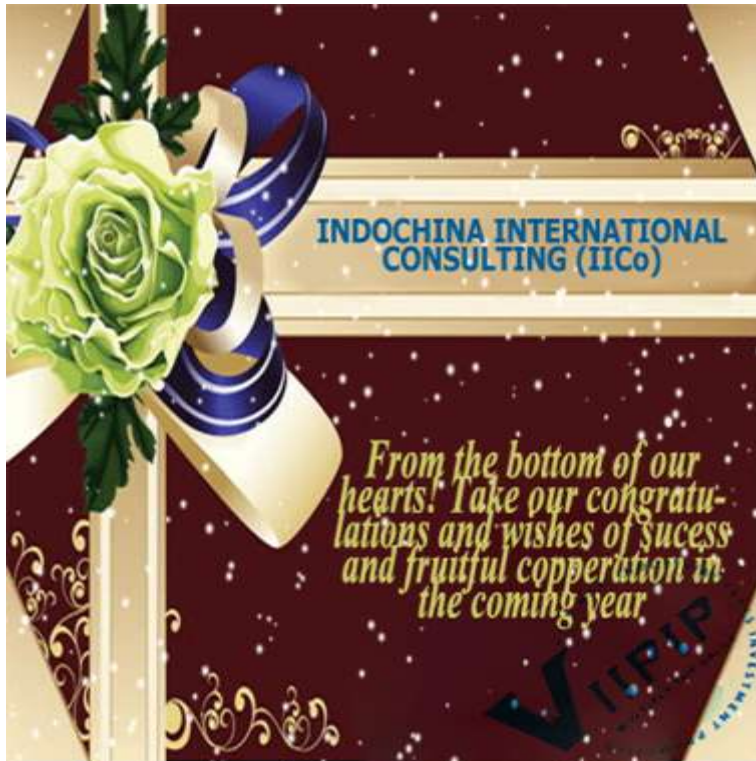


INDOCHINA INTERNATIONAL CONSULTING (IIC)



Dear all,

Merry X'mas & Happy New Year 2014

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

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DEVELOPER'S INTRODUCTION



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HIPC's Profile

Business category:

Invest and Develop Projects on constructing and doing business in infrastructures of Export Processing Zones, Industrial Parks and Residential Areas, New urban Areas in Ho Chi Minh City and other provincial Areas. Supply the supporting Services such as raw materials and constructing materials and other services on sanitary, green tree parks; garbage, waste products, wasted materials collecting; industrial meals providing to Export Zones and Industrial Parks. Trading in building materials. Leasing in office equipments as well as computers and its spare parts. Trading in housing (except in receiving the land used right for investing the infrastructures approved by authorized Agencies then transfer that land used right). Constructing the Office and warehouse in industrial Parks for leasing. Investing, constructing and trading the docks, wharfs; leasing the boats, canoes. Providing the consulting services (except finance consulting), Informatics services, vessel navigating, vessel brokerage and forwarding, Vessel Agencies. Trading in domestic and internal travel. Trading in sea transportation, loading and unloading the cargoes and forwarding the cargoes across the nation and worldwide. Investing the capital fund. Trading in fresh water supply services./.

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NAM TAN UYEN INDUSTRIAL PARK – BINH DUONG



NAM TAN UYEN JOINT STOCK CORP. (NTC)	The member of Viet Nam Rubber Group (VRG).
	The first industrial park model of VRG
	Founded on 21 February 2005.
Invested capital	US\$ 450 million.
Area	620,5 ha # 6,205,000 m ²
Duration of Land sublease for the 1st phase	50 years from 25 October 2005 to 25 October 2054.
The advantages	<ul style="list-style-type: none"> - Position: nearby many big administrative centers and urban areas of the Southern region of Viet Nam. There are many ways to connect the IP by air, sea, and road that is much more convenient for transportation and trading transaction. - The technical infrastructure are constructed completely and synchronized with high soil pressure (2kg/cm²) that is convenient for construction with lowest cost. - Land surface is ready for investors. - Prices of land sublease and terms of payment are optional and flexible that help investors decrease their financial difficulties. - Having strong supports from local government on enterprise forming as well as production process of investors. - With the population of over 169.3 thousand people and immigrant worker resources from other provinces that supplies enrich labor force for the IP.



NAM TAN UYEN JOINT STOCK CORPORATION

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GENERAL REVIEW

Japan pledges further assistance for Vietnam

Vietnam and Japan have committed to pushing up development and investment cooperation.

Prime Minister Nguyen Tan Dung told the Japanese business community during his official visit to Japan in December 2013 that the bilateral relationship between Vietnam and Japan was the best ever, and Vietnam welcomed Japanese companies to invest in the country.

Dung, who was also in Japan to attend the ASEAN-Japan Commemorative Summit to mark the 40th anniversary of ASEAN-Japan friendship, and the fifth Mekong-Japan Summit, said Vietnam was committed to improving its business and investment environment to provide favorable conditions for foreign investors in general and Japanese investors in particular.

At a dialogue with Dung on December 13, which gathered leading Japanese corporations like Mitsubishi, Honda, Hitachi, Sumitomo, Canon and Takashimaya, many major Japanese corporations expressed confirmed that they would continue expanding investment in Vietnam. They also asked the Vietnamese government to adopt appropriate policies to encourage the development of infrastructure and supporting industries, paving the way for foreign investment in Vietnam, especially in sectors such as power generation, electronics, heavy industries and food processing.

As of November 20, 2013, Japan ranked as Vietnam's top foreign investor, with registered investment of \$34.52 billion across 2,103 projects.

According to Vietnam's Ministry of Industry and Trade, Japan is Vietnam's top trade partner, with two-way turnover hitting \$23 billion in first 11 months of this year. In a joint statement released in 2011, the two sides said they would attempt to double bilateral trade turnover by 2020.

The Japanese Embassy in Hanoi said during Dung's visit, which embraced a meeting with his Japanese counterpart Shinzo Abe, an exchange of notes for \$500 million in Japanese official development assistance (ODA) was agreed for three projects in Vietnam, including Noi Bai International Airport's second terminal, Da Nhim hydropower plant expansion, and an overpass in Hanoi. Japan would also commit \$900 million in ODA to Vietnam for the implementation of five projects on climate change mitigation, express railway, port and road development.

Japan is the biggest ODA provider for Vietnam, comprising 30 per cent of the total ODA committed for the latter. It has decided on a country assistance policy for Vietnam, in which the former would support the latter in addressing emerging environmental issues caused by rapid development as part of their ODA commitment.

At his meeting with Abe, Dung asked the Japanese government to further work with Vietnam to effectively implement the fifth phase of the Joint Initiative which began in July 2013, and Vietnam's Industrialization Strategy within the Vietnam-Japan Co-operation Framework until 2020.

Dung and Abe agreed that the ASEAN Friendship Year had been a success, and the two countries had promoted maritime security co-operation and strengthened human resource development links.

Since forging their diplomatic relationship in September 1973, Vietnam and Japan have signed a raft of agreements, and the two countries were both involved in negotiations over the Trans-Pacific Partnership Agreement which could be signed next year.

Japan was the first G7 member to recognize Vietnam's market-based economy in October, 2011.

Source: VIR

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Vietnam welcomes investors from India

Vietnam welcomed investors from India, General Secretary of the Communist Party of Vietnam (CPV) Nguyen Phu Trong said at an Indian Business Forum in Mumbai as part of his State visit to India.

Trong said trade and investment between Vietnam and India was growing strongly. India is one of Vietnam's 10th largest trading partners. Two-way trade has grown at an annual rate of more than 12 per cent in recent years, reaching US\$3.94 billion in 2012. The two sides target \$7 billion in bilateral trade by 2015 and \$15 billion by 2020. By June 2013, Indian businessmen had established 74 projects in Vietnam with a total registered investment of more than \$252 million.

Trong told representatives from Indian companies that he and Indian Prime Minister Manmohan Singh had witnessed the signing of a series of important co-operation documents between the two countries. However, he noted that bilateral trade remained modest, expressing the wish that the two sides exert more efforts to foster co-operation.

Vietnam is considered an attractive destination for Indian investors. Indian enterprises hope to strengthen co-operation in oil, gas, steel, thermal power, IT, sugar production, food processing, infrastructure development, pharmacy and human resources development. Indian representatives suggested Vietnam consider longer visas for foreign workers and open direct air routes between the two countries.

Strategic engagement

Visits in recent years by the two countries top leaders reflected the importance attached to the strengthening of bilateral ties by both sides.

The leaders decided to reinforce high level political interactions by enhancing the frequency of bilateral visits and meetings on the sidelines of regional and multilateral events.

The leaders welcomed the agreements and the substantive Action Plan adopted at the 15th Joint Commission Meeting in New Delhi in July this year and commended the important contributions made by other existing bilateral mechanisms for consolidating and expanding the relationship.

Economic partnership

The leaders agreed that enhancing the economic partnership was one of the main components of the strategic partnership between the two countries. They welcomed the outcome of the first meeting of the India-Vietnam Sub-Commission on Trade held in New Delhi earlier this month. They noted with satisfaction the steady growth in bilateral trade, which is on way to meet the target of US\$7 billion by 2015. They noted that favorable conditions should be created for further boosting bilateral trade to \$15 billion by 2020 and for promoting mutual investments especially in the areas of education, infrastructure, hydrocarbons, power generation, new and renewable energy, agriculture, textiles, information technology, and pharmaceuticals.

They also agreed to work for the early signing and implementation of the India-ASEAN FTA in Services and Investments to build on the momentum created by India-ASEAN FTA in Goods. They also agreed work together for early realization of RCEP so as to facilitate India's integration into the ASEAN Economic Community.

Cultural plans

The leaders agreed to deepen friendly exchanges, people to people contacts and co-operation in the fields of culture, archaeology, conservation, museology, tourism, public health, sports, education and media. They welcomed early establishment of sister-city relations between Mumbai and HCM City. The Vietnam side welcomed the decision to open an Indian Culture Centre in Ha Noi to promote exchange of artists and troupes, holding of film festivals, exchanges between the youth and other cultural activities.

