

VIETNAM

BUSINESS REVIEW

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Vietnam among top 3 performers in Asia



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ECONOMY

Gov't eyes diversified exports



VNS - Vietnam will reform the structure of export goods and increase quality of export products to strive for sustainable exports and increase its value by this year-end and beyond.

The Ministry of Industry and Trade (MoIT) said that Vietnam could achieve its export value target of US\$165 billion for this year, an increase of 10% against last year, but the ministry has recognised that the nation has unreasonable structure of export products.

For example, the export value of mobile phones of Samsung Vietnam alone occupied up to 20% of the total national export value, Tin tức (News) newspaper quoted deputy head of MoIT's Export Import Department Tran Thanh Hai as saying.

In fact, Vietnam's structure of export products lacked balance because they are mainly manufactured by foreign direct investment (FDI) enterprises which

account for two-thirds of the total export volume.

Therefore, Hai said, besides improving the export of local enterprises, Vietnam should diversify its export products, and seek out other goods with a potential to increase export value in a bid to avoid dependence on some key products.

The ministry said local enterprises focused on exporting some key products such as textiles, garments, leather, and footwear, in addition to processed seafood and wooden products, which are heavily dependent on increasing volumes, leading to unsustainable export growth.

Hai said the industry and trade sector should have solutions in place to create more reasonable changes in the structure of export goods, and usher in more investment for the creation of brands. This would increase their value.

MoIT Deputy Minister Tran Tuan Anh said the important factors were the ability and long term strategies of local enterprises in building brands based on production cost and quality, and the ability to meet the standards in export markets.

The local enterprises must enhance their competitive edge while approaching export markets and build a reasonable market strategy

based on their ability in production and business, Anh said.

Vietnam should also seek new export markets and not just new products. The nation has signed many bilateral and multilateral free trade agreements so it would have more favourable opportunities to expand its export markets, according to the ministry.

Even though the ministry's relevant bodies have so far reduced administrative procedures to ease enterprises, the ministry admitted that local enterprises still needed more policies to solve their problems with regard to production and business.

Do Ha Nam, general director of Intimex Joint Stock Company specialising in farming exports, said the Government should offer incentives for FDI enterprises with high-tech facilities and limit FDI enterprises to specialising in trade and processing of raw farming and seafood products to increase the value of Vietnamese products.

Nguyen Duc Hong, deputy general director of Thong Nhat Rubber Ltd Company, said the Government should offer tax exemptions for components used for producing export goods.

BANKS & FINANCE

Vietcombank ends ATM services for foreigners

VET - The Bank for Foreign Trade of Vietnam (Vietcombank) has announced it has terminated ATM and money transfer services for foreigners, regardless of whether they are resident in Vietnam or not.



ATM transactions between Vietcombank accounts in which the recipients are foreigners will no longer be processed. It will also not accept any transaction from other banks in which the recipient is a foreigner with a Vietcombank account.

The bank explained that ATM transactions do not allow the bank to check the information of the account owner, so it decided to terminate the service in order to obey the regulations of the State Bank of Vietnam on ATM services for foreigners.

Vietnam shares down after France tragedy

VNS - Vietnamese shares declined slightly yesterday on both local exchanges, reversing after a two-day winning streak, as the financial

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sector slumped after the terror attacks in Paris last week.

The benchmark VN Index on the HCM Stock Exchange inched down 0.3% to finish at 609.32 points and the HNX Index on the Ha Noi Stock Exchange edged down 0.6% to end at 81.05 points.

"The attacks could temporarily destabilise the world's financial markets and lower global economic growth potential," said Nguyen Xuan Binh, Deputy Head of Bao Viet Securities Corporation's Market Analysis.

Binh said that the unstable conditions in the world's financial markets caused by the terror attacks could encouraged foreign investors to sell their assets in riskier investments such as emerging markets and move into the safety of the dollar-dominated investments.

In fact, the attacks in Paris was the major reason that drove Asian stocks down to six-week lows yesterday, for example, the Japanese Nikkei 225 was down 1%.

VN's banking sector index dropped 1% following the attacks with none of nine listed banks making gains, including Vietcombank (VCB) and the Bank for Investment and Development of Vietnam (BID) which each lost 0.8%, Vietinbank (CTG) dropped 1.5% and Eximbank (EIB) fell 1.7%.

