

# VIETNAM BUSINESS REVIEW

**2 MONTHS SINCE EVFTA TAKES EFFECT**

*September 2020*

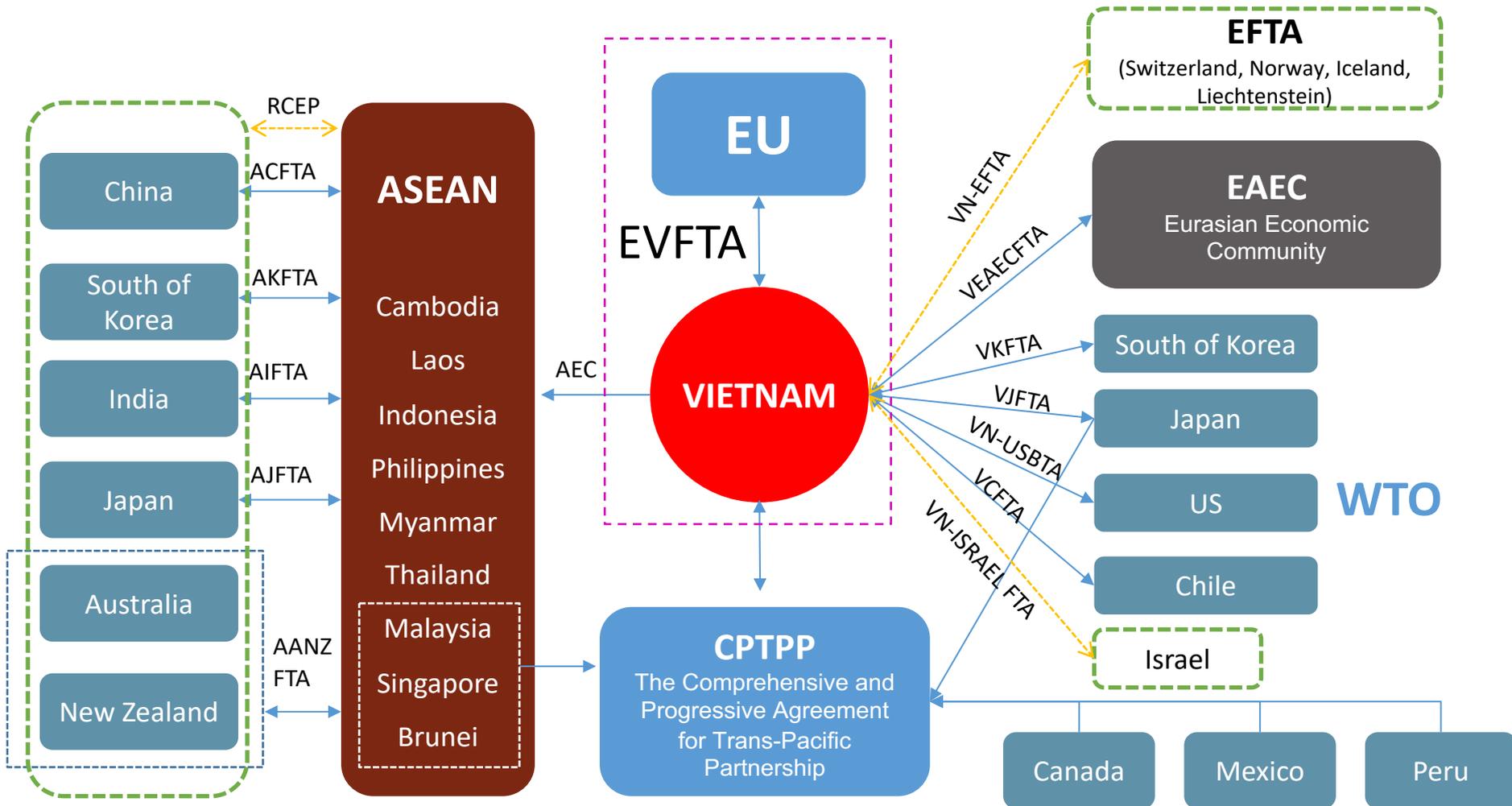
# TABLE OF CONTENT

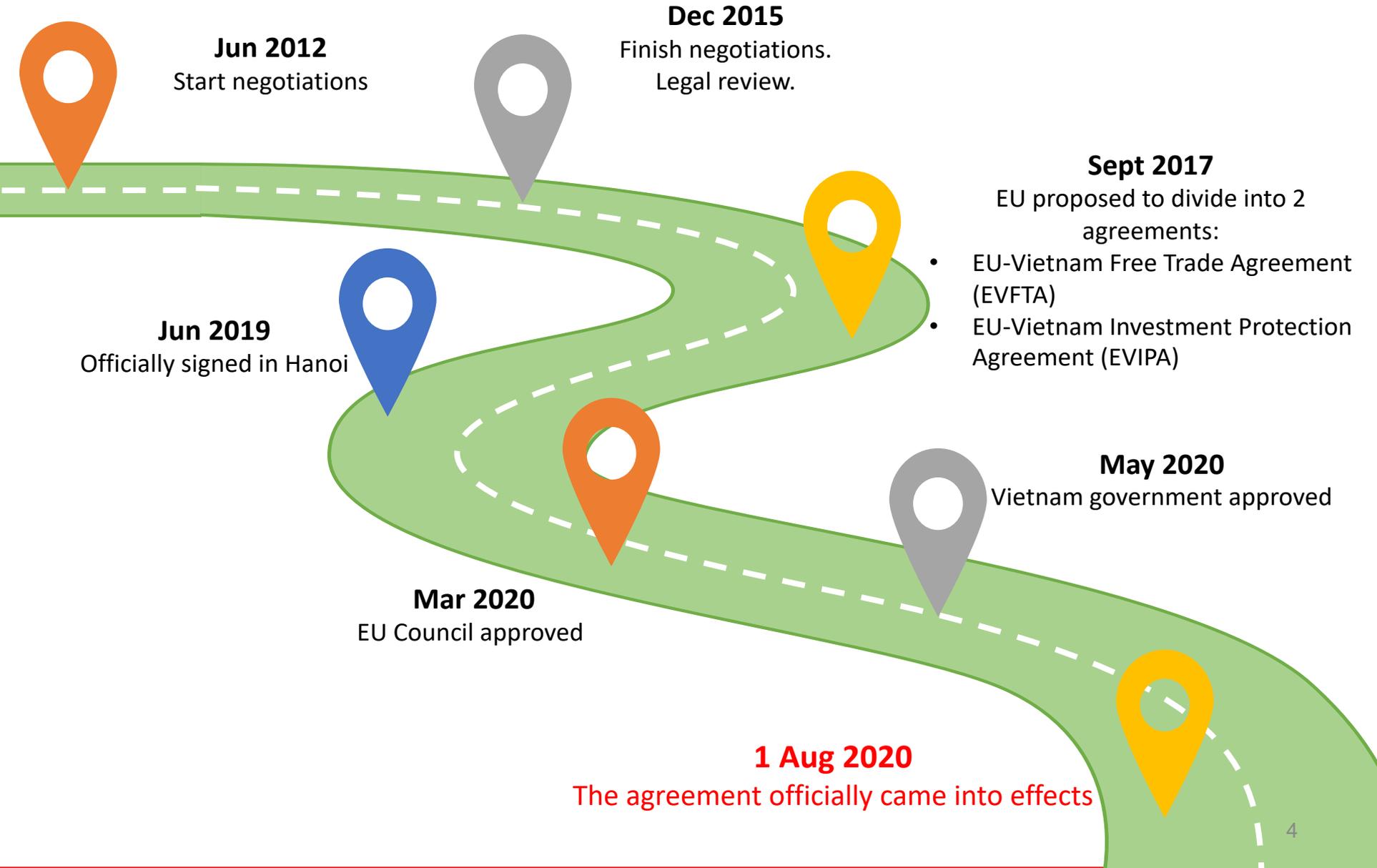


- INFORMATION ABOUT THE AGREEMENT
- GOVERNMENT EFFORTS
- OVERVIEW OF TRADE
- OVERVIEW OF INVESTMENT

**16 AGREEMENTS SIGNED**

**3 AGREEMENTS IN NEGOTIATION**





# TABLE OF CONTENT



- INFORMATION ABOUT THE AGREEMENT
- GOVERNMENT EFFORTS
- OVERVIEW OF TRADE
- OVERVIEW OF INVESTMENT

**INFORMATION DISSEMINATION**

- Conferences to support enterprises
- Handbooks for enterprises
- Online pages to provide information about the agreement



**LEGAL REVIEW**

- Law on intellectual property
- Law on insurance business
- Other legal documents



**TRADE AND INVESTMENT PROMOTION**

- Organize forums, conference of business matching and investment
- Improve environments of business and investment
- Other promotion activities