The leaders called for early signing of the MoU on Conservation and Restoration of Cham monuments by the Archaeological Survey of India at My Son heritage site in Vietnam.

The leaders noted with satisfaction outcome of the 2nd meeting of the Joint Working Group on Educational Exchange for co-operation between universities and academia, in particular the proposal for introduction of the Indian Central Board of Secondary Education (CBSE) curriculum in Vietnamese schools.

Regional links

The leaders noted the growing role of both countries in regional affairs and agreed to further strengthen co-operation at regional and international fora, especially in the ASEAN, the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers' Meeting Plus (ADMM+), the Expanded ASEAN Maritime Forum (EAMF), the Asia-Europe Meeting (ASEM), the Mekong-Ganga Co-operation (MGC), the World Trade Organization (WTO), the United Nations and the Non-aligned Movement. The leaders highlighted that their co-operation was in keeping with the common desire and determination of both sides to work together for peace, prosperity and stability in the region and the world.

India expressed its appreciation for Vietnam's continued support for India's permanent membership in an expanded UN Security Council.

The Indian side reaffirmed its support for Vietnam's candidature for the United Nations Security Council non-permanent membership for the term 2020-21 and the Vietnamese side expressed reciprocal support for India's candidature for the United Nations Security Council non-permanent membership for a subsequent term.

Vietnam also expressed support for India's membership of the Human Rights Council for the term 2015-17. The Vietnamese side expressed its appreciation for India's support to its application for membership of the International Hydrographic Organization.

The Indian side expressed appreciation for Vietnam's support for its re-election to category-II seat in the International Civil Aviation Organization (ICAO) Council.

Source: VAAS/VNS/Petro Vietnam

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Vietnam willing to cooperate with Saint Kitts and Nevis

Prime Minister Nguyen Tan Dung has suggested both sides increase close coordination to devise effective measures for broader cooperation.

At a November reception for the visiting Foreign Minister of the Federation of Saint Kitts and Nevis, Patrice Nisbett, PM Dung hailed the outcome of talks between Deputy Prime Minister and Foreign Minister Pham Binh Minh and the Saint Kitts and Nevis diplomat which, he said, will open up a new chapter in bilateral relations.

Dung thanked Saint Kitts and Nevis for supporting Vietnam's candidacy for a position on the UN Human Rights Council and wished that both nations will continue to support each other at international forums, especially at the UN and work together on resolving global issues such as coping with climate change, sea level rise and sharing millennium development goal (MDGs) implementation experiences.

The two nations need to work out mechanisms for fostering cooperation in economics, trade, investment, education-training, Dung said while affirming Vietnam's willingness to cooperate with Saint Kitts and Nevis in telecommunication and agriculture and help it expand cooperation with ASEAN member countries.

Saint Kitts and Nevis FM said his country is keen to broaden cooperation with Vietnam in various fields in the common interests of the two peoples.

He said he hopes Vietnam will share good experiences and models of socio-economic development and poverty reduction and closely coordinate with his country in dealing with global challenges.

Patrice Nisbett also stated that his country is ready to serve as a gateway for Vietnam to expand cooperation with Caribbean nations.

Source: VOV

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Government spotlights outstanding SOE debts in new collections guide

Viet Nam's Government has released new regulations on overdue debt collections at State owned enterprises (SOEs), which underline a message that SOEs must be more responsible in collecting their loans.

Pursuant to Decree No 206/2013/ND-CP that takes effect beginning February 2014, SOEs must identify the responsibilities of individuals or groups in wrongdoings related to overdue debts, and to ask wrongdoers for compensation in line with legal regulations. If compulsory compensation and debt sales do not fill the loss, SOEs are to use risk provision funds or to calculate enterprises' expenditure allowances.

Regulations call for SOEs that are in the process of transferring ownership must exclude overdue debts in valuing enterprises. Recipients of those SOEs must take responsibility to monitor and collect overdue debts from performing debtors. Amid rising pressure to revive the economy, the new debt collection guide makes clear Viet Nam's vow to reform SOEs and their deep-seated debt diseases that, according to observers, turn the economy from being an Asian tiger into an unstable economy with serious threats to its financial security.

"The decision is definitely a good move," said Nguyen Hoang Hai, Secretary General of the Viet Nam Association of Financial Investors (VAFI). "The State should no longer be responsible for financial problems of SOEs whose ineffective businesses become horrendously burdensome to the State budget."

As of October 2013, SOEs held 60 per cent of total social capital, or VND900,000 trillion (US\$42.70 billion), and also incurred a domestic debt of about VND145 trillion (\$6.9 billion).

This group, which occupies a strong position in many areas, enjoys preferable access to capital, land and other resources, and operates under soft budget constraints, contributing a modest 33 per cent to economic growth and 30 per cent of the State budget.

State coffers remain limited, despite the large need for public spending and investment. The government has recently extended the state budget over-expenditure cap from 4.8 per cent of GDP to 5.3 per cent.

Source: VN+

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Asian cities debate urbanization, energy policies in Hanoi

Leaders of 13 Asian cities are gathering in Hanoi in November 2013 to discuss urban planning and energy policies in the region.

Delegates to the 12th plenary meeting of the Asian Network of Major Cities in the 21st Century (ANMC 21) examine issues arising from the implementation of urban planning and management policies, and propose optimum solutions.

They also look at how urban energy affects sustainable development of cities so as to introduce effective energy development policies in the future.

In his opening speech, Vietnamese Deputy Prime Minister Hoang Trung Hai expressed hope through the two panel discussions, ANMC 21 members will work out solutions to planning and management issues in urban areas.

Asian cities need to find a common ground on the effective use of energy sources to address climate change which is impacting sustainable development of all nations, he said.

Nguyen The Thao, Chairman of the Hanoi Municipal People's Committee, pointed to the fact rapid urbanization over the years has put mounting pressure on Asian cities, requiring them to come up with long-term development plans.

He quoted recent surveys saying to achieve green growth, global cities integrate urban planning and management and economic development based on the effective use of energy and low-carbon emissions, into the capacity to adapt to natural disasters.

Delegates will make a fact-finding tour of the Hanoi Old Quarter and other major architectural projects, as well as Savico Megamall to evaluate the city's urban planning and energy conservation policies.

During the two-day meeting, a seminar on Asian investment, trade and tourism promotion will be held on November 19. Delegates will also launch two new projects, with one highlighting education's role in urban planning and the other building foundations for technology and industry.

Hanoi has carried out a number of ANMC 21 projects on developing small- and medium-sized passenger planes, crisis management in Asia, and measures to cope with communicable diseases in Asia.

ANMC21 was established in 2001 on the initiative of the Tokyo administration. It has now admitted a total of 13 members to its grouping, namely Bangkok (Thailand), New Delhi (India), Taipei (Taiwan-China), Hanoi (Vietnam), Jakarta (Indonesia), Kuala Lumpur (Malaysia), Manila (the Philippines), Tokyo (Japan), Seoul (the Republic of Korea), Singapore, Yangon (Myanmar), Ulaanbaator (Mongolia), and Tomsk (Russia).

The annual plenary meeting takes place in one of the ANMC 21's cities on a rotary basis. Hanoi joined this organisation in 2001 and this is the second time it has hosted such a meeting.

Source: TTN

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TRADE

Rice exports drop following falling demand

Rice exports are set to fall by around 15 per cent this year to 6.6 million tonnes after demand plunged in Southeast Asia, the general secretary of the Viet Nam Food Association has said.

Huynh Minh Hue told a seminar in HCM City early this week that the average export price was US\$430.89 a tonne, down \$14.5 from last year, as exports fetched \$2.64 billion. He blamed the situation on the fall in demand in some traditional markets in the second half of the year. Indonesia did not buy at all while the Philippines and Malaysia reduced imports. But an increase in exports via border trade with China compensated partly and enabled farmers to sell their crops, he explained.

Next year, exports are expected to run into difficulties because of lower prices for Thai rice and stiff competition from some other major suppliers in Asia, he warned.

He said with supply exceeding demand, rice prices could continue to fall for some time.

Viet Nam should be prepared for fierce competition, especially with Thailand, in exports of white and fragrant rice, he said.

It has competitive advantages in export of fragrant and high-quality white rice to Africa and a geographical advantage in supplying the product to China, he said.

Despite falling demand in Southeast Asia, the region remains a major market with many government-to-government contracts, he said. With competitive prices and freshly harvested grains, Viet Nam would be more competitive when demand revives in these markets, he said.

China would remain the biggest importer of Vietnamese rice, he said, but there are risks like buyers flouting contracts.

In light of the likely hurdles, the VFA has forecast rice exports next year to remain unchanged at this year's figure of 6.5-7 million tonnes.

It has suggested measures to boost exports, including strengthening trade promotions in new markets, developing high-quality seedlings, and growing the varieties that are in demand in the market.

Setting new quality standards for and strengthening quality checks of exports are required to safeguard the country's prestige, it said. At the meeting, the VFA and 13 provinces signed a memorandum of understanding for co-operation in rice production and consumption.

Pham Van Du, deputy head of the Department of Crop Production, said areas would be identified for growing high-quality rice for exports under the MoU. They would be 500-1,000ha each, he said.

The association, on behalf of exporters and in conjunction with the Department of Crop Production, will advise farmers on what varieties of rice to grow in each region, buy their crops at market prices, revamp the rice trading system, and develop brands for the grains.

Initially, 13 areas will be identified in the Cuu Long (Mekong) Delta for growing rice.

Source: TTO

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Cashew growth belies problems

The strong growth in recent years notwithstanding, the cashew industry encounters many challenges, including a fall in area, threatening its development. This requires a development strategy to enable the industry to develop in a sustainable manner in the coming years, according to the Department of Crop Production.

The department along with other agencies and the Viet Nam Cashew Association (Vinacas) has drawn up one for the period until 2020, Nguyen Van Hoa, the department's deputy general director, said. It held a seminar in HCM City yesterday to discuss the strategy with scientists, businesses, farmers, and other stakeholders before submitting it to the Government for approval.

