures at commercial banks to offer favourable conditions for enterprises. Meanwhile, the Ministry of Finance has been asked to consider making a plan for slashing corporate income tax to 20pct, as well as reduce value added taxes for the submission to the government in April. Recently, Minister and Chairman of the Government Office Vu Duc Dam, cited a report from the Ministry of Planning and Investment as saying that up to 60pct of the total number of businesses which halted operations last year have resumed this year.

The news remained mixed, however. He added that even though the number of newly-licensed enterprises saw a slight increase, those facing sluggish business remained high. The government is also determined to stabilise the foreign currency exchange rates and keep tighter control over the value of the Vietnam dong.

The SBV was asked to cooperate with the Ministry of Construction to implement credit policies that would support families and individuals of low-income who wish to buy affordable houses of less than 70 square metres and priced below VND15 million (USD714.28) per square metre.

The Ministry of Construction will make proposals on revising policies to increase the number of people who are allowed to buy houses in Vietnam, including Vietnamese people living abroad and individuals and organisations in Vietnam.

(Source: Dtinews)

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ANALYSIS – OPINION

Who are the buyers in M&A deals?

Foreign enterprises were believed to be the only investors financially capable enough to take over businesses in merger and acquisition (M&A) deals. However, experts believe that Vietnamese businesses have become powerful enough to become the buyers in the deals.

In most of the M&A cases taking place in the last five years, the buyers were foreign investors. Unicharm, for example, bought Diana, Jolibeer bought Highlands café, Carlsberg bought Hue brewery, Fortis bought Hoan My stakes.

The history of the merger and acquisition deals has witnessed the “perdition” of many Vietnamese well-known brands, after the companies were bought by the foreign investors. Worries have been raised that more and more Vietnamese brands would fall into the hands of foreign giants. However, analysts have noted that a lot of Vietnamese businesses have become powerful enough to become the buyers in the M&A deals, which raise a high hope that Vietnamese brands would be preserved and developed. There is a growing tendency that Vietnamese businesses with strong financial capability and good corporate governance want to buy other businesses in order to upgrade their capability and improve the competitiveness.

The Hung Vuong Seafood Company, for example, has bought a series of enterprises in the same business fields, such as Viet Thang, An Giang Fish, Sao Ta Food and Ben Tre Seafood. The Ben Tre seafood company, which incurred loss for two consecutive years, was bought by Hung Vuong which aims to turn Ben Tre a material supplier.

The most redoubtable rival of Hung Vuong is CP Vietnam, invested by CP, one of the most powerful economic groups in Thailand. Another big guy, BTA, also reportedly bought the stakes of many domestic construction companies such as Beton 6, Descon, Cotecons, in order to improve their strength in the competition with international groups like Gammon, or Kumho E&C. Before it was merged into BTA, Beton 6 met a lot of big difficulties in the corporate governance. Similarly, Cotecons was in the development stage that it needed more power to compete with international construction bidders.

Masan Consumer, belonging to Masan Group has bought a series of companies in the food and foodstuff sector, including Vinacafe and Proconco, Vinh Hao to become the redoubtable rivals to the big names like Unilever, Nestle or CP. With the strong determination for M&A, Masan is believed to pay higher prices to attain domestic potential businesses from the hands of foreign investors.

Vinh Hao, a well-known mineral water brand for the last 80 years, has been sold to Masan Consumer at VND85,000 per share, which now holds 24.9 % of the stakes of Vinh Hao. The noteworthy thing in the deal was that Masan Consumer paid VND85,000 per share, while the market price was VND25,000.

Economists said M&A proves to be a strong driving force for the next stage of the economic development in Vietnam, which began in 2011. They have commented that it is now the time when domestic private enterprises to join forces to increase the business scale and improve the competitiveness, or they would fall into the hands of foreign sharks. The economists also believe that in the current economic period, Vietnamese powerful groups now can hold the heavy responsibility of preserving Vietnamese brands and not let the brands disappear or fall into the hands of foreigners.

(Source: DNSG)

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Vietnam on the map in Indonesia

Vietnam has been emerging as a new investment destination for Indonesian companies.

Mayerfas, the Indonesian Ambassador to Vietnam, said for the last two years, several Indonesian companies were very active in exploring opportunities and completing investment deals with Vietnamese partners such as PT Akebono Brake Astra Vietnam, PT. Semen Gresik and PT. Nikko. There would be more deals like these in the coming time. “Vietnam has become a new investment destination for companies from Indonesia,” he said.

The two countries have owned the Declaration on the Framework of Friendly and Comprehensive Partnership Entering the 21st Century and the Plan of Action (PoA) period 2012-2015 for the implementation of comprehensive partnership. This PoA has laid an essential roadmap for our two countries to increase cooperation in multiple fields including economic, trade and investment. All these efforts have reflected the importance of Vietnam to Indonesia, the ambassador stressed.

