

VIETNAM BUSINESS REVIEW

2 MONTHS SINCE EVFTA TAKES EFFECT

September 2020

TABLE OF CONTENT



INFORMATION ABOUT THE AGREEMENT

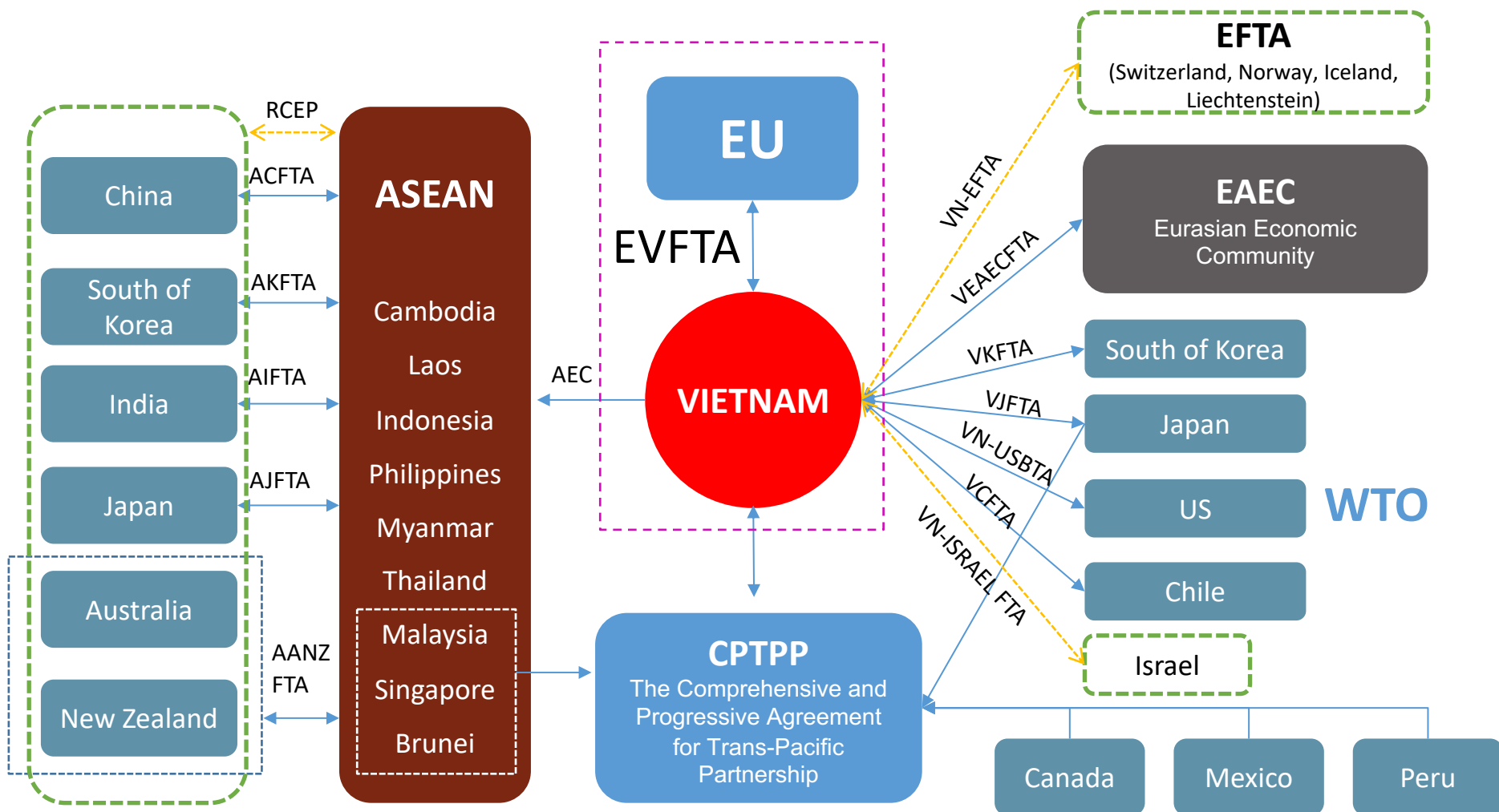
GOVERNMENT EFFORTS

OVERVIEW OF TRADE

OVERVIEW OF INVESTMENT

16 AGREEMENTS SIGNED

3 AGREEMENTS IN NEGOTIATION