The industry has achieved impressive growth, making Viet Nam one of the world's largest cashew exporters since 2006.

Exports were worth US\$1.47 billion last year, the country's fourth largest agricultural exports after rice, coffee, and rubber. They are expected to top \$1.8 billion this year, he said. But it now faces several challenges, including a shrinking of cultivation area and unstable output, Hoa said.

Nguyen Nhu Hieu, deputy head of the department's industrial crop division, said ageing trees and abnormal weather patterns have decreased yields, and many growers prefer other crops for higher profits, which has reduced the area under the nut.

"Area under cashew shrank by 107,392ha in the last seven years to 326,037ha last year. "Domestic production feeds only 30 per cent of processing capacity and is reducing." He said the development strategy envisages the area remaining at 300,000-320,000ha, producing 400,000 tonnes of raw cashew nuts a year, meeting 40 per cent of processing demand.

The industry plans to increase the rate of fully processed nuts to satisfy the requirements of customers, add more value, and boost domestic consumption, he said. The strategy also calls for reviewing and tweaking cashew zoning plans, replacing aged cashew trees, developing inter-cropping models, and developing high-quality seedlings and advanced farming techniques.

Modern technologies and equipment will be used, products diversified to meet increasing demand from customers, companies will focus on building brands and promoting their products. Nguyen Duc Thanh, Vinacas chairman, urged the Government to support farmers in planting cashew trees to replace old ones, adopt policies to encourage firms investing in deep processing, and strengthen inspection of exports.

Nguyen Thi Kim Nga, chairwoman of the Binh Phuoc Cashew Association, said the strategy should help improve communications to enable farmers to understand the Government's new policies, embrace new technologies, and obtain other benefits. Nguyen Van Rung, a cashew grower in southern Dong Nai Province, said the industry should consider transplanting cashew seedlings, adding their productivity is very high.

At the seminar, 51 outstanding cashew farmers from 10 provinces received a Certificate of Merit from the Ministry of Agriculture and Rural Development. Vinacas was conferred the Labour Medal, Second Class, for its contribution to socio-economic development.

Source: Vinacas / VNN

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Border trade needs nurturing

The Government needs to come up with flexible policies to exploit the significant potential that exists for developing border trade in the country, experts say.

According to the Central Border Trade Steering Committee, Viet Nam shares long borders with China, Laos and Cambodia with dozens of international border crossings.

Border trade has grown at around 10 per cent each year reaching a total of US\$72 billion during the 2008-13 period, accounting for an increasing portion of bilateral trade that the country enjoys with its three neighbours.

For instance, the border trade has accounted for 30 per cent of the total bilateral trade between Viet Nam and China every year.

One of the busiest trading outposts is the Mong Cai border gate in northern Quang Ninh Province, the committee said. At \$28.17 billion, this gate accounted for 45.3 per cent of total trade value at border gates and seaports in the province.

Such high numbers have shown that border trade between the province and China has played an important role in trade policies and also the province's socio-economic development policies.

Hoang Minh Tuan, head of the Border and Mountainous Trade Department under the Ministry of Industry and Trade, said the borders have 285 border markets, border gate markets and markets in border gate economic zones. These markets have seen high growth in business activities and border gate economic zones have become dynamic trade centres.

However, management of border trade activities has been implemented under general trade policies, so they have not helped promote the potential of border trading, Tuan told the Vietnam News Agency.

Trade policies for the three countries have had to change many times and trade at the border gates between Viet Nam and those countries have been affected by these changes, he said.

Nguyen Van Binh, deputy chairman of the People's Committee of northern Lang Son Province, said the Government should have flexible management policies to assist the economic management of provinces. The provinces, meanwhile, should have more power in managing border trade activities to flexibly deal with changes in trade policies of neighboring countries and ensure increased border trade values, Binh said.

Also, a representative from the Ministry of Defense said the Government should provide direction from the centre to the provinces in management of border trade activities, due to demands on developing markets and enterprises. Therefore, the steering committee should be directed to quickly collect information about market demands, including goods, prices and challenges for making market forecasts.

Source: VMZ

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Metro hawks domestic fruit and veg overseas

Global wholesaler Metro Cash & Carry is stepping up efforts to increase the visibility of made-in-Vietnam agricultural products in overseas markets.

“The first 23-tonne batch of Vietnamese dragon fruits that reached Shanghai earlier this month signaled the great potential for fruit and vegetable exports from Vietnam to China and other countries,” said Do Kim Dung, fresh and frozen sourcing manager, Metro Singapore Trading Office.

Metro Cash & Carry Vietnam, Metro Singapore Trading Office and ministries in Vietnam have joined efforts to enhance Vietnamese exports via the Metro network. “This is the first trial order with Red Dragon, a Vietnamese company,” said Dung. “The volume of this order is small but we hope it will grow in the next few years.”

According to Dung, Metro is currently sourcing qualified Vietnamese suppliers who can provide diverse agricultural products such as garlic, ginger, passion fruit, star fruit, rambutan, white and green asparagus and strawberries.

In 2013, Metro purchased more than \$6 million worth of food produced in Vietnam directly from Vietnamese suppliers which was distributed to its stores around the globe. Key products were seafood and fruits. Next year Metro is planning to source \$12 million in goods from Vietnam.

“Vietnam has great potential and perfect conditions to produce quality products such as seafood, fruits and vegetables,” said Metro Cash & Carry Vietnam’s managing director Philippe Bacac. “Instead of importing uncontrolled and untraceable agricultural products from other countries, Vietnam should invest more in modernizing the sector and improving the competency of various stakeholders in the supply chains,” he said.

Entering Vietnam in 2002, Metro Cash & Carry Vietnam now possesses 19 stores nationwide. The company has invested heavily in developing cold chains and sustainable supply chains in the country to ensure hygiene and food safety from farm to fork.

With good agricultural practice training provided to over 20,000 farmers and fishermen and other public-private partnership initiatives supporting the agricultural sector, Metro has played an important role in local economic development.

The company won two top prizes for sustainable supply chains at the Vietnam Supply Chain Congress in 2011 and 2012.

Source: TalkVietnam

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Motorbike sales stutter despite holiday discounts

The festive season had failed to light up motorbike sales towards the year-end, with demand continuing to fall, dealers said. Buyers have resisted the lure of discounts and freebies offered by motorbike dealers through a series of sales promotions launched before the year end.

Domestic motorbike sales for 2013 were expected to fall to around 2.5 million compared to 3.1 million in 2012, due to slow economic growth and weak demand, according to the Viet Nam Auto Motorcycle and Bicycle Association. Dealers are also struggling to during one of their worst years.

"The months before Tet used to be the best time for business with people rushing to buy new bikes, but this year is quite different," said Pham Manh Sy, director of the Viet Phu Company, a prominent Yamaha dealer in Ha Noi. Sy said unlike previous years when they had enjoyed high sales numbers, he had only sold four bikes last month.

"This is the worst year since I started the business 15 years ago. I am thinking about closing the dealership and turning it into a restaurant," he told Viet Nam News in a telephone interview yesterday. Most motorbikes dealers are suffering like Sy despite a series of discounts and sales promotions.

Suzuki has cut VND2 million (US\$97) from the price of its Hayate scooters, and Yamaha is offering VND1.5 million vouchers for buyers of its Nozza model. The country's most popular brand Honda has also cut prices of its best selling Wave by VND500,000. Even Italian luxury scooter maker Piaggio, which rarely cuts prices, is offering buyers free bike registration fees.

"However, prospective buyers have fallen, and purchasing power is falling," said a Honda dealer in Ha Noi.

The country's two largest motorbike manufacturers, Honda and Yamaha, which account for over 90 per cent of the local market share, may experience another bad year in 2014. According to a source close to these firms, Yamaha sales may drop by 10 per cent to 750,000 this year, while Honda expects to hit around 1.5 million to 1.9 million this year.

Viet Nam's motorbike market, the fourth-largest in the world, has shown signs of saturation, with annual output having exceeded demand, prompting producers in the Southeast Asian country to speed up their exports to other markets.

With motorbike sales totaling 3.1 million units last year, Viet Nam is the fourth largest motorbike market, after China, India and Indonesia. But motorbike sales in Viet Nam have started to decline largely due to a slowdown in the country's economic growth. Last year's growth was up 5.03 per cent over 2011, the slowest pace in 13 years.

Motorbikes are the most common means of transport in Viet Nam, which has a population of 90 million and 37 million registered motorbikes, while the number of cars is just around 2 million.

Source: VIR

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International hunt for luxury-goods smuggler

The HCM City police have asked for help from Interpol Viet Nam in their hunt for the owner of two local Gucci-Milano stores, who has been absconding since being charged with smuggling.

An international warrant has been issued for Tran Anh Tuan, 53, a Vietnamese-American, Senior Lieutenant - Colonel Cao Xuan Loi, Deputy Head of the police's investigation division, said on Friday (December 13).

Tuan is allegedly the kingpin of a luxury-goods smuggling ring that was discovered in 2012.

On 27 December, 2012, police seized four trucks carrying Gucci and Dolce & Gabbana clothes, belts, scarves, shoes, and bags from the basement of the Sheraton Sai Gon Hotel in HCM City's District 1.

The goods, actually made in Italy, had been passed off as Chinese-made goods in customs declarations. To avoid paying import tax on the authentic Gucci products, Tuan routed shipments from Italy through Hong Kong to pass them off as Chinese-made fakes.

Le Hong Duc, 35, an employee of one of the stores, helped Tuan in these smuggling ventures, and was arrested last April. According to Sai Gon Giai Phong (Liberated Sai Gon) newspaper, checks revealed an apparent difference in the products' quality. The seized consignment was worth VND16 billion, and the tax due on it was VND552 million (US\$26,200).

Two customs officers, Nguyen Buu Qui, 51, and Nguyen Van Sang, 46, were prosecuted for negligence in August.