Deputy chairman of Investment Cooperation under Indonesian Coordinating Board for Investment Achmad Kurniadi said: “We have to facilitate Indonesian investors to invest abroad including Vietnam. In Vietnam, we believe a lot of opportunities for Indonesian investors, not to compete but to be complementing each other to share our experiences and potentials.” “Vietnam is one of the most favourite nations for investors. The country’s policies on attracting foreign direct investment so far are OK,” he noted.

Johan Samudra, CEO of Thang Long Joint Stock Company in which 70 % stake is owned by Indonesia’s PT Semen Indonesia, said: “We invest in Vietnam because we have good cooperation between both countries. The government of Vietnam supports us in terms of sustainability of investment here.” Cement products made by the company are exported to Indonesia, Bangladesh and Taiwan, and partly sold in Vietnam.

According to the Ministry of Planning and Investment’s Foreign Investment Agency (FIA), Indonesian investors have appeared in Vietnam since 1990s. By March 2013, Indonesia had 34 valid projects in Vietnam with the total commitment of USD285.1 million, ranking 27th among 101 countries and territories investing in Vietnam. These projects belong to 11 various sectors out of the total of 26 sectors in the country, in which, processing industry accounts for the most with 16 projects, capitalised at USD112.2 million.

(Source: VIR)

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In the eyes of investors, it’s time to invest in hotels

Though the real estate market remains cool and the hotel business performance is getting worse, this is still an attractive business in the long term.

According to Cao Thanh Hoang, General Director of KHM Capital, a South Korean investment fund, a lot of Japanese investors have shown their interest in hotel projects. Hoang went on to say that it’s now the right time for buyers to

contact investment funds which need to sell hotels' stakes when the fund closing time nears. Big money was poured into 5-star hotels in 2007-2008, when the hotel room rates and the occupancy rate was very high. However, both the rates have been decreasing continuously over the last two years.

According to Grant Thornton Vietnam, the hotel room rate in 2011 dropped to USD123 per night from USD131 in 2010. The rate decreased further in 2012 which was blamed on the increase of Asian travelers who tend to use 3-star hotels.

Rich Conti, President of The Plasencia Group, the consultancy firm which gives advices in the merger and acquisition (M&A) deals in the high end hotel sector, thinks that investors would not get the desired profits, because the current IRR now just hovers around 16-18 %, while it was over 20 % in 2007-2008.

In Vietnam, most of the high end hotels are located on the main routes in central areas of big cities, on the “golden land areas.” Therefore, investors have warned that they would have to spend big money to buy the high grade hotels they want. Hoang has noted that the land use right value is very high, which makes the hotel prices high. Therefore, the hotel buyers at this moment are mostly the professional hotel managers and investors, the only people who can ensure the good business performance of the hotels.

A senior executive of Thien Minh Company has revealed that besides the 3-4 star hotels, Thien Minh is considering some 5-star hotel projects, hoping to wrap up some transactions in the time to come.

Vice President of Hilton Worldwide South East Asia--William Costley also thinks that it's now the right time to think of long term investment projects, saying that he can see great opportunities in the high end hotel sector.

The senior executive, in the interview given to the local newspaper VnExpress, also said he was asked why to open a hotel now in Vietnam, when the local economy is in big difficulties. However, what he can see is the market is still very good, the national economy is not too bad, while the occupancy rate at 4-5 star hotels is still high. Meanwhile, in tourism or hotel development, investors need to keep long term vision, not for one or two years, but 12 years, when making investment decisions.

Who have most 5-star hotels in HCM City?

Saigontourist, a well-known travel firm, is the owner of many 5-star hotels in HCM City most of which have become operational. It holds 100 % of stakes at Rex and Majestic New World Hotel, USD87.5 million, in district 1: developed by Saigon Inn – New World Hotel joint venture of some partners, including Saigontourist and New World Hotel Ltd. Sheraton Hotel, USD97 million, in district 1: developed by Dai Duong Joint Venture of the Saigon Real Estate Corporation, Saigontourist and Lam Ho Investment Pte. Kumho Asiana Plaza, USD223 million, in district 1, developed by HDSC, Saigontourist, Kumho E&C Inc.

(Source: DNSG)

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NEWS IN BRIEF

Belarus-Vietnam cooperation in trade and economy was top on the agenda of the meeting between Economy Minister of Belarus Nikolai Snopkov and Prime Minister of the Socialist Republic of Vietnam Nguyen Tan Dung. The meeting took place in Hanoi on 4 April, BelTA learnt from the press service of the Belarusian Foreign Ministry. Nikolai Snopkov emphasized the need to bolster trade and industrial ties and set up joint ventures. In his words, the two countries need to ramp up cooperation in science, technologies, education and personnel training. Nguyen Tan Dung noted that Vietnam has always sought to develop mutually beneficial cooperation with Belarus. He expressed satisfaction with the intensified dialogue between the two countries.