These banks declined after they all reported lower quarterly profits than expected last week due to increasing financial risk provisions.

For example, Eximbank earned a quarterly net profit of VND83 billion (\$3.7m), down 62% from a year ago, as the bank increased its credit risk provision 4 times to VND332 billion (\$14.8m) over a year.

In addition, local energy stocks suffered losses after global oil prices, including the US benchmark crude West Texas Intermediate (WTI) and Brent crude, fell 8% last week.

The biggest energy firms such as PetroVietnam Gas Corporation (GAS) dropped 1.2%, PetroVietnam Drilling & Well Services Corporation (PVD) lost 2.1% and PetroVietnam Technical Services Corporation (PVS) was down 1%.

The insurance sector index fell 1.5% yesterday as the leading insurer Bao Viet Holdings (BVH) slumped 1.7% after the company recorded a third-quarter net profit of VND218 billion (\$9.7m), a decrease of one-third from last year's number.

On the positive side, plastics producers remained the major force that prevented the stock market from declining further as they benefited from lower prices for importing crude as production inputs.

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INVESTMENT

Electronics sector attractive to foreign backers

VIR - VN's electronic industry has attracted \$10b in FDI capital from big names like Samsung, Foxconn, LG, Panasonic and Intel, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment (MPI).

With the largest turnover and market share growth of electronic exports in ASEAN, VN has grown to become the 12th largest electronics exporter in the world and the third largest in ASEAN.

VN's electronics output ranked behind Thailand, Singapore and Malaysia in 2013.

Production bases have been shifting to VN in recent years to take advantage of preferential tax deals under free trade agreements such as the TPP and AEC.

Accordingly, the rules of origin force investors who want to take advantage to further access ASEAN or TPP member markets to invest in VN more intensively and transfer technology to achieve a higher localisation rate.

Attractive areas in VN's electronics industry are large-scale mobile phone factories. Samsung alone has invested in a \$2.5b factory in the northern province of Bac Ninh and a \$2b facility in Thai Nguyen.

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The group has also invested \$1b on a manufacturing factory in HCMC.

The plant in Thai Nguyen has attracted satellite investors, and electronics component producers have invested hundreds of millions of dollars in Thai Nguyen Province and Hai Phong City.

Challenges

However, domestic electronics enterprises do not contribute much to the electronics supply chain.

Samsung VN recently said that of the 80 satellite enterprises producing components and accessories, only 10% were Vietnamese.

These companies mainly provide printing and packaging, which have the lowest added value. Another problem is competing with other countries in the region, and investors may move to other countries when the investment incentive period ends.

To attract more FDI to the industry, the FIA recommends enterprises build science and technology policies to encourage technology transfer, training, research and development; sign technological co-operation contracts with large countries, connect research institutions and businesses and select products and sectors for research priority.

Foreign investors roll out the barrel as Vietnam is thirsty for more beer



TNN - As Vietnam is opening up its \$4.56b beer market to non-state investors, many foreign companies, including major Japanese and US brewers, are looking for opportunities to either break in or expand their business here.

More than 10 foreign and local investors have reportedly offered to buy into Sabeco, VN's biggest brewer, since the Ministry of Industry and Trade announced its plan to sell more state-owned shares in the company early this year.

Among the suitors are three local companies, while the rest are giants such as Japan's Asahi and Kirin, London-based SABMiller, and Thai Beverage Pcl.

According to the plan, pending the government's approval, Sabeco, which currently owns 46% of the market, will sell a stake of up to 53%. That means the state ownership will be reduced from 89% at the moment to as low as 36%.

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INVESTMENT

Officially known as Saigon Beer Alcohol Beverage JSC, the HCMC-based company had its initial public offering in 2008 for a 10.02% stake.

Hanoi Beer Alcohol and Beverage JSC, or Habeco, has also been ordered to reduce the state-owned stake from 81.79% to either 51 or 36%.

A few months ago VN's second biggest brewer stalled Danish-owned Carlsberg's plan to buy a 13% stake to increase its ownership in Habeco to 30.23%.

But a leader at the company assured with local media that the plan to sell more shares is still on.