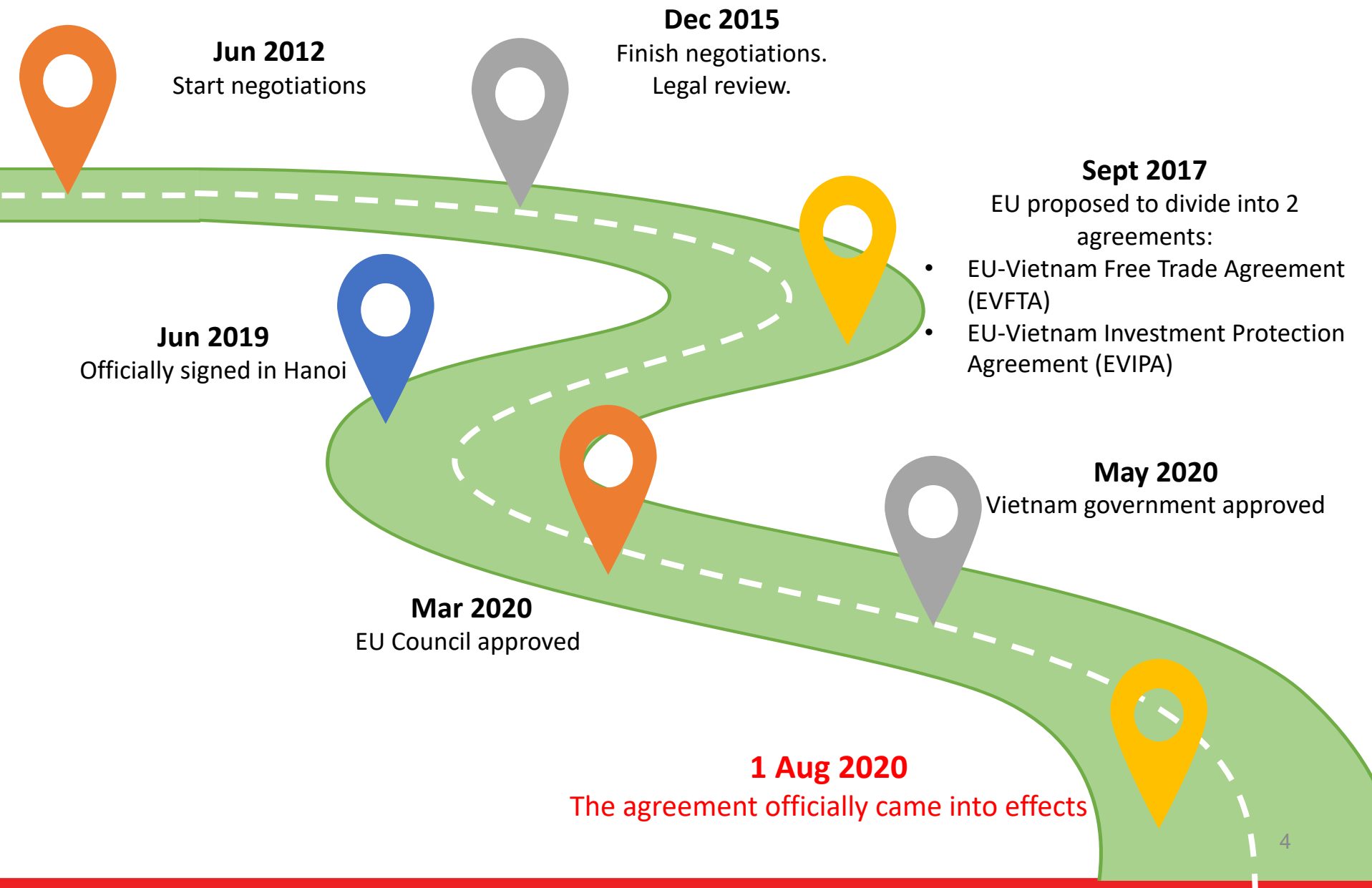


TABLE OF CONTENT



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

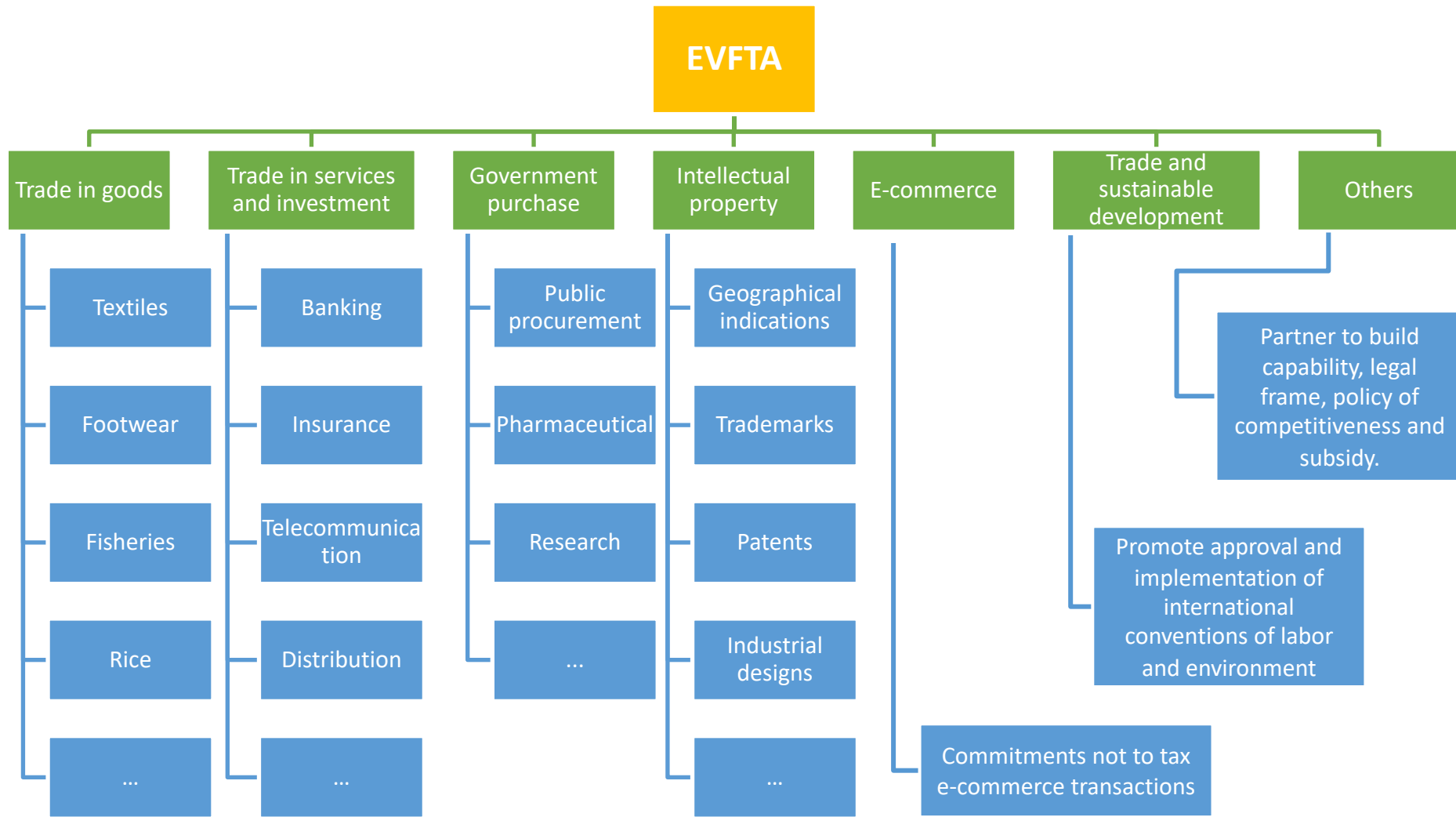


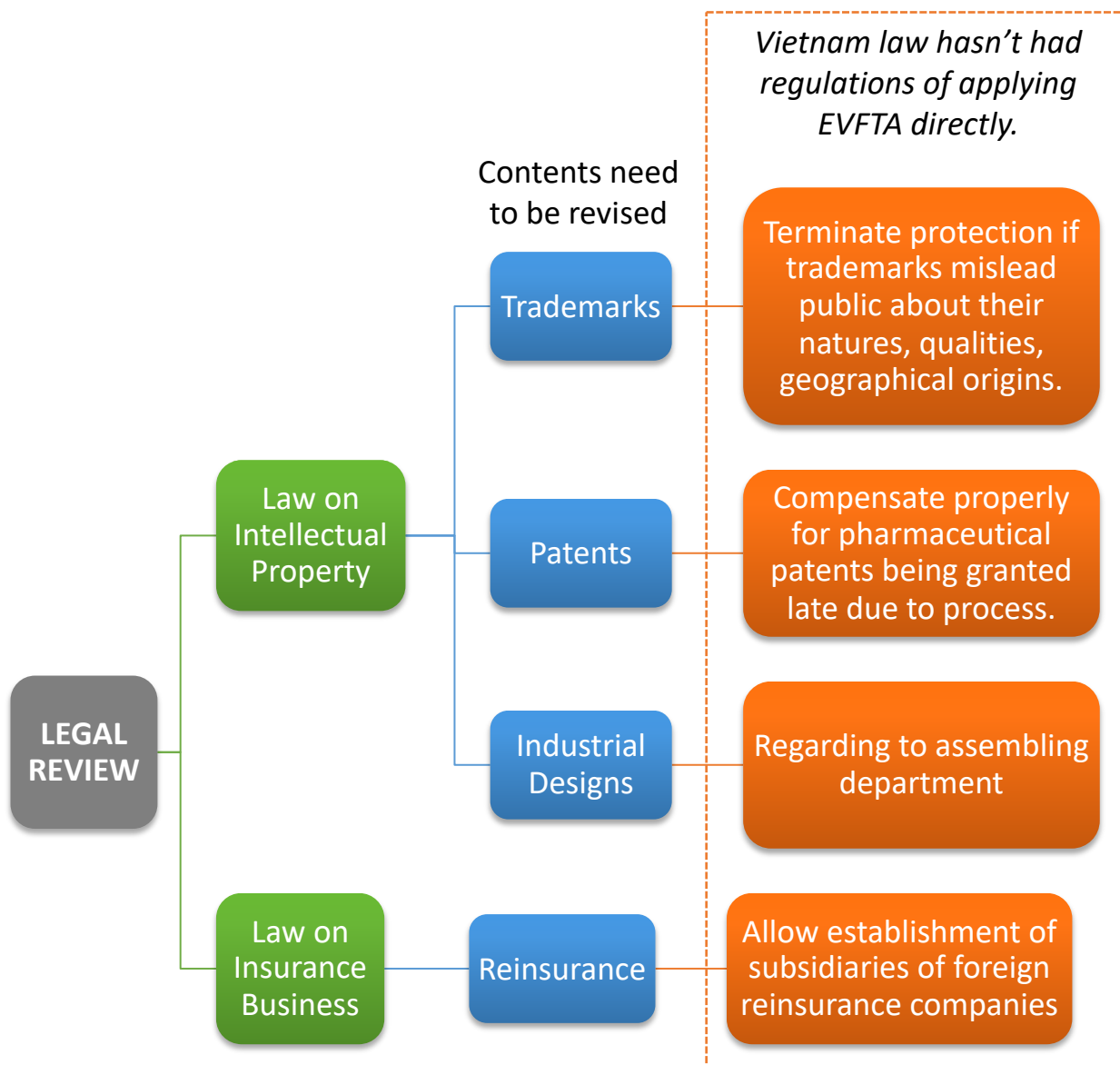
ENHANCE ENTERPRISE COMPETITIVENESS

- Programs to support startups
- Programs to support enterprise digitalization