The Vietnamese head of government pointed to the need to strengthen trade and economic ties between Belarus and Vietnam, including by expanding business contacts.

Garment exports in the first quarter of this year hit USD3.79 billion to maintain its leading position, said Le Tien Truong, Deputy Director General of Vietnam National Textile and Garment Group (Vinatex). The country's major export markets include the US, Japan and the Republic of Korea (RoK) with exports to the RoK enjoying impressive growth of 25 %, almost twice as much as to the EU. Truong said many domestic businesses have invested in equipment and workforce to catch up with the shift of Japanese importers to other countries. By far, they all have received adequate orders for production up until the end of the first or second quarters of the year. The garment sector is seeking to approach new markets like Russia, Eastern Europe and the Middle East, he added. This is high hope for a boom in factory orders when the Trans-Pacific Partnership (TPP), ASEAN and Vietnam-China free trade agreements and the Vietnam-EU bilateral trade agreement bring duties for Vietnamese garment exports to these markets down to 0 %.

French automaker Peugeot announced Monday (8 April) that it was returning to Vietnam with the creation of a distribution network and local production of its 408 model along with a Vietnamese partner, Thaco. A Peugeot statement said that it would set up six dealerships in Vietnam, a former French colony, three in the northern region around Hanoi and three in the southern region of Ho Chi Minh City, and added that the network could eventually comprise 15 sites in all. Peugeot was present in Vietnam through the 1980s before withdrawing from the country. The 408 that is slated to be built there is a saloon (sedan) model that is already sold in China and Latin America, and Peugeot expects to locally produce around 80 % of all the vehicles it sells in Vietnam, owing in large part to high customs duties, a spokesman said. According to the French group, 80,000 new cars were sold in Vietnam last year, and the market is estimated to grow to 300,000 by 2020, with Peugeot hoping to account for five % of the total.

Nearly 120 French businesses and their 500 Vietnamese counterparts gathered in HCM City to attend the Vietnam-France business forum, which opened on April 8. This large-scale economic and trade event aims to facilitate partnerships between businesses from both nations. Representatives from various companies focused their discussion on how to fully tap market potential, take advantage of opportunities and develop business operations. French businesses will also have an opportunity to meet 20 foreign experts who specialize in studying the Vietnamese market, banking and finance, taxation, human resources and intellectual property. Seminars also took place during the forum, with a focus on the business environment in Vietnam, Vietnamese consumer tastes, and the development of infrastructure across the country. This year marks the 40th anniversary of Vietnam-France diplomatic relations, which will foster bilateral ties in many fields and create a favorable environment for businesses to expand their markets and seek new partners.

The Vietnam National Oil and Gas Group (PetroVietnam) increased its investment in a project at the Rusvietpetro joint venture company in Russia to USD1.4 billion in the first quarter of 2013. According to the Overseas Investment Department under the Ministry of Planning and Investment, by March 20, Vietnamese businesses had 742 overseas investment projects with a total registered capital of USD15.5 billion. Laos topped the list of Vietnamese investors' destinations with 227 projects totaling over USD4.2 billion, accounting for 30.6 % in the number of projects and 27.1 % in capital. It was followed by Cambodia, Russia and Venezuela.

The European Union (EU) has lifted the ban on the import of fresh bee honey from Vietnam, the European Market Department under the Ministry of Industry and Trade reported. The department said the EU has recently issued a decision amending Decision 2011/163/EU on the approval of plans submitted by third countries on residue control measures on fresh animal products, including that of Vietnam. With this decision, EU also accepts entry of bovine from Japan, poultry, aquaculture and eggs from Moldova and poultry, milk, eggs and honey from Bosnia and Herzegovina.

Vietnam Saigon Fabric and Garment Accessories Expo will take place in HCM City from April 11 to April 14. The expo will attract the participation of 350 businesses from countries and territories such as China, Germany, Japan, France, Korea, India, Singapore, Malaysia, Thailand and Taiwan. The expo is being organized by the Vietnam National Textile and Garment Group (Vinatex) and the Vietnam Chamber of Commerce and Industry.

Despite a challenging macro-economic environment in 2012, Prudential Vietnam was able to maintain its growth momentum with record new business premiums of over VND1.47 trillion (USD70 million). Total premium income grew 9

% to a record VND6.59 trillion (USD313.9 million), accounting for approximately 36 % of the total premium income of the country's entire life insurance industry. As a result, Prudential has remained the insurance leader in Vietnam with the largest market share in both new and total premium income.