Commenting on the wave of foreign investment in Vietnam's beer market, Robert Tran, an executive at business advisory firm Robenny Corporation, said buying into local brewers can give foreign investors an immediate market entry and access to dozens of breweries.

No waiting

Many foreign investors have already made their own moves to cash in on the market, which expanded 8.1% to 3.4 billion liters of beer in 2014. The market is expected to grow around 40% over the next four years.

Japanese-owned Sapporo Holdings last month took over its Vietnamese subsidiary, after buying out its local partner Vinataba. The state-owned tobacco company had to divest from the joint-venture under a government's order.

Following the deal reportedly worth over one billion yen, or \$8.28m, Sapporo Vietnam announced its plans to expand its distribution network to many other areas around the country, instead of focusing HCMC like now.

Sapporo Vietnam CEO Mikio Masawaki told Thanh Nien that his company, which runs a brewery with an annual capacity of 150 mln liters in the southern province of Long An for both local consumption & exports, will continue to launch new products here.

Vietnam's beer market still has a lot of room for growth, considering local consumers are young and its middle class will expand in the next 10 years, Masawaki said.

At the moment, Sapporo Vietnam supplies 20 million liters of beer to the local market every year, but the output will double in the near future, and will hit 120-150 million liters in 2019, he said.

US-owned Anheuser-Busch InBev, the maker of Budweiser, opened its

brewery in the southern province of Binh Duong in May.

The \$30m plus plant is able to churn out 50 million liters a year but its capacity is projected to double in the second phase. The company, which also eyes local mergers and acquisitions, reportedly targets a minimum of 10-15% of market share in the first three years.

TPP drive

Not only foreign investors are looking to enter Vietnam's beer market, many beer companies in Japan and the US have also expressed hopes to increase their exports, once the Trans-Pacific Partnership is signed and requires Vietnam to reduce its tariffs on alcoholic drinks.

Vietnam, Japan and the US are among 12 nations which have recently completed their negotiations on the Pacific Rim trade pact.

Japanese beer exports will increase significantly from the current 3.8 million yen (\$31,900) a year, with Vietnam set to end its 47% duty on beer and 55% duty on whiskey in the 11th year of the pact, Asia Nikkei Review recently reported.

ENTERPRISES

Exxon Mobil returns to Vietnam



VNA - The world-renown lubricant brand ExxonMobil of the US's ExxonMobil Oil Corp has officially returned to VN after 5 years of absence.

ExxonMobil has appointed the PAN Int'l Petroleum JSC as its authorised distributor in northern Vietnam and the TAT Petroleum VN in the central and southern regions. Equator Co., Ltd will be responsible for distributing Exxon Mobil's oil products for boats operating in VN's sea areas.

Exxon Mobil boasts diverse oil products used for cars, automobiles, trucks, buses, specialised vehicles and means of marine transport.

The company is confident that it would meet local customers' demand for environmentally-friendly high-quality lubricants.

Speaking at a conference in Hanoi on November 17 to announce the company's northern distributor, ExxonMobil's Business Development General Director and Pacific Islands Distributor Manager Yasser Al-Azzawi said Vietnam is considered

as one of the fastest growing and most important consumer markets in the region and the world.

EVN sells stakes in companies

VNS - The Electricity of Viet Nam Group last week said it had divested from many companies.

The group, also known as EVN, auctioned 40 million shares of An Binh Joint Stock Bank (ABBank) and unloaded all its shares in the An Binh Securities JSC besides cutting its stake at EVN Finance JSC from 40% to 15%.

EVN also plans to divest from ABBank, as well as complete procedures to organise a public auction of its shares in the Global Joint Stock Corporation, or GIC.

ENV has also submitted three plans to the Ministry of Industry and Trade with an aim to ensure sufficient power supply for the year 2016.

According to the first plan, the electricity supply would still mainly depend on Vinh Tan 2 and Duyen Hai 1 thermopower plants.

In the six months of the dry season, the group would have to mobilise power supplies from thermopower plants and turbine gas. Reservoirs would be controlled to retain water at high level till the end of April.

In August and September, the EVN would mobilise oil fired power

supplies. In the north, the power supply would come from hydropower plants and Vung Ang 1, Nghi Son 1, Mong Duong 1 and 2.

It is expected that the power transmission output for the whole of next year would be 13.27 billion kWh. The highest output would be 1.5 billion kWh while the lowest would be 500 million kWh.