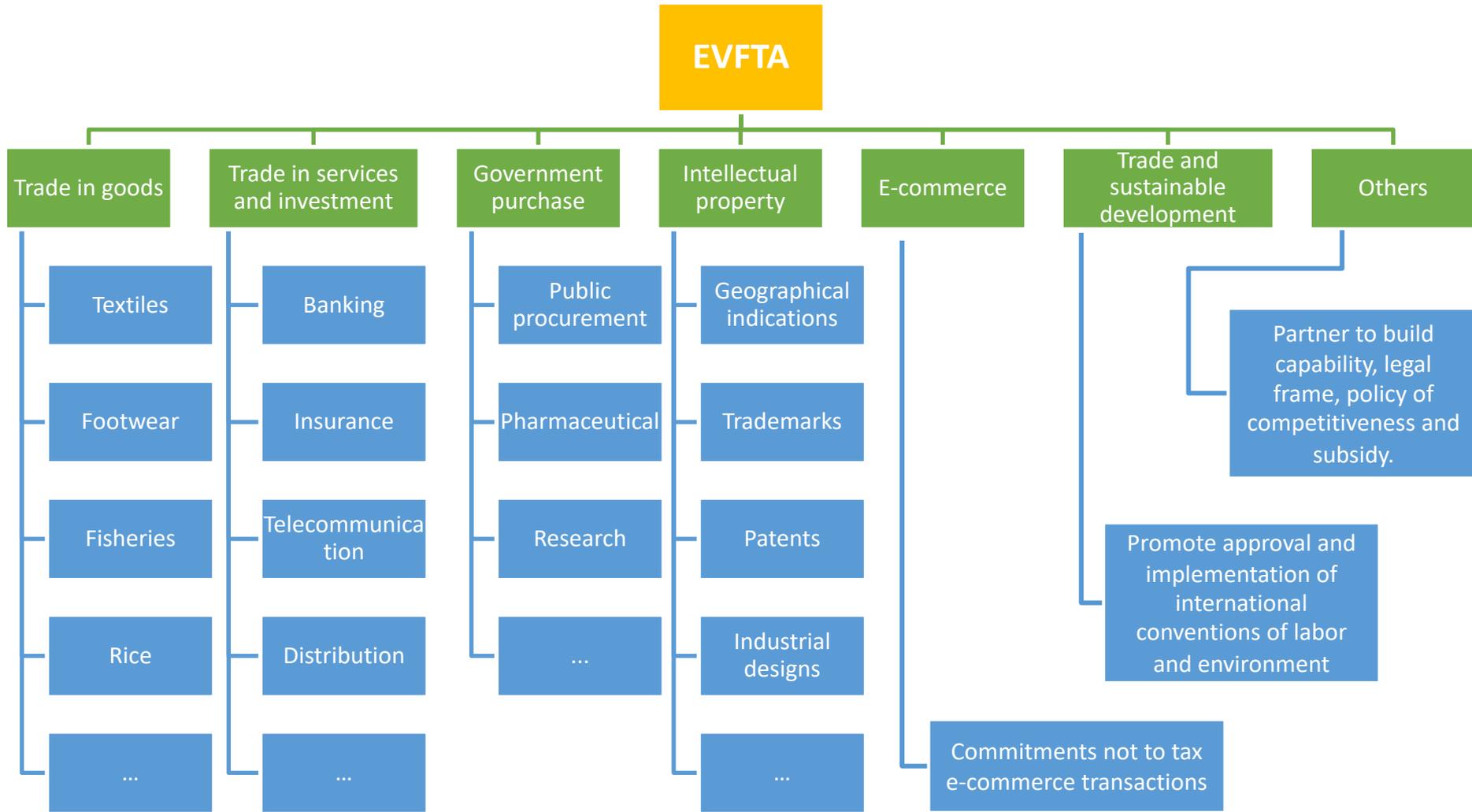


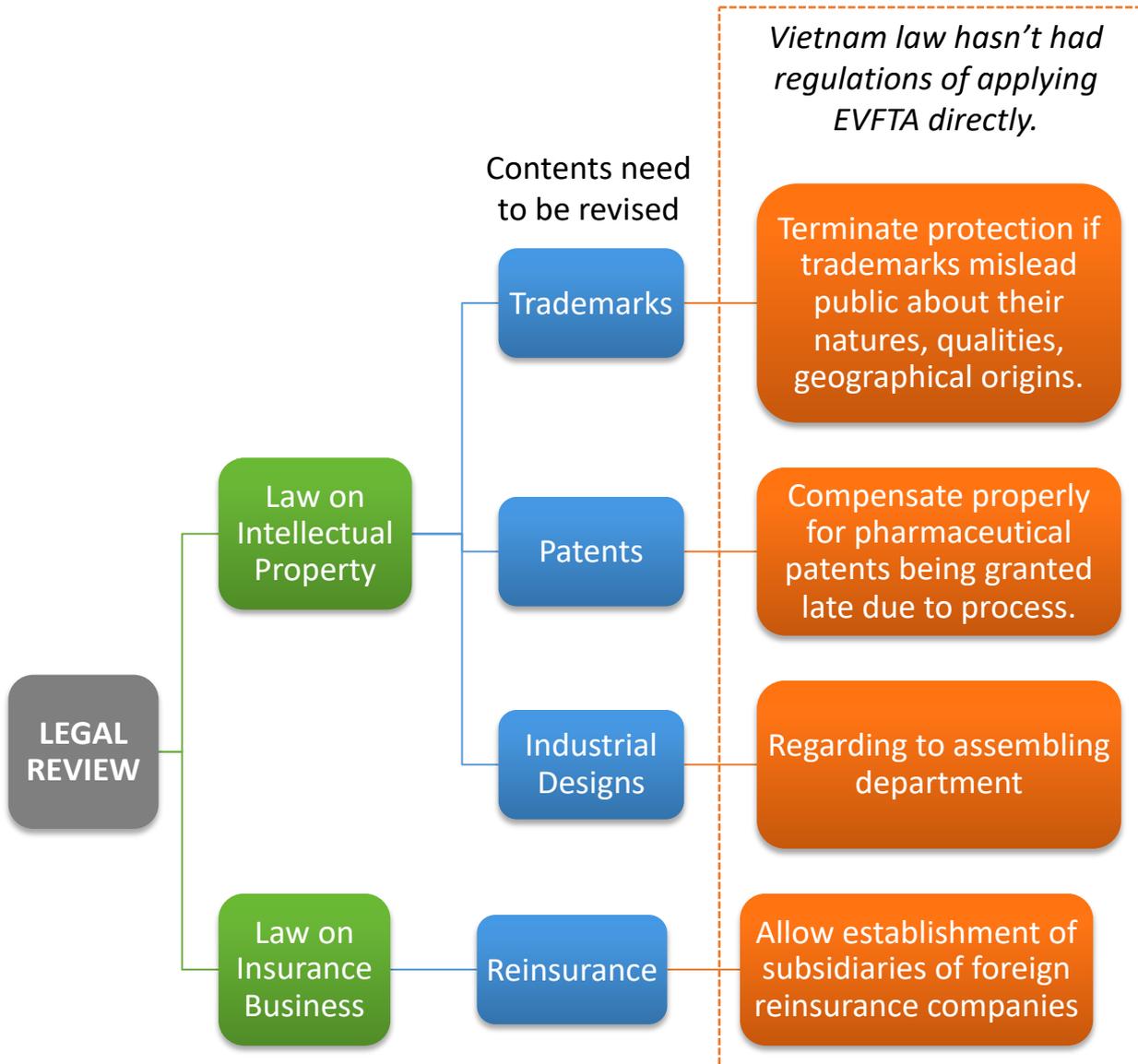
**ENHANCE ENTERPRISE COMPETITIVENESS**

- Programs to support startups
- Programs to support enterprise digitalization

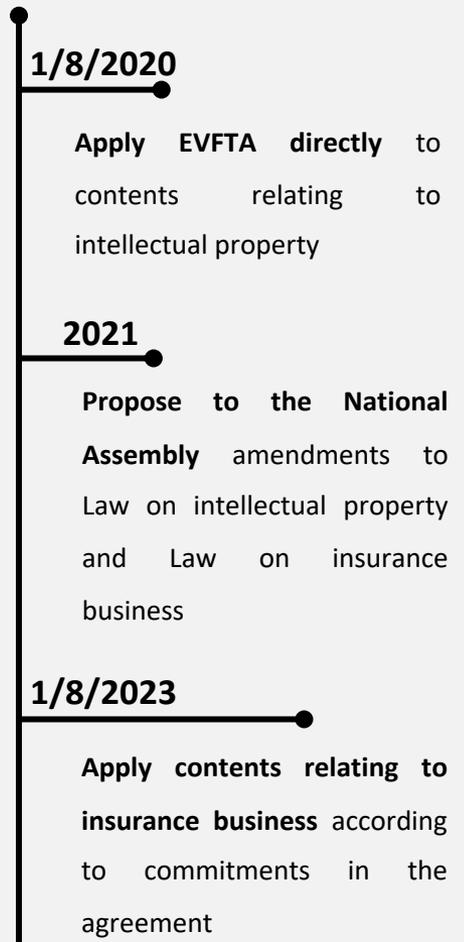


**KEY CONTENTS IN EVFTA**



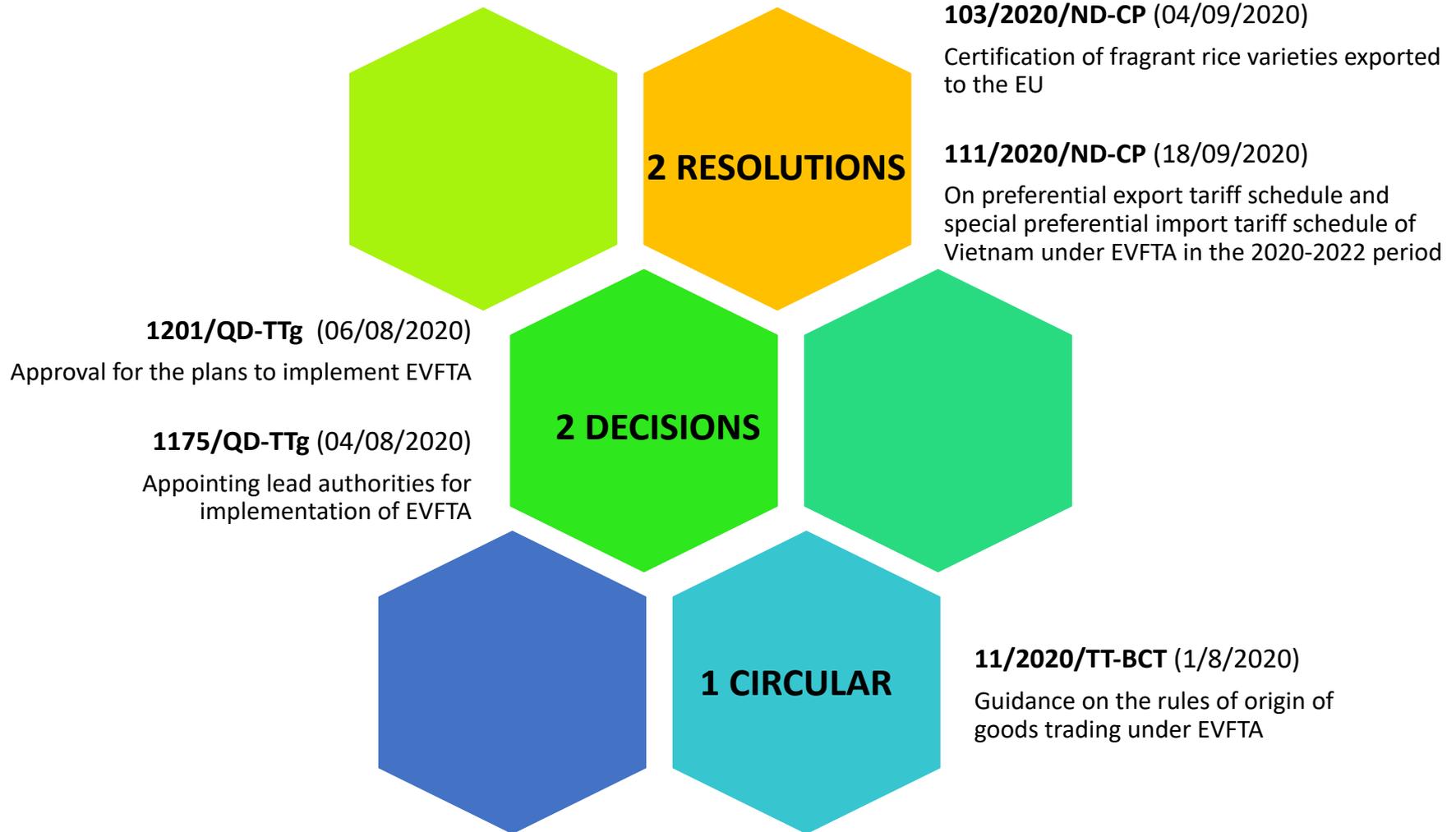