Source: VNS

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INVESTMENT

Price drives away potential power investors

The government not yet setting the power price under market rules and no viable mechanism to source investment for the power sector are the core reasons investors remain uninterested in power projects.

Kien Luong 1 thermal power project needs \$2 billion and if other parts of the Kien Luong power centre project, assigned to the Tan Tao Group (ITA), are included, total investment amounts to \$6.7 billion.

Four years after starting the project, ITA still fails to finalize capital arrangements for the project. ITA initially thought the build-operate-own (BOO) investment model with a government guarantee would help it source loans from international credit organizations, but the government has refused to guarantee the model.

ITA recently got the thumbs up from the government to convert its investment model into a build-operate-transfer (BOT). Under the model, the government guarantee would follow regulations set forth in a decree from 2009.

Without special government guarantee, it is difficult for ITA to source the needed capital to execute the project, particularly as loans are planned to account for 70 per cent of total investment. Not only private investors have found it difficult to source capital for power projects, state giant PetroVietnam has also faced numerous difficulties.

In light of power development master plan for 2011-2020, the power sector would need \$48 billion in total investment capital. Electricity of Vietnam, Vietnam's state-owned power authority, faces mounting hardships in sourcing investment capital.

According to deputy general director Duong Quang Thanh, the capital from EVN's depreciation fund is only enough to pay the principal and interest of current credit contracts with very little remaining to invest. At the same time, efforts to raise capital by equitising member units have been below expectations so EVN is likely to face future difficulties as well.

It has been difficult for EVN to source new loans from international organizations such as the World Bank and Asia Development Bank as its modest cumulative capital fails to meet the needed 25 per cent equity investment required for power projects. Deputy head of the Central Economic Committee Bui Van Thach said that as well as capital shortages, there is no viable mechanism to help power projects attract investment.

“The average power price in Vietnam is 7 US cents per kWh, against 11-12 US cents in regional countries, making it difficult to lure investors into the power sector,” said Thach, adding that to charm investors, the price of power must be opened to real market prices. Nguyen Minh Due, an expert from the Vietnam Energy Association, said efforts needed to be put toward saving the production cost of power, thus making it easier to source investment.

Source: VNBrekingNews

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Japan pours ODA into transport infrastructure

Transport infrastructure has continued to benefit from Japan's official development assistance funds.

Japanese official development assistance (ODA) will help in the construction of Hanoi's belt road 3's overpass section from Mai Dich to Phap Van thanks to Japanese International Co-operation Agency (JICA) low-cost loans this fiscal year. JICA evaluated the project in the middle of this year and agreed to the project's draft loan agreement.

The new road will stretch 5.3 kilometres, including a 4.9km overpass running from Mai Dich to the South Thang Long area, according to Ministry of Transport (MoT)'s Thang Long Project Management Unit (PMU) general director Vu Xuan Hoa.

The project's consultancy unit - a consortium encompassing Oriental Consultants, Kei (Japan) and TEDI-Apeco (Vietnam) has proposed to build the second elevated section of Hanoi belt road 3. The project will cost VND5.3 trillion (\$254 million) with around VND3.7 trillion (\$176 million) to be offset by Japanese ODA funds from JICA. The overall time scale for the project will run for 58 months, with construction accounting for 28 months, the consultancy unit predicted.

"The belt road 3, which copes with some of Hanoi's largest volumes of traffic, will connect with a string of arterial highways as well as Noi Bai International Airport," said Hoa. The project to build a second terminal at Noi Bai International Airport was also included in the list of projects to benefit from JICA's ODA funds.

The MoT has also short-listed the Ho Chi Minh City-Dau Giay motorway, Danang-Quang Ngai motorway and Lach Huyen port's infrastructure in Haiphong for the second round of JICA funding this fiscal year. "These large scale projects are all vital and will drastically improve inter-regional transport," said Deputy Minister of Transport Truong Tan Vien.

According to the MoT, transport projects continues to benefit the most from Japanese ODA funds for Vietnam this year, with approximately JPY80 billion (\$776 million) already earmarked.

By the end of 2013, the Japanese government would have assisted Vietnam's transport sector finish and put into use 18 projects with the total investment fund of \$2.34 billion, with another 28 projects currently underway valued at \$7.42 billion.

The Japanese government has also co-financed three other projects with other donors valued at around \$4 billion.

Source: TalkVN

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Vinalines asks for Government aid

Vietnam National Shipping Lines (Vinalines) has proposed that the Government adopt preferential policies to help domestic shipping fleets overcome difficulties, according the online Vietstock newspaper.

In a report sent to the Central Economic Committee, Vinalines asked the Government to direct banks and credit institutions to extend its debt limit and reduce loan interest rates in an effort to help it successfully carry out the restructuring plan approved by the Prime Minister early this year.

Vinalines General Director Nguyen Canh Viet said he expected the State-owned banks to lend floating capital to shipping businesses, which are facing difficulties, during the 2013-15 period.

For his part, Minister of Transport Dinh La Thang said in a recent question and answer session with National Assembly deputies that Vinalines had restructured a debt of VND7,855 billion (US\$374 million) at the Vietnam Development Bank and VND20,412 billion (\$972 million) at other credit institutions.

Vinalines also proposed the Government reduce taxes, including value-added taxes and import taxes for ships, and exempt the value-added tax of 10 per cent for ship building projects which are designed for international maritime transport.

Raising market share

To increase its market share in transporting export and import goods for the Vietnamese shipping fleet, Vinalines asked the Government to reserve the right of transport of import and export goods, which are the country's natural resources paid by the State budget, for the national shipping fleet.

At the same time, it is necessary to exempt and reduce a number of taxes and fees at the country's seaports until the maritime transport market has recovered. Vinalines also asked the Viet Nam Social Insurance Corporation to allow shipping companies to delay paying debts from social insurance, health insurance and unemployment insurance from 2012 and previous years.

"In the context of the world economy's degradation, most ship owners have been suffering large losses. If there is no support from the Government, many companies will become bankrupt and incapable of refunding the banks," said the report.

For example, Vinalines Rubi, with a loading capacity of 1,800TEU, suffered a loss of about \$16,000 per day because payments for its freight were not enough to compensate for costs. Similarly, Inlaco Express earns about \$5,000-7,000 per day, on average, while its daily costs have increased to \$14,000.

In spite of the many long-term difficulties and challenges, Vinalines reported promising signs from maritime logistics services, as nearly 32 logistics businesses have become profitable.

Source: VNS

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Automakers expect high sales near Tet after dreary month

The auto market moved against the normal trend, declining in November after strong growth in the previous month, but automakers are still expecting better sales in the months before the Tet holiday.

The market is normally busier at the final months of a year due to increasing demand for personal cars. However, despite a strong growth rate in October with over 10,280 units sold, auto sales of manufacturers in November fell by 1%.

Toyota Vietnam, the leading automaker on the domestic market, sold 2,767 units in November, or a drop of 434 units from the previous month. Meanwhile, the sales volumes at Ford Vietnam and GM were 780 and 450 units, down 110 and nearly 10 units respectively.

Honda Vietnam and Vinastar sold more cars in November with 709 and 313 units respectively compared to October but their sales increased slightly.

According to the latest report of the Vietnam Automobile Manufacturers' Association (VAMA), 10,148 units were sold last month, which was around 1% lower than that of October but still increased by 6% from last year's same month.

In November, the auto market did not follow the common rule of previous years, when the demand often rises towards the year's end.

The falling sales can be attributed to consumers in HCMC awaiting a steep fall in the registration fee for small vehicles from the current 15% to 10%, effective from January 1, auto manufacturers explained.

At the ongoing meeting, the HCMC People's Council agreed on the proposal to cut the registration fee on under-ten-seat vehicles to 10% instead of 15%. The new fee is lower than that of 12% in Hanoi.

Auto traders in HCMC forecast this month's sales volume will drop as buyers will wait until next year to avoid the current high fee.

The Government's policy of lowering the auto registration fee has partly stimulated the market.

According to VAMA, auto sales can hit 109,000 units this year due to changes in the fee and tax policies as well as economic recover

Source: VAMA/SGT

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STF hot-up interest in Dung Quat

Italy's power equipment producer STF Group is considering plans to build a manufacturing plant in the Dung Quat Economic Zone to address Vietnam's growing demand for thermal power equipment.

An official at the Dung Quat Economic Zone Management Authority, in the central province of Quang Ngai said an STF Group delegation had visited the zone late last month while searching for an investment location.

The official also told VIR that STF wanted to build a factory in Southeast Asia to supply equipment for thermal power plants in the region, adding that the company had also audited the quality of the local workforce and transportation infrastructure in the province.

“STF has not yet given a final decision, but its representatives highly valued the investment climate as a place where the firm could take its first steps into the Southeast Asian region,” he said.

Established in 1937, STF focuses on manufacturing engineering equipment, especially for the power sector. STF produces advanced heat recovery steam generators for combined cycle power plants, fossil fired utility boilers, air pre-heaters and biomass fired boilers.

The official said STF's plan was an ideal example of the kind of investment the Dung Quat Economic Zone was looking to attract to boost industrial development in the province.

Located in the central region, the Dung Quat Economic Zone is emerging as one of the most attractive destinations for industrial investment in Vietnam. The zone has attracted more than 100 investment projects, with a total committed capital of around \$8 billion.

If the STF plan goes ahead, it would become Vietnam's second thermal power plant equipment manufacturing facility.

South Korea's Doosan Heavy Industries already has a 110 hectare high-tech industrial complex in the Dung Quat Economic Zone, employing over 2,200 local workers.

This manufacturer produces boilers for thermal power plants, heat recovery steam generators, desalination equipment, material handling systems and chemical processing equipment.

Doosan won the contract for the Mong Duong 2 thermal power plant in the northern province of Quang Ninh, developed by a joint venture between the US' AES Corporation, Posco Power and China Investment Corporation.

International investors are eyeing Vietnam's thermal power sector as the country struggles to meet the growing energy demand. The Vietnamese government also recently mapped out a plan to encourage domestic and foreign firms to produce equipment for the sector in the country in order to reduce its reliance on imports.

