

BUSINESS IN BRIEF 17/5

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World electronics forum opens in capital

Viet Nam expects to co-operate with world electronics associations in investment and human resource training to develop the country's electronics industry.

The statement was made by Deputy Prime Minister Nguyen Thien Nhan at the 18th Annual World Electronics Forum in Ha Noi yesterday.

Addressing participants at the three-day event, Nhan said that the Vietnamese government considered the industry one of several key sectors to push forward economic growth.

Viet Nam's electronics industry expects to earn US\$40 billion from exports by 2017. But while the country's export revenue from mobile phones, computers and components last year was nearly \$20 billion, the industry needs ten years to fully develop, according to Nhan.

Deputy minister of Information and Communications Nguyen Minh Hong said that the government pledged to continuously streamline the country's policies to help investors accomplish this development.

As world electronics giants increase their investments in Viet Nam - Intel invested more than \$1 billion in HCM City and sees export value of more than \$1 billion yearly - the country is becoming an ever more attractive destination, the deputy prime minister said. Last year, Samsung Vietnam's export revenue doubled to \$12.7 billion, motivating the company to build a new \$2 billion plant in the northern province of Thai Nguyen.

Japan's Panasonic poured 4 billion yen (\$3.95 billion) into the construction of an electronics and electric component production plant in the southern province of Binh Duong, while China's Winter invested \$870 million in a touch display production plant in the northern province of Bac Giang.

The World Electronics Forum is a voluntary gathering of CEOs and directors of electronics industry associations worldwide.

Founded in 1995, WEF meets annually to discuss major topics of common interest to the various associations, exchange information on services and data and strengthen relations between associations.

High-quality Thai goods showcased in Hanoi

More than 100 leading Thai businesses are displaying branded products at a trade fair which opened in Hanoi on May 16.

As many as 126 stands feature favourite Thai products such as food and foodstuffs, beverages, fruits, household utensils, garments, jewellery, electronic appliances, cosmetics, bike and automobile equipment, decorations, and souvenirs.

Busaba Butrat, trade counsellor of the Thai embassy in Hanoi, said the fair not only promotes Thailand's high-quality products and services to Vietnamese consumers, but also

offers a chance for Thai businesses to explore Vietnam's potential retail market.

She said over the past five years the fair has gained a market niche in Vietnam, winning local consumer trust. As a result, sales from Thai products in Vietnam have increased considerably.

Vietnam and Thailand plan to raise two-way trade by 20 percent by 2015, she said.

The fair lasts through to May 19.

Vietnam attends second Vice FMs' Meeting

A Vietnamese delegation led by Vice Foreign Minister Ho Xuan Son attended the second Vice Foreign Ministers' Meeting on the East-West Economic Corridor (EWEC) in Laos' Savannakhet province on May 16.

The event attracted the participation of Vice Foreign Ministers of Laos and Thailand, leaders of Vietnamese, Lao and Thai provinces sharing the corridor and representatives from the Japanese Embassy in Laos, the Japanese International Cooperation Agency (JICA) and Asia Development Bank (ADB). Myanmar attended the meeting for the first time as a member of the cooperation mechanism.

The event focused on reviewing the implementation of tasks and measures issued during the first meeting in Vietnam's central Quang Tri province last year and discussed cooperation orientations in the coming time.

It also acknowledged progress in building EWEC infrastructure, facilitating goods transport along the corridor, implementing the "one door - one stop" model at Lao Bao-Densavanh and Savannakhet-Mukdahan border gates, and boosting cooperation among localities. Besides, the meeting clarified difficulties and challenges that the countries need to jointly handle, particularly in approving and fully carrying out the Greater Mekong Sub-region Cross-Border Transport Agreement.

Addressing the event, Vice Minister Ho Xuan Son emphasised the importance of EWEC for the socio-economic development of regional countries while affirming the Vietnamese Government's special attention to the corridor's development.

He expressed his hope that regional countries will work closely with one another to solve difficulties.

To promote the development of EWEC, Son presented concrete proposals which were recorded in the joint statement, especially measures to attract investment, boost trade and tourism, intensify the participation of the private sector and perfect cooperation mechanisms among countries.