**ADOPTION TIMELINE**



According to Resolution no.102/2020/QH14 about approval of EVFTA.

**ISSUE LEGAL DOCUMENTS TO IMPLEMENT EVFTA**



**TRADE AND INVESTMENT PROMOTION ACTIVITIES**



Open a website of Vietnam Trade in Sweden (Apr 2020)



Webinars on business networking and investment



Webinar on business matching of consumer goods between Vietnam – Bulgaria (Sept 2020)



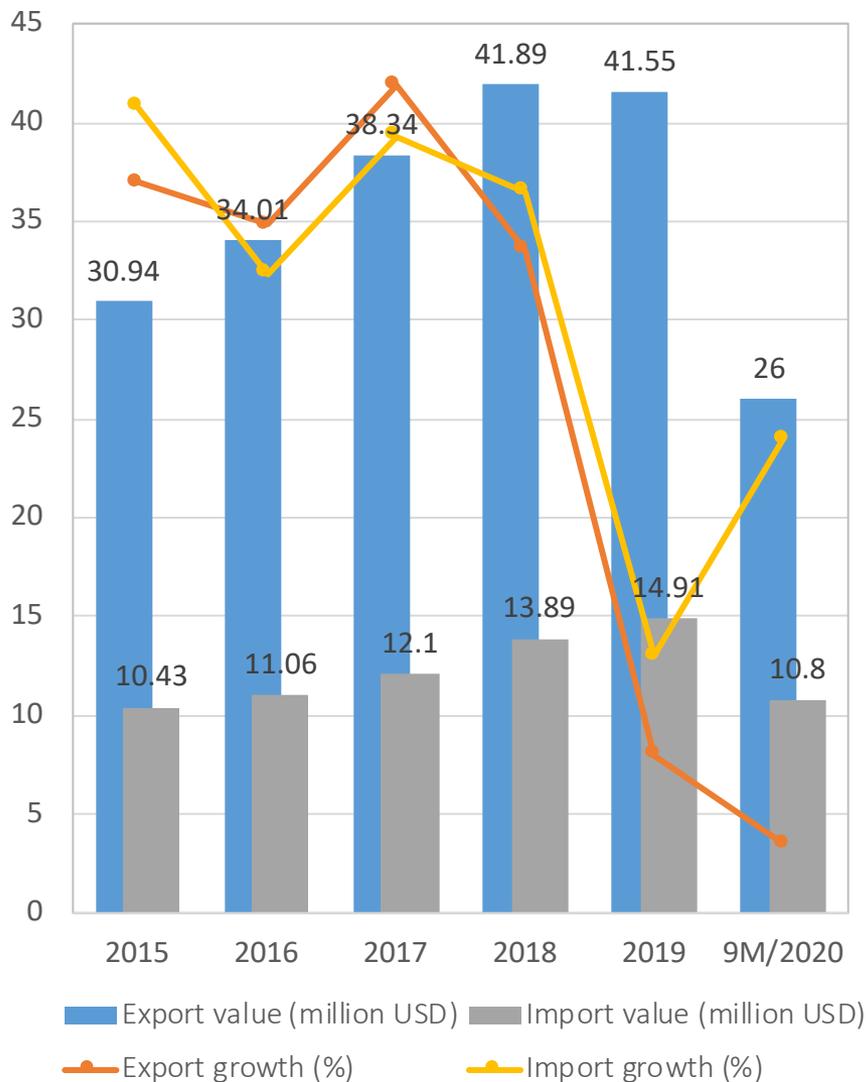
Webinar "Promote investment from France into Vietnam post-Covid-19" (Sept 2020)

# TABLE OF CONTENT



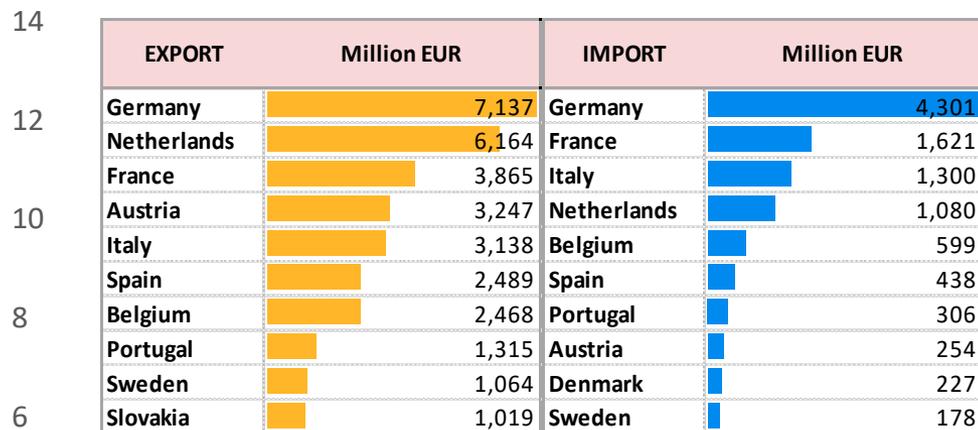
- INFORMATION ABOUT THE AGREEMENT
- GOVERNMENT EFFORTS
- OVERVIEW OF TRADE
- OVERVIEW OF INVESTMENT