Source: TalkVN

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Foreign footwear companies eager for TPP

Foreign invested enterprises in the footwear sector are likely to rejoice after the Trans-Pacific Partnership (TPP) goes into effect, planned for next year.

In only the four months from June to September, Korea's Chang Shin Vietnam, producing Nike sports shoes, started work on two projects valued at \$12 million to expand production in southern province of Dong Nai.

The company's general director Jin Woo Bang said, "With its advantages in material, workforce, high production capacity, and product quality, our global partner Nike group decided to shift massive volume production from Indonesia and China to Vietnam in 2014, and this is likely to further increase in the ensuing years." Another Korean-owned firm Tae Kwang Vina Industrial Limited, based in Bien Hoa II industrial park in Dong Nai, also invested into upping its production to maximise TPP benefits.

"Foreign businesses are the most likely to benefit from the TPP, as they have strong advantages in scope, governance, and support from their parent companies and global business partners," said Nguyen Thi Thanh Xuan, general secretary of the Vietnam Leather and Footwear Association (Lefaso).

The export ratio of foreign producers has risen considerably in the last three years, from 65 per cent of the footwear sector's total export value to 77 per cent currently. Like the textile-garment industry, footwear mainly imports materials from markets such as China and Taiwan.

In 2012 footwear material imports exceeded \$3 billion, mostly committed by domestic companies, whereas the localisation rate of foreign enterprises was around 80 per cent. Footwear is a sector that will see several benefits from the TPP, one of which is a zero per cent tax rate, but to qualify businesses need to source materials locally or import from TPP member countries.

According to an executive of Vinh Binh Footwear based in Dong Nai province's Trang Bom district, the sector's imports primarily come from China, Korea, or India, which are not TPP members. "If Vietnam shifted to importing from TPP members like Mexico or Brazil, then production costs would rise and we would be less competitive against foreign rivals," said the Vinh Binh source.

This forecast was acknowledged by Xuan from Lefaso who said, "Domestic firms are strong in number but small in size, whereas global importers only set their sights on major suppliers with cutting-edge technology and modern production facilities. Foreign enterprises are nearly certain to be their first choice."

Source: ITPC

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Nghi Son still faces hardship

Despite having completed their financial arrangements with banks, investors in the \$9 billion Nghi Son oil refinery and petrochemical complex in the central province of Thanh Hoa have been tied up in legal paperwork, delaying implementation of the giant project.

An anonymous source familiar with the case said the joint venture between Vietnam's state-run PetroVietnam, Kuwait Petroleum International, Japan's Idemitsu Kosan and Mitsui Chemicals had failed to receive legal opinions of the Ministry of Justice (MoJ) to certify the legality of the project documents.

Without the MoJ's legal opinion, the banks would not disburse their pledged loans for the project. A legal opinion issued by the MoJ would mean the Vietnamese government has taken on the role as guarantor for any risks incurred by the project.

The MoJ explained that it had not yet provided a legal opinion to certify the legality of the project documents, because the ministry would only certify 15 documents while the joint venture had asked for the ministry's legal opinions on 150 documents. Many of these documents are contracts and agreements with other partners of the joint venture that the MoJ refused to provide a legal opinion on.

The MoJ normally only provides legal opinions on infrastructure projects under the build-operate-transfer (BOT) investment model, in accordance with the governmental Decree 108/2009/ND-CP guiding the implementation of BOT, build-transfer-operate and build-transfer investment models. However, as the Nghi Son oil refinery and petrochemical complex is a vital national project which has received the Vietnamese government's guarantee, the MoJ agreed to provide legal opinions to the project.

But the ministry confirmed that it would provide legal opinions to 15 documents previously clearly defined. For other documents, it is only willing to provide legal consultancy to the joint venture.

The Nghi Son complex, which received an investment certificate in 2008, would have an annual refining capacity of 10 million tonnes of crude oil. The Japan Bank for International Co-operation and the Export-Import Bank of Korea committed financing of \$2.3 billion for the project, while a \$2.7 billion sum would be provided by commercial banks, with the remainder from the project's shareholders. This is the second oil refinery to be built in Vietnam, following the first in the Dung Quat Economic Zone in the central province of Quang Ngai.

In January, the joint venture signed an engineering, procurement and construction contract with a consortium led by Japan's JGC Corporation. Construction began on the refinery two months ago and according to the joint venture, the project will start commercial operations in mid-2017.

Source: VMZ

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Binh Duong fares well in integration

The southern province of Binh Duong ranked third among 63 provinces and cities nationwide in the Provincial Economic Integration Index (PEI Index) in 2013, marking a great stride in international economic integration.

The National Committee for International Economic Cooperation's 2013 PEI Index to measure each locality's capacity to integrate into the global economy was based on eight fields, covering infrastructure, culture, local natural features, human resources, trade, investment and tourism.

The standing was attributed to the locality's second place in investment, third in infrastructure, fourth in human resources, sixth in tourism and seventh in trade.

On Monday at a workshop screening the province's economic integration, experts said in weathering difficulties stemming from the post-global economic downturn, the southern province has taken healthy and flexible policies to help enterprises access various investment sources to better their operations and renovate technologies.

Such efforts paid off as Binh Duong has attracted US\$1.3 billion in foreign investment during the year, accounting for almost 10 per cent of the country's total.

The locality has so far had 17,259 enterprises operating with a total investment of over \$24 billion.

The experts, however, suggested Binh Duong further polish its policies to ensure its investment attraction and international integration is sustainable.

The province has recently named six priority fields in calling for investment in 2014, including electrical-electronic industry, support industry, precision mechanics, basic chemical industry, medical and pharmaceutical equipment and high-quality food processing

Source: Vietnam News

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Vietjet Air buys GE engines for US\$800 mln

Vietnamese budget carrier Vietjet Air (VJA) has signed another agreement to buy GE (General Electric) & Snecma engines in a deal worth some US\$800 million after spending US\$9 bln to buy 100 Airbus jets in September.

The agreement, which includes technical and maintenance services, was signed early this week during the visit of US Secretary of State John Kerry to Vietnam. The engines will be used for 100 aircrafts that VJA ordered in September.

Regarding GE, this is the second biggest agreement that the company has signed with Vietnamese airlines in the last three months. Earlier, the US-based company reached an agreement with Vietnam Airlines to sell 40 engines to be used in their Boeing 787 Dreamliners.

Though the value of the deal has yet to be disclosed, the price of each engine might vary from \$45 to \$56 million, depending on the relevant maintenance agreement. Besides GE, other aircraft engine manufacturers include Rolls-Royce and Pratt & Whitney.

Source: TTN

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\$4.5b thermal plant takes shape

Northern Nam Dinh province will support the construction of a US\$4.5 billion Hai Hau thermal power plant in Hai Hau District beginning in 2014, said the province's chairman Nguyen Van Tuan.

The 2,400MW plant, which is 95 per cent funded by the Republic of Korea's Taekwang Vina Company and 5 per cent by Vietnamese partners, will span an area of 251ha in Hai Ninh and Hai Chau Communes.

Chairman Tuan called the plant one of the key components in the socio – economic development plan for Nam Dinh Province in 2014, adding that the provincial government would assist in clearance at the plant site.

Being designed in two phases, two turbines with a total capacity of 1,200 MW will be built in 2016-17, while the other two turbines, with the same capacity, will be built in 2020-21.

The plant will operate under a BOT agreement (build, operate and transfer) for 25 years, with estimated revenues expected to reach \$25 billion.

According to Pham Quoc Khanh, deputy director of the provincial planning and investment department, Taekwang Vina was arranging the financing, contracts for the plant, especially BOT contracts, as well as approving the feasibility report

Source: VNS

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Global fastfood chains making forays into Vietnam

According to a source from the US General Consul in Ho Chi Minh City, US-based sandwich chain Quiznos will come to the city on December 18 to start sourcing local partners for franchising.

Quiznos started in 1981 in Denver, Colorado and has since grown into a global fastfood brand with over 2,200 restaurants in all 50 US states and 34 countries around the world. Exclusive franchising will depend on specific regions and each stores needs at least 50 square metres, said a source from Quiznos.

“Quiznos has a healthy business model and financial heft, and is prepared to grow in every market it enters,” said managing director Greg MacDonald.

On a similar note, franchise holder of McDonald’s in Vietnam is taking the final steps to prepare for the inauguration of the company’s first restaurant in the country in February next year. The company’s PR manager Le Ha My Tram unveiled that McDonald’s will make public its first location in Vietnam within the next two weeks.

Tram said the US fastfood giant has recruited 20 manager and 50 staff, who were sent abroad for training. “Though our human resource base is solid, we will continue interviewing new recruits from December 16-20 to find new staff,” said Tram.

In late November, US coffee and donut brand Dunkin’ Donuts launched its first shop in Ho Chi Minh City’s District 7, laying the groundwork for what it plans to be an expansive presence in the country. Vietnam Food and Beverage Services Company (VFBS), a member of Imexpan Pacific Group, holds the franchise rights.

According to a senior brand expert and CEO of Pizzahome Hoang Tung, the key factor to the fastfood business is demographics and development perspective, both of which are very promising in Vietnam.

“Through the franchising model, fastfood has the potential to become a part of Vietnam’s culinary world. This is the way it has entered and prospered in countries around the world and become part of global culinary culture,” said Tung.

Source: Greeting Vietnam

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Food safety – mission called from the whole process

Recently, HCMC has been observing a great majority of colorful banners being decorated at all main streets of the center with the message advocating for food safety from the Vietnam Food Association. The messages were designed to call for the practices of food safety from both manufacturers and consumers. However, the underneath answer for true quality and food safety issues lies in the professional standards and ethical codes in production of manufacturers.

According to Mr. Chang Teck Chung, QA Director of Abbott Manufacturing Singapore, the product quality assurance process must comply with a strict and complicated process, ranging from R&D, testing, materials refinery to the production and distribution. More importantly, it is the hygiene environment and standards that all steps of the whole production process must conform to.