The second forecast is that the electricity load would be at 0.78 billion kWh in the dry season. The power supply would not need to be mobilised from oil fired power plants. Electricity supply for the whole year would ensure that.

The third plan has the same power load of the second plan but lower output from hydropower plants. The EVN would have to mobilise power supplies in both dry and monsoon seasons. It is estimated that the oil fired power output in the dry season would be 1.3 bln kWh and 5.1 bln kWh for the whole year.

EVN said they would facilitate the construction of key power projects, enhancing maintenance of turbines and improving people's awareness on electricity saving.

It asked the ministry to inform the Viet Nam National Oil and Gas Group (Petrovietnam) to prioritise the supply of gas for power generation.

MARKET & PRICE

Office-tels tipped to top HCMC market

VIR - Office-tel developments, which combine residential and commercial uses in one apartment, are mushrooming in HCMC & are expected to lead the market in future.

Le Hoang Chau, chairman of the HCMC Real Estate Association, said many developers were now investing in office-tel projects unlike a few years ago, indicating the segment's popularity.

A broker from Khai Hoan Land, who asked not to be named, told Viet Nam News, "There are around 30 office-tel projects in HCM City belonging to big companies like Novaland, Vingroup and Thao Dien."

This year demand had risen six-fold, he said.

They were being built in many districts around the city and some of the key projects are Wilton Tower, The Sun Avenue, Golden Mansion, Garden Gate, Kingston Residence and Sky Centre, he said.

Bui Huu Phuc, investment and development director of Novaland, said though it was a new product, it would soon lead the market thanks to low cost and high returns and

the increasing demand for office space.

At a lease rate of US\$20 per square metre office-tel fetches returns of 8-12%, and this would rise especially when the economy benefits from the Trans-Pacific Partnership, he said.

Since 2014 his company had developed 10 projects with 5-10% office-tel units and received positive feedback from customers.

The product had the best liquidity, he claimed, saying it was the most popular on his company's transaction floor.

Office-tel units enable occupants to live and work in the same apartment, usually a studio apartment that is smaller and about 10-15% cheaper than normal ones.

Offering facilities for both working and living, it is suitable for start-ups without much liquidity, foreign companies and individuals who set up shop in the city to study the market, according to experts.

Vingroup's ambition remaps retail market

SGDT - The Vietnamese retail market is expected to be re-divided with the presence of Vingroup, a Vietnamese company

with powerful financial capability, & other firms.

Analysts some years ago warned that the retail market would be swallowed by foreign brands which have experience and prestige once Vietnam has to open the market to foreign investors under pressure of free trade agreements (FTAs). However, they might have to change their mind about the issue. The deal of Vingroup taking over Maximark chain in late October has heated up the Vietnamese retail market.

The deal was wrapped up just after two weeks of negotiations. Analysts guessed that Vingroup might accept to pay good price to acquire the retail chain.

Taking over Maximark is a part of Vingroup's strategy on quickly expanding its retail network throughout the country. Maximark has four supermarkets in HCM City and one in Tuy Hoa, Nha Trang, Cam Ranh, Phan Rang and Bien Hoa.



MARKET & PRICE

The number of supermarkets Maximark has developed over the last 20 years is modest. However, as compensation for this, Maximark supermarkets are all situated on very advantageous positions and cover large areas of over 20,000 square meters on average.

Therefore, analysts believe that Vingroup targets Maximark for its long term development strategy.

Vingroup, which was an unknown in the retail market, has quickly become a power. Established as a real estate developer, Vingroup has step by step jumped into the retail market after continuously taking over existing supermarket chains.

In October 2014, Ocean Group announced the sale of 70% of the retail and property management sector to Vingroup, under which Ocean Marts have changed into Vinmarts.

In early 2015, Vingroup bought 100% of stake of Vinatexmart, the distribution chain belonging to the nation's leading textile and garment group Vinatex. With the deal worth VND229.5 billion, Vingroup now owns 39 Vinatexmarts.

Vu Vinh Phu, chair of the Hanoi Supermarket Association, commented that Vingroup's steps with dizzy speed shows the big

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guy's ambition to become the leader in the retail market.