**BILATERAL TRADE BETWEEN VIETNAM – EU**

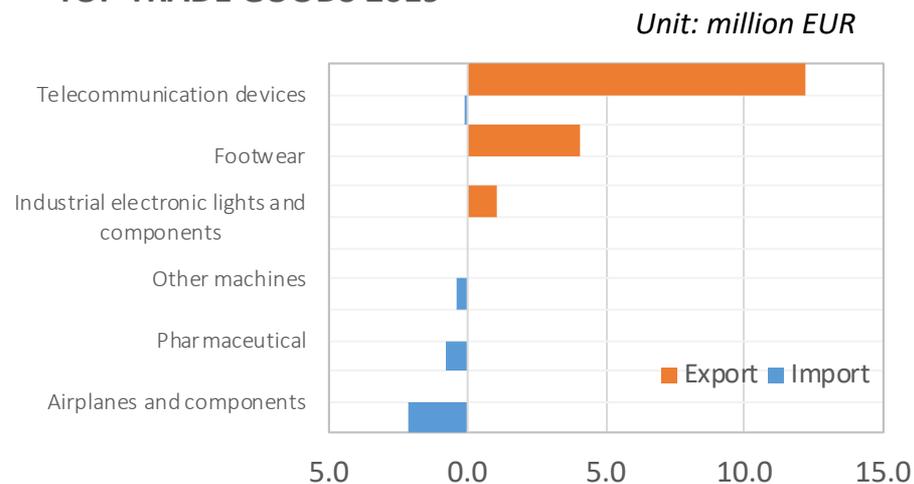


Source: Vietnam Customs

**TOP TRADE PARTNERS 2019**



**TOP TRADE GOODS 2019**



Source: EUROSTAT

**KEY EXPORT PRODUCTS**

**Agricultural products**



- Vegetable s & fruits
- Rice
- Coffee

**Fisheries**



- Shrimp
- Squid

**Processing, manufacturing**



- Plastics & plastic products
- Textile
- Suitcase, bag
- Rattan products

**Key markets:** Belgium, Germany, Netherlands, France, UK, Czech, etc



**Vietnam export to EU in Aug 2020**



Agricultural – Forestry –  
Fishery products

**350 million USD**



**17%** against  
Jul 2020



**34.7%**

76 million USD



**10%**

54.2 million USD

From 1-31 Aug

From 1-30 Sept



**7,200 C/O**  
form EUR.1

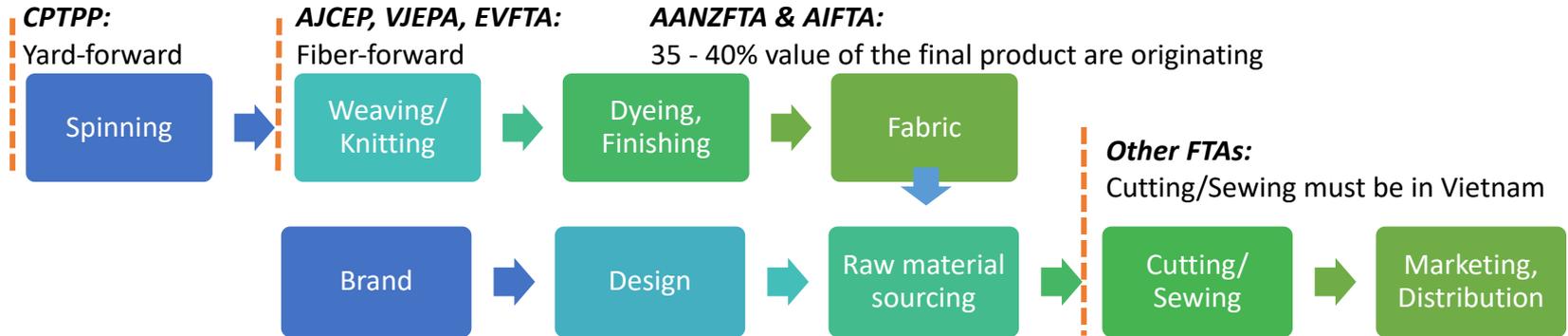
**7,800 C/O**  
form EUR.1



**277 million USD**

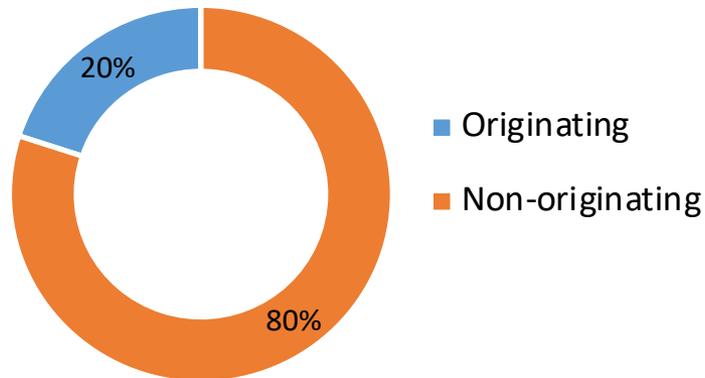
**423 million USD**

**DIFFERENCE IN THE RULES OF ORIGINS OF TEXTILES IN FTAs**



*CPTPP: The Comprehensive and Progressive Agreement for Trans-Pacific Partnership*  
*AJCEP: ASEAN-Japan Comprehensive Economic Partnership*  
*VJEPA: Vietnam-Japan Economic Partnership Agreement*  
*EVFTA: EU-Vietnam Free Trade Agreement*  
*AANZFTA: ASEAN-Australia-New Zealand Free Trade Area*  
*AIFTA: ASEAN-India Free Trade Area*

**RATIO OF EVFTA-ORIGINATING FABRIC MATERIAL**



(1) Search for new supply with originating

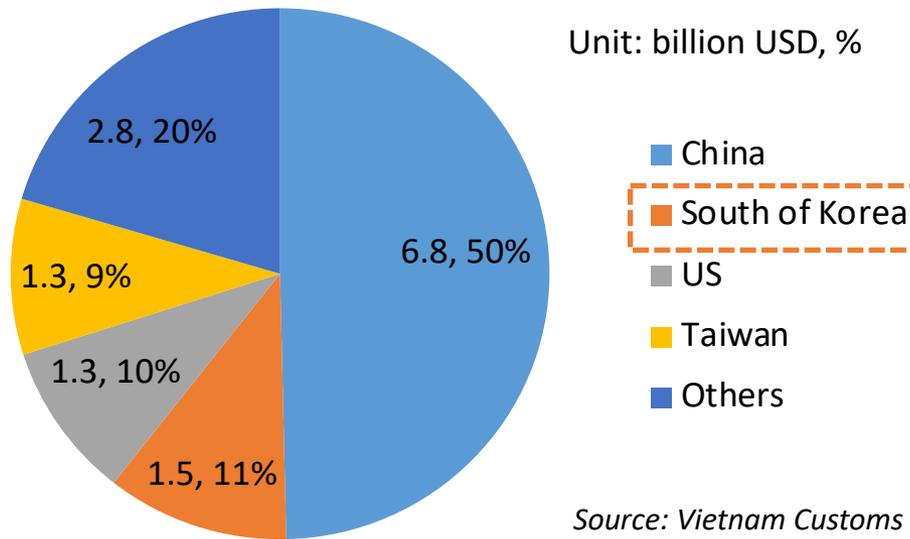


(2) Build domestic fabric factories

<https://trungtamwto.vn/su-kien/15841-evfta-mo-khoa-quy-tac-xuat-xu-cho-det-may>  
<https://trungtamwto.vn/chuyen-de/15918-det-may-lo-quy-tac-xuat-xu-de-nhan-uu-dai-evfta>  
<https://baodautu.vn/evfta-va-tro-ngai-quy-tac-xuat-xu-cua-2-nganh-hang-xuat-khau-chuc-ty-usd-d123595.html>  
<http://tapchicongthuong.vn/video/cong-nghiep-ho-tro-dong-vai-tro-nen-tang-de-nganh-da-giay-tan-dung-uu-dai-dai-han-trong-evfta-74683.htm>  
<https://baodautu.vn/det-may-lo-quy-tac-xuat-xu-de-nhan-uu-dai-evfta-d127362.html>