“In recent years, we have completed extensive on-site quality audits of our most critical suppliers using rigorous checklists. Additionally, Abbott has also completed formal quality agreements – advanced documents outlining the suppliers’ quality and regulatory responsibilities – and performance scorecards for our critical suppliers,” Chung added.

In the manufacturing stage, Abbott Manufacturing Singapore (AMS) is divided into different areas labeled with various colors of Black, Green, White, Yellow and Red to categorize the level of hygiene compliance. Notably, even the air circulating in the factory is also sterilized and maintained at the factory’s standard temperatures.

In AMS, the whole production process is highly automated, requires minimal human intervention and each manufacturing stage has its own quality assurance unit. Thanks for that high quality process from environment, equipment and procedures, Abbott Manufacturing Singapore achieved many of the highest profile awards like: Good Manufacturing Practice (GMP), ISO 9001 (Quality Management System), ISO 22000 (Food Safety Management System) and FSSC 22000 (Foods Safety System Certification).

In Vietnam, the company's commitment to supplying products that meet the nutrient and safety requirements of consumers has not been expressed in the promise of best quality products but from the well-established distribution network. The cooperation with 3A – a high prestigious distributor with the world class logistics system and professional talents – has helped build the trustworthy bridge between Abbott and consumers. All warehouses and transportation system of 3A are put under the rigorous supervision of Abbott global. Furthermore, Abbott has conducted periodical training courses to update knowledge and technology for 3A employees to fit the various requirements in storage process for different products.

Obviously, the supply chain of global enterprises is worth being the good case study for Vietnamese companies, especially in the food and nutrition products industry. However, it has never been the easy task for companies to follow those international standards. The challenge is even bigger for small and medium enterprises, which occupy more than 90% of the total number of businesses in Vietnam. For the time being, the most important priority considered is building up the responsibility and culture of food safety in every enterprise doing business with food and nutrition products.

Source: SGT

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The power of bargain

Do a lot of people know that out of a price tag of US\$22.12 for a pair of jeans sold in Britain, just 90 cents goes to cutting and making the jeans, which includes labor and factory expenses such as rent, energy, and safety measures? I didn't, until I read a report by Bloomberg on the cost of garment production in Bangladesh in 2013.

So I have my doubts when American Ambassador to Vietnam David Shear tried to sell the Trans-Pacific Partnership, a free trade agreement that the U.S., Vietnam and 10 other countries are negotiating, to the Vietnamese people. "Vietnam will benefit greatly from expanded access to the U.S. and other markets as the TPP reduces tariffs in several key export areas," Shear told Can Tho University students last Thursday.

Pure logic tells us that economic benefits shall be proportional according to the assigned role each country plays in the globalized trade. The price breakdown for a pair of jeans reflects this proportional benefit quite well. But more on that later.

The Bloomberg garment report was made in response to the worse labor accident in 2013 when 1,129 workers were killed and at least 1,500 more were injured as the Rana Plaza garment factory they worked in collapsed on April 24 in Bangladesh. After the accident, voices were raised to demand more corporate accountability. Fashion brands, apparel producers and retailers promised to take responsibility for what happens to the factories that make the clothing they sell. But despite all the public outrage, people tend to forget that all required improvements in the working conditions demanded of the factories were squeezed out of the 90 cents the factories get from making a pair of jeans. "Let us earn those few cents, and nobody has to die while making basic jeans," factory owner Tipu Munshi was quoted by Bloomberg as complaining.

Negotiators to free trade agreements like the TPP realize the situation only too well. That's why, under pressure from their own consumers, developed countries like the U.S. demand poorer countries like Vietnam to treat its workers better in exchange for greater market access. But again, somehow Vietnam has to manage treating its workers better with the same 90 cents it gets.

Getting back to the American ambassador's remarks, he's right in saying that "expected gains are more clear, can be roughly estimated, and generally occur in existing sectors, such as footwear and apparel, where Vietnam is already competitive". The TPP can help Vietnamese garment makers ignore bids from non-member competitors from Bangladesh or China, thus avoiding the race to the bottom normally seen in the global apparel industry. Without the TPP, Vietnamese garment makers might have to lower their bids to win contracts. But their share from the supply chain in this industry remains a pittance compared to other stages in the value chain.

So the best way to sell the TPP to Vietnamese people is neither a promise of enormous gains in GDP growth or bigger export volumes nor a promise of more foreign investment. It should be a bigger share of the pie. Somehow, that is sort of a "mission

impossible” task but increasing the share that garment workers in particular or other players in the globalization game can get is the only way to persuade people of the sustainability of free trade.

Independent safety inspections of garment and footwear factories are useful but not crucial in guaranteeing the workers’ safety. If they get more than the 90 cents, they will have bigger power of bargain and they will take care of their own safety measures.

People might wonder why middlemen whose job is to collect and pass orders from retailers on to garment makers earn five times as much as the workers who make the garment. And more importantly, do negotiators at free trade agreement negotiations ever discuss narrowing the gap?

Of course, they don’t. Negotiators always try to snatch the biggest share for their own businesses and one would be so naive as to thinking otherwise. And intellectual property rights are among the tools that people use to maintain their edge over others.

Pressure from the consumers, therefore, should not focus on working conditions. It should be more specific: how much is paid for those who make the clothes or shoes they wear. If the right price is paid, the working conditions will take care of itself. But don’t ask me how the fruit of globalization can be divided fairly. It can’t and thus, we have the contradictory nature of free trade agreements, the TPP included.

Source: Saigon Times

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FINANCE – BANKING

PM calls for more efforts to restructure finance industry

Prime Minister Nguyen Tan Dung has called for more drastic actions in restructuring the credit institutions' system for the 2011-15 period.

The Prime Minister made his comments while addressing a conference held by the State Bank of Viet Nam (SBV) to launch its 2014 tasks in Ha Noi yesterday.

He asked the banking sector to make great efforts, implementing monetary and fiscal policies, to keep next year's inflation rate at 6.5-7 per cent.

This was also required to control interest rates and credit, in line with the nation's economic situation, while making it easier for firms to have access to loans.

Further, in order to forge a healthy banking system, it was advisable to improve its monetary regulations and operations, raising them to international standards, alongside cleaning up bad debts and rearranging asset management companies, he said.

SBV Governor Nguyen Van Binh added that the bank had set the goal of actively and flexibly managing monetary tools that are expected to curb inflation and maintain economic stability.

At the same time, interest and exchange rates will be settled at reasonable levels to ensure the value of Vietnamese currency, he added.

Binh also vowed to extend credit packages, while more closely monitoring whether they are effectively used.

Regarding his making the nation's banks more transparent, he underscored all necessary solutions in the settlement of bad debts and increased inspections of banking activities.

Reviewing the banking sector's performance this year, Binh said SBV, in collaboration with ministries and agencies, had abided by resolutions on socio-economic development set by the National Assembly and Government.

He also credited inflation being kept under control and maintaining better banking liquidity due to strenuous efforts and disciplines. More loans have made their way into areas of priority, while foreign currency and gold markets are healthy. The plan on banking restructuring had come to fruition, he noted

Source: TTN

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Bank loans \$152m for power cables

Vietcombank and the National Power Transmission Corporation (NPT) signed a contract worth VND3.2 trillion (US\$152.3 million) yesterday to finance a 500kV power line linking two northern provinces, Lai Chau and Son La.

The VND4 trillion (\$188 million) project, to be built over 158.5 kilometres, crosses the districts of Muong La, Thuan Chua, Tuan Giao, Muong Cha and Muong Lay.

The new line will connect the Son La Hydro-power plant with the national power grid, while linking small hydro-power plants in the north-western region to the national power network.

The project would ensure a power supply from the plants to stations in the north and enable the national power system to operate without interruption.

This key national project is scheduled to become operational by 2015 and begin transmitting electricity from the Son La Hydro-power plant.

The construction of the \$3.2 billion plant was begun on December 2, 2005 and is expected to be completed by 2015.

The 1,200MW project would supply 4.67 billion kWh of electricity annually to the national power grid.

Speaking at the signing ceremony, Nguyen Manh Hung, NPT's general director, said the country needed some \$1 billion each year to invest in power transmission lines, since line construction has been slower than electricity production.

Vietcombank has provided credit for 17 important power projects in the fields of power generation, transmission and distribution, with total capital of VND23 trillion (\$1.09 billion).

Vietcombank and EVN also signed a bilateral co-operation agreement in 2010 to develop comprehensive relationships in several areas.

Vietcombank has been one of the country's largest commercial banks, with a network of more than 400 branches. Officials anticipate opening an additional 15 branches nationwide within the next year

Source: VNS

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Renewed investor confidence spurs rally

Shares finished higher yesterday on both national stock exchanges as investors welcomed the US Federal Reserve's (Fed) move to "taper" monthly bond buying by US\$10 billion to \$75 billion.

According to MB Securities, the Fed's tapering reflected a recovering US economy, which would have positive impacts on Viet Nam's economy, being a large trade partner. Fed tapering would also be good news for the Viet Nam stock market, in the long term, forecast MB Securities.

On the HCM City Stock Exchange, the Vn-Index advanced 0.2 per cent to 506.28 points, as liquidity improved with the total trading value reaching VND1.392 trillion (\$66.28 million) on the exchange of 111 million shares.

Stock buyers also became more confident, although the domestic petrol price was increased on Wednesday. Of the southern city's 30 top shares by capitalisation and liquidity, half managed to rise, in comparison to seven losers.

However, the overwhelming gainers, including Vinamilk (VNM), Hoa Phat Group (HPG), Ocean Group (OCG), Hoang Anh Gia Lai (HAG) and Vietcombank (VCB), failed to support the VN30-Index. The VN30-Index lost 0.13 per cent to 565.52 points.

PetroVietnam Drilling (PVD) lost VND1,500 (\$0.07) to VND60,500 (\$2.88) per share and Vingroup (VIC) lost VND1,000 (\$0.047) to VND70,000 (\$3.3) per share.