Software giant FPT last week approved the appointment of chairman Truong Gia Binh as acting chief executive officer (CEO) until he is replaced before June. He will in the meantime continue to also hold the position as chairman. The plan to "transfer to a new generation" has always been in the group founder's targets since he left the CEO chair in 2009 and appointed Truong Dinh Anh. However, the plan failed as Anh resigned last year due to the alleged pressure of not bringing FPT's performance up to expectation. Revenue and profits of the group in the first half of last year reached VND11.5 trillion (USD547.6 million) and VND1.2 trillion (USD57.1 million), accounting for only around 40 % of the target.

The Japanese partner in the Ethanol Binh Phuoc project has decided to withdraw from the project on the worry about the slow sale of the biofuel, the Vietnam National Oil and Gas Group (PetroVietnam) President Phung Dinh Thuc has confirmed. Thuc said on VnExpress that some projects on making biofuel E5 developed by PetroVietnam and foreign partners in the provinces of Quang Nam and Binh Phuoc have met big challenges. "The Japanese partner in the Binh Phuoc project, which sees the slow sales, has sent words intimating that it would quit the project," Thuc said. Under a program approved by the Prime Minister, from December 1, 2014, E5 biofuel would be used for the vehicles in 7 provinces and cities of Hanoi, HCM City, Hai Phong, Da Nang, Can Tho, Quang Ngai and Ba Ria – Vung Tau. From December 1, 2015, biofuel would be used all over the country.

The first Tra Vinh trade and tourism exhibition and trade fair officially opened in Cambodia's Battambang province on April 8. This is part of activities to strengthen economic cooperation between Tra Vinh as well as other Mekong Delta provinces and Cambodia's localities, especially in the field of agriculture and tourism. Battambang leaders highlighted the significance of the trade fair as it aims to improve the efficiency of agricultural production and trade exchange across the common border. Ry Uy, Vice mayor of Battambang said the province is willing to cooperate with Tra Vinh in applying new farming techniques and training human resources.

Thua Thien - Hue province has taken a number of measures to attract more investment to its industrial zones (IZs). Apart from speeding up site clearance, the province is accelerating administrative reforms, improving legal framework, and offering preferential policies. It is also helping investors build factories, and mobilize capital resources for infrastructure construction in industrial zones. Thua Thien-Hue focuses on human resource development, particularly vocational training for spearhead industries, as the demand for trained laborers is increasing. Its industrial zones need 15,000 trained laborers each year, and the figure is expected to increase in the coming time. The province has attracted 66 foreign investment projects with a total registered capitalization of nearly USD2,000, covering a wide variety of fields such as garment and textiles, tourism, food and beverage processing. In the first quarter of the year, FDI businesses earned USD110 million in revenue, up 48 % over same period last year and contributed over USD11 million to the State budget.

The Moc Chau Dairy Cattle Breeding Joint Stock Company on Sunday (7th April) put into operation a total mixed ratio (TMR) cow feed processing plant in Moc Chau town, northern mountainous Son La Province. The inauguration of the plant with an initial capacity of 120 tons a day coincided with a ceremony to mark the company's 55th anniversary. The TMR feed is mixed with a ratio that provides balanced nutrition to dairy cows based on the Republic of Korea technology. Once operational, the plant helps improve milk productivity and quality for the country's dairy cattle.

Two-way trade turnover between Vietnam and Malaysia hit USD1.466 billion in the first two months of this year, of which USD781.7 million came from Vietnamese exports. Vietnam imported Malaysian goods worth USD685.07 million—mostly petrol, chemicals, plastics, and animal fat—and thus enjoyed a trade surplus of USD96.6 million. Key exports to the Malaysian market included crude oil, computers, electronics and spare parts, telephones and components, and rubber products. Malaysia's 436 valid projects place it at eighth largest on the list of Vietnam's 101 foreign investors. As of March 20, 2013, Malaysian projects were capitalized at a total of USD10.2 billion. Vietnamese businesses are investing in nine projects in Malaysia with total registered capital of USD412.9 million.

Local companies in the first quarter of the year signed contracts to export 3.5 million tons of rice in 2013, according to the chairman of the Vietnam Food Association (VFA). Truong Thanh Phong said that as of March 31 local companies had shipped more than 1.45 million tons of rice to buyers, earning more than USD640 million. This included 706,500 tons exported in March, bringing in over USD310 million. Despite the global economic downturn, the volume of rice-export contracts for the first quarter was up 22 % year-

on-year, while the volume of rice exports was 12 % higher, according to VFA. Phong said the volume of exported rice would increase sharply to make up for the lower volumes of rice exported in the first quarter. The VFA said that dried normal paddy in the Mekong Delta was selling for VND5,200 — VND5,300 per kilo, and long-grain paddy for VND5,400 — VND5,500 per kilo.