**(1) Explore new import market**

**Key supply of material for Vietnam textile and footwear in the first 8 months of 2020**



Source: Vietnam Customs

**RULES OF ORIGIN:**

Fabric material for clothing exported to EU must be woven in **Vietnam** or **EU countries** or **countries having FTA with EU**

**Fabric supplies satisfy rules of origin of EVFTA**

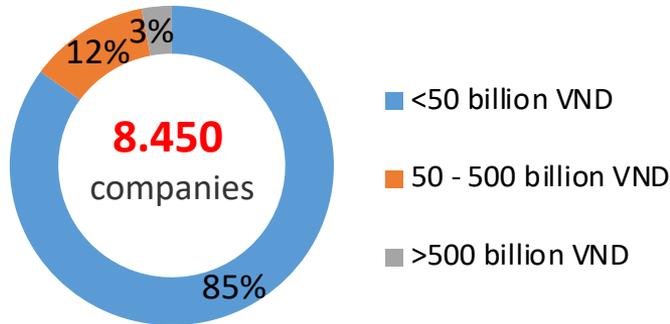
**MAY 10**



Replace current supply (China, Taiwan) with new domestic supply (Nam Dinh, Ha Nam province)

**(2) Build domestic fabric factories**

**CAPITAL SIZE OF TEXTILE COMPANIES**

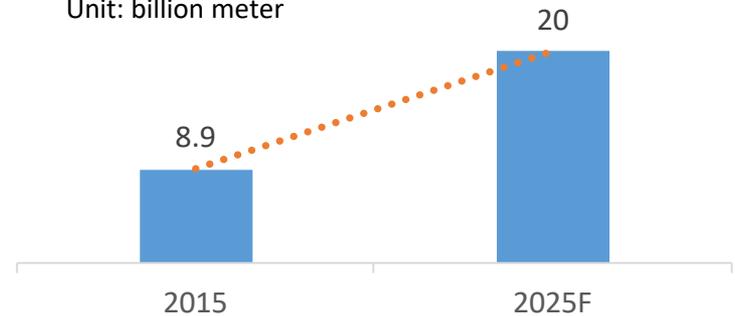


**RATIO OF DOMESTIC PRODUCTION VS. IMPORT OF FABRICS (2019)**

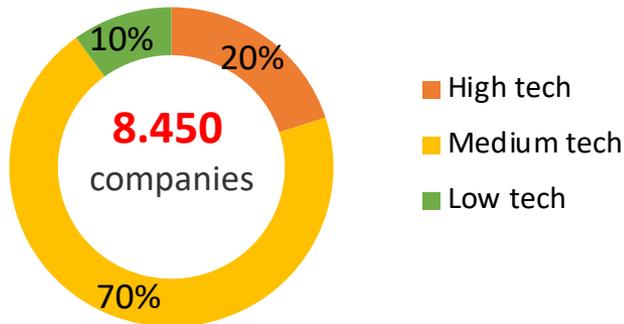


**GROWTH OF NEED FOR FABRICS**

Unit: billion meter



**RATIO OF USING TECHNOLOGY IN DESIGNING AND MANAGEMENT (2018)**



*It takes 30 million USD to set up a fabric factory with capacity of 10 million meter/year. Due to the limit of capital and technology in the textile industry, attracting FDI is considered a long-term solution.*