KEY CONTENTS IN EVFTA





ADOPTION TIMELINE

1/8/2020

Apply EVFTA directly to contents relating to intellectual property

2021

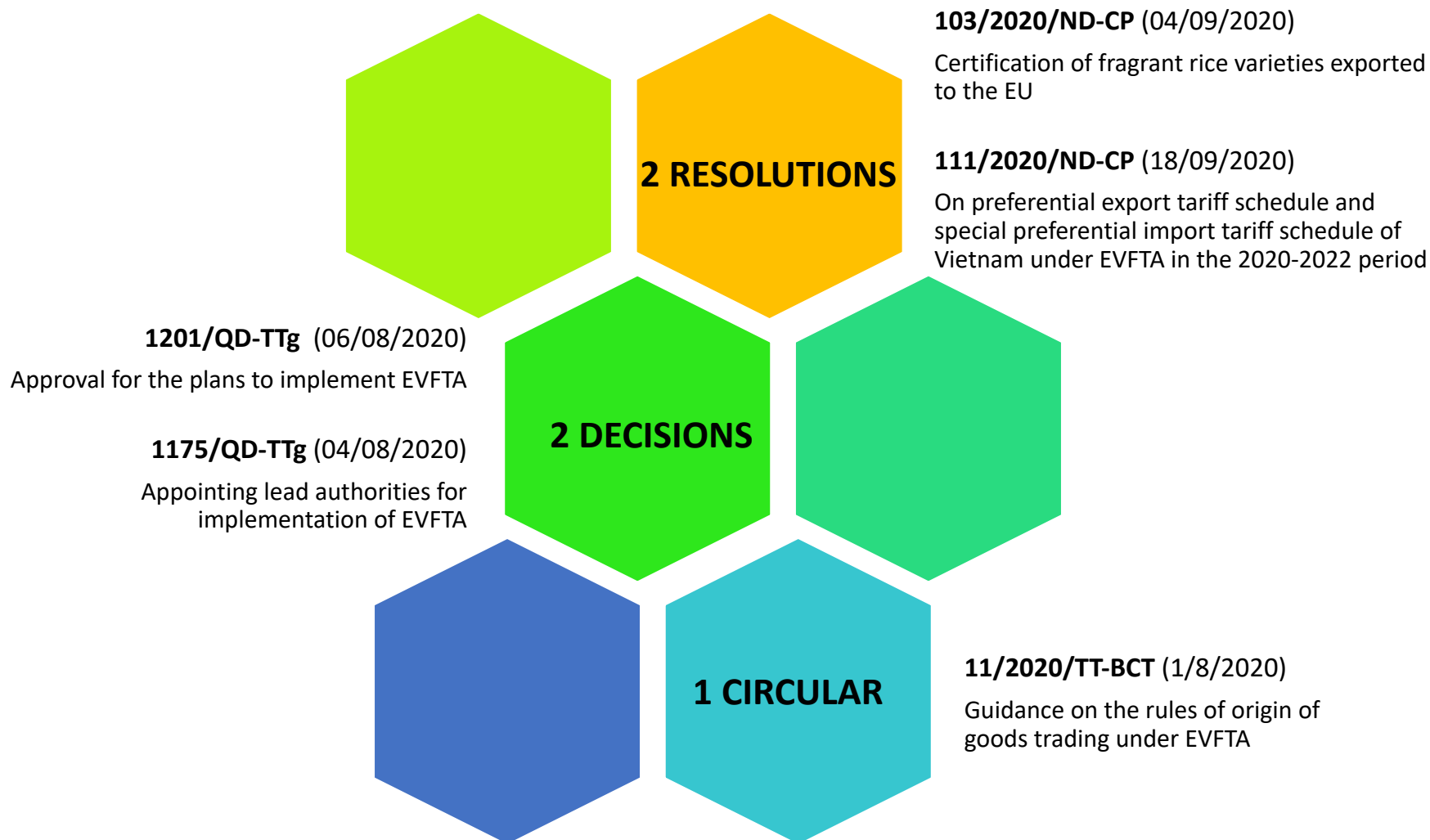
Propose to the National Assembly amendments to Law on intellectual property and Law on insurance business

