INDOCHINA INTERNATIONAL CONSULTING (IIC.)

Dear all,

Vietnam Trade & Investment Bulletin is published by monthly 15th. VIIPIP.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.

Thank you for your interest in our services!

VIET NAM INDUSTRIAL PARKS INVESTMENT PROMOTION

VIIPIP

MULTIPLY THE VALUE

VIETNAM: TRADE & INVESTMENT BULLETIN

NO. 7/ 2014

JULY

2014

contact@viipip.com

www.viipip.com

VIETNAM: TRADE & INVESTMENT BULLETIN No.7

July 2014

DEVELOPER'S INTRODUCTION

HIEP PHUOC CORP

HIEP PHUOC INDUSTRIAL PARK JOINT STOCK COMPANY (HIPC)

Head office address:

Division B, Road No.1, Hiep Phuoc Industrial Park, Hiep Phuoc Commune, Nha Be District, Ho Chi Minh City, Viet Nam.

✆ : (84-8) 3780 0345/3780 0350

🖷 : (84-8) 3780 0341

@ : hiepphuoc@hiepphuoc.vn

URL : www.hiepphuoc.vn

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./.

Back to top

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

Developer: Pho Noi Textile and Garment Infrastructure Development Company.
Operational time: 50 years (from 2009)
Main investment sector: Textile and Garment industry and other related industries.
Location: Pho Noi B Textile and Garment Industrial Park is located between Highway No 5 and Highway No 39, connecting major economic centers in the North, 10 km from Hanoi's boundary, 40 km from Noi Bai International Airport, 15 km from Lac Dao railway station (Hung Yen), 73 km from Haiphong Port, 90 km from Cai Lan Port, near Hung Yen customs station on Highway No 5. This location is convenient for trade, shipping goods to regions and areas throughout the country as well as attracting labor source from neighboring provinces.
Total area: 121.81 hectares

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

IP infrastructure:

Land substance is ready for leasing

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

Investment incentives:

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

PHO NOI TEXTILE AND GARMENT INFRASTRUCTURE DEVELOPMENT COMPANY
Add: Phonoi B Textile and Garment Industrial Park - Yen My district - Hung Yen province
Tel: (0321) 3972520; Tel/fax: (04)39368345 Hotline: 0123 704 7777
Website: http://vinatexid.com.vn - Email: vinatexid@vinatexid.com.vn

Back to top

GENERAL REVIEW

Chilean leaders pledge closer ties with Vietnamese NA

Senior Chilean leaders and officials committed to further facilitating ties with the Vietnamese legislature via visits and international inter-parliamentary forums.

Chilean President Michelle Bachelet, Senate President Isabel Allende, Speaker of the Chamber of Deputies Aldo Cornejo and Minister and Director of the National Service for Women Claudia Pascual made the pledge while meeting with National Assembly Vice Chairwoman Nguyen Thi Kim Ngan, who was on a working visit to Chile from July 3-5.

Both sides discussed the facilitation of visits by Vietnamese and Chilean leaders as well as ways to implement co-operation in promising fields, utilise political consultation mechanisms and bilateral free trade agreements and work closely together on the Trans-Pacific Partnership negotiations.

Ngan praised Chile's efforts to promote gender equality, especially in terms of political involvement, income, social welfare and women's role in society.

Expressing concern over the latest developments in the East Sea, Chilean leaders voiced support for the peaceful settlement of the dispute in line with international laws, including the 1982 United Nations Convention on the Law of the Sea and agreements signed by parties concerned

Source: VN+

Back to top

VN, Laos foster inspection cooperation

A high-ranking delegation from the Lao Government Inspection Authority, led by Inspector General Bounthong Chitmany joined a working session with the Government Inspectorate of Viet Nam in Ha Noi yesterday.

Speaking to the guests, Inspector General Huynh Phong Tranh said their visit offered a good chance for both agencies to share experience in inspection work and in combating corruption.

This contributed to bolstering their cooperation in particular and the bilateral friendship in general, he added.

Along with the cooperation in all fields between the two countries, the government inspection agencies have maintained their close ties for nearly 20 years.

The two sides signed cooperation agreements in 1998, 2005, 2007 and 2012, and have maintained official exchanges at all levels, helping to complete tasks set by the two agencies. Chitmany spoke highly of Viet Nam's experience in combating corruption in recent years, expressing his hope that the two agencies would continue further promoting their relationship.

The same day, Chitmany also met Prime Minister Nguyen Tan Dung, who said that Viet Nam stood ready to assist Laos train inspectors.

Chitmany said during his visit he had sharing inspection experiences, the settlement of complaints and denunciations, and anti-corruption work. He said Laos also wanted to learn from Viet Nam's experience in socio-economic development.

Source: DCS

Back to top

ASEAN on verge of borderless economy

The ASEAN Economic Community to be established next year is expected to enable free movement of goods, capital, and skilled labor, a seminar heard in HCM City yesterday.

Le Trieu Dung, deputy general director of the Ministry of Industry and Trade's Multilateral Trade Policy Department, said trade between Viet Nam and ASEAN member countries has expanded rapidly in recent years to top US$40.1 billion last year.

The establishment of the AEC would bring more choices of goods and services to Vietnamese consumers and enable Vietnamese companies to expand exports to ASEAN countries because their goods would have zero duty, he said.

It would facilitate mobility of skilled labor within the bloc via mutual recognition arrangements (MRAs), a key tool that enables skilled, experienced professionals to work and ultimately be certified in a destination country, he said.

Jae Hee Chang, a specialist on employers' activities at the Bangkok-based International Labor Organization (ILO), said "MRAs aim to promote mobility of skilled professionals, attract regional talents to meet staffing shortages, boost regional competitiveness, and improve the quality of services throughout ASEAN."

Under ASEAN MRAs, eight categories of professionals – in medicine, dentistry, nursing, accounting, surveying, engineering, architecture, and tourism — would be able to move freely within the region, she said.

She said an ILO survey of regional employers on skills and competitiveness, which polled 240 firms in 10 countries, found that "most enterprises are optimistic that greater labor mobility, lower trade barriers, and free investment flows will boost their competitiveness, but few understand the AEC fully and many are not ready to capitalize on the opportunities."

It showed that skill gaps are a major concern across the region since companies find it hard to recruit personnel with the skills they need, she said.

"The biggest challenge is that not a lot of enterprises are aware of the MRAs, and, without this awareness, trying to source people from other countries might be a little bit more difficult.

"In ASEAN right now a lot of low-skilled and medium-skilled labor is going out and coming in."

For Viet Nam, the importance of upgrading the skills of the workforce is very important, she said.

It is vital for Viet Nam and other ASEAN members to find a common language that everybody can use, especially for education and also at the workplace, because without a common language or harmonization of thinking, it is very difficult to exchange people and ensure labor mobility, she warned.

"The language barrier and culture barrier are very important to address."

There is a need for more engagement by companies with the MRAs and in particular the ASEAN Qualifications Reference Framework, she said, adding that they should be more active in having dialogues with the Government and education organizations to reform training curriculums.

Ngo Dinh Duc, general director of HR company Le & Associates, said skilled workers would have more choices in the future, but they must equip themselves with good English speaking skills and improve their productivity and attitude towards work.

To retain talent, employers need to build a good image for their company, offer a good working environment and salaries, bonuses, and welfare policies, and invest more in human resources development strategies, he said.

The level of labor integration in ASEAN remained low, Dung said, adding that the AEC would have a great impact on the labor market in ASEAN, especially Viet Nam.

Source: VNN

Back to top

Vietnam, Japan discuss anti-corruption in ODA-funded projects

Vietnamese and Japanese officials met in Hanoi on Tuesday to discuss measures to combat corruption related to Vietnam's projects funded by Japan's official development assistance (ODA).

The meeting was held by the Vietnamese Ministry of Planning and Investment to seek ways to prevent and fight corruption in such projects.

Vietnamese Deputy Minister of Planning and Investment, Nguyen Chi Dung and Charge d'affaires of the Japanese Embassy in Vietnam, Hideo Suzuki co-chaired the meeting.

The event occurred amid an allegation that Japan Transportation Consultants, Inc. (JTC) paid bribes worth over US$785,000 in Vietnam to win an order for a Japanese ODA-funded project.

The alleged graft was uncovered when Japan's Yomiuri Shimbun newspaper reported in March that Tamio Kakinuma, president of JTC, had admitted accusations that the firm paid ¥80 million (over $785,000) in bribes in return for an ODA project order worth ¥4.2 billion (over $41.2 million) in Vietnam.

The newspaper also said JTC allegedly bribed civil servants in Vietnam, Indonesia, and Uzbekistan with ¥130 million (over $1.27 million) from February 2008 to February of this year in order to receive orders for five Japanese ODA-funded projects in these countries.

At yesterday' meeting, Deputy Minister Dung recognized that the reported bribery is a serious case, affecting Japanese ODA-funded projects in the Southeast Asian country. He affirmed that the Vietnamese government is determined to fight corruption in all projects using ODA from other countries, including Japan.

Meanwhile, Hideo Suzuki said that the case is a regretful incident in the relation between the two countries and that he wanted to be updated on the results of the investigation from the Vietnamese side.

The official also suggested that Vietnam and Japan should continue cooperate to combat graft and avoid the recurrence of such a scandal in the future. In a notice released at the end of the meeting, the ministry affirmed that the Vietnamese side has unveiled the results of the investigation into those projects related to JTC and the state-owned Vietnam Railways Corporation.

The two sides have discussed measures to prevent similar cases and will take such measures in the future, according to the document. In early May, six Vietnamese railway officials were arrested for their involvement in the alleged bribery case.

Source: TTO

Back to top

TRADE

Feedback sought on tax exemption for fizzy drinks

Viet Nam's policy-making bodies may reconsider a proposal to exempt non-alcoholic carbonated drinks from the list of products subject to an excise tax rate of 10 per cent.