The 3rd Vice Foreign Ministers' Meeting on EWEC will be held in Thailand next year.

Zhejiang Export Fair kicks off in HCM City

The 3rd Zhejiang Export Fair opened on May 16 in Ho Chi Minh City with the participation of 114 businesses from the Chinese province of Zhejiang.

The 3-day fair aims to boost economic and trade ties between Vietnam and Zhejiang, which is the biggest economy in China.

The participants are among China's top 500 businesses with outstanding trademarks such as Deyi, Aokang, Tianxi and Longyuansifang.

They are showcasing machinery; electronics; construction materials; products made from

gold, silver, copper, iron and tin; textiles and garments; and decorative materials in 150 booths.

In 2012, Zhejiang-Vietnam two-way trade reached US\$3.45 billion. The Chinese province exported textile fabric, garments, steel and pharmaceuticals to Vietnam while importing textile fabric, apparels, crude oil, rubber latex and raw plastic products.

In the same year, Vietnam funded 24 projects in the province with a total capital of US\$22 million. Zhejiang had 164 projects worth US\$450.4 million in the country.

Hai Duong's IZs absorb \$3 billion

Industrial zones (IZs) in the northern province of Hai Duong have attracted 163 projects from 30 countries and territories, with capital totaling US\$3 billion.

To date, \$1.7 billion (56.7 per cent of the total registered capital) has been implemented, according to the provincial IZ authority.

Most foreign-invested projects in the locality focus on electronics, electricity and garments and textiles. Many of them are funded by big groups from Japan, South Korea, Taiwan, Hong Kong, Canada, Malaysia and France.

Currently, investment license procedures are underway for two pending projects in the Dai An IZ – the \$200 million Canada International Hospital and a \$65 million project to build workshops for lease.

Addressing a ceremony to mark the tenth anniversary of the IZ authority's establishment, Deputy Minister of Planning and Investment Nguyen Van Hieu praised efforts to develop infrastructure and attract more investment projects.

The Ministry of Planning and Investment would continue closely coordinating with provincial authorities to facilitate business operation and projects underway in the province, he said.

Provincial authorities have simplified investment procedures, authority representatives announced. Local leaders pledged to continue applying the "one-stop" mechanism at local IZs.

The province offered land rent exemptions and reductions for investors building production facilities in local industrial zones, plus a number of other incentives, including financial support for site clearance and corporate income tax reduction.

In order to better facilitate investment and infrastructure, the province's IZs will be further improved, local authorities said.

The province aims to build seven new IZs by 2020 while expanding the 11 existing zones, which cover 2,400ha. Those that have already been occupied are Nam Sach, Phuc Dien, Viet Hoa – Kenmark, Lai Vu. Cam Dien-Luong Dien, Cong Hoa and Kim Thanh.

Last year, the IZ-based enterprises posted VND46 trillion (\$2.19 billion) in revenue. Their exports reached over VND37 trillion (\$1.76 billion), accounting for 90 per cent of the province's total export turnover, while their production output made up 40 per cent of the province's total production value.

VN rises as smartphone producer

Japan's prestigious economic daily Nihon Keizai on Tuesday ran an article saying that Viet Nam is becoming a leading smartphone producer in the world.

According to the article, with the Samsung Electronics Viet Nam (SEV)'s plan to produce 240 million smartphones in 2013, accounting for 20 per cent of the world market share, Viet Nam is following close to China to win the world's number one position in this field.

In addition to bringing profits to the SEV, this plan will also help Viet Nam benefit more from the growth of the electronic industry, create more job opportunities or develop relevant infrastructure.

The article attributed the SEV's selection of northern Viet Nam to locate its production establishments to low labour costs and convenient exports of products to important markets such as Japan, China and Taiwan.

Last year, Viet Nam exported approximately US\$13 billion worth of phones and their parts, nearly doubling the previous year's figure.

The US's International Data Corporation (IDC) forecasts that the entire world will produce about 918 million smartphones in 2013, of which 50 per cent is made in China.

Steel industry set to apply new standard

Viet Nam will apply the QCVN07 standard starting in June in order to raise the competitiveness of domestically produced steel and limit the import of low-quality steel products.