1/8/2023

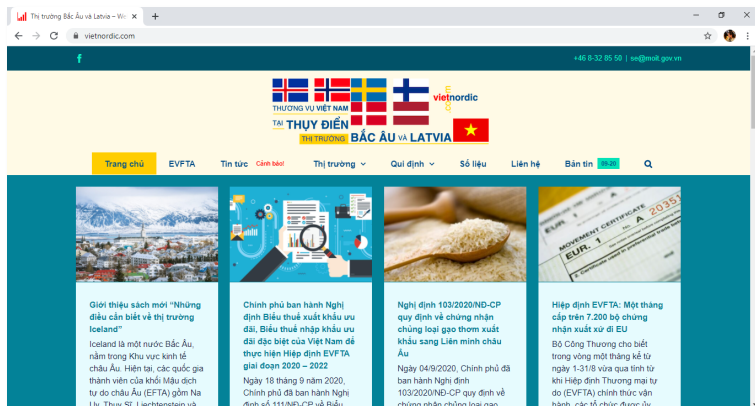
Apply contents relating to insurance business according to commitments in the agreement

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



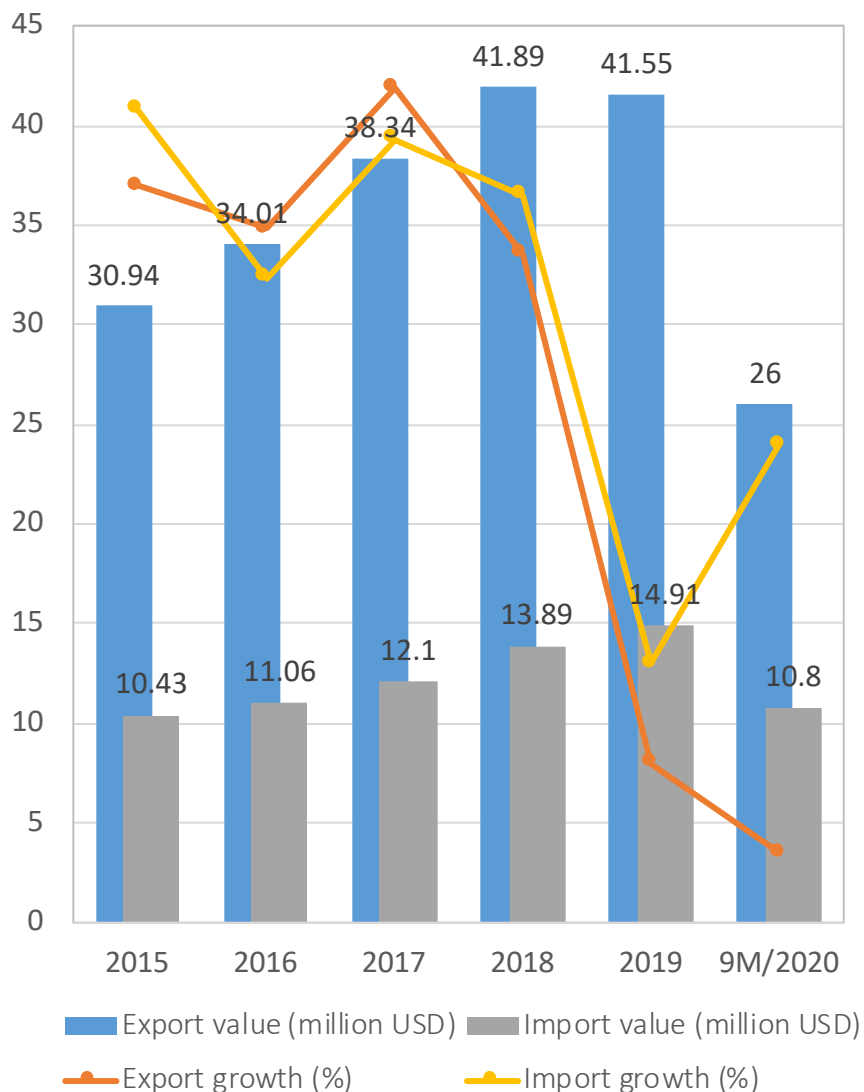
INFORMATION ABOUT THE AGREEMENT

GOVERNMENT EFFORTS

OVERVIEW OF TRADE

OVERVIEW OF INVESTMENT

BILATERAL TRADE BETWEEN VIETNAM – EU

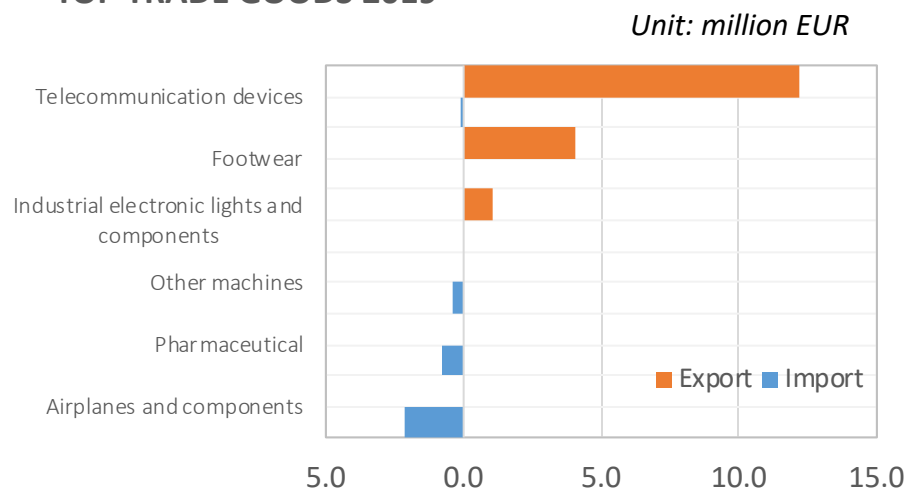


Source: Vietnam Customs

TOP TRADE PARTNERS 2019

EXPORT		Million EUR	IMPORT		Million EUR
Germany		7,137	Germany		4,301
Netherlands		6,164	France		1,621
France		3,865	Italy		1,300
Austria		3,247	Netherlands		1,080