Vietnam's private entrepreneurs association was established at a congress in Hanoi on April 6. The organization aims to support businesses in improving operational efficiency, sharpening their competitive edge, and expanding overseas markets. Top priority will be given to broadening partnerships to develop a contingent of entrepreneurs that have competent managerial skills, professional ethics, and corporate social responsibility. In the context of international integration, businesses need to cooperate with each other to make use of their combined strength, enhance competitive capacity and address challenges, said Deputy Minister of Planning and Investment Dang Huy Dong. Vietnam now has more than 400,000 private businesses that contribute significantly to the State budget every year. However, private businesses have been struggling to weather the economic slowdown, and thousands suspended their operations in 2012.

The Vietnam National Oil and Gas Group (PetroVietnam) increased its investment in a project at the Rusvietpetro joint venture company in Russia to 1.4 billion USD in the first quarter of 2013. According to the Overseas Investment Department under the Ministry of Planning and Investment, by March 20, Vietnamese businesses had 742 overseas investment projects with a total registered capital of 15.5 billion USD. Laos topped the list of Vietnamese investors' destinations with 227 projects totaling over 4.2 billion USD, accounting for 30.6 % in the number of projects and 27.1 % in capital. It was followed by Cambodia, Russia and Venezuela.

Vietnam plans to cease broadcasting analogue TV in the five biggest cities by 2015 as digital TV takes over. According to Information and Communications Minister Nguyen Bac Son, digital TV is an irreversible trend all over the world. "As such, the topic for discussion is not whether to kick off TV digitalization, but when and how," he said. Doan Quang Hoan, director of the Radio Frequency Agency, the project to convert to digital transmission by 2020 will lead to better quality. Under the transition project, households will have access to digital TV in a variety of forms by 2020. The State will help about 2 million poor families buy set-top boxes to decode digital TV signals. "It would cost a huge sum to equip all citizens with boxes," Hoan said.

French Minister for Foreign Trade Nicole Briq will visit Vietnam from April 7-9 to strengthen trade ties between the two countries. A French Ministry for Foreign Trade communiqué dated April 5 noted that Southeast Asia is included in the Ministry's priority policy, and Vietnam will be one of Briq's stopovers during her Southeast Asian tour, after Singapore, the Philippines and Thailand. Located in the center of the ASEAN bloc, Vietnam is a dynamic economy and considered a "new dragon" with remarkable annual economic growth of around 7 % over the past decade. It is also listed as an emerging economy, but its bilateral trade with France is not equal to their political relations and economic potential. France now holds nearly 1 % of the market share in Vietnam and 1.5 % in the ASEAN region.

A USD200 million loan agreement was signed last Friday (5th April) for the Lo Te-Rach Soi highway construction project. Signatories were Deputy Finance Minister Truong Chi Trung and Chairman of the Republic of Korea (RoK)'s Import-Export Bank Kim Yong Hwan. The Lo Te-Rach Soi highway runs through the Mekong Delta provinces of Can Tho and Kien Giang and connects Vam Cong Bridge and Rach Gia bypass as part of the southern coastal corridor. Addressing the ceremony, Trung said the official development assistance loan, provided via the Economic Development Cooperation Fund (EDCF), is part of a Vietnam-RoK credit agreement for the period 2012-15 worth USD1.2 billion signed in 2012. The EDCF has so far financed 43 projects in Vietnam with a total capital of USD1.7 billion.

The central coast city of Da Nang will continue to perfect infrastructure facilities at its Hi-Tech Park to help attract more investment, especially from foreign groups. According to the park's development plan for the next two years, top priority would be given to encouraging foreign investors from Japan, South Korea, the US, Taiwan and Singapore. The plan was approved late last year by the municipal People's Committee and also aims to accelerate administrative reforms to better facilitate investors and support them in seeking financial resources to develop projects. In addition to implementing measures for human resource training to better meet the demands of foreign investors for skilled employees, speeding up domestic and overseas investment promotion to timely provide enough updated information about the park would also a focus.

The US's Rocky Lai & Associates Inc. officially started the construction of the Da Nang Information Technology Park (DITP) in Hoa Vang district on Saturday (30 March). The park, which covers an area of 341ha with total investment of USD278 million, will be the biggest 'Silicon Valley' in the central region of Vietnam. "It's expected that the park will create revenue of USD3 billion each year with 25,000 jobs and a satellite city of a 100,000 people," said the vice chairman of Rocky Lai & Associates Inc. Paul Ta. The park will also include banks, offices, IT research and training centres, production and an IT showroom.

Accor, the leading hotel operator in Asia Pacific and Vietnam, announced the rebranding of Lifestyle Resort Da Nang to Pullman Da Nang Beach Resort on Saturday (6 April). The 187-room resort, positioned on a stretch of pristine beach of My Khe, just 10 minutes from Da Nang International Airport, is the first Pullman resort in Vietnam, and the second Pullman-brand property in Vietnam.