Previously, a draft amendment by the Ministry of Finance to the Excise Tax Law included fizzy soft drinks in a list of 16 products subject to the tax. The ministry claimed that as these drinks posed a health risk, the tax would help prevent the risk and substantially increase government revenue.

However, after putting the draft amendment up public review in February, the 10 per cent excise tax on soft drinks came under intensive public scrutiny. Now, the amendment makers would like to hear what the public would think if they don't impose the tax.

At a meeting earlier this month, Deputy Head of Department of Tax Policy cum representative of the amendment-making board said that it has more than 100 comments on the subject. The high level of public scrutiny indicated the importance of the tax policy, he said.

Therefore, the amendment-making board would add another proposal to exempt non-alcoholic carbonated drinks from the excise tax. Deputy Head of the National Assembly's Committee on Financial and Budgetary Affairs Dinh Trinh Hai said decision makers would need to listen to more parties before ratifying the amendment.

Excise tax on carbonated drinks would be unfair and reflect poorly on the draft makers, said Nguyen Duc Kien, deputy head of the National Assembly's Economic Committee. Kien said all soft drinks contained sugar or sweeteners, therefore if the ministry aimed to raise budget money with the tax, it should impose the tax on all canned drink products. Vo Thi Lan Phuong, managing director of Vriens&Partners said that the draft amendment should include proposals to exempt or impose excise tax on soft drinks, regardless whether they were carbonated.

She said that the explanations by amendment makers on the health risks were not clear.

Deputy Head of Viet Nam Food Association, the Ministry of Health Nguyen Hung Long, said that carbon dioxide, preservatives, sweeteners and food colorants in carbonated drinks were already tested by the FAO/WHO Codex Committee. These food addictives were proven not to cause health risks if the use of additives followed Codex standards.

From an economic stance, chairman of Viet Nam Tax Consultants Association Nguyen Thi Cuc said that the tax was not reasonable if the country was calling for foreign investment. Foreign investors control about 80 per cent of the soft drink market in Viet Nam.

Cuc said that if Viet Nam must impose the tax for the sake of people's health, the policy-makers should set out guidelines to get enterprises prepared.

Another expert from Viet Nam Chamber of Commerce and Industry said that Viet Nam may be sued if it imposes the tax. Some legal advisors told the meeting that Viet Nam could not use State rights to impose the tax without presenting transparent and reasonable rationales. Instead, it needed to get taxpayers to agree with their tax policies.

Source: VIR

Back to top

Smuggled alcoholic drinks on the rise in Vietnam: association

The smuggling of foreign beer and liquor into Vietnam has risen sharply, according to the Vietnam Beer Alcohol Beverage Association (VBA).

High tax imposed on alcoholic drinks in the Southeast Asian country is the major reason behind the increased smuggling, said VBA chairman Nguyen Van Viet.

Viet said the special consumption tax on alcoholic drinks in Vietnam is currently at US$54.8 per 100 liters, which is much higher than China ($4.03 per 100 liters) and Cambodia ($19.23 per 100 liters).

The alcoholic drinks industry makes up five percent of Vietnam's Gross Domestic Product (GDP), he added.

According to VBA figures, during the first six months of this year, approximately 28,000 smuggled liquor bottles and more than 40,000 contraband beer cans were seized in the country while the corresponding figures were 48,000 and over 35,000 in the entire year of 2013.

In the first quarter of 2014, some famous global brewers such as Heineken and Carlsberg reported a drop of 15 to 17 percent in consumption, VBA revealed.

Source: TTO

Back to top

Vietnam Anticipates US$500 Mln Trade Surplus in 2014

The trade sector has worked out a number of solutions aiming to boost exports and produce a trade surplus of US$500 million by the end of the year, the Ministry of Industry and Trade (MoIT) reports.

The country expects to rake in US$146 billion from exports this year, an annual rise of 10.6%. Its imports are likely to jump 10.2% to US$145.5 billion. Despite incurring a US$200 million trade deficit in June, Vietnam still managed a respectable export surplus of US$1.32 billion in the first half of the year.

Nguyen Tien Vy, head of the MoIT's Planning Department, said at an online meeting on July 7 that the country's gross exports were US$12.1 billion in June, bringing the six-month export value to US$70.88 billion, an increase of 14.9% over the same period last year.

Of the figure, the domestic sector made up US$23.053 billion, up 11.5%, while foreign invested enterprises (FIEs) accounted for US$43.75 billion, up 17.2%.

Thirteen products fetching export earnings of more than US$1 billion each include mobile phone handsets and components; garments; footwear; computers; electronics and components; machinery, equipment, and tools; crude oil, seafood, wood and timber products; means of transport and spare parts; coffee; rice; bags, suitcases, hats and umbrellas; and fibres and textile.

In the reviewed period, markets across the board experienced growth, including America (up 23.6%), Asia (11%), Europe (10.8%), Africa (10.4%) and Oceania (30.8%). MoIT statistics showed that in May and June, export prices of agricultural products, such as vegetable and fruits, rice and rubber to China dropped slightly by 2.5-7.8%.

Meanwhile, striking a trade balance with China remain a big challenge to Vietnam which ran a huge trade deficit of around US$13.057 billion with its neighbour in the first half of this year (up 10.1%).

Major imported products from China include machinery, equipment, materials and fuel for infrastructure development, domestic production and outsourcing for exports. To fulfill the US$146 billion export earnings target set for this year, businesses are advised to make full use of free trade agreements (FTAs) and renovate technology so as to boost exports and reduce import surplus.

Source: Business Times

Back to top

INVESTMENT

New customs system troubles firms, authorities alike

Although expected to help simplify customs clearance procedures, VNACCS/VCIS has proved confusing for both firms and customs authorities.

Deputy director of the customs department of Ba Ria-Vung Tau province Le Van Thung explained to the media that the short test-run was ineffective at acclimating businesses with the system.

Similarly, an officer at Vung Tau port – airport customs office expressed concerns about the new system. He said that in dealing with products relating to oil and gas drilling and exploitation, inserting product codes into the system has proven a major difficulty.

Responsibility now belongs to the head of the department, instead of team leaders, as before. With 53 possible scenarios to be essentially memorized by the people in charge, the pressure on customs agencies has therefore intensified, added the officer.

Businesses are also struggling with the VNACCS/VCIS system. Jinjiro Kimura, general director of Ukina Ltd. Vietnam, a manufacturer located in Tan Thuan export processing zone in Ho Chi Minh City's District 7, said his firm and 200 others have been waiting for customs clearance for about two weeks.

In particular, nearly 1,000 product declarations had to be re-registered, upsetting several firms operating in Tan Thuan export processing zone. "The re-registrations were primarily due to the input of the wrong product codes," said Kimura.

Thang Loi International Garment JSC chairman Ngo Duc Hoa said containers holding their products have been sitting around at Cat Lai port for three weeks, causing significant losses for the company. "I think the main reason is officers are not yet used to the system. Solutions are needed immediately," Hoa underscored.

The officer from Vung Tau port said companies are willing to work with the new system, but are fearful the new process will result in errors and delays that hurt their business results.

Despite complaints, other businesses have given good feedback concerning the system. "I am pinning my hopes on VNACCS/VCIS because it is three times faster than the e-customs procedure. This is very good for businesses," said Nguyen Duc Tinh from U&I freight forwarding company, a customs agent serving 29 companies in Binh Duong province.

The Vietnam automated and consolidated cargo and port system and Vietnam customs information system (VNACCS/VCIS), funded by the Japanese government, was applied on April 1 this year. It has been implemented at over 100 customs branches under 34 provincial and municipal customs sub-departments across the country.

Source: VIR

Back to top

$560m in FDI pours into capital in June

The capital attracted US$560 million of foreign direct investment (FDI) in the first half of the year, representing a 14 per cent year-on-year increase.

The Vice Chairman of the municipal People's Committee, Vu Hong Khanh, told the conference held in Ha Noi yesterday that FDI disbursement in the period rose by 6.5 per cent to $405 million over the same period last year.

"Production and businesses of FDI enterprises in Ha Noi have not been remarkably affected by escalating tension in the East Sea," Khanh said.

He said total investment in the city between January and June was estimated at VND871.1 trillion ($41.4 billion), increasing 10.2 per cent against the corresponding period last year.

The city's budget spent VND7.7 trillion ($366.7 million) for investment in development, meeting 44 per cent of the whole year's target. He added that Ha Noi has been focusing on implementing ODA projects with disbursement of VND1.43 trillion ($68.1 million).

The city has been rushed to complete 22 key projects by 2015.

It has done its planning on improving the business environment as well as increasing its provincial competitiveness index (PCI). It carried out meetings with around 70 businesses in the capital to quickly solve their difficulties while continuing to apply policies on preferential lending rates.

Statistics from the committee showed that by the end of May, the city had 6,150 businesses registered for operations with total capital VND33.2 trillion ($1.58billion), reducing 1.5 per cent in comparison with the same period last year.

More than 5,300 firms stopped their operations, representing a 4.7 per cent year-on-year increase, of which 848 companies are implementing insolvency procedures.

He said the city would continue to resolve its difficulties in agriculture, rural areas, export products and support industry. It has supported small and medium sized enterprises with low lending rates between 7 and 8 per cent, he added.

Source: VNS

Back to top

IPs, EZs to attract $10b in FDI

The country is expected to attract foreign direct investments (FDI) worth US$8 billion into industrial zones (IPs) and $2 billion into economic zones (EZs) this year.

The Ministry of Planning and Investment (MPI) has released a report on the operations of IPs and EZs in 2013 and the development plan for 2014, showing that Viet Nam has 289 IPs and EZs with total area of 81,000 hectares.

Of these, 191 IPs have come into operation with a total area of 54,000 hectares and other 98 IZs have been carrying out land clearance and basic construction with total area of 27,008 hectares.