Saigon Co-op, another big player in the retail market, has also been quietly expanding its network. It now runs 78 Co-op Marts, 90 Co.op Foods, 2 Co.opXtras, Sense City Can Tho, HTV Co.op – a TV shopping channel and contributes capital to SC VivoCity joint venture in district 7, HCM City.

Besides, the other two 'big sharks' in the market, Hapro (the Hanoi Trade Corporation) and Satra (the Saigon Trade Corporation) have also been gearing up to scale up their business.

The moves taken by the Vietnamese retail chains show that Vietnamese investors are formidable rivals to foreign famous retailers, and have reassured the public that the retail market will not fall into foreigners' hands.

North's transport to grow 10%

VNS - PM Nguyen Tan Dung has approved adjustments to a transport system development plan in the northern economic zone by 2020 and schedule for 2030 with a total goods consignment of between 500 and 550 million tonnes and 1.2 billion passengers carried annually. The announcement last Friday included a target to reach

annual growth of 10 and 11% for the whole transport sector in the region.

Between 115 and 160 million tonnes of goods are expected to be transported through seaports in the North, according to the plan.

Public transportation is expected to grow between 20-25% in Ha Noi and 5-10% in Hai Phong.

The adjusted plan also set a target to complete the upgrade of the North-South railway system, the Yen Vien-Pha Lai-Ha Long-Cai Lan rail route and those through the capital city of Ha Noi.

The railway system plan aimed to connect with seaports, mining zones, key economic industrial parks and tourism areas in the North. The plan includes a focus on developing six major transportation corridors including the North-South, Ha Noi-Hai Phong, Ha Noi-Quang Ninh, Ha Noi-Lao Cai, Ha Noi-Lang Son and Ninh Binh-Hai Phong-Quang Ninh.

Road transportation is expected to make up about 85% while rail and air services is expected to reach about 6.2 and 9.2% respectively.

The North-South railway system in particular, with a total of 33km through the North, is aimed to be upgraded for trains running at an average speed of 80-90km/hour.

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LEGAL UPDATES

New provisions on licensing outward investment

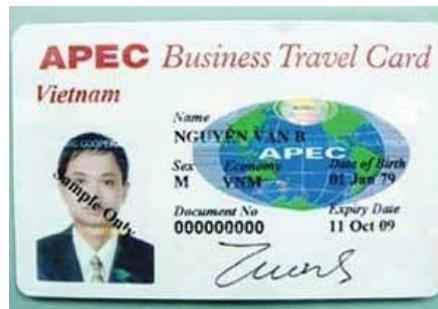


VLO - Decree No. 83/2015/ND-CP dated September 25th, 2015 of the Government regulations on outward investment. This Decree details conditions, order and procedures for issuance of outward investment certificate and the development of investment project in overseas of Vietnamese investors. One of the new points of this Decree is to add outward investment capital (Article 4). Accordingly, apart from foreign currency, foreign exchange and Vietnam dong are also the permissible capital to be invested abroad.

The transfer of investment capital overseas before the issuance of outward investment certificate is also adjusted. Particularly, apart from foreign currency, the investor may transfer foreign currency, goods, machinery and equipment overseas to meet expenses for

activities that constitute the investment project (Clause 2 Art 19). However, this Decree supplements the provision on which the investor must carry out online declaration of information about outward investment projects at the national information system on outward investment before submitting the paper – based dossier (Article 18). This Decree takes effect from the date of its signing and replaces Decree No. 78/2006/ND-CP dated August 09th, 2006.

Validity of APEC business travel cards is extended to 5 years



VLO - Decision No. 54/2015/QĐ-TTg dated October 29th, 2015 of the Prime Minister on amending and supplementing a number of articles of the Regulation on issuance and management of APEC business travel cards enclosed with the Prime Minister's Decision No. 45/2006/QĐ-TTg dated February 28th, 2006.

This Decision amends the followings provisions:

- Validity of APEC business travel cards (ABTCs) is increased from 3 years to 5 years
 - Vietnamese business people whose ABTCs are lost must report to the immigration Authority, the Ministry of Public Security (according to forms as prescribed by the Ministry of Public Security) for destruction of value and making notifications to other countries or territories for destruction of value of the lost cards
 - Amending and supplementing some entities that are Vietnamese business eligible for issuance of ABTCs. Accordingly, Vietnamese business people working in enterprises, ABTCs are only granted to owners of companies, Chairman of the Board of Members, Board of Directors, directors, general/directors, Chief accountants, office managers, heads of enterprises' branches. Vice chairman and deputy director are not eligible for issuance of ABTCs. However, head of enterprises' branches are eligible for issuance of ABTCs.
- This Decision takes effect from December 15th, 2015. Unexpired ABTCs issued before September 01, 2015 shall be valid until the expiration date specified on the cards.