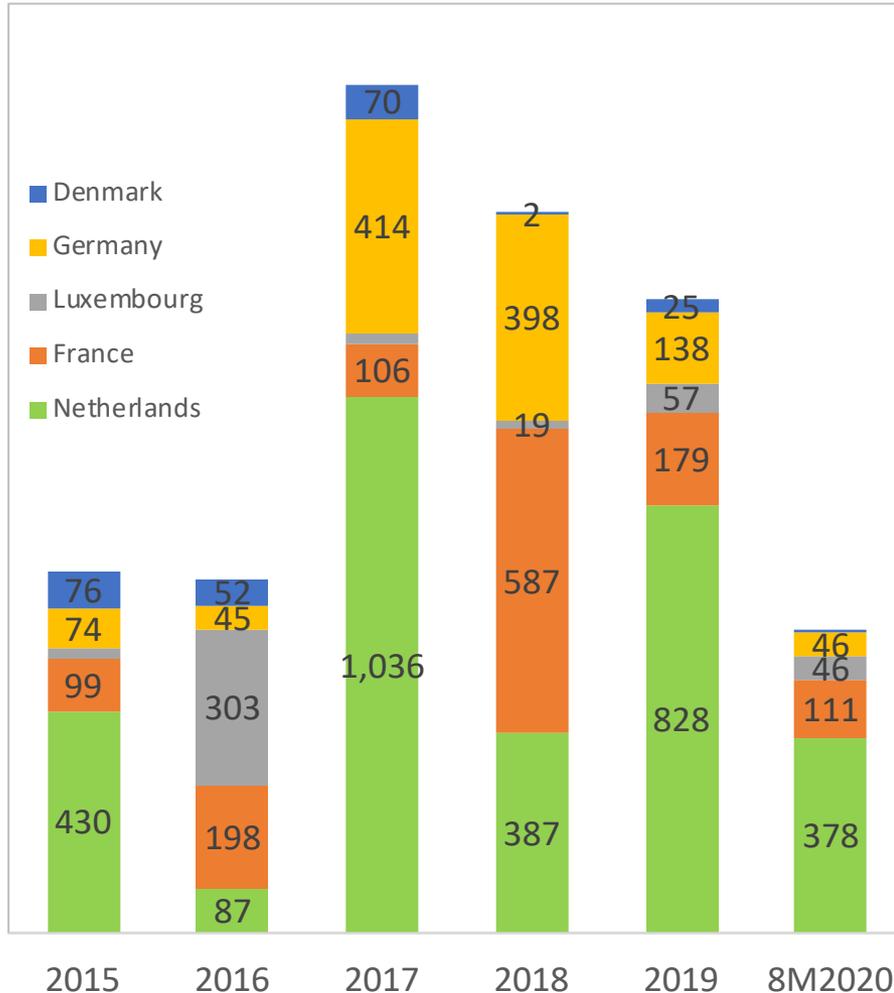
# TABLE OF CONTENT



- INFORMATION ABOUT THE AGREEMENT
- GOVERNMENT EFFORTS
- OVERVIEW OF TRADE
- OVERVIEW OF INVESTMENT

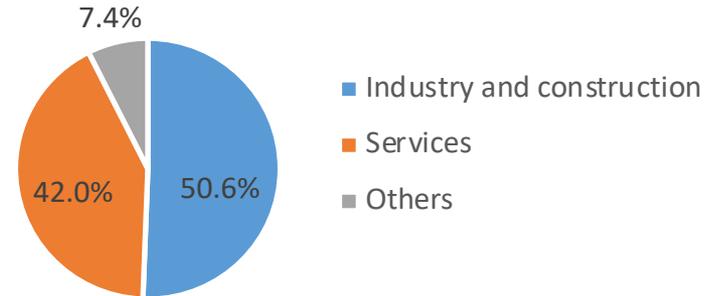
**TOP 5 EU COUNTRIES INVESTING INTO VIETNAM**

Total registered capital (million USD)

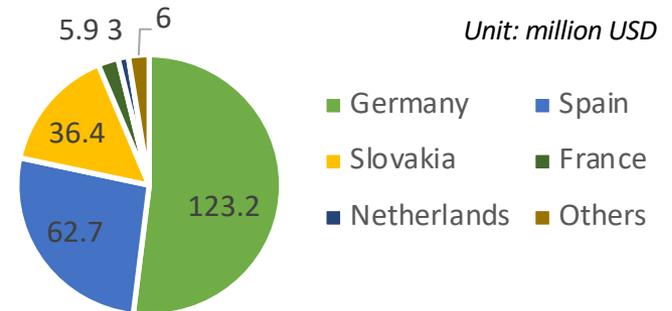


Source: Vietnam Ministry of Planning and Investment

**FDI OF EU INTO VIETNAM BY INDUSTRY  
(IN THE FIRST 8 MONTHS OF 2020)**



**FDI OF VIETNAM INTO EU  
(Accumulated to 31/12/2019)**



FDI from EU into Vietnam fluctuates over years. Netherlands is the biggest EU investor in Vietnam. These two countries are partners in many fields, such as water and climate change management, sustainable agriculture. Meanwhile, Vietnam's investment into EU is still limited. The total investment accumulated to 2019 only reached 237.2 million USD.

**Texhong Group**

**Founded in:** 1997

**Headquarter:** Hong Kong

**Business:** manufacturing and distribution of yarn, fabrics and apparel

**URL:** <http://www.texhong.com/>



**TEXHONG KNITTING FACTORY IN HAI HA IZ (QUANG NINH)**



249.000 m<sup>2</sup>



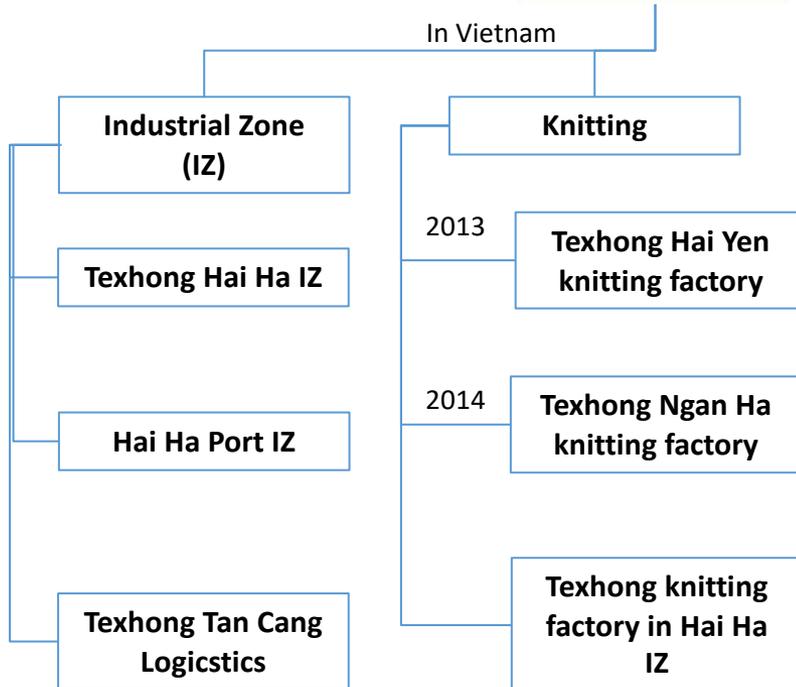
2.700 employees



214 million USD



82.500 ton /year  
(375 million m<sup>2</sup>)