The ministry said the additional area of IPs this year would be between 2,000 and 2,500 hectares, bringing the total to 84,000 hectares.

The number of 15 seaside EZs, with a total area of 697,800 hectares, would be unchanged.

Tran Duy Dong, Deputy Director of the ministry's Economic Zone Management Department, said the Government placed high value on the contribution of IPs and EZs to Viet Nam's investment capital and socio-economic development.

Dong said that they had helped restructure and modernise the economy.

At present, IP and EZ-based enterprises have employed two million workers and produced 40 per cent of the total industrial production value and 30 per cent of the total export turnover respectively.

IPs and EZs were attractive destinations for investors, especially those from abroad. Over 50 per cent of total FDI capital in the country has come from IPs and EZs. Last year, 90 per cent of total FDI capital was channelled via FDI projects in IPs and EZs, he added.

In the central coastal region, Thua Thien-Hue and Binh Thuan provinces were not able to attract as much investment as the two leading economic areas of the Southeast region and the Song Hong (Red River) Delta.

By the end of 2013, the central coastal region's IPs attracted 189 FDI projects with registered capital of $2.7 billion and 830 domestic projects with registered capital of VND49.6 trillion ($2.3 billion).

Meanwhile, EZs attracted 69 FDI projects with total investment capital of $8.2 billion, and 225 domestic projects with investment capital of VND125.2 trillion ($5.9 billion).

He said, although the total investment capital from the central coast's IPs and EZs was modest, it had made remarkable contributions to socio-economic development in the region.

Total turnover of IPs this year was forecast at $72 billion, increasing $2 billion over last year. Its export value would reach $42 billion while import value would be $41 billion, contributing VND40 trillion to the State budget.

The turnover of EZs this year, would be $10 billion and they would be contributing VND23 trillion ($1.09 billion) to the State budget.

The ministry said the Government had clarified that it would develop IPs and EZs on a suitable scale in each locality.

The Government would not allow establishment of EZs while limiting IPs by 2020, but instead focus their resources on improving effectiveness of the existing IPs and EZs.

It would accelerate progress of projects and infrastructure in EZs to create pre-conditions for establishment of key IPs.

Source: TalkVN

Back to top

Foreign investors still feel upbeat about doing business in Vietnam

European investors have shrugged off tensions over the East Sea and continued to express optimism about Vietnam's economic growth.

Tibor Novákm, country manager and chief representative of Hungarian-backed pharmaceutical firm Gedeon Richter's representative office in Vietnam, told VIR the firm was seeking possibilities for making pharmaceuticals in Vietnam.

"We are collecting information and carefully studying the market, which is full of potential. If the market can meet our conditions, we might consider construction of a factory here," he said, but added that it might take 5-10 years to build such a factory.

András Somos, chief executive officer (CEO) of Hungary's consulting firm SKC-Consulting also told VIR he was quite upbeat about business opportunities for SKC in Vietnam. "We're providing consultancy for many Hungarian firms wishing to do business in Vietnam, like Prigram operating in automatisation, General Com operating in water treatment and medical equipment maker Meditech."

SKC also plans to recruit more employees in Vietnam until 2015.

Last week saw EuroCham in Vietnam announced its 15th quarterly Business Climate Index (BCI) survey conducted in May and released last week. Results showed that European business confidence and outlook in Vietnam increased to 66 points this quarter, up from last quarter's 59 points.

The rate of respondents with positive assessment about the business outlook rose to an impressive 57 per cent against last quarter's 49 per cent and 44 per cent in last year's corresponding period.

Additionally, the number of respondents retaining negative perceptions about the economy declined from 29 last quarter to 21 per cent this quarter.

"This quarter has shown positive expectations from the European business community in terms of the resource of strong implementation of FTA. According to the findings, competitive labor costs were perceived as one of the main reasons for EuroCham members to settle their businesses in Vietnam," said the survey.

Last week also saw the Hungarian National Trading House launched in Hanoi to promote trade activities between Hungarian and Vietnamese enterprises, especially in agriculture, food, medical devices, IT, environment, healthcare, infrastructure and construction.

"Vietnam's market size has been growing strongly and now is very good time to open this house and more Hungarian technology will be transferred to Vietnamese partners," the house's CEO Gyorgy Kerekes told VIR.

Hungarian Ambassador to Vietnam Eszter Torda said more Hungarian investors would come to Vietnam to seek business opportunities soon. About 12 Hungarian enterprises had cultivated their projects in Vietnam over the past two years.

"Vietnam's economic development is prompting many Hungarian firms to export poultry meat to Vietnam," she said. Overseas Vietnamese Tina Thien-Nga Nguyen, CEO of enterprise resource planning (ERP) consulting firm Etigo Vietnam-Tin A, said Etigo had been developing well in Vietnam for several years and would strengthen its operations here to compete with many other foreign ERP firms.

"Vietnam's economy is rebound and there's big potential. We understand Vietnamese enterprises better than foreign firms here. Besides, Vietnam has a great number of small and medium-sized enterprises needing ERP services," she said.

Early this month, Prime Minister Nguyen Tan Dung told the international business community at the 2014 Mid-term Vietnam Business Forum that "Based on the realities and the future policies and solutions, please maintain your belief in Vietnam, a country of 100 million people in the near future; a country with socio-political stability, a fast-growing and sustainable economy, a fair, transparent and friendly investment environment, an improving market economy increasingly integrating into the world economy."

He said more favorable conditions would be created to further attract foreign investors to do business successfully in the country's competitive environment.

Source: VIR

Back to top

Korean investment grows in textile and garment sector

Korean investors are showing greater interest in Vietnam's textile and garment sector.

In early June, a big fiber manufacturing plant was launched in the southern province of Dong Nai, marking a growing presence of Korean investment in Vietnam's textile and garment sector.

The $52 million project, belonging to Dong-IL Vietnam Limited under the Dong-IL group, is located in Dong Nai's Loc An-Binh Son Industrial Park and is Dong-IL's first project in the country.

The plant has an estimated capacity of 9,000 tonnes per year and will come on-line mid next year to supply the domestic market, as well as other Asian markets.

Dong-IL Vietnam's managing director Suh Min Sok said he expects the project to help attract other Korean investors to the Vietnamese market.

Unlike Dong-IL, Sea-A group has been operating in Vietnam for nearly six years and has a garment plant based in the north-central province of Thanh Hoa. It is run by Winners Vina Limited, a unit under Sea-A.

The $12 million facility turns out seven million products a year and has a workforce of 3,000.

Winners Vina is already envisaging a second garment plant in Vietnam, in which it will invest $15 million and employ 6,000. Its products will primarily be for export.

"The move is to satisfy growing orders from US importers, mostly leading retailers such as Target, Walmart, Kohls, Kmart, Sears and Tesco," said a company source.

With more than 500 businesses based in Vietnam and nearly $2 billion in total committed capital, Korean investment has helped bolster Vietnam's textile and garment industry, and in particular helped increase export value to Korea, which is now Vietnam's fourth largest export partner in terms of value, after the US, the EU and Japan.

Vietnam's textile and garment exports to Korea have jumped sharply in recent years, from less than $300 million in 2009 to nearly $1.2 billion in 2013 and an estimated $750 million in the first five months of this year. This has given Vietnam's textile and garments a 24.2 per cent market share in Korea, only behind China with 43.2 per cent.

The Korean firms who led exports to their home country in April-May 2014, based on Vietnam's General Department of Customs statistics, included Unico Global Vietnam, PS Vina, Daesung Vina, Sung Woo Vina, Shinsung Vina, and I&Y Vina.

The fifth negotiation round for the Vietnam-Korea free trade agreement (FTA) was wrapped up in late May and both sides have reportedly ramped up efforts to conclude the talks by October this year.

The Vietnam Textile and Apparel Association forecasted Korean investment in Vietnam could make a major leap following ratification of the FTA.

Source: Vietmaz

Back to top

President advises Da Nang to strengthen maritime economy

President Truong Tan Sang has asked the central city to boost the maritime economy and tourism as key industries for the future.

Speaking during a visit to the city yesterday, the President said it should also raise funds to support deep-sea fishermen and create a powerful fleet of fishing vessels. He suggested the city apply flexible mechanisms and policies on how to raise funds to build a large fleet of high-capacity trawlers.

He said this would improve fishing and help the nation with its security and defence.

"Da Nang had 9.13 per cent GDP growth in the first six months this year," Sang said. "The city should accelerate its macro economy, creating more resources for security and defense in the sea and islands of Hoang Sa (Paracels).

"The city has to develop its economy faster, while the struggle continues to get China to withdraw its oil rig from the Paracel archipelago," he told the city's administration. "All ministries, agencies and departments must accumulate funds to build more high-capacity fishing trawlers for deep-sea fishing, thus strengthening the country's protection of sea and islands," he said.

He also suggested the city call for contributions from businesses and organizations to start a fund for fishermen, apart from the Government's own fund.

The President requested the city to open more new air routes to attract tourists and suggested it select green industry because of its compatibility with tourism and the environment.

City Chairman Van Huu Chien said so far this year the city had hosted 1.78 million tourists, of whom 450,000 were foreign. "The city has developed a fleet of nearly 1,300 fishing trawlers with 360 deep-sea vessels. The fishery industry produce 40,000 tonnes of seafood and earned US$120 million from seafood export a year," Chien said.

"The city has supported a fund of VND11 billion ($523,000) to help fishermen build 12 high-capacity vessels for deep-sea fishing over past two years," he said.

The chairman also said Da Nang subsidized the education of fishermen and provided insurance fees for 8,000. It also assisted with fuel costs in 2012-14

Source: Vietnam New

Back to top

Hai Phong enhances trade, investment with Norwegian businesses

A delegation from the northern port city of Hai Phong is paying a working visit to Oslo city, Norway, with the aim of finding ways for Hai Phong's goods to enter this market while promoting business chances in Hai Phong.