HIGHLIGHTS

TPP to remove car tariffs in 13 years

VNS - Countries of the Trans-Pacific Partnership (TPP), including Viet Nam, will remove tariff on new cars in the 13th year after the agreement comes into effect, a finance ministry official said.

Speaking at a press conference in Ha Noi last week, Deputy Head of the ministry's International Co-operation Development Ha Duy Tung said that most of the domestically-assembled cars had an engine displacement of below 3,000cc. Meanwhile, tariffs on cars with displacement of 3,000cc and above would be lifted in the 10th year.

As for used cars, Viet Nam would apply a tariff quota for a moderate amount. The country would allow the import of 66 units in the first year after the TPP takes effect. The figure would be regularly increased to reach 150 units in the 16th year.

At the same time, the tariff on used cars in quota will be reduced to zero per cent. As for the car out of quota, it will be taxed following the most-favoured nation tariff in the World Trade Organisation's commitments.

"No country encourages the import of used cars. However, in the TPP

regime, the common principle is to cut tariff on all goods. That is why we have set the quota limit. Such a small quota will not impact the domestic automobile market," Tung said.

The import of used cars to Viet Nam has been closely managed. The vehicles are required to be not more than five years old. It should be registered for at least six months and must have run about 10,000km and above. The used car importers must be the brand's official suppliers or agents of automakers.

Japan to introduce hi-tech agriculture in Vietnam



VOV - Seven leading Japanese organic agriculture and hi-tech manufacturers and suppliers will showcase their products at Japanese-style Rin Rin Park in HCM City on December 5-6.

The event is organized by the GK-Organic Corporation – a Vietnam-Japan joint venture.

The seven groups are Hyponex, Hanagokoro, Menedael, Toyo Chuu, Watanabe pipe, Hiep Phat

and Iseki, said Ngo Chanh, president of GK-Organic Corp. management board.

They will introduce Vietnam farmers and customers to products most favoured in Japan and their possible application to Vietnam's agricultural production.

Chanh added that to help Vietnamese farmers access Japan's clean agriculture, the company has signed contracts with Japanese partners to supply their products at reasonable prices in the first years.

Choice for Vietnam rice brand still in dispute

TBKTSG - Both Jasmine and Japonica rice are being considered as Vietnam's national rice brands but many experts disagree.

The Vietnam Food Association (VFA) has suggested that Jasmine and Japonica rice varieties can be chosen for development into Vietnam's national rice brand. However, experts say they are not a reasonable choice.

Two weeks ago, experts and businesses raised their opposition against the association's proposal on the Jasmine variety.

Professor Vo Tong Xuan, the best known rice expert, said this variety

HIGHLIGHTS

of rice has been eliminated in many countries in the world, emphasizing that a variety which is no longer favored in the world must not be the symbol of Vietnam.

VFA recently suggested adding Japonica, a Japanese rice variety, on the list of rice varieties for consideration to develop a national rice brand.

There are two reasons behind the association's decision. First, the market demand for Japonica rice is relatively high. And second, Vietnam has favorable conditions to organize the production of the rice.

However, VFA has once again spoken about public opposition to this proposal.

Of the 4.3 million tons of rice exported by VFA's member companies in the first nine months of 2015, Japonica rice only accounted for one%.

A VFA's report showed that 27.55% of rice exported was high-quality white rice, while 25.01% was scented rice. Average-quality white rice exports accounted for 13.69% of total exports, while low-cost white rice accounted for 11.29%.

Huynh The Nang, VFA's chair, said VFA wants to choose three market segments for the national rice brand development – scented rice,

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high-quality white rice and specialty rice.

Japonica has been suggested for specialty rice. However, he stressed that the Japonica VFA has suggested is not the pure Japanese variety, but the one created by cross-breeding by a Vietnamese company, which also has round grains like Japanese Japonica.