As of March 31, Vietnamese enterprises shipped over 1.45 million tons of rice abroad, earning around USD641.4 million in free-on-board (FOB) value and USD665 million in cost, insurance and freight (CIF) value, according to the Vietnam Food Association (VFA). Prices of dried rice in the Mekong Delta are now ranging from VND5.200 (USD0.25) to VND5.300 (USD0.26) per kilo. The Association has reported that the program in which banks provided companies with interest-free credits to buy 1 million tons of rice for national reserves ended. At present, farmers in the Mekong Delta are hastening their harvest of the winter-spring crop and preparing for the next crop. Last year, rice exports hit a record high of 7.72 million tons, earning USD3.45 billion (FOB value), representing an increase of 8.3pct in volume, but a fall of 2pct in value.

With earnings topping USD1.2 billion in the first quarter, exporters of timber and wood products are hoping to rake in USD5.5 billion this year, according to the Ministry of Agriculture and Rural Development. With 3.5 million hectares of forest, the country harvests approximately 6 million cubic meters of wood each year, 80 % of which is exported in the form of wood chips, while only 20 % is processed into other kinds of products. The US, China and Japan are the major markets for Vietnamese wood and wood products. Last year, Vietnam became the largest wood exporter in Southeast Asia, with a total export turnover of USD4.67 billion, a year-on-year increase of 18 %. However, Vietnamese wood product exporters are still facing various difficulties such as unhealthy competition and a lack of distribution networks in foreign markets.

The Ministry of Finance has issued Directive No 3847/BTC-QG asking relevant municipal and provincial departments to enhance price management and stabilization. The move came as part of efforts to prevent dealers from pushing up the prices of essential commodities improperly on the back of rising retail petrol prices, which rose by VND1,430 (USD0.07) to VND24,580 (USD1.18) per liter from March 28. Relevant agencies were requested to constantly monitor prices of key commodities like food, foodstuff, medicine, milk and gas, as well as transport services. At the same time, they must keep a close eye on price registration and declaration, clamp down on price hike registrations which are not directly affected by the fuel cost adjustment, and supervise the prices of products and services decided by the State. Those engaged in production with intensive use of petroleum and oil are also encouraged to innovate technology and apply fuel-saving solutions to help increase output and lower prices.

Over 1,000 tons of sugar was illegally imported into Vietnam everyday through the An Giang border gate. According to Nguyen Thanh Long, chairman of the Vietnam Sugar Association, the problem had been happening for years, and had taken on a more organized nature. He explained that illegally imported sugar led to difficulties for sugar producers on the domestic market. In 2012, only 514 tons of illegally imported sugar was seized, or 2 % of the estimated volume.

One month has passed since the new regulation that led to banks starting to charge fees on debit card holders for withdrawing money from ATM machines. According to the State Bank of Vietnam's Payment Department, however, 35 card issuers are still offering the service free-of-charge. Under Circular No 35/2012/TT-NHNN, card issuers are allowed to charge fees on debit card holders, especially for ATM transactions as of March 1. These fees can be up to VND1,000 (USD0.05) per transaction in 2013, VND2,000 in 2014 and VND3,000 from 2015, and the banks could choose where to set their fees. Banks that have so far applied the fees are Vietcombank, Sacombank, SeABank, LienVietPost Bank and Western Bank. Three others (BIDV, Vietinbank and Agribank) have also planned to collect the transaction fees but are yet to set a date to implement these fees.

Cambodia creates favorable conditions for the Vietnam Rubber Group (VRG) to implement rubber projects on its land. The first Vice President of the National Assembly of Cambodia, Nguon Nhel, made the statement at a reception for VRG general director Tran Ngoc Thuan in Phnom Penh on April 3. Nguon Nhel praised VRG's investment in Cambodia for contributing to the development of its economy and society, as well as improving the locals' lives. Local people in Kampong Thong province have appreciated VRG's social welfare policies, including those to provide financial assistance for the construction of two pagodas and create jobs for them, he added. The group plans to plant 100,000 hectares of rubber trees in Cambodia by 2014.

Binh Thuan Industrial Parks gained a total export turnover of USD16.8 million in the first quarter of 2013, an increase of 42.6 % year-on-year. Domestic companies accounted for more than half of the figure at USD8.6 million, rising 43.3 % compared to 2012,

while foreign-invested enterprises achieved USD8.2 million, up 41.3 % year-on-year. Export turnover of self-adhesive paper and garments, the parks' main products, reached USD7.1 million and USD4.9 million, respectively.

As the first and only premium manufacturer in Vietnam, Mercedes-Benz Vietnam has introduced a 2-year warranty for parts with immediate effect. Accordingly, parts purchased and installed at its 10 authorized service dealers throughout Vietnam will be replaced at no extra cost during the 2-year warranty period.