Italy		3,138	Belgium		599
Spain		2,489	Spain		438
Belgium		2,468	Portugal		306
Portugal		1,315	Austria		254
Sweden		1,064	Denmark		227
Slovakia		1,019	Sweden		178

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

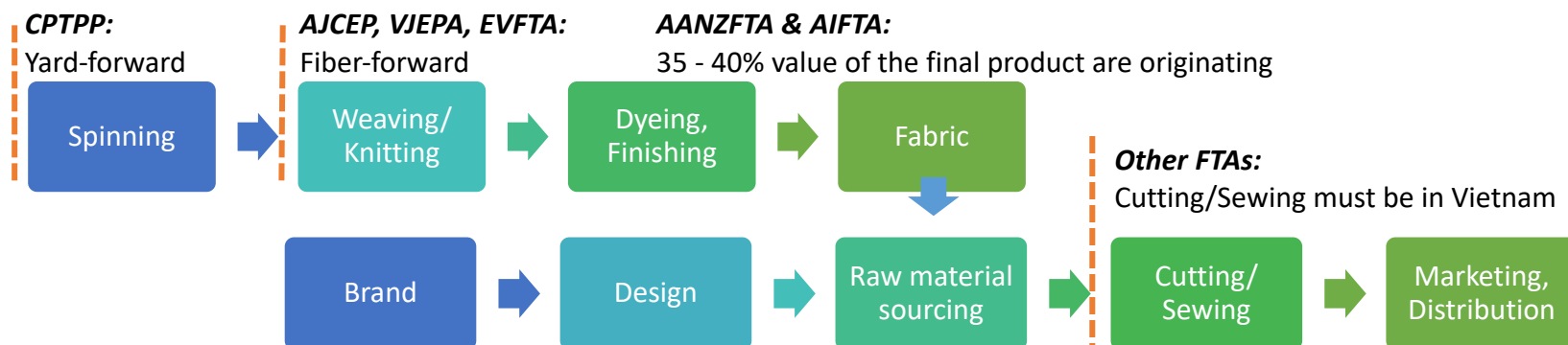


10%

54.2 million USD



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

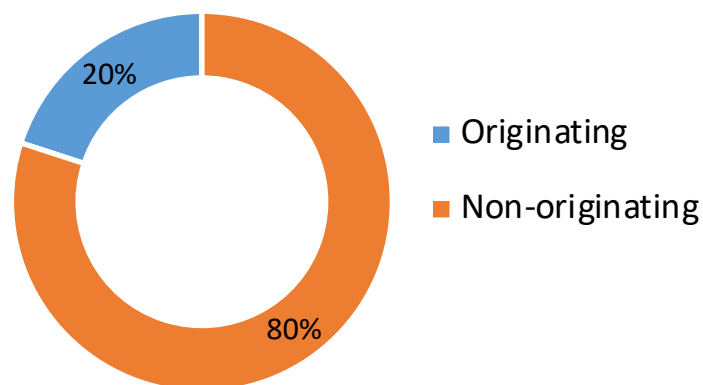
VJEPA: Vietnam-Japan Economic Partnership Agreement

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>

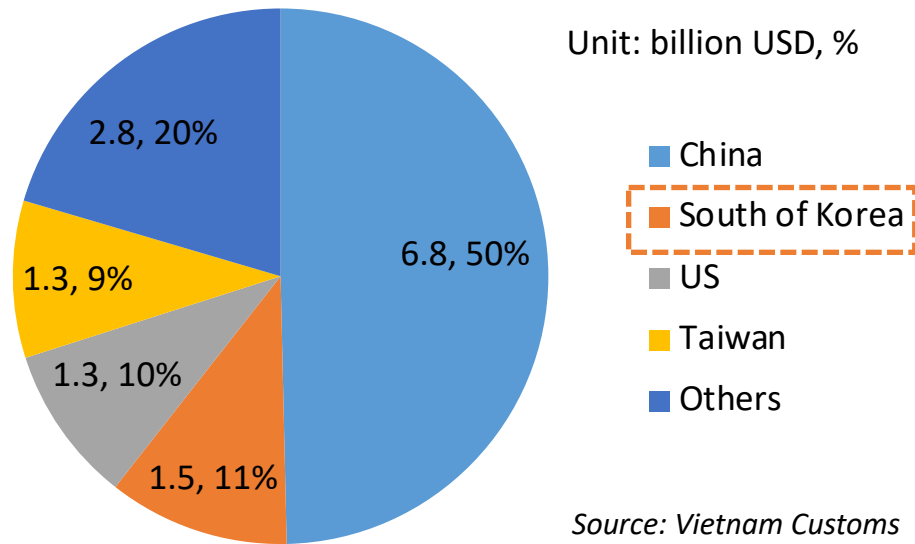
<https://baodautu.vn/evfta-va-tro-ngai-quy-tac-xuat-xu-cua-2-nganh-hang-xuat-khau-chuc-ty-usd-d123595.html>