The statement was made by Vu Van Dien, deputy director of the directorate for Standards, Metrology and Quality.

The move aims to reduce the quantity of cheap steel products imported from China, as well as outdated equipment and machines, which increase environmental pollution, Dien said at a seminar yesterday.

Also at the event was Nguyen Huu Truong, an official at the Viet Nam Standard and Quality Institute, who said the national standard would set out clear technical requirements for construction steel sold on the Vietnamese market.

"All organisations and individuals involved in steel production, import or distribution would have to meet these requirements," he stressed.

Both locally made and imported steel reinforced concrete must be stamped with the new standards to be sold in Viet Nam.

The officials emphasised that effectively applying the national standard required strict compliance by steel makers, importers and traders.

If this were accomplished, they predicted, the move would improve steel quality in a transparent manner – improving construction projects and creating favourable conditions for local steel producers.

Annually, Viet Nam imports about 700,000-800,000 tonnes of this kind of steel and uses about 3.6 to 3.8 million tonnes for construction.

Pham Chi Cuong, chairman of the Viet Nam Steel Association, approved of the new standard but said steel businesses should have more time to prepare to meet it.

Many producers found it difficult to sell their products, he pointed out, and many companies were suffering from losses and needed more time to reduce their inventories.

The association asked the Ministry of Industry and Trade and Ministry of Science and Technology to delay applying the standard until 2015.

New stimulus plan buoys stock market

While the stock market in general reacted positively to a new VND30 trillion (US\$1.4 billion) real estate support package, shares of companies in the sector saw little change.

The package was designed to go to social housing and low-cost projects, not listed property developers.

In a circular released yesterday to go into effect next month, the State Bank of Viet Nam established that loans for social housing purchases would be made with this year's interest rate of six per cent.

As a consequence, shares of PetroVietnam Construction (PVX), Hoang Quan (HQC), Licogi 16 (LCG) and Dic Corp (DIG) increased only slightly.

Shares on the HCM City Stock Exchange managed to rally, with the benchmark VN-Index gaining 0.44 per cent to close at 485.97 points.

Trading value and volume eased around 14 per cent compared to the previous day's session, reaching VND661.4 billion (\$31.4 million) and 37.5 million shares.

The VN30, representing the southern city's top shares, added 0.65 per cent to close at 551.81 points. Over two-thirds of these blue chips closed in the green, especially rubber company Casumina (CSM), Phu My Fertiliser (DPM) and steelmaker Hoa Phat (HPG), which posted the highest increases of 2.3-4.1 per cent.

PetroVietnam Gas (GAS) added nearly one per cent yesterday after the MSCI Vietnam Investable Market Index announced it had replaced the stock for Vietinbank (CTG) in the top 10 constituents.

The two leading shares were property developer Vingroup (VIC) with 16.33 per cent and Masan Group (MSN) with 11.6 per cent in the index's portfolio.

Yesterday, Fecon Mining (FCM) had a bleak debut on the HCM City Stock Exchange, plunging to the floor price of VND19,200 (\$0.9).

However, the company pledged to shareholders that they would enjoy 20 per cent dividends this year, up from 10 per cent last year.

Meanwhile, the HNX-Index on the Ha Noi Stock Exchange advanced by more than one per cent, fetching 60.50 points as gainers outnumbered losers by 115-69.

Trading, however, was sluggish with nearly 24 million shares worth just VND184.8 billion (\$8.8 million) changing hands.

The HNX30, composed of the bourse's leading shares in terms of capitalisation and liquidity, also rose over one per cent to 113.51 points.

Cheap home loans for low income earners

From next month, low-income earners and investors can access preferential home loans of 6 per cent.

This will enable them to buy - or build - low-cost housing, which includes "social housing" occupying at least 30 square metres and selling for more than VND10 million (US\$480) a square metre.

It will also enable them to buy "commercial housing" of less than 70sqm and selling for below VND15 million (\$710) per square metre.

Investors will also be able to apply for the loans to build both social housing and commercial housing.