The delegation, led by head of the Hai Phong Economic Zone Management Board Pham Thuyen, had working sessions with the Enterprise Federation of Norway (VIRKE) and the Oslo Chamber of Commerce.

During the meetings, Hai Phong officials introduced in details the city's trade and investment environment as well as projects that it is calling for investment. They expressed their hope that the Norwegian business organisations will encourage Norwegian enterprises to set up their trade and investment ties with the northern port city and Vietnam as a whole.

Representatives from the VIRKE and the Oslo Chamber of Commerce said that they believe new business opportunities will be opened up in the time ahead, especially when a free trade agreement between Vietnam and the European Union, including Norway, is signed. The chamber's officials also pledged to coordinate with the Hai Phong side in introducing the Vietnamese northern city to Norwegian investors via business seminars and other channels.

Meanwhile, VIRKE Director Thomas Angell shared his view on key points that Hai Phong needs to pay attention to when approaching the Norwegian market. The Hai Phong delegation also visited the Vietnamese Embassy and met representatives of the Vietnamese community in Norway.

Source: VIR

Back to top

Vietnam province sets up service to back Japanese investors

The government of Ba Ria-Vung Tau Province announced that it had set up a service aimed at assisting Japanese investors on Tuesday, Tuoi Tre reported.

The province's new Japan Desk has been comprised of provincial officials and Japanese experts. Ho Van Nien, vice chairman of Ba Ria-Vung Tau Province People's Committee, is assigned to lead the team.

During the opening ceremony, Nien said the provincial leaders are taking measures to attract Japanese investment in supporting industries, logistics, finance, banking and healthcare. The Japan Desk aims to provide investors with information about Ba Ria-Vung Tau's policies and help resolve issues faced by Japanese companies doing business there, Nien said.

The service will also propose measures and policies to help the provincial government to attract investment from Japan, according to Nien. Also on Tuesday, Nien and Mizuma Katsuyuki, Mizuho Bank, Ltd.'s General Manager of Asia and Oceania division, signed a Memorandum of Understanding on cooperation between Mizuho and the Ba Ria-Vung Tau Province People's Committee.

Nakajima Satoshi, Japan's Consul General in Ho Chi Minh City, said Vietnam has been an attractive destination for Japanese investors. The Japan Desk was established with support from the Japan International Cooperation Agency as part of a policy to back enterprises abroad, he said.

Source: TTN

Back to top

Long An province attracts Japanese investors

More and more Japanese companies are exploring and investing in Long An because of its increasingly attractive investment environment, said the Vietnamese Business Forum Magazine (VBF).

In recent years, Long An province has actively approached and learned about Japanese investors and introduced investment opportunities to them. The province has applied a lot of innovative mechanisms and policies for investors to tap local advantages, especially Japanese investors. Presently, Japan ranks third in investment capital in Long An (after Taiwan and the Republic of Korea) with a total registered capital of over 300 million USD.

Japan's increasing investment into Vietnam in general and Long An province in particular is a result of its accelerating reconstruction at the back of earthquake and tsunami disasters.

Besides, Japanese investors tend to relocate production facilities from China to Vietnam. In addition to investment environment, Long An province has a lot of favorable conditions and advantages to attract and meet specific requirements of Japanese investors.

The investment environment in Long An province is increasingly improved, investment promotion activities are more effective, and infrastructure developers have appropriate policies to draw investors. The province is attracting more Japanese investors because Japanese companies currently operating here are effective and because the province has good investment attraction policies.

Defining Japan as a strategic partner, Long An is targeting Japanese small and medium businesses specialized in supporting industries, tourism, service and commercial infrastructure development.

Source: VOV

Back to top

Multibillion-dollar property project in southern VN urged to speed up

Authorities in the southern province of Long An have asked the investor of a multibillion-dollar complex project in the province to accelerate development as its progress has fallen behind schedule.

The requirement came after an official inspection to review the progress of the $2.2 billion Happyland project implemented by Phu An Investment - Construction and Infrastructure Development. Accordingly, Long An Provincial People's Committee asked Phu An Co to map out feasible solutions, including completing legal procedures to invite more investors to join to resolve the deadlock on project financing.

On the other hand, the firm should actively cooperate with the local government to quickly solve problems in site clearance and handling the certificates of land use rights for those who were displaced for the project.

Admitting the difficulties in capital mobilization, An Phu Co continued to commit to carry on and put the project into operation part by part. It is expected that a part of the first phase of the project will be completed and put into operation in the 2014-2015 period. With a total investment of $ 2.2 billion for the first phase, the Happyland entertainment complex has seen a disbursement of about $330 million.

Troublesome project from the start

Ho Chi Minh City-based Khang Thong Group, the former developer of the mega-theme park, lost its license to develop an industrial park in the southern province of Tien Giang in July last year.

Khang Thong, which initiated the development of the US$2.2 billion entertainment complex in neighboring Long An Province in 2011, had previously asked Tien Giang authorities for a return of the industrial project to the province, citing high land compensation expenses among their reasons. In November 2011 Khang Thong broke ground on the Happyland entertainment complex, considered the biggest tourism project in Southeast Asia, in the presence of Joe Jackson, father of late pop king Michael Jackson, in Long An Province, south of Ho Chi Minh City.

Developed on a 338ha area in Ben Luc District, the multibillion-dollar project, inspired by Disneyland, will include a theme park that costs $600 million, a 3.7 km boardwalk, a shopping center, 3-5 star hotels, water parks, studios, indoor and outdoor theaters, restaurants, a floating market, and other facilities.

The project site along the Vam Co Dong River was once meant for a large-scale industrial park but Khang Thong then switched to a tourist attraction construction plan following environmental concerns. The development is projected to be Southeast Asia's largest attraction of its kind and to draw fourteen million visitors a year, including three million foreigners, when finished in April 2014.

In February 2012, Joseph Jackson, father of late pop king Michael Jackson, announced on his website that he would pull out of the massive entertainment complex Happyland. He had signed a deal to be involved in the construction of a major Happyland hotel in 2011. His withdrawal from the development of the hotel was posted on his official website one moth earlier, and confirmed by Phan Thi Phuong Thao, board chairman of its developer Khang Thong Group.

The website said that Jackson decided not to proceed with any further investment or involvement in the project after 'careful due diligence and discussions with his wife, family and advisers.'

He believed in the growth potential of Vietnam and would return to it for new opportunities soon, the website reads. Meanwhile, Thao told the Saigon Times Online that Jackson signed a memorandum of understanding with Khang Thong in February 2011 to advise and help it find investors for the development of a five-star, 1,000-room hotel inside the complex.

The man has so far recommended two U.S. investors to Khang Thong but no deals have been clinched between them, the chairman added.

An American manager, former boxer and former musician, the 82-year-old man is best known as the father of American entertainers Michael Jackson and Janet Jackson, and the creator and manager of The Jackson 5, a Motown group comprising several of his children.

Source: TTO

Back to top

Quang Ninh seeks investment

The Ministry of Planning and Investment (MPI) has submitted to the Prime Minister a draft decision on specific incentives given to the northern province of Quang Ninh for mobilizing investment capital.

According to news portal Bizlive, under the draft, the MPI proposes to set up a pilot State-owned finance and investment company in the province to better mobilize investment capital to develop the province's infrastructure as well as other important socio-economic sectors.

The company's model will be the same as the HCM City Finance and Investment Company in HCM City (HFIC).

HFIC, which is a wholly State-owned company with a charter capital of VND5 trillion (US$234.74 million), is targeted to mobilize capital from domestic and foreign organizations and individuals to invest directly or indirectly into the city's prioritized sectors.

After three years of operation, HFIC gained a profit of VND1.27 trillion ($59.62 million) and its return on equity (ROE) averages 15.81 per cent.

According to the draft, Quang Ninh will also get funds for its key projects. It will be also allowed to advance investment capital of the next year for its projects based on the projects' implementation process.

According to the MPI, Quang Ninh will implement 312 projects with State funds to boost the province's socio-economic development during the 2013-15 period.

Quang Ninh has an important location in the pivotal economic zone in the North of Viet Nam. It is seen as an important part of the economic development triangle in the North (Ha Noi – Hai Phong – Quang Ninh).

The Government has so far decided to develop the province to form big centres serving as international exchange regions, so as to support provinces in the southern part of the Song Hong (Red River) Delta.

It will be also targeted to form big industrial centres, to develop high-tech industries such as electronics, informatics and new material production.

Consumption goods production, food processing and seaport economic development industries will also be developed. The government will take the lead in international cooperation and foreign investment attraction.

In recent years, Quang Ninh Province has achieved some remarkable economic progresses. The annual average growth rate of GDP between 1996 and 2000 was 7.54 per cent, in 2001 and 2002 it was 12 per cent and 12.65 per cent last year

Source: VNS

Back to top

Dung Quat oil refinery eyes $2b for expansion

The Dung Quat Oil Refinery needs up to US$2 billion to raise its annual processing capacity from its current 6.5 million tonnes to 10 million tonnes in the future.

BSR chairman Nguyen Hoai Giang told that the Japanese contractor JGC was working on the refinery's expansion plan, which was expected to be submitted to the Prime Minister for approval next month.

The refinery, which is operated by Binh Son Refining and Petrochemical Co (BSR) and located in the central Quang Ngai Province, resumed operations at full capacity on Monday after the second major maintenance that lasted 56 days.

Giang said that about 4,000 experts, engineers and workers, including 400 foreigners, were involved in the overhaul.

Several major technical flaws were fixed during the process, and the single-point mooring (SPM) at the refinery was upgraded, allowing it to receive oil tankers of up to 150,000 tonnes. Previously it could only accommodate 100,000-tonne tankers.

By the year-end, the refinery planned to churn out about 2.6 million tonnes of products, contributing VND12 trillion ($564 million) to the State budget.