<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



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

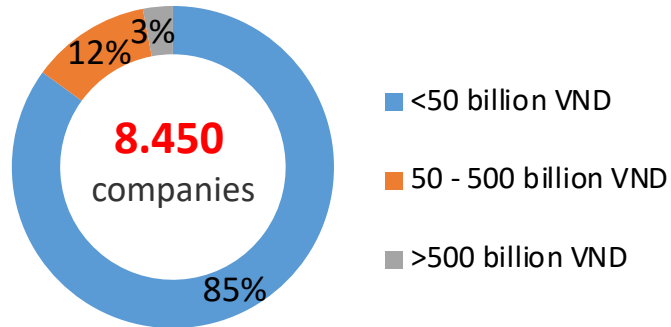
MAY 10



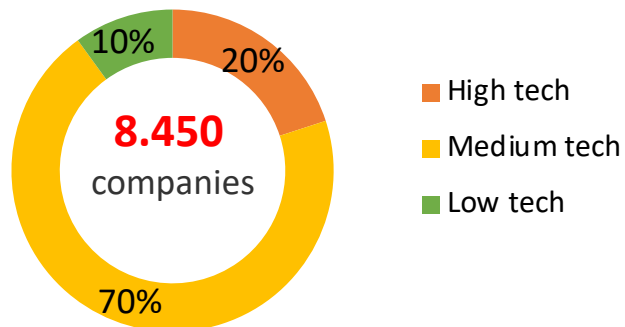
Replace current supply (China, Taiwan) with new domestic supply (Nam Dinh, Ha Nam province)

(2) Build domestic fabric factories

CAPITAL SIZE OF TEXTILE COMPANIES



RATIO OF USING TECHNOLOGY IN DESIGNING AND MANAGEMENT (2018)

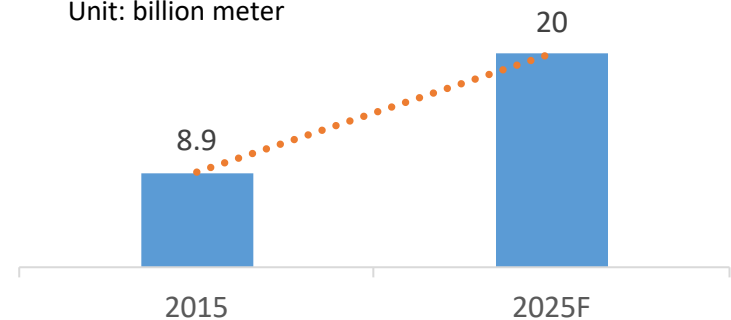


RATIO OF DOMESTIC PRODUCTION VS. IMPORT OF FABRICS (2019)



GROWTH OF NEED FOR FABRICS

Unit: billion meter



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

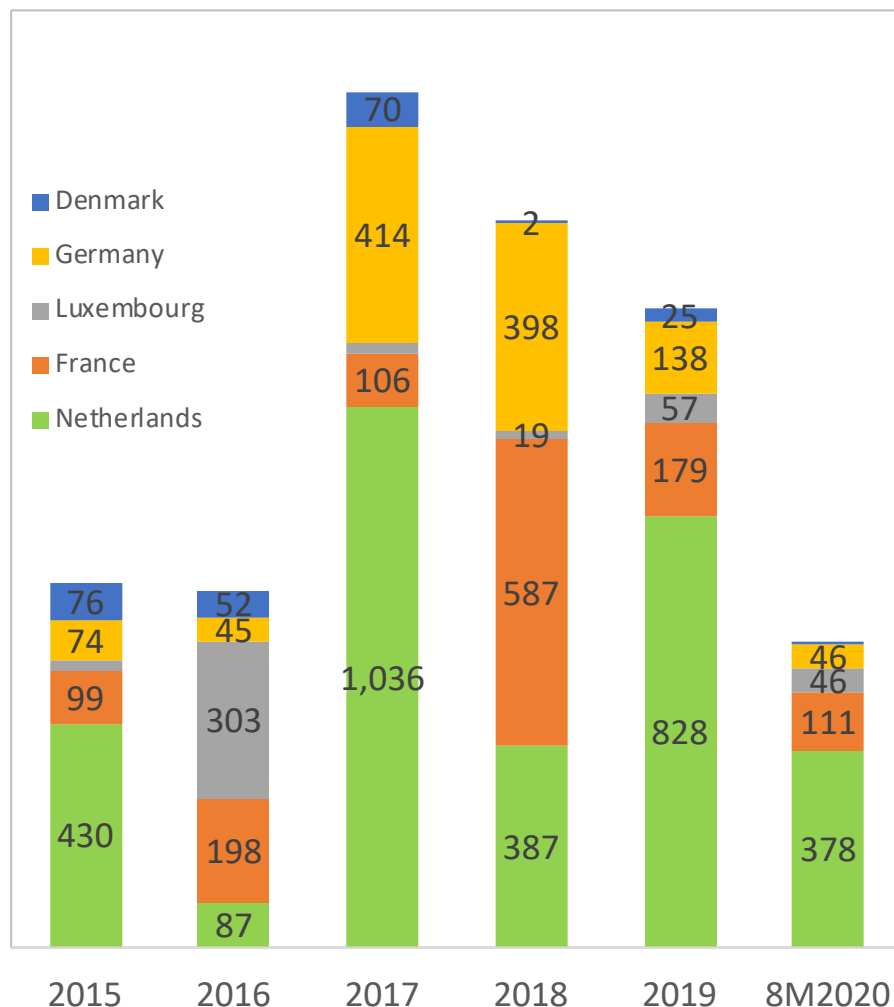
GOVERNMENT EFFORTS

OVERVIEW OF TRADE

OVERVIEW OF INVESTMENT

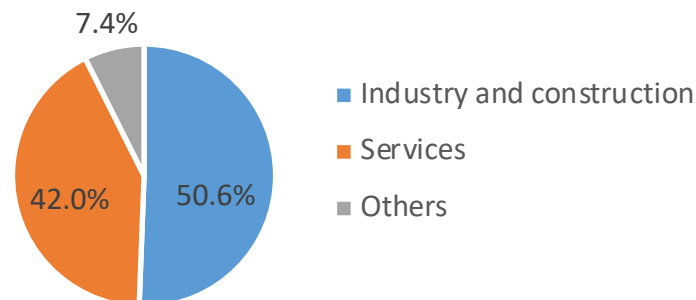
TOP 5 EU COUNTRIES INVESTING INTO VIETNAM