The new regulation was signed by representatives of the Ministry of Construction and the State Bank of Viet Nam yesterday.

The SBV will provide VND30 trillion (\$1.428 billion) to five banks so that they can offer the preferential loans to those eligible - Vietnam Bank for Agriculture and Rural Development (Agribank), Bank for Investment and Development of Viet Nam (BIDV), Viet Nam Joint Stocks Commercial Bank for Industrial and Trade (Vietinbank), Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) and Mekong Housing Bank (MHB).

The maximum duration for the loans is 10 years for individuals and five years for enterprises.

Under previous loan proposals, the preferential interest rate of 6 per cent was set to apply only for the first three years and then it was to have been adjusted by the State Bank. Moreover, the loans were not be used to buy social houses.

This raised concerns about the possibility of higher interest rates in the fourth and subsequent years.

However, in yesterday's circular, the ministry and SBV agreed that the interest rate would always be less than 6 per cent per year.

The move reassured borrowers - low income earners and investors, said Nguyen Ngoc, 30, of Ha Noi, who has been looking forward to a loan.

The circular states that at least 70 per cent of the VND30 trillion will be for individuals and the rest for enterprises who develop social housing projects or convert commercial ones to social housing.

Deputy Minister of Construction Nguyen Tran Nam said that the preferential loans offered this time met the expectations of localities, enterprises and people.

"The money is pumped into the social housing segment which is experiencing high demand," he said, adding that the move was expected to warm up other real-estate segments, which are burdened by a high inventory, mostly in high-end luxurious segment.

This has slowed down other industries, including the supply of building materials and caused unemployment. Recently, the construction ministry allowed investors to convert commercial housing projects to social housing because of high demand.

The total loan debt by property companies amounts to about VND200 trillion (\$9.5 billion).

First-quarter earnings disappoint KBC investors

More than a million Kinh Bac City Development Corp (KBC) shares were exchanged every day for over a week, bringing investors hope of a positive business result in the first quarter.

However, the company's first-quarter earnings report, released on Tuesday, revealed that the corporation incurred a combined net loss of nearly VND55.2 billion (US\$2.6 million), of which the parent company posted a loss of VND53 billion (\$2.5 million).

Compared with last year's net profit of almost VND12.2 billion (\$581,000) during the same period, this was a poor showing.

After the report, KBC share prices fell for two days in a row, starting at VND8,800 and tumbling yesterday to VND8,100 a share.

The company attributed the losses to economic difficulties, particularly the prolonged bear property market, which heavily affected its revenue as the cost of sales and lending was continuously rising.

At the end of March, KBC's sales cost was double what it was in the first quarter last year, reaching over VND2.9 billion (\$140,000). Interest cost remained high at VND72.7 billion (\$3.5 million).

Gross revenue was only VND38.8 billion (\$1.8 million), significantly down from VND147.3 billion (\$7 million) in the same period of last year.

The reduction was mainly due to lower incomes from land and infrastructure leasing, which totalled just VND30.4 billion (\$1.5 million), down from VND136 billion.

In the first three months, the amount of cash also decreased 65.6 per cent to VND22 billion (\$1.1 million) while the company's inventory rose slightly to more than VND7.05 trillion (\$335.9 million).

Earning per share (EPS) fell to negative VND183 compared to VND64 in the same period of last year.

On April 2, KBC shares were given warning status on the HCM City Stock Exchange due to the company's 2012 loss of almost VND436 billion (\$20.8 million).

Asset management body to be set up in bid to tackle debt

The Viet Nam Asset Management Company (VAMC) will be established later this month, said member of the National Financial and Monetary Policy Advisory Council Le Xuan Nghia.

According to Nghia, VAMC will be under the management of the central bank rather than the finance ministry as funds used to handle bad debts will not come from the Government budget.

In addition, he said, VAMC should be the sole company to focus on resolving bad loans.

Nghia said the company's establishment must also be based on the principle that commercial banks would have to sell bad debts or else they faced a thorough inspection by the central bank. However, there should be regulations on debt levels, from which banks must sell bad loans to VAMC.

Before the company is up and running, commercial banks will have to sell bad debts based on their current book value. Assets also have to remain under banks' management.