Starting commercial operations in 2010, the refinery has supplied over 26 million tonnes of oil, petrol and gas products until now, meeting 30 per cent of the demand for petrol nationwide.

In 2013, it produced 6.6 million tonnes of petroleum products, 17 per cent higher than its set target, and gained over VND154 trillion ($7.3 billion) in revenue and VND2.9 trillion ($138 million) in profit. It also contributed VND28.4 trillion ($1.3 billion) to the State budget.

Source: VIR

Back to top

Samsung to Build US$1 Billion Plant in Vietnam

Vietnam continues to strengthen its relationship with Samsung. On July 2, Bac Ninh province granted an investment license to Samsung Display Co. Ltd for its US$1 billion project in the Yen Phong Industrial Park. This investment comes on the back of multiple large scale investments by the South Korean tech giant.

The new plant will supply small displays for Samsung's smartphones and tablet computers and is expected to be the largest Samsung factory of its kind in the world. Samsung has been able to negotiate exceedingly favorable conditions from the Vietnamese government for the building of this new factory – Vietnam is keen to attract more high-technology companies. According to the company's investment license, Samsung will receive numerous concessions from Bac Ninh province, these include:

The province will use its own funds to support the construction of the Yen Phong Industrial Park;

The Provincial People's Committee has approved a 50 percent income tax rate reduction for the company for three years after the expiration of the initial four-year tax exemption and nine-year 50 percent tax reduction;

A 50 percent Land Use Fee (46.28 ha), which is about VND286 billion (US$13.5 million) (Samsung received similar financial support for its previous plant);

Bac Ninh province will also cover part of the worker's training costs.

Samsung Display expects to hire around 8,000 workers. For every worker, the company will receive VND1.5 million (US$70.5) – it will receive VND12 billion (US$564 thousand) in total. However, this plan will only begin once the province starts receiving taxes from Samsung. The province will issue these payments every year until the fund is empty.

Source: VietnamBriefing

Back to top

FINANCE – BANKING

Central bank assuages foreign currency lending fears

Increasing foreign currency lending does not present a risk to the Vietnamese economy, said Nguyen Thi Hong, director of the Monetary Policy Department under the State Bank of Vietnam (SBV), at a press conference on July 6.

The rise is in-line with the central bank's plans, Hong said, explaining that in the context of slow credit growth in the first six months of 2014, the SBV has allowed banks to increase foreign currency lending to boost total credit growth, and thus enhance economic growth.

The growth of foreign currency lending has recently outpaced that of dong lending. According to data by the Ministry of Planning and Investment, lending in foreign currencies as of June 20 had grown by 10.51 per cent since the end of 2013, while credit provided in VND only rose by 0.68 per cent. The increase in foreign currency lending may put pressure on the system, the National Financial Supervisory Committee (NFSC) recently opined in a report.

Addressing this concern, Hong said that on-year growth is not alarming. Foreign currency lending may have grown by 9.35 per cent since the end of last year, but is only up 1.34 per cent on-year.

Moreover, if foreign currency deposits and other stocks of foreign capital are accounted for, the total lending in foreign currencies only comes to 50-60 per cent of the total supply.

Finally, banks mostly lend foreign currencies to firms that have supplies of foreign currencies, so banks do not have to sell additional foreign currencies to borrowers for repayment. Firms without a foreign currency supply can only take out a foreign currency loan if they belong to a field prioritised by the government.

Hong affirmed the SBV's persistence to prevent dollarisation of the economy.

She said the SBV expected a stable US dollar-Vietnam dong exchange rate from now to the year-end, and would only devalue the Vietnam dong by a maximum 1 per cent if needed.

Source: Talk VN

Back to top

Central bank loosens foreign currency credit to support economy

The central bank on July 6 issued a statement confirming that it is loosening foreign currency credit amid low growth in Vietnam currency dong credit to stimulate economic growth.

The State Bank of Vietnam has adopted a more flexible policy towards lending operations by allowing banks to expand credit in foreign currency so as to prop up the overall credit growth in the economy.

Nguyen Thi Hong, head of the SBV's Monetary Policy Department, confirmed this approach in the statement, saying it would not affect the credit market as feared by some as it was one of the central bank's measured policy options.

Foreign currency credit by end-May had grown 9.35% compared to late last year, said Hong, adding the ratio of foreign currency credit to foreign currency deposits was as high as 99.5%.

On the contrary, dong credit growth this year was a mere 1.51%, she said. If deposits in foreign currency and other foreign sources were taken into account, the ratio of foreign currency use to total deposits would be 50-60%, she noted.

She added if no flexible policy had been in place, foreign currency credit growth would not have reached 1.51% and that this growth had undeniably contributed to the overall credit growth in the economy, thus fueling economic growth.

The 9.35% growth in foreign currency credit versus late last year is no cause for concern, Hong said. Firstly, if compared to the same period last year, this January-May growth was only 1.34%.

Secondly, if all foreign currency sources, including deposits at local banks and foreign capital (such as foreign loans, amounts which foreign banks deposit at local institutions and credit which parent banks provide for their branches in Vietnam), are taken into account, the coefficient of their use is just 50-60%.

Thirdly, most loans in foreign currency are channeled to companies that have foreign currency revenue streams, thus preventing any pressure on banks, she said.

For enterprises that want to borrow loans in foreign currency but do not have any sources of income in foreign currency, banks still consider lending to them based on the list of priority sectors announced by the Government in a bid to help the corporate sector cope with the current tough conditions.

When making a lending decision, banks will have to find ways to make sure their sources of foreign currency are adequate for both lending and selling to corporate borrowers to repay their foreign currency loans.

Source: ThesaigonTimes

Back to top

SBV Governor plans flexible monetary policy for H2

State Bank of Viet Nam's Governor Nguyen Van Binh is planning a more flexible monetary policy in the second half of this year to achieve credit growth of 12 to 14 per cent by year-end.

At a conference held by the central bank yesterday, Binh announced this year's first half credit growth of 3.52 per cent, which was largely due to a 12.03 per cent growth in foreign credit and 2.17 per cent growth in dong credit.

The low credit growth, which has stirred concerns in recent weeks, was blamed on weak capital absorption capacity of the economy, unsolved budget debts and the process of handling collaterals along with the loan underwriting mechanism for enterprises.

In H2, Ha Noi will focus on managing bad debts, raising total demand and facilitating market recovery.

Policy makers said that credit demand in the second half was always twice than that of the first half. They expressed optimistic provisionary views over the entire year's target of 12 to 14 per cent credit growth.

Earlier, a report by the Monetary Policy Department showed that roughly 87 to 90 per cent of capital sources in banks flew into Government bonds and State Treasury bills.

The central bank yesterday said that the bond and bill purchases would help credit institutions raise liquidity provision. However, they warned that the holding may probably cause some difficulty if banks were not active in balancing tenures.

In terms of credit structures in H1, credit increased 10 per cent for exports, 5.8 per cent for auxiliary industries and 13 per cent for hi-tech applied production firms. Meanwhile, small and medium sized enterprises showed a 2 per cent increase in credit.

As of May, 2014, loans allocated for agriculture and rural areas were up 2.56 per cent against the end of 2013.

Dong liquidity was secured. Loan-to-deposit ratio (LTD) in the dong came down to 87.4 per cent from 92.5 per cent in December last. [The LTD ratio accesses a bank's liquidity. If the ratio is too high, it means that banks might not have enough liquidity to cover any unforeseen fund requirements and if the ratio is too low, banks may not be earning as much as they could be.]

By the end of June, the foreign exchange reserves were US$35 billion. The central bank said the dollarisation in the economy was dwindling.

The ratio of dollar deposit-to-total money supply was 11.4 per cent, slightly down from 12.4 per cent by the end of last year.

Source: VNS

Back to top

Speculative stock trading helps to push market up

Robust growth of speculative stocks, particularly realty, construction and securities, helped push up both stock indices and liquidity on the two exchanges last week.

Meanwhile, trading on blue chips was more sluggish due to rising profit-taking pressures.

On the HCM City Stock Exchange, the VN-Index gained a cumulative 1.82 per cent during the week, and closed Friday's session at 589.35 points.

Trading also improved substantially over the previous week, when the daily trading volume increased 42.2 per cent, averaging nearly 111 million shares, and was valued at over VND1.8 trillion (US$85.3 million) per session.

Of note, speculative stocks were the largest gainers, led by construction groups, with an average growth of 5.94 per cent. Also, securities stocks rose 4.47 per cent, on average, followed by real estate shares, increasing 3.25 per cent.

During the week, construction and real estate shares took turns as the most active stocks on the HCM City's market, including FLC Group (FLC), Tan Tao Investment Industry Corp (ITA), Hoang Quan Consulting Trading Service Real Estate Corp (HQC), Hoang Anh Gia Lai Co (HAG) and Kinh Bac City Development Share Holding Corp (KBC).

According to analysts from SHB Securities Company, investors remain optimistic about the forecast for second-quarter and first-half corporate earnings reports of listed companies. Particularly, realty stocks that benefited most from the possibility that the lending package, worth VND30 trillion ($1.4 billion) for the real estate sector, will expand to take in more customers. This information contributed to the soaring of the liquidity of real estate shares.

By contrast, blue chips were mixed as they fell in the first sessions of the week due to rising profit-taking pressure, but recovered in the final sessions. Rallies of major shares, such as dairy giant Vinamilk (VNM), insurer Bao Viet Holdings (BVH), PV Gas (GAS), VinGroup (VIC) and Vietcombank (VCB), helped lift the VN-Index.

Overall, the VN30, tracking the top 30 shares by market value and liquidity, was up 2.3 per cent to end at 631.02 points.

Le Thi Bich Hang, analyst of FPT Securities Co, said the market would likely continue to rise this week, as the main trend on both stock exchanges was still marked by a slight increase and accumulation of value.