Total registered capital (million USD)

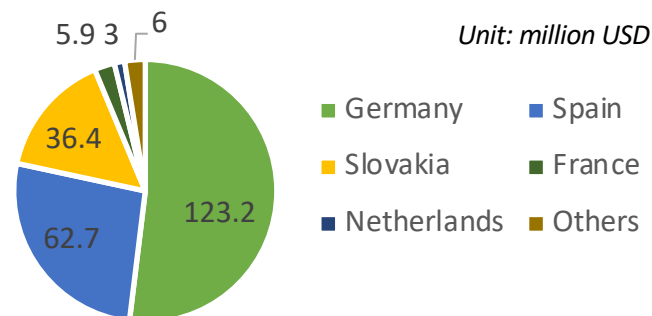


Source: Vietnam Ministry of Planning and Investment

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

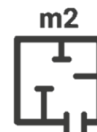
Headquarter: Hong Kong

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 m²



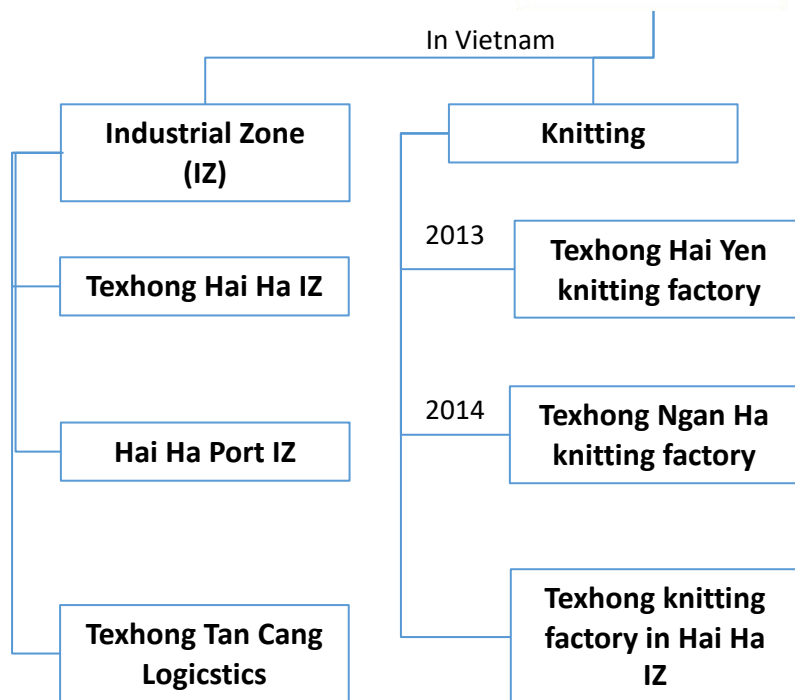
2.700 employees



214 million USD



82.500 ton
(375 million m²) /year



5/2020

- Get investment certificate

9/2022

- Complete phase 1

5/2024

- Complete phase 2

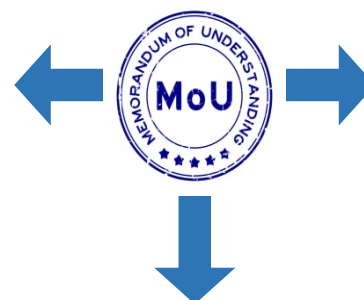
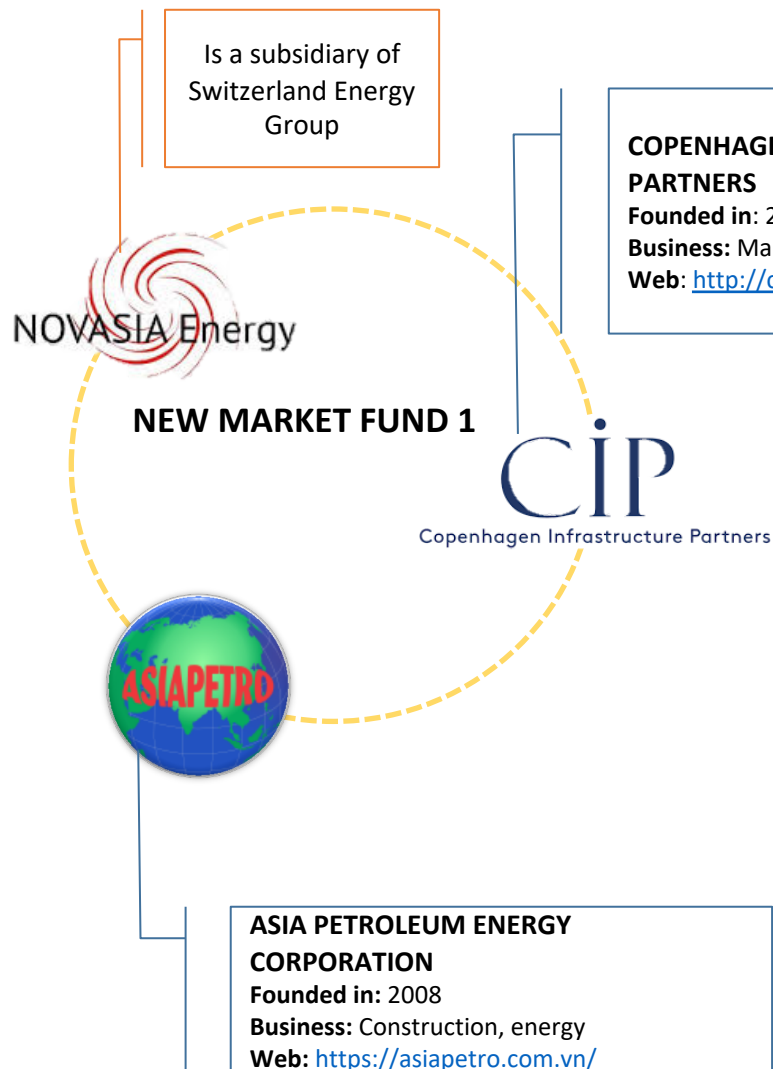