HCM City authorities will continue to remove barriers in the real estate market and closely co-operate with the State Bank to offer loans for firms in prioritized sectors. These include agriculture businesses – particularly those in rural areas – as well as support industries and those producing goods for export. Besides implementing "the Vietnamese value Vietnamese goods" campaign to help enterprises improve their business in the local market, the city will also boost industrial production and help companies sell products and reduce inventories. Improving the local investment climate and drawing more foreign investment will also be major priorities. HCM City's gross domestic product (GDP) rose by 7.6 % in the first quarter of this year, a little higher than last year's corresponding period, said the municipal People's Committee chairman Le Hoang Quan.

Deputy Prime Minister Nguyen Thien Nhan has signed a decision to approve the building of a system that will release early warnings and risk analysis about food safety in Vietnam. This system will be made available within three years and will operate at three levels: national, ministerial or centrally-run provincial/ municipal (level 1), and grassroots (level 2) starting in 2016. A center will be set up at the national level to collect and analyze information from the level 1 warning centers and a number of level 2 centers. Similarly, level 1 warning centers will in turn receive information from level 2 centers. Specifically, the central center will be located at the Health Ministry's Safety Department, while level 1 centers will be set up at the Ministry of Agriculture and Rural Development's Department for Management of Agriculture, Forestry and Fishery, the Ministry of Industry and Trade's Department of Science and Technology, and the Sub-department of Food safety and Hygiene.

The Vietnamese Government will provide the best conditions for two Vietnam-Russian oil and gas groups operating in Vietnam as a practical contribution to the two countries' strategic partnership. The pledge was made by Prime Minister Nguyen Tan Dung while receiving Director General of Zarubezhneft Oil and Gas Group, Kudriashov Sergei Invanovich, in Hanoi on March 28. He highlighted the initial success of a Vietnam-Russian oil and gas joint venture established by Zarubezhneft Group and Vietnam National Oil and Gas Group (PetroVietnam), describing this as a model of effective cooperation between the two countries. The joint venture has helped strengthen bilateral ties in both scope and scale, PM Dung said.

Registration fees for new cars with less than 10 seats will be reduced from the current 15-20 % of the value of the car to 10-15 % from April 1. Under Decree 45/2011/ND-CP, registration fees for second-hand cars with less than 10 seats will remain at 2 %. According to the current regulations, cities and provinces are authorized to adjust registration fees depending on economic conditions but it must range between 10 and 15 %. Currently, Ha Noi is applying the fee of 20 % while the rate in HCM City is 15 %. Previously, the Government also cancelled the implementation of car ownership fees which would have seen each car owners pay VND20-50 million (USD960-2,400) per year.

After penetrating the Japanese market, Hoa Loc mangoes are seeking outlets to Russia and China. The Tien Giang provincial Department of Agriculture and Rural Development says there are about 20 households in Hoa Loc commune, Cai Be district, which grow mangoes on 11 ha for export. Cai Be annually ships 50-100 tons of mangoes to Japan and is keen to approach Russian and Chinese markets. The mango acreage in the Long Hoa commune and Can Thanh town, Can Gio district, Ho Chi Minh City is about 135 ha. Similar mangoes meeting VietGAP standards are being grown in Tien Giang, Dong Thap, Ben Tre and Vinh Long provinces. Pham Thiet Hoa from HCM City's Department of Agriculture and Rural Development said the logo of Can Gio mango will be designed to secure its trade mark overseas.

Hong Kong Dragon Airlines Limited (Dragonair) launched a direct air route between Danang and Hong Kong on March 28. Dragonair will operate three flights departing from Danang (Vietnam) to Hong Kong (China) on Tuesdays, Thursdays and Sundays. A return ticket costs USD266. Danang is the airline's second Vietnamese destination of Dragonair after Hanoi. Using Airbus A320s, the new route will help to bring foreign passengers to Vietnam's coastal central city and provide Vietnamese passengers with more options to travel to other global destinations via Hong Kong. Established in 1985, Dragonair is an international airline, subsidiary of Hong Kong's flag carrier, Cathay Pacific.

Retail petrol businesses increased their oil and petrol prices by VND362-1,430 per liter, starting at 20.00pm on March 28. Petrol A92 is now traded at VND24,580/l, beating the record high VND23,800/l level imposed in April 2012. Diesel, kerosene and mazut prices rose by VND362, 480 and 807 to VND21,912, 22,080 and 18,457 per liter respectively. The sudden price hike came after petrol businesses received an approval from the Ministry of Finance and Ministry of Industry and Trade to adjust the retail prices. The two ministries attributed the hike to the recent fluctuations in world oil prices, despite the government's efforts to stabilize the domestic market, including the use of the Price Stabilization Fund. Retail petrol prices have been adjusted four times since the beginning of 2013.