Other losers included big names such as insurance company Bao Viet Group (BVH), PetroVietnam Fertilisers and Chemicals (DPM), Kinh Do (KDC), Masan Group (MSN) and Sacombank (STB). Overall, in the southern bourse, 164 stocks added value, while 59 lost. Tan Tao (ITA) led the southern bourse, in terms of liquidity, with 9.6 million shares changing hands.

While on the Ha Noi Exchange, the HNX-Index climbed for the fifth straight day, closing yesterday 1.01 per cent higher to reach 67.62 points. The HNXFF-Index, composed of stocks with a minimum free-float rate of 5 per cent, also rose by 1.07 per cent to 67.71 points.

Liquidity also improved in the northern bourse, with 71.11 million shares changing hands, with a total value of VND573.29 billion (\$27.29 million). Also, the HNX30-Index, tracking the capital city's 30 largest stocks, edged up 1.49 per cent to 129.05 points. Lastly, foreign investors concluded yesterday as net sellers of VND88.42 billion (\$4.21 million)

Source: VNN

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Brand, manager shake ups critical to reforming bad banks

Vietnam is seeing an increasing trend of banks changing their brand identity and/or managers to bolster efficiency.

In the recent past, Tien Phong Commercial Joint Stock Bank launched a new brand and changed its transaction name to TPBank. After a year and a half of self-restructuring, the bank has seen positive results.

According to chairman Do Minh Phu, before restructuring, TPBank reported low liquidity and bad debts exceeding 6.4 per cent and faced insolvency.

Until now, the bank has succeeded in raising its chartered capital from VND3 trillion (\$142 million) to VND5 trillion (\$264 million), double its total asset value and reaping profits of more than VND500 billion (\$23.8 million).

The bank's deposits have more than doubled, its bad debts have slid to 2.7 per cent, and its customer base has tripled.

In the middle of this year, after getting State Bank approval, private TrustBank changed its name to Vietnam Construction Joint Stock Commercial Bank after a group of new shareholders made a significant capital injection.

The new structure aims to focus on providing unique banking services to corporate clients operating in the fields of manufacturing and trading building materials and constructing social housing.

Most recently, Navibank asked for shareholder input in changing its name into Dan Quoc Joint Stock Commercial Bank along with a logo change, brand identity shift and moving of the head office from Ho Chi Minh City to Hanoi.

The move came after a major shake-up of the Board of Directors.

Banking expert Nguyen Tri Hieu said the name and brand changes were vital to the banks' post-restructuring goals.

“Banks rely on the trust of their customers and when a bank develops a bad reputation due to low liquidity and sustained losses, designing a new name and brand shows the bank’s intent to make changes and puts customers’ minds at ease,” Hieu said.

TPBank CEO Nguyen Hung said three factors were crucial to ensure successful restructuring.

His first point was to achieve real capital flows to help would-be-restructuring banks improve their financial strength. Second was having a real shareholding structure where the principle shareholders do not use the bank’s capital for private affairs. Third was having an experienced and capable Board of Directors.

Source: VIR

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ANALYSIS – OPINION

Kickstarting workplace creativity

On the sidelines of AmCham Vietnam’s Workplace Innovation in Vietnam briefing, the host asked the key speaker Dr. Marcus Powe – founder of EIC Growth Pty Ltd, Entrepreneur in Residence at RMIT University and the winner of the 2008 Best Entrepreneurial Educator award, and Gitte Rudkjøbing – director of Navigos Premium at Navigos Search, the sponsor of the event, about recruiting innovative staff.

Given your rich experiences in working with CEOs and young talents, what are your views about the challenges facing the majority of employers in terms of screening and recruiting employees with creative and innovative mindsets?

Dr. Powe: The first challenge is for employers to create a dialogue about what they mean by creative thinking, innovation and what enterprising behavior means to them and their organization. Often too much time is spent on what the terms mean. It’s time to move past the definitive answer, let’s get on with the activity. When working with CEOs and leaders of organizations who want sustained growth, engaged employees and a general buzz of activity and purpose, they have to walk the talk. In other words, demonstrate through action what they expect in terms of creative thinking, the use of the tools of innovation and how enterprising behavior looks and is rewarded.

If the leader doesn’t even do this, then nothing will change. You can’t tell someone to be creative, you have to show them! We can test through scenarios, case studies and imagined situations, this is OK, but everyone has learned the responses to these theoretical situations. This is where the challenge is and the opportunity lies.

Over the last year running Navigos Premium, do you think finding sufficient candidates with creative and innovative mindsets is one of your biggest challenges in Vietnam? What kind of candidates are you more often meeting?

Rudkjøbing: At Navigos Premium, we shake hands with various different professionals every single day. Some of them possess highly innovative mindsets and others do not.

We don’t envision this as a challenge, as not all roles require candidates who master creative thinking and innovation – As a matter of fact, some roles require the opposite, candidates who are content and motivated by working in environments with no or little room for creativity and innovation.

Let us consider people working in marketing, media or advertising, one would obviously want them to be able to think creatively and out of the box. At the same time if we have someone working in quality assurance or the testing of medical products, we would like for them to be extremely meticulous, oriented towards details and not someone who is easily swept away by imagination and good ideas.

Could you describe how this mindset varies in young people from country to country in Asia? Do you have any specific comments on young Vietnamese people?

Dr. Powe: I have been fortunate to work in many countries, cultures, religious and political frameworks for the last 25 years and am pleased to say, we're all the same! We have the same fears of failure and of success, the same drive to succeed, provide for our families and our communities. If we strip away the cultures, rules and regulations, we are the same when it comes to creative thinking, using innovation and displaying enterprising behavior. The surprising thing is that all the adults I have worked with have in many cases simply forgotten those skills we are hardwired with as children. All children are natural salespeople, are wonderful negotiators, think creatively and have wonderful imaginations. What have we done to the children? We sent them to school!

One job I particularly enjoy is working with senior executives in both private and government sectors to 'remember' what it was like to play with ideas as they did so well as children, sometimes this is called brainstorming, I prefer the word 'play' because it is more fun, highly effective and when adults are enjoying themselves the results are often spectacular.

Based on the creative and innovative criteria, can you give some short comments on the quality of higher-level employees in Vietnam?

Rudkjøbing: It is difficult to generalize on the basis of nationality or level of a workforce. There are all sorts of people in all levels and across countries. What we are trying to address through the seminar is out of the box thinking for regular scenarios, focusing on people management.

If you are asked to provide some short recommendations to employers and candidates in Vietnam, what will you say?

Dr. Powe: For the employers, strive for authenticity. Use that old approach of literally saying, this is what we do, cannot do and will not do. This clearly indicates to candidates a framework that describes the current corporate culture. This is essential for young candidates whose expectations are often unrealistic. For candidates, do your research, read about the organization's history, business plans, press releases. This will create a current context and when interviewed they should use this knowledge of not only demonstrating where they will 'fit' into the organization, it will also be a base to demonstrate the candidates thinking about how they can add additional value and contribute to the growth and success of the organization.

From the recruitment service perspective, are candidates with strong entrepreneurial skills - described by Dr. Powe as 'C-level' candidates – offering a combination of creativity and innovation - also potential job-jumpers which pose a higher threat to long-term human resource planning?

Rudkjøbing: I don't believe that to be the case. Candidates who hold a strong level of entrepreneurship are not less committed to long term employment. However employers need to know how to effectively channel and put these entrepreneurial skills in to use. If a candidate has a strong need and urge to build up, start-up and initiate business, he or she might not be thriving and utilizing their full potential within companies that have entered a more settled and maintenance oriented phase.

Source: Amcham Vietnam/VIR

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Drinks market rivalries bubble away

Vietnam's beverage market remains rich in promise, reflected by the increase in the number of recent investments from major domestic and foreign enterprises.

Tan Hiep Phat, one of Vietnam's leading beverage groups, will start operations of its \$85 million beverage manufacturing plant in the northern province of Ha Nam's Kien Khe Industrial Park in the second quarter of next year, Mai Tien Dung, Chairman of the Ha Nam Provincial People's Committee confirmed with VIR last week. In August last year, Tan Hiep Phat received an investment certificate to establish Ha Nam Number 1 Limited Company for the development of the new 600 million litre non-carbonated drinks plant on a 25 hectare site. The latest figures from the London-based market research and business-intelligence report firm Euromonitor International showed that in 2010 Tan Hiep Phat held a 53 per cent market share in the bottled water and herbal tea drink market.

Vietnam's beverage market has continued to attract fierce competition. According to Vietnam Competition Administration, Vietnam was home to 134 local and foreign beverage manufacturers last year, with the top ten in terms of revenue including IBC, Tan Hiep Phat, Coca-Cola, PepsiCo, Interfood, Red Bull, La Vie, Chuong Duong Beverages, CKL, and Vinh Hao.

According to Euromonitor's report on Vietnam's soft drinks market dated August 2013, multinational players PepsiCo Vietnam, Coca-Cola Beverages Vietnam and URC Vietnam, and domestic firms of Tan Hiep Phat and Vietnam Dairy Products JSC occupied the top five.

"These top five players occupied a major proportion of market share, leaving little space for other players and making it difficult for new companies to penetrate the market," read the report.

Coca Cola and PepsiCo still hold the largest share of the Vietnamese beverage market, occupying about 60 per cent between them.

Coca Cola also plans to invest an additional \$300 million into the Vietnamese soft drink market by 2015. The company entered Vietnam in 2009 with an initial investment of \$200 million.

In addition, PepsiCo Vietnam earlier this year formed a joint venture with Japan's Suntory Holding Ltd in which Suntory would buy a 51 per cent stake in PepsiCo's Vietnamese beverage business. The deal is an important part of PepsiCo's long-term strategy in Vietnam. So far, Pepsi has poured \$118 million into two beverage plants in Dong Nai and Bac Ninh provinces.

The Philippines' leading food and beverage manufacturer Universal Robina Corp (URC) has also targeted expansion plans, with the intention to build its third \$35 million beverage manufacturing facility in the central province of Quang Ngai late this year. In Vietnam, URC is known for its popular C2 and Rong Do brands.