"Apart from VNM, BVH, GAS, VIC, VCG and Masan Group (MSN), which have gained significantly during the past period, other large-cap stocks are continuing to accumulate value and will likely increase this week. This group of stocks will help sustain the market uptrend," Hang wrote in a research report.

On the Ha Noi Stock Exchange, the HNX-Index also added 2.4 per cent to close at 79.44 points on Friday. Liquidity remained high, with the daily trading volume up 34.3 per cent over the previous week, averaging 72.5 million shares, and valued at VND748.2 billion ($35.5 million) per session.

Foreign investors continued to be net buyers on the two stock exchanges, though their net buying value declined 35.6 per cent from the previous week, with a combined value of VND235 billion ($11.1 million).

According to Vietcombank Securities Co, the majority of foreign purchases came from the two exchange-traded funds, Market Vectors Viet Nam (VNM) and FTSE Viet Nam. These two funds finished their portfolios' restructuring last week, but are continuing to buy local shares with modest values.

Source: VNN/VNS

Back to top

Foreign Investors Help Grow Vietnam's Wood Industry

Foreign investors should take note of Vietnam's wood industry – since 2006 exports have expanded from US$1.92 billion to US$5.7 billion in 2013. Contributing to this growth were the country's stable economy, appropriate credit growth, curbed inflation and large consumer and labor markets.

Vietnam's economic and political stability stands in contrast to its regional neighbors, making the nation increasingly attractive for foreign investors. The soon to be completed Trans-Pacific Partnership (TPP), in which Vietnam stands to benefit substantially, is a further attraction for investors. Once finalized, the trade agreement would lower trade barriers and allow Vietnamese wood exports to make huge gains in the American market, as well as opening up the Pacific region at large for business.

Nguyen Ton Quyen, General Secretary of the Vietnam Timber and Forest Association (VTFA), has pointed to the wood industry's success, despite a slowdown throughout the agricultural sector at large. He went on to credit strong international partnerships as key to this rapid growth. In particular, demand from America has begun growing again after several years of decline, leading to a 16 percent increase in exports – totaling US$1.7 billion for 2013.

Mr. Quyen remains confident for 2014 – the VTFA is aiming for exports to top US$6.2 billion by the end of the year. The targeted number is "completely feasible" according to Quyen, with businesses having already signed export contracts worth US$3 billion so far.

Currently, Vietnam's wood industry ranks sixth in the world by export volume and is the second largest in Asia and the largest in the ASEAN economic bloc. However, Huynh Van Hanh, Vice-Chairman of the Handicraft and Wood Industry (Hawa), is confident that it can further improve this position. "Vietnam is a country with advantages in production and higher opportunities to expand its industry," Hanh stated during a recent interview. "If there are incentives in policy making for the wood industry, Vietnam's furniture industry could raise its annual export market share from 1.5 percent to 5 percent, equivalent to US$15 billion within 5-7 years," he concluded. Hanh believes such a rapid gain in market share is possible thanks to the rapid strides in productivity and continued transfer of export orders from China to Vietnam.

These sentiments are shared by Nguyen Quoc Khanh, Chairman of Hawa, which is already taking steps to improve the situation. Hawa has been quick to use the increased business to invest in productivity gains, added value and to develop further access to international markets. The organisation also stated that it will begin organizing workshops for its individual members, aimed at giving them the tools to seek out new partnerships, pursue development opportunities and expand independently.

These efforts have been aided by a noticeable shift from Chinese to Vietnamese firms for wood exports over the course of 2013, largely due to the growing cost of Chinese labor.

However, there are a number of issues Vietnamese businesses must still overcome. There must be a continuation of investment into worker productivity and the country's production chain must be expanded, otherwise profits will lag behind total export volume. Furthermore, while many remain enthusiastic over the potential benefits of the TPP, the government must implement new regulations quickly and efficiently so as not to disrupt domestic businesses.

Source:Vietnam Briefing

Back to top

ANALYSIS – OPINION

Revised investment, enterprise laws to bolster influx of capital

The amended investment and enterprises laws will soon be submitted to Vietnam's National Assembly and will be adopted in November this year.

These statutes aim to reduce administrative bureaucracy and mobilize more foreign and local capital into production. For the first time, the laws present a pro-investor approach which will, hopefully, create a new wave of foreign investment into Vietnam. **Dr Le Net**, partner of LNT & Partners law firm highlights the most important changes in these two laws.

Abolition of Investment Certificates for many foreign invested enterprises

The amended and restated Law on Investment will only require Investment Certificates (IC) for conditional investment projects. Other projects (e.g., production projects) may proceed without an IC. That means foreign investors may establish a company in Vietnam by registering its enterprise and obtaining a Business Registration Certificate (BRC) in the same manner as Vietnamese investors. If implemented properly, many foreign investors will no longer have to prepare feasibility studies and await the opinions of numerous ministries before they can commence operating in Vietnam, thereby removing a critical hurdle in their investment stages.

The possibility of establishing a company without needing a project would promote the concept of a holding company, which has not been widely recognised in Vietnam. It will also make it more possible to establish special purpose vehicles (SPVs) to acquire assets/projects in Vietnam without having to enter into a joint venture or acquiring shares in a local company. This significantly reduces transaction costs.

Abolition of the "ultra vires" doctrine and HS Code requirements

The amended and restated Law on Enterprises (RLOE) will abolish the need to provide HS Codes when obtaining a BRC. This allows an enterprise to have as many business activities as it wishes, provided they are not prohibited or restricted by law. Trading and distribution companies will no longer need to supply thousands of HS Codes for their traded and anticipated products. This will answer the common investor complaints on HS Code requirements and the irrelevant questions being asked by authorities in the licensing stages.

The opening up of a HS Code system and the list of business activities may lead the way to relaxing the ultra vires doctrine – that an enterprise may only bind or be bound if it is engaged in the businesses listed in its BRC. This will provide greater certainty to businesses in respect of their trading partner's capacity.

Reduction of 65 per cent majority vote to 51 per cent majority vote, and 75 per cent majority vote to 65 per cent majority vote

While this change may not affect existing companies with their current charters, it opens up opportunities to renegotiate the charter for the shareholders' benefit and attracts more investors to buy-in shares to reach the required control majority.

Derivative actions: booster to private equity

While the LOE introduced the concept of fiduciary duty, it does not implement it as a means of protecting minority shareholders if such duty is violated. For the first time, the RLOE introduces the concept of derivative actions, which allows shareholders holding at least 1 per cent of the total shares to launch derivative actions against board members, directors and controllers from a violation of their duty to put the company's interests before their own and not to abuse their powers. The cost of derivative action will be borne by the company. This can be considered good news for private equity funds or minority investors, who currently hesitate to participate in equalisation programs of state owned enterprises (SOEs) because the major shareholders will be the government or a relative of the SOE's incumbent managers.

Corporate bonds: booster of securitisation

The RLOE recognises a company's right to issue bonds. Unlike previous legislation, which requires the bond issuer to be "profitable", which may be unfeasible to SPVs, the RLOE only requires the issuer to be solvent (i.e., able to pay its debts when due). This deregulation may create opportunities for securitisation and a project bonds market, and is a step towards the right direction in advancing Vietnam's capital markets.

More than one legal representative in a company

Foreign investors sometimes express concerns over the concept of "legal representative" of a company in Vietnam, as this is the only person that can bind the acts of the company. Often, dismissal of the legal representative becomes a long-term dispute between shareholders or third parties who become surprised when the director signing the contract is actually not a legal representative. The RLOE envisions that a company may have more than one legal representative and more than one chop, which aims to do away the classic shareholders' conflict among local enterprises and align the LOE with the rest of the world.

Charter capital will be paid up capital

In the past, the Vietnamese authorities often measure the capacity of a company by its "charter capital". Understanding this misconception, many companies have been established with a very high declared charter capital which never been paid up. To counter this problem, the RLOE now provides that charter capital must be paid up capital to be fully contributed within 90 days from its establishment. Other than paid up capital, there may be authorised capital but this would not be considered charter capital. Any issue of shares beyond the authorised capital should either comply with the public offerings process (registration at the State Securities Commission) or private placement (notice to the business registration authority).

Obstacles to change - "conditional projects" and delays in consideration

The abolition of the IC requirement does not benefit all foreign investors. There are more than 150 "conditional" projects that are still subject to IC requirements. These include services under the WTO roadmap such as retail and distribution, logistics, and pharmaceutical trading. Unfortunately, foreign investors in these business lines tend to face the greatest licensing issues.

For trading and distribution, all restrictions and conditions should be removed. In order to develop a production base, foreign investors should be allowed to test the market and introduce their distribution network. The restriction of foreign trading and distribution not only compromises the effectiveness of the ASEAN Economy Community (to be implemented in 2015), but also harms effective local distributors in the long-run.

Another bureaucratic problem is that although the law provides 45 days for authorities to consider an application and issue an IC, authorities often do not respect this timeframe and it goes unsanctioned. Business societies and law firms may want to lobby the drafting committees to impose a requirement that if the licensing authority requests an opinion from a central ministry, and no reply is provided within 14 days, the licensing authority may assume the ministry has no objections.

As experience shows in the past seven years (when Vietnam joined the WTO), unless the business community voices their concerns, the drafting committees may face stronger challenges from the ministries for various reasons and may, in the end, forfeit their initial good intentions.

Support from the business community

The reforms to the LOI and LOE will considerably impact the Vietnamese legal community. They will facilitate the establishment of new enterprises, especially those owned by foreign investors, and reduce costs when investors withdraw from the Vietnamese market. In addition, it will preserve the rights and interests of investors, shareholders and other stakeholders.

So far, the drafting committees have only received modest support from VBF through organising seminars. It is now time for business societies and law firms to join support, either by submitting position papers or providing examples of technical barriers to the press and the National Assembly, to enable the drafts to be supplemented and completed. Only then will the target of these two vital laws be achieved.