The Lao Bao Border Gate in central Quang Tri Province will officially extend its opening time to 15 hours a day from the beginning of April, to cater for increases in cross-border traffic. The Vietnam and Laos gateway will be in operation from 7am until 10pm every day, including weekends and holidays. The opening times extension has already been piloted at the gate from last February. As a result, the crossing has welcomed an increase of 32,000 people and 8,500 vehicles during the first six months of the extension, compared to the same period in 2011 when it was open from 7am until 7.30pm. The move brings the gate's opening times in line with those of Laos' Savannakhet Border Gate, as well as Thailand's Mukdahan Border Gate between Laos and Thailand.

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COMING EVENTS

South East Asia Bridge and Tunnel Summit

Venue: TBA

Country: Ho Chi Minh City, Vietnam

Start Date: 18 April 2013

End date: 19 April 2013

Conference Description

South East Asia Bridge and Tunnel Summit will take place for two consecutive days in Ho, Chi Minh City, Vietnam. This conference will consist of discussion panel, speaker session, workshops, exclusive showcase and business meeting. Masses from all over the world will join this conference.

Invitees will get to know about latest urban tunneling technique, Sustainable Bridge Design and engineering, international development in tunnel engineering, TBM selection procedures for different soil or rock conditions from South East Asia Bridge and Tunnel Summit. Some related topics and relevant issues will get emphasized in the conference. Networking opportunities will be offered to the participants in the conference. Attendees will be profited from the conference.

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Analytica Vietnam

Venue: Saigon Exhibition & Convention Center (SECC)

Country: Ho Chi Minh City, Vietnam

Start Date: 18 April 2013

End date: 20 April 2013

Conference Description

Analytica Vietnam is the world's largest trade show for solutions in the analysis, laboratory - technology and life - science sectors. The exhibition will be accompanied by the analytica Vietnam Conference: Scientists and exhibitors

have the chance to present their recent findings within this scientific platform. Attendees of the conference and exhibition will gain new insights on the industry by high quality lectures as well as the presentation of the newest products.

Exhibitors' Profile

Profile for exhibit include Analysis / Quality control, Laboratory technology, Biotechnology / Life sciences, Chemical / Petrochemical, Pharmaceuticals / Cosmetics, Medicine / Diagnostics, Nutrition, Environment, Electrical engineering / Electronics.

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Lifestyle Vietnam

Venue: Ho Chi Minh City International Exhibition & Convention Center

446 Hoang Van Thu St., Ward 4, Tan Binh

Country: Ho Chi Minh City, Vietnam

Start Date: 18 April 2013

End date: 21 April 2013

Conference Description

Lifestyle Vietnam will provide a winning combination that Exceptional creativity, fine craftsmanship, well-selected merchandise & personalized customer service which make it a fascinating fair featuring innovative products for enhanced living experiences, home decoration and accessories. The event will be taking place between 18-21 April 2013.

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Lifestyle Vietnam

Venue: Saigon Exhibition & Convention Center (SECC)

Country: Ho Chi Minh City, Vietnam

Start Date: 24 April 2013

End date: 26 April 2013

Conference Description

A uniquely international exhibition for Vietnam's food and hospitality sector, Food&HotelVietnam (FHV) offers a dynamic platform for your business. The event serves up excellent opportunities, with a winning combination of food and hospitality resources, line-up of highlights and programmes, endorsements from industry experts and a pool of quality exhibitors and visitors.

Exhibitors' Profile

Profile for exhibit include Chilled & Frozen Food, Dairy Product, Drinks & Beverages, Meat & Poultry, Wine, Spirits & Beers, Bakery & Confectionery Equipment, Contract Furnishing & Interior Design, Fitness & Leisure, Foodservice Equipment, Furnishing & Fixtures, Housekeeping Supplies & Services, Laundry Equipment, Lighting & Accessories, Storage & Refrigeration, Tableware & Accessories, Telecommunication Systems, Transportation & Distribution.

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Asia Coatings Congress

Venue: Windsor Plaza Hotel

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

Start Date: **14 May 2013**

End date: **15 May 2013**

Conference Description

The Asia Coating Congress is one of the top notch events to be held in the industry relating to coatings. This event provide perfect business opportunity to its members. One will be able to learn expert strategies for pulling profits from the market .This event provides the over all information of the market in the broader perspective. Every year thousands of traders visit this event to enhance their business and to get an idea and knowledge of the leading markets. One of the unique aspects of the Asia Coating Congress is that it organizes the best displays for its exhibitors to display or to introduce their new products and services.

Exhibitors' Profile

The Asia Coating Congress provides a perfect business opportunity to its members. The companies and institutions exhibiting in this event would be the one who are associated with the top leading industries of Coatings as wholesalers, Importers, Exporters, Processors, Manufacturers; Distributors are also some of the other main exhibitors going to exhibit in this trade expo. Apart from these many top most leading industries who are associated in making Raw materials, Coating and paints are also among the main Exhibitors who are going to exhibit in this show.

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