Since it is near to impossible to compete with foreign giants such as Coca Cola and PepsiCo in the carbonated drink market, domestic beverage companies have chosen to focus on non-carbonated alternatives.

Tan Hiep Phat also is investing in another beverage manufacturing plant worth \$86 million in Quang Nam province's North Chu Lai Industrial Park. The firm plans to build on its strong point of tea products with its extremely successful Dr. Thanh and Number 1 brands.

Euromonitor said that there were more than 10 tea brands in the market, with C2 and Dr. Thanh maintaining a leading position.

Masan Consumer recently acquired a 62 per cent of Vinh Hao Mineral Water Company group, marking its venture into the drink business field. Last month Vinh Hao announced a board resolution to expand into other business fields which implies Masan will broaden Vinh Hao's product portfolios to other categories, including ready to drink tea, soft drinks, juices and energy drinks.

"Soft drinks will continue to see strong performance, although growth will not be as strong as during the reviewed period. Fruit juice and tea will be the main drivers of growth, due to rising health concerns," stated Euromonitor's report. According to Euromonitor, Vietnam's \$2.5 billion bottled water and bottled beverage market is expected to grow at 20 per cent per year during 2011-2015.

Source: Euromonitor/ITPC

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Vietnamese manufacturers rely on Chinese materials and machinery

Minh Tien, a bag maker based in Ho Chi Minh City, produces some 35,000 handbags and backpacks per month, but more than 70 percent of the necessary materials have to be imported from China.

Its director Nguyen Tri Kien said the dependence on Chinese materials is inevitable because local suppliers are not able to provide new types and designs on a stable basis. “[Local suppliers] rarely release new types while the Chinese materials can meet all of our requirements, so we have to switch to imports,” Kien explained.

While a number of Vietnamese wholesalers and traders prefer to source Chinese goods to distribute in the domestic market and rake in whopping profits, many of the country’s manufacturers also have a heavy reliance on raw materials and machinery from China for their production.

Vietnamese manufacturers, just like wholesalers who source Chinese goods mainly because of their throwaway prices, cite cheap prices when explaining why most of their machinery and equipment is made in China.

Businesses operating in the textile and garment industry, like Minh Tien, say they have resorted to use Chinese materials as those locally made fail to meet their standards in terms of type and design.

Kien admitted that the heavy reliance on Chinese materials pose several disadvantages for his production.

“We have to earmark a considerable sum for importing materials and storage, thus reducing the competitiveness of our products against the Chinese imported bags or backpacks,” he said.

In the apparel industry, the total import turnovers of Chinese fabric in the year to October have surged to US\$3.15 billion, up by 28 percent from the same period last year, according to customs figures.

Similarly, footwear makers have to import nearly all of the necessary materials for their medium- and high-quality product segments.

“Imported material costs account for 60 percent of the export value of each pair of shoes,” a seasoned footwear expert told Tuoi Tre.

He also warned that should the Chinese suppliers cease contract or increase prices unexpectedly, local footwear manufacturers will be strongly affected.

Chinese machinery imported en masse

Vietnam has spent \$5.28 billion on importing Chinese machinery in the first ten months of this year, an increase of \$1 billion, or 23.26 percent, from a year earlier, according to data from the General Customs Department.

Most of the imported Chinese machines are new but they bear much lower prices than those from Japan or Germany, thus seen as a good choice from local businesses, according to customs agencies in HCMC.

The imports are machinery of all kinds, from assembly lines and office equipment to plastic-making machines and hydropower plant machinery.

And again, cheap prices are the main reason that many local manufacturers choose to equip most of their facilities with Chinese machinery.

“Chinese machines are not as good as similar machines made in South Korea or Japan, and they are also easily broken,” admitted N.H.K, director of a business that makes PE plastic bags.

K added however that he still bought Chinese machinery because “prices are 30 percent cheaper.”

“Should the machines break, I can still manage to cover the repair costs, but buying expensive machines from other countries is just beyond my ability,” he said.

Experts said Vietnam has repeatedly posted huge trade deficit to China because there are many sectors in which almost all machinery and technology have to be imported from China. The technologies for the sugar, cement, steel, hydropower and thermal-power industries are mostly from China, they said.

To Quoc Tru, director of the Vietnam Energy Consultancy Center, said the total investment for a 1,200MW thermal-power plant using Chinese technology is only around \$1.2 billion. But the figure will be up to \$1.7 billion with modern technology from a developed country of the G7 group. That's why many of the operational or constructing thermal-power facilities are using Chinese technology.

Source: TTN

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NEWS IN BRIEF

Ford Vietnam celebrates first New Fiesta

Ford Vietnam's manufacturing facility, Hai Duong Plant celebrated an historic milestone when the popular small car – New Fiesta equipped Ford's internationally award-winning 1.0L EcoBoost engine rolled off the production line. The most dramatic and distinctive new Fiesta will deliver the best fuel efficiency that Vietnamese customers want and value, led by Ford's patented new 1.0 L EcoBoost engine. With this landmark engine which was selected as the International Engine of the Year for two year in a row, all-new Fiesta stands as a shining examples of Ford's commitment to provide consumers with the most fuel-efficient cars, contributing to the reduction of CO2 and fuel consumption.

Dong Nai firm exports Chung cake

Tran Gia, a producer of Chung cake in southern Bien Hoa City, expects to export 35 tonnes to the US, Canada, Europe and several Asian countries, on the occasion of Tet (Lunar New Year). Tran Thanh Toan, owner of Tran Gia, said his company would ship abroad 5 tonnes of "Dong" (phrynium) leaves, used to wrap the cakes, to overseas markets. According to Toan, Tran Gia exports about 35-45 tonnes of Chung cake to those markets every year

New steel plant opens in HCM City

SMC Trading Investment JSC inaugurated its new steel manufacturing plant, worth VND175 billion (US\$8.33 million), in HCM City on Wednesday, 18-Dec-13. Covering 12,500 sq.m in the city's Tan Tao Industrial Zone, the plant will manufacture 80,000 tonnes of steel annually

Exports to Italy estimated at \$2.2b

Viet Nam's exports to Italy are likely to reach US\$2.2 billion by year's end, according to the Vietnamese Trade Office in Italy. Among Viet Nam's key export products are mobile phones and components, footwear, coffee, seafood and apparel. The trade office also predicted that two-way trade would hit \$3.3 billion this year and \$3.5 billion in 2014

Businesses look for ways to give Tet bonuses

Amid difficult economic times, many leaders of companies have been looking for ways to provide Tet bonuses to their employees this year. This year's Tet bonuses forecast to be lower than last year. A number of companies have to sought loans and even sold their own houses to pay salaries and Tet bonuses.

Toll on expressway in HCMC to be collected on Dec. 30

A 20-km section of the Ho Chi Minh City-Long Thanh-Dau Giay expressway is opened to traffic, scheduled for December 30, 2013, traffic fees on the section will be collected. Accordingly, vehicles travelling on the section, which runs from Belt 2 in District 9 to National Highway 51, will have to pay tolls at different rates, depending on the type of vehicle, from December 30. For vehicles with under 12 seats, trucks with loads under 2 tons, and buses, the toll will be VND40,000 (US\$1.93) per vehicle; for vehicles with 12-30 seats and trucks with loads of 2-4 tons, the fee will be VND60,000; and for vehicles with 31 seats or more and trucks with loads of 4-10 tons, the charge will be VND80,000. However, trucks with loads of over 10 tons will not be allowed on the section for a certain period after the section is opened to traffic

LG Electronics to build \$1.5b factory

LG Electronics Viet Nam has announced plans to build a US\$1.5 billion factory complex in Trang Due Industrial Park in the northern city of Hai Phong. Spanning more than 400,000 square metres, the complex will be built in two phases from 2013-17 and

2017-23 and is expected to produce annual revenues of \$1 billion by 2016. LG will use the factory to manufacture various equipment, including electronic products for cars, smart TVs, washing machines, vacuum cleaners, and smart phones for export to some 50 countries.

Song Binh titanium processing IP added into Master plan of IP development by 2020

According to information from Binh Thuan Industrial Park Management, the Government Prime Minister (PM) has delivered dispatch No. 1555/TTg-KTN dated September 30, 2013 on approving master plan on adjusting and supplementing Binh Thuan industrial park (IP) to the development planning. Hitherto, Binh Thuan province has had 9 IPs, covering the total area of 4,608 hectares, approved by the PM. The 300-hectare-Song Binh IP, located in Song Binh commune, Bac Binh district, is about 50 km from Phan Thiet city and Vinh Tan port (Tuy Phong district) and about 60 km from the current planning area.

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COMING EVENTS

PLASTICS & RUBBER VIETNAM HO CHI MINH CITY

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

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

Start Date: **04.03.2014**

End date: - **06.03.2014**

Event Description

International Plastics and Rubber Technology and Materials Exhibition and Conference

The Plastics and Rubber Vietnam is a premium exhibition in the field of manufacturing and processing plastic materials. On Plastics and Rubber Vietnam, experts meet and share their knowledge of the areas of equipment, electro-mechanical, packaging, transportation, safety and security, Office equipment, Hotel, Restaurant, business, Chemistry and plastics industry. At this show, they also have the opportunity to get information about the latest products, trends, developments and services from various national and international exhibitors. Additionally it is possible to establish new business contacts

Please kindly refer to www.plasticsvietnam.com

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INMEX VIETNAM HO CHI MINH CITY

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

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

Start Date: **05.03.2014**

End date: **07.03.2014**

Event Description

International exhibition for the maritime industry

The INMEX Vietnam belongs to the most important business events of the maritime sector. All key industries will take an active part in it as exhibitors or in presentations and discussions within the forum. Thousands of professional visitors will be expected from public and private organizations from Vietnam and abroad, promising lucrative new business relations and partnerships. *Please kindly refer to maritimeshows.com*

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Reviewed by: Huy Nguyen