Xuan believes that the rice variety mentioned by Nang is DS1 created by the Vietnam Agriculture Genetic Institute. Meanwhile, Xuan does not think DS1 could be welcomed by Japanese.

Though DS1 also has round grain like Japonica, DS1 is less soft than Japonica and therefore, it could not be rolled to make sushi.

Le Minh Truong, deputy general director of Vinafood 2, thinks it would be better to develop the rice varieties which account for the highest proportions in exports.

"Why shouldn't we think of consolidating what we have now instead of developing completely new ones?" he said.

Mega projects turn Haiphong into transport hub

VIR - Substantial infrastructure development is turning the northern port city of Haiphong into an

attractive destination for investment.

At the seminar, "Haiphong Mega Infrastructure Cluster-Gateway of the North of Vietnam", held last week by the Haiphong People's Committee and Dinh Vu Industrial Zone JSC, Le Thanh Son, Deputy Chairman of the committee, said that the combination of the mega infrastructure projects about to be constructed in the city, and the local government's determination to improve the investment environment would turn Haiphong into an ideal location for local as well as international investors.

"The city is aiming to optimise its potential, advantages, and opportunities to make a breakthrough and become a hub of industry and services with superior competitiveness, turning it into a green, civilised, and modern port city. Foreign investment attraction plays a very important role in the achievement of this target," said Son.

Mega infrastructure projects being carried out in the city include the Haiphong international gateway port, the Cat Bi international airport, the Tan Vu-Lach Huyen bridge, and the Hanoi-Haiphong expressway. The combined investment capital required for these projects is \$4.1b.

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The Tan Vu-Lach Huyen road and the sea-crossing bridge which connects Haiphong with the Lach Huyen port is already 40 per cent completed, and is expected to be operational by May 2017. As of September, the 105-kilometre Hanoi-Haiphong expressway was 70 kilometres towards its final destination, and the remainder is due to be finished by December this year.

Meanwhile, the Cat Bi international airport, if completed – as scheduled – in the third quarter of 2016, will be able to serve six million passengers per year. Direct passenger flights from Haiphong to Singapore, Thailand, Japan, and South Korea are planned in the first phase.

Adjacent to the deepest port in the north of Vietnam, accessible for 100,000 dead weight tonnage vessels, an airport with international and domestic flights, and only one hour from Hanoi by car, Haiphong is set to become a transportation hub, according to Son.

Located in the centre of these key infrastructure developments, the Deep C/DVIZ industrial cluster – an expansion of the original Dinh Vu Industrial Zone (DVIZ) project developed by Dinh Vu Industrial Zone JSC – offers investors over

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1,000 hectares of industrial land with utilities. To date, the DVIZ has attracted \$3 billion of investment with 55 projects from international and local names such as Knauf, C.Steinweg, Chevron, Bridgestone, IHI, and Petrolimex.

Tourist forum links Vietnam, Japan



VNS - As many as 80 Vietnamese and 100 Japanese companies took part in an investment and tourism promotion seminar held by the Bank for Investment and Development of Viet Nam in Japan last Saturday.

The event, held in cooperation with Viet Nam Embassy in Japan, Ministry of Planning and Investment, Nghe An Province and authorities of Japan's Gifu Prefecture, offered an opportunity for Vietnamese companies to popularise images, culture and tourist potential of Viet Nam to Japanese tour operators and customers in Japan's central provinces to accelerate tourism between the two countries.

Incentives

Viet Nam's representatives spoke about the investment environment and provided updates on new regulations and incentive policies in an effort to draw investment from Japan.

Participants met to explore cooperation in the areas of tourism, agriculture, vocational training, trade and investment.

The current status, outlook and potential for growth of tourism and investment between Gifu and the central province of Viet Nam were included in the discussion.

The recently approved Trans Pacific Partnership agreement is opening up an important opportunity for development cooperation between its two members, Viet Nam and Japan.

Japan is strong in engineering manufacturing, new and high technologies and industrialisation and modernisation of agriculture.

Viet Nam has advantages in textile and garments, leather and footwear, seafood, furniture and handicrafts.

Hajime Furuta, Governor of Gifu Prefecture, said the TPP would have major economic impact in industrial production, including speeding up international cooperation among SMEs.

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