33.000 ton
(150 million m²) /year



49.500 ton
(225 million m²) /year

LA GAN OFFSHORE WIND POWER PROJECT



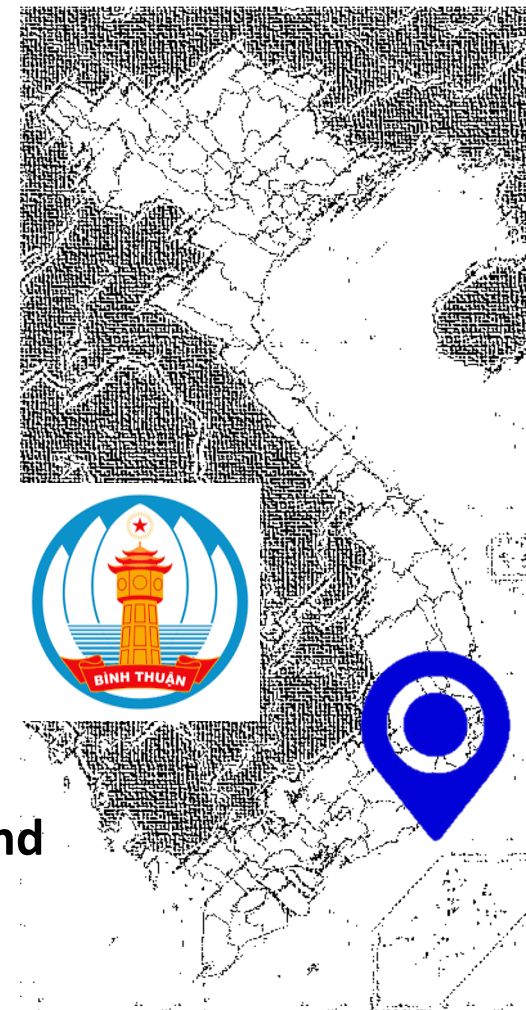
La Gan offshore wind power project

Capacity

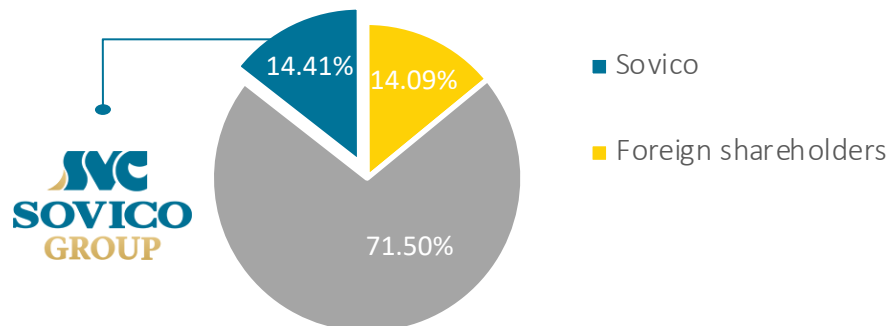
3.5GW

Total capital

10 billion USD

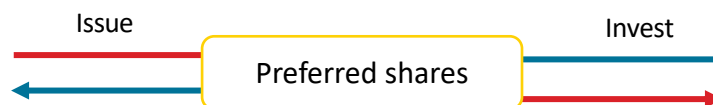


SHAREHOLDER STRUCTURE OF HDBANK



Credit Institute for Reconstruction (Germany)

KFW



DEG

Ho Chi Minh City Development Joint Stock Commercial Bank

Founded in: 1990

Charter capital: 9,810 billin 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

German companies in Vietnam

Vietnam companies export to German

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

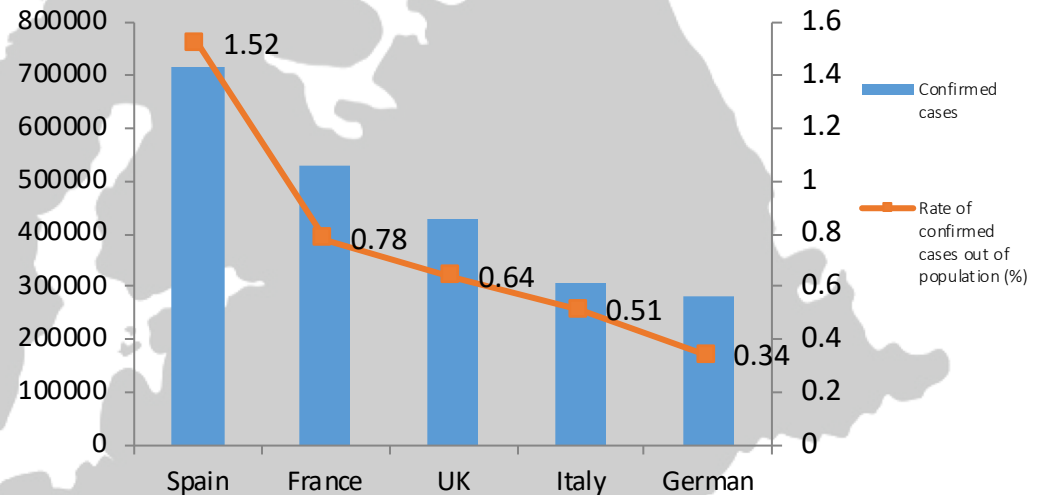
3,163,538

DEATH RATE

6%

≈ 188,610
Death cases

COUNTRIES WITH THE MOST COVID-19 CASES



EU'S GDP GROWTH OVER QUARTERS