• Get investment certificate

• Complete phase 1

• Complete phase 2

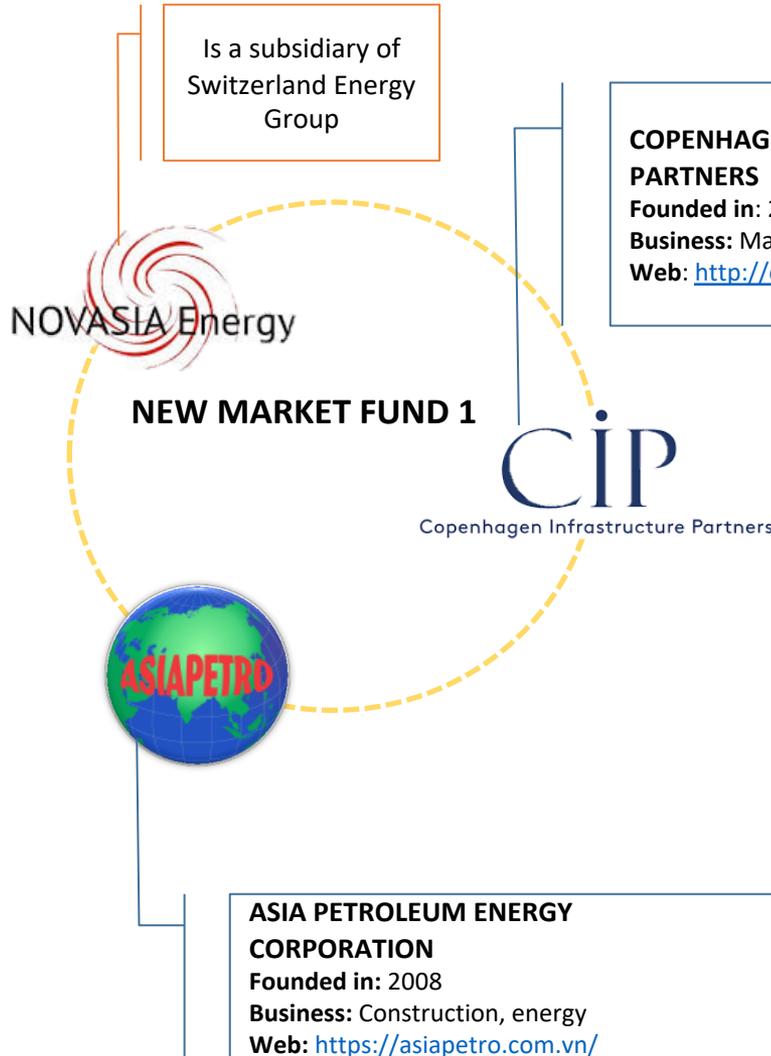


33.000 ton  
(150 million m<sup>2</sup>) /year

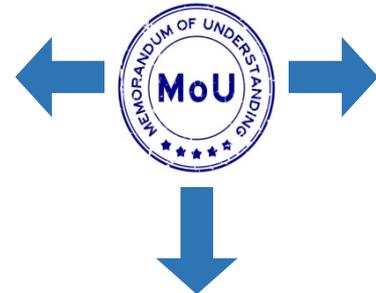


49.500 ton  
(225 million m<sup>2</sup>) /year

# LA GAN OFFSHORE WIND POWER PROJECT



**COPENHAGEN INFRASTRUCTURE PARTNERS**  
Founded in: 2012  
Business: Manage 6 financial funds in Denmark  
Web: <http://cipartners.dk/>



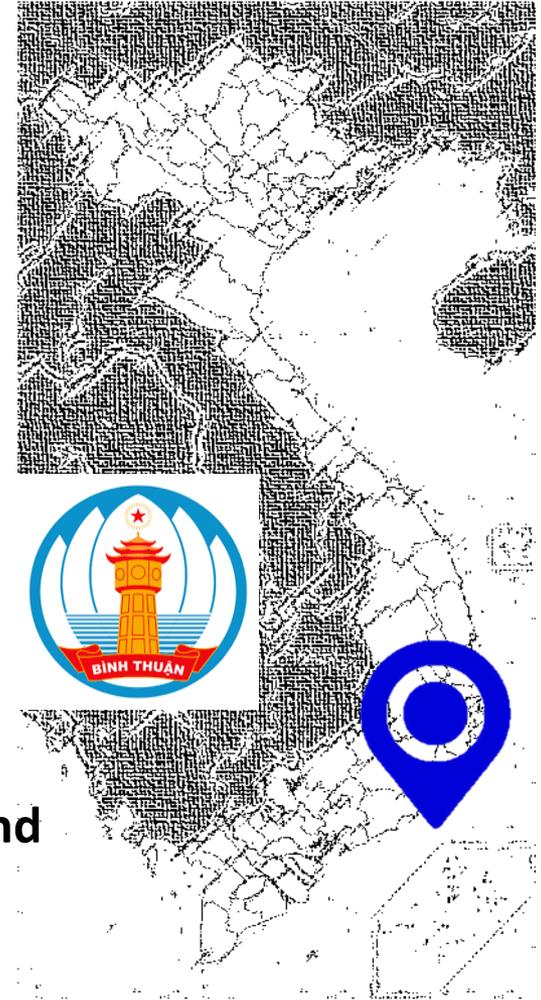
**La Gan offshore wind power project**

Capacity

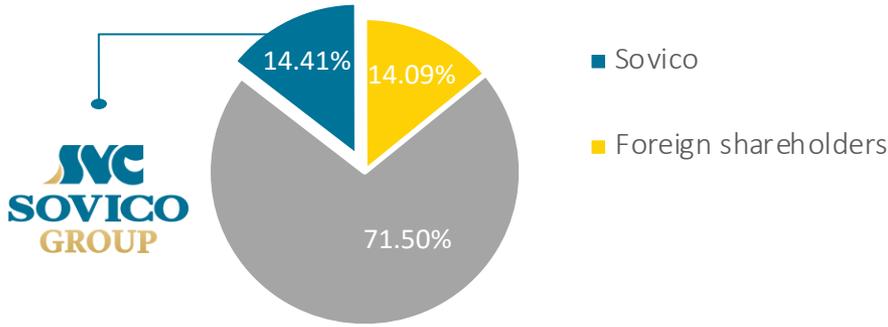
**3.5GW**

Total capital

**10 billion USD**



**SHAREHOLDER STRUCTURE OF HDBANK**



Credit Institute for Reconstruction (Germany)



**Ho Chi Minh City Development Joint Stock Commercial Bank**

**Founded in:** 1990

**Charter capital:** 9,810 billion VND

**Web:** <https://www.hdbank.com.vn/>

**German Investment and Development Company**

**Founded in:** 1962

**Business:** financial services

**Web:** <https://www.deginvest.de>



Strategic partnership to develop financial services

Source:  
<https://www.hdbank.com.vn/vi/about/tin-tuc/tin-tuc/hdbank-phat-hanh-trai-phieu-chuyen-doi-cho-doi-tac-chien-luoc-deg-thuoc-ngan-hang-tai-thiet-kfw-cua-duc>



Up to 21 Sept 2020

CONFIRMED CASES

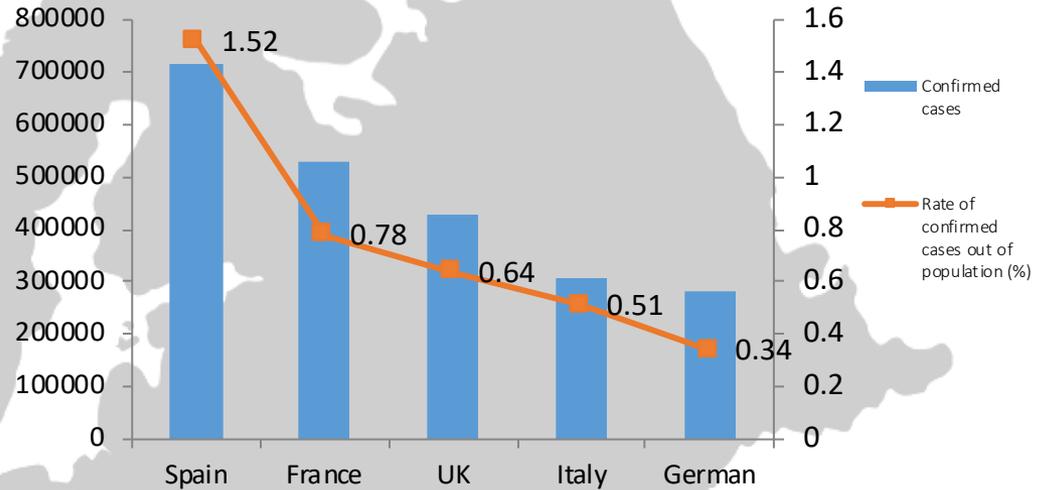
**3,163,538**

DEATH RATE

6%

**≈ 188,610**  
Death cases

COUNTRIES WITH THE MOST COVID-19 CASES



EU'S GDP GROWTH OVER QUARTERS