Source: VIR

Back to top

Key considerations for the revised draft bankruptcy law

As investor interest in Vietnam continues to grow amidst the government's liberalization of the country's market, it has become crucial that its commercial laws have their bundles of red tape slashed, including procedures concerning insolvency and bankruptcy.

For the last decade the Law on Bankruptcy has governed such matters in Vietnam. However, the law has also been criticized for years for certain procedural inefficiencies and its failure to address important issues faced by businesses.

In response to this call for greater efficiency and business protection, the government recently circulated a draft Law on Bankruptcy to replace the current law which dates back to 2004. The changes introduced by this draft are substantial – setting out new procedures and clarifying some of the ambiguities that plague the current law.

Three key additions to the draft are worth mentioning:

Mandatory mediation

The draft now introduces mandatory mediation procedures which must be conducted before a Vietnamese court will accept a company's application to commence bankruptcy proceedings. Mediation will allow parties to discuss numerous issues, including matters concerning business restructuring and recovery, in an amicable and neutral setting.

The mandatory mediation provisions in the draft are a welcome change, not least because they reflect the government's recognition of the advantages that mediation carries, including cost and time savings. Mandatory mediation is also expected to considerably lighten court workloads.

Replacement of the liquidation committee with a property manager

The draft also proposes to replace the "liquidation committee" in the current law with a "property manager". Currently, the liquidation committee comprises multiple individuals, including an executor of the judgment-executing agency, a court official, the creditor's representative and the representative of the business being subject to the bankruptcy procedures. However, experience has shown that the liquidation committee does not always have the necessary corporate experience and often, the clash of heads sometimes leads to inefficiencies.

Hence, the property manager will seek to eliminate the lack of experience and efficiency that the liquidation committee currently carries.

This property manager will be an appointed individual with experience in corporate matters (e.g. an auditor or a lawyer). They will have broader rights over the management and withdrawal of a company's property, including the right to collect information to enable them to distribute it equitably.

Greater focus on asset preservation

To better protect creditors, the draft allows the court to review all transactions carried out in the company's most recent two-year period before applying for bankruptcy. Any transaction that sets out to disperse a company's property will be considered invalid. Under current regulations, this period is only three months.

Nevertheless, while the draft is anticipated to be a general improvement over the current Law on Bankruptcy, it is far from perfect. Numerous shortcomings, some of which are listed below, will need to be resolved in order for it to achieve the government's goals of optimal efficiency.

Omission of the definition of "insolvency"

Like the current Law on Bankruptcy, the draft fails to define what a "state of insolvency" entails. This is a vital omission, considering it is the very subject matter of the law.

In practice, the failure to define this term has affected when a company may commence bankruptcy proceedings. On multiple occasions, insolvency has been (erroneously) defined as a situation where a company's outstanding debts are not paid. This contrasts the definition favored by other developed jurisdictions: a situation where the company is unable to pay these outstanding debts.

The distinction is important because the former definition lets a company commence bankruptcy proceedings earlier than should be permitted and without allowing the involved parties to ascertain the company's true financial position and capacity to repay its debt. The premature commencement of bankruptcy proceedings not only wastes time and costs of both the party and the courts, but it also results in a series of unnecessary bankruptcies.

Lack of means of obtaining crucial information

The ability to obtain information on the company's financial status is important for all parties involved in bankruptcy proceedings because it assists in ascertaining the company's ability to repay its debts. However, the draft fails to provide a sufficient mechanism for the collection of such information. While the proposed property manager will have certain rights to access information, this is not sufficiently comprehensive.

In practice, there have been instances where the liquidation committee was unable to access relevant documents concerning the insolvent company's debts because it lacked sufficient legal authority to do so. This denial of access has ultimately led to an endless struggle between the liquidation committee and the court.

As a solution, we recommend the draft set out comprehensive procedures to allow information access. Having provisions that govern the rights of access, the extent of access and the use of obtained information will substantially diminish the current problem faced by parties.

Failure to close loopholes that lead to unethical practices

The draft fails to close substantial legal loopholes present in the Law on Bankruptcy. These loopholes have allowed business owners to escape liability by declaring bankruptcy with little or no repercussion. There are two prime examples of such practices:

The current laws state that a legal representative (often the owner) of a company declaring bankruptcy will be prohibited from directing a company for three years. However, the law allows business owners to switch to or appoint a new legal representative just days before bankruptcy proceedings are initiated. This allows them to simply "walk away" and maintain their right to operate another company in the future.

Another example is that all legal proceedings (at court, etc.) currently must be stayed when a court accepts a petition to initiate bankruptcy proceedings. Due to the ease in which a company may declare bankruptcy, a company can take advantage of the stay by applying for bankruptcy while legal proceedings are ongoing – even when an unfavorable judgment or award is forthcoming.

These loopholes arose as a result of the current law's failure to tie up loose ends of multiple provisions. In the draft, we hope to see not only the above loopholes closed, but also lawmakers exercise thorough foresight when fine-tuning the draft and reviewing each provision. This will prevent further loopholes from being abused.

Inefficiencies concerning the property manager

While conceptually, having one property manager instead of a liquidation committee of multiple individuals may eliminate inefficiencies, this is not necessarily the case.

This is because the powers and responsibilities conferred on the property manager are exceedingly broad as he/she will have to assume the tasks (and more!) that were previously carried out by a group of individuals. The burden is further aggravated by the harsh penalties imposed on the property manager if they fail to fulfill their duties.

Their appointment is also counterproductive, as the requirements to become a property manager are not easy. Numerous hurdles (on credentials, etc.) must first be overcome and even if these are met, the fact that appointment is made by the requestor of bankruptcy proceedings opens up potential issues of bias – particularly when often, at least one party may have greater claims than the requestor themselves.

One requirement we believe should be included is for the property manager to be an officer of a civil judgment-execution authority. This ensures that the interests of the involved parties are equally considered, as well as facilitates greater management capabilities by the state. Alternatively, appointment of the property manager should be by agreement between all involved parties to ensure fairness across the board.

In conclusion, while the draft is expected to bring in a raft of new improvements to the Law on Bankruptcy, it is not without imperfections. Kinks still need to be ironed out in order for its enactment to be completely workable as Vietnam's economy becomes increasingly globalised.

Currently, the draft is still in its circulation and has yet to be finalised. With no set date as to when it will be enacted, further commentary from corporate and legal professionals is anticipated. This could mean further tweaking to the current draft but, as things stand, we hope that the above shortcomings will be taken into consideration by lawmakers.

Source: VIR

[Back to top]

Legal Advice: Can An Enterprise Be Headquartered In A Condominium In VN

According to provisions of law, corporations are not eligible to be headquartered in condominiums used for a residential purpose. However in certain cases, enterprises may base their head offices in apartment buildings with mixed-use purposes.

The Law on Enterprise (2005) stipulates: "The head office of an enterprise is the place for contact and transaction of the enterprise; it must be located within the territory of Vietnam, have a definite address including house number, street name (or alley) or name of commune, ward, township, district, provincial town, provincial city, province or city under central authority; telephone and facsimile numbers and email address (if any)." Neither does the Enterprise Law nor do its guiding documents have regulations prohibiting corporates from having their headquarters in apartment buildings.

Currently, there are many opinions in which condominiums are believed to be designed and built solely for dwelling purpose. Therefore, it is considered inappropriate to the construction purpose and use when enterprises place their headquarters or offices in such buildings. However, PLF suggests examining the Regulation on management of condominium use promulgated with Decision No. 08/2008/QĐ-BXD by the Ministry of Construction on May 28th, 2008. It clearly states that "a multi-storey building with mixed-use purposes", often referred to as a condominium with mixed-use purposes, has plenty of areas preferably used for various purposes aside from residing. In reality, it is quite common to see the ground level or other floors of an apartment building being utilized for supermarket, stores, head office, etc.

Under the direction of the Ministry of Construction stated in Official Dispatch No. 2544/BXD-QLN dated November 19th, 2009, owners of residential purpose-built condominiums being individuals and organizations are not permitted to alter such buildings' designated use for setting up offices, stores, business or production facilities, etc. On the other hand, there are two options in regards of multi-storey buildings with mixed-use purposes as follows:

(1) In case where the areas utilized for offices, stores… are separable from the residential ones, they must be arranged and managed as similarly as business and service constructions;

(2) In case where such areas are inseparable, which leads to failed application of separate management provisions, particularly when the office area does not meet working conditions in compliance with Building Regulations and Standards, corrective measures must be timely taken. However, Official Dispatch No. 2544/BXD-QLN has yet to provide any guidelines on the implementation of such measures.

In summary, corporate seeking condominiums to base their head office must consider whether the area where they plan to headquarter are eligible for other uses (e.g. to build offices, business and production facilities, etc.) apart from the relevant residential purpose. Due to the fact that enterprises are not permitted to place their head office in a condominium solely built for residing, it is essential to ask its investor or owner for crucial documents expressing the use(s) of the apartment area expectedly planned for the head office. Furthermore, enterprises must also note that business registration authorities may decline granting Business Registration Certification to those whose headquarters are based in apartment buildings.

Source: Business Times

Back to top

NEWS IN BRIEF

Vinatex delays IPO again

The reason, according to Vinatex, is that potential investors did not have enough time between roadshows and the deadline for receiving bids to effectively research Vinatex and come to a decision. Therefore, to give potential investors more time, Vinatex asked for and received permission from the prime minister to push the IPO to September 30. In a previous move in 2013, Vinatex pushed its IPO date back by a year to July 22, 2014. According to Vinatex's government-approved equitisation plan, the group has a total charter capital of VND5 trillion ($237 million). Once the group goes public, the state will maintain a 51 per cent stake, 24 per cent will be offered to strategic investors, 24.4 per cent will be offered to the public, and 0.6 per cent to employees.