Banks will also receive special bonds issued by the central bank and can use such bonds as collaterals to borrow money on open market operations.

Commercial banks holding VAMC bonds must set aside provisions of 20 per cent per year.

When VAMC sells its assets, the company will keep 15 per cent of proceeds and transfer 85 per cent to commercial banks, which then have to give the bonds back to the central bank.

VAMC, a 100-per-cent State-owned organisation established by the Government to handle bad debts held by credit institutions in Viet Nam, has been approved in principle by the Politburo.

Banking sector needs to embrace IT innovation

IT was becoming more and more important to the financial security and operational efficiency of banking services, State Bank of Viet Nam (SBV) Governor Nguyen Van Binh said at a banking technology conference in Ha Noi yesterday.

Many areas including payments, lending, e-banking and risk management had been equipped with new and more diversified technology, he said, adding that some services were now completely automated.

Speeding up IT application and upgrading banks' IT infrastructure were necessary to catch up with the trend, he stressed.

According to the SBV, many weaknesses in risk and banking management were exposed last year. The banking system is currently grappling with one of the region's highest bad debt ratios, at 8.82 per cent of total loans.

Deputy Minister of Information and Communications Nguyen Minh Hoang singled out cloud computing, mobile computing and social media as major trends that had completely transformed the way banks operate and interact with customers.

"A focus on improving bank governance and risk management practices and pushing the restructuring of under-performing banks will be the main theme for 2013," he said.

In order to develop banking technology, the country should boost international co-operation and enhancing human resources and management, said SBV's Banking Strategy Institute director Nguyen Thi Kim Thanh.

World Bank economist Noritaka Akamatsu said that improving insolvency and restructuring State-owned enterprises should be the main goals for the banking sector's development.

The International Data Group, the co-organiser of the event together with the SBV, said that e-banking and mobile banking were showing great potential.

HCM City to host Southern Cuisine, Fruit Festivals

Ho Chi Minh City will host the Southern Land Cuisine Festival and the Southern Fruit Festival as part of its strategy to stimulate tourism demand in 2013, according to the municipal Department of Culture, Sports and Tourism.

The Southern Land Cuisine Festival will be held at Dam Sen Park from May 16-19 while the Southern Fruit Festival will take place at the Suoi Tien tourist site from June 1-12.

Some 80 booths from 15 provinces and cities will be installed in the Southern Land Cuisine Festival, which is expected to see cooking performances featuring the coastal central, Central Highlands and southern regions.

The Southern Fruit Festival will honour agricultural values of the southern region with a variety of quality fruits to serve both domestic demand and export.

First Sea Travel Expo attracts foreign businesses

As many as 80 businesses from Portugal, France, Russia, Australia, Singapore and Spain have registered to attend the first International Islands-Sea Travel Expo Nha Trang-Vietnam 2013 (ISTE 2013).

The event, jointly held by the Khanh Hoa Provincial People's Committee and the Vietnam National Administration of Tourism (VNAT) in the central coastal city of Nha Trang from June 8-10, aims to promote Vietnam's sea and islands tourism brands to domestic and foreign travelers.

A meeting of the ASEAN Tourism Marketing and Communication Working Group and an exchange between local and international travel businesses will also be organised as part of the expo.

On this occasion, the VNAT will chair the International Cruise Conference and the Central Research and Development Fund will host a conference on developing tourism products in the central coastal provinces.

Vietnam calls for int'l aid to build new rural areas

A number of prioritised areas in which Vietnam is calling for international assistance during the implementation of the national target programme on building new-style rural areas have been identified at a forum in Hanoi on May 14.

They cover supporting agricultural production to raise rural residents' incomes, improving their spiritual lives; and protecting the environment and natural resources as well as coping with climate change.

Poverty reduction, organisational reform through public-private connections and investment attraction in rural areas, and improving policy quality through research and lessons drawn from real models are also included in the list.

Director of the French Development Agency (AFD) Jean-Marc Gravellini said his agency targets deep and reasonable growth models, job creation and efficient use of resources in Vietnam.

During the 2013-2015 period, the AFD will assist Vietnam in modernising production