Regarding the attractiveness of Vinatex stock, Saigon Securities Inc., one of Vietnam's largest brokerages by market share, said the revenue of Vietnam's garment sector, including from Vinatex, will continue to rise commensurate with growing exports, and even more strongly if the pending FTA between Vietnam and the EU, the Trans-Pacific Partnership (TPP) and the Vietnam-South Korea FTA are signed. However, Vinatex's revenues are reliant on the import of input materials. In 2013 the firms' revenue was $2.9 billion, but its imports came to $1.5 billion. The FTAs' requirements concerning rule of origin may not be satisfied by company's current operating structure. To increase local materials in its production, Vinatex has invested in textile production and dyeing projects, but these are costly and take time to achieve profitability. Another factor contributing to investors' wariness regarding Vinatex shares is the parent company's decreasing revenue and net profits, which were VND21.989 trillion ($1.04 billion) and VND833 billion ($39.5 million) in 2011, VND13.526 trillion ($641 million) and VND717 billion ($34 million) in 2012 and VND11.608 trillion ($550 million) and VND272 billion ($12.9 million) in 2013, respectively.

Vinacomin posts 18% increase in H1 turnover, profit declines

The Viet Nam National Coal and Minerals Industries Group's (Vinacomin) turnover in the first half of the year was VND55.3 trillion ($2.6 billion), representing 18 per cent year-on-year increase. Vinacomin is expected to show VND600 billion (US$28.5 million) profits, meeting 30 per cent of this year's target. Vinacomin's Deputy General Director Nguyen Van Bien told a press conference in Ha Noi on Thursday that the low profit was due to increasing taxes and fees imposed on the group.

Dong Nai starts work on major public transport projects

Dong Nai's authorities have opened to traffic Hoa An Bridge and commenced building a tunnel at Tam Hiep Intersection and an overpass at Amata Crossroad. The new 1.3-kilometer Hoa An Bridge linking Dong Nai and Binh Duong provinces runs in parallel with the existing one, helping cope with heavy traffic on Dong Nai Bridge that connects the province and HCMC. Hoa An Bridge, costing VND1,174 billion, is an important project in the development strategy of Dong Nai's transport network, connecting Bien Hoa and Tay Ninh, Binh Duong, Binh Phuoc and HCMC. Dong Nai Province has also started building the tunnel at Tam Hiep Intersection and the overpass at Amata Crossroad. Both the tunnel and the overpass have four main lanes. Their combined investment amounts to VND485.76 billion. Construction is expected to take six months for the overpass, and eight months for the tunnel. Investments will be recouped by toll fee collection.

New waterway route opens in Haiphong

The Ministry of Transport has opened a new sea route to tackle the congestion of goods at Haiphong's ports triggered by the tightened controls on truckloads. The ministry predicted the average volume of goods between Quang Ninh and Quang Binh amounts to over 500,000 tons per month. The cost of shipping by vessels is one-fifth compared to trucks despite the fact that the vessels' shipping time is three times longer. In the next time, the new waterway route will undertake freight in larger quantities, especially for super-heavy goods, from the north to the central region, where big industrial zones are being constructed and taking shape. Nguyen Nhat, director of the Vietnam Maritime Administration, said the administration had asked its agencies in provinces from Quang Ninh to Quang Binh to work around the clock for handling shipping procedures rapidly. The deployment of this sea route will enhance the multimodal transport and restructure the transportation market. In addition, it will help tackle stagnant goods at Haiphong Port and reduce thousands of large trucks moving by road from Quang Ninh to Quang Binh.

VN imports 25,000 cars in strong H1

Viet Nam spent nearly US$500 million in the first half of 2014 to import 25,000 completely built units (CBU) cars, an increase of 44.4 per cent in volume and 53.9 per cent in value year-on-year, according to the General Statistics Office (GSO).

The volume of imported cars was highest in May, a total of 5,000 units worth $106 million. The strong rebound showed that the import value of CBU cars had been on the rise since earlier this year. The GSO estimated that volume in June would be similar. Value was expected to decline to 84 million on imports of luxury sedans and sport utility vehicles.
CBU car imports were up 75 per cent in the first five months, while locally assembled automobiles saw only a 23 per cent year-on-year increase, according to the Vietnam Automobile Manufacturers' Association (VAMA).
Vehicle imports are increasing this year due to a tax cut that took effect on January 1. As part of the ASEAN Trade in Goods Agreement (ATIGA), the import tax on cars from ASEAN countries was cut in half. The tax will drop to zero when Viet Nam joins the ASEAN Free Trade Area (AFTA) in 2018

Samsung Bac Ninh pays nearly VND1 trillion taxes in H1

Samsung in Bac Ninh province contributed nearly VND 1 trillion in taxes to the province the first half of the year, authorities said.
At a meeting held by the Ministry of Finance on Friday, the vice chairman of Bac Ninh province, Mr. Nguyen Luong Thanh, said in the first half of the year, the province earned VND6.7 trillion ($319 million), or 50% of its estimate.
The official said that Bac Ninh was able to fulfill its budget revenue plan thanks to contributions of foreign firms, mainly Samsung.
In the first half of the year, this company paid taxes of VND974 billion ($46.3 million). At the same time, all non-state enterprises paid a total of VND300 billion ($15 million) of taxes, or 33% of the plan. "Without foreign enterprises, Bac Ninh's budget would face many difficulties," Thanh said. Officially opened in Bac Ninh in 2009, Samsung is now the largest investor in the province with $3.5 billion in the high-tech complex manufacturing electronic components. In the last two years this firm paid taxes worth over VND1 trillion/year. Last year its export turnover reached nearly $24 billion, equivalent to 18% of Vietnam's total exports.
Recently, Bac Ninh provided the company an investment certificate for the $1 billion screen project of Samsung Display.
Samsung's new plant will have a capacity of 4 million products a month, with revenue in the first year (2015) expected to be $1.5 billion and $6 billion in 2020.

LNT & Partners wins coveted ALB Award

LNT & Partners was just honoured the title "Vietnam Deal Firm of the Year" by Asian Legal Business (ALB), a Thomson Reuters company, which recognises the excellence and achievements of Southeast Asia's leading law firms and top dealmakers. Competing Cagainst eleven well-established international and local law firms in Vietnam, LNT & Partners won the award after a rigorous review process wherein the firm's representative deals were deemed among the most complex, innovative, and significant in Vietnam. LNT & Partners is only the third local law firm to win this award in its ten year history. The award is among the most prestigious in the legal industry, as they reward the strongest performing law firms in the region. The firm's managing partner Hoang Nguyen Ha Quyen said "Last year was a pivotal year for us. We are extremely grateful for our clients' support who continued to entrust many of their most significant deals in our care during a critical year of growth for the firm." "Many of the real estate and infrastructure deals are fraught with legal traps. This award is a testament to the trust our clients have placed in us to help guide them through the legal minefield of developing land in Vietnam," Binh Tran, the head of the firm's Real Estate & Infrastructure Practice Group noted. US-based Thomson Reuters Corporation is a world's leading source of intelligent information for businesses and professionals.

Back to top

COMING EVENTS

Assembly Technology Vietnam Hanoi

Venue: I.C.E. Hanoi, 91 Tran Hung Dao Street, Hanoi

Country: Hanoi, Vietnam *Start Date:* ***27.08.2014*** *End date:* ***29.08.2014***

Event Description

Trade fair for assembly technology
Assembly Technology Vietnam is a trade fair for assembly technology and will be held in Hanoi. Areas of the show are factory automation, electrical and power transmission and material handling. It is part of the Vietnam Manufacturing Expo, one of the largest fairs for the manufacturing industry and related industries in Vietnam. At the fair, the latest technologies and innovations will be presented. For visitors it is an excellent opportunity to share with colleagues and make new business contacts

Back to top

Automotive Manufacturing Vietnam Hanoi

Venue: I.C.E. Hanoi, 91 Tran Hung Dao Street, Hanoi

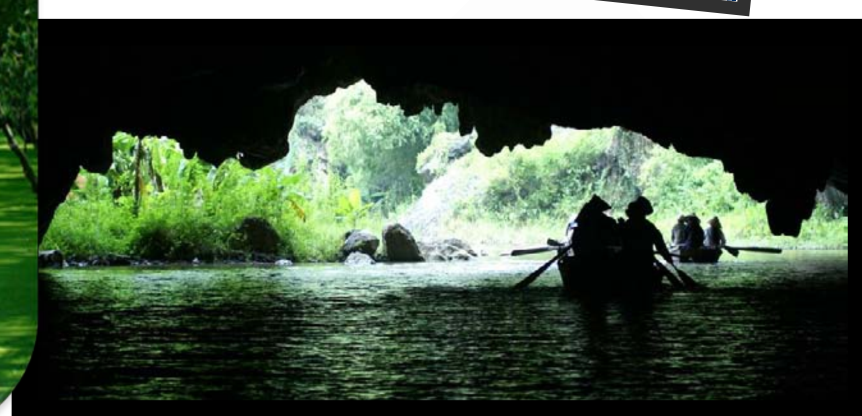
Country: Hanoi, Vietnam *Start Date:* ***27.08.2014*** *End date:* ***29.08.2014***

Event Description

Trade fair for automotive parts manufacturing
Automotive Manufacturing Vietnam is the only exhibition on machinery and technology for automotive parts manufacturing in Vietnam. Exhibitors showcase a wide selection of their latest achievements in technology that could help increase profits and productivity. Automotive Manufacturing includes loads of technical seminars and case studies from recognized speakers and demonstrations of various cutting edge industry tools and technology. It is co-located with InterMold Vietnam, InterPlas Vietnam and Assembly Technology Vietnam.

Back to top

Photo DTK



About Viipip.com

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

Clients can use Comparison Tool and Search Engine at our InfoGate to take an in-depth view on developers and owners of Industrial Parks in Vietnam.

Please visit our InfoGate at http://Viipip.com for your better view of Vietnam.

Reviewed by: Huy Nguyen & Nguyen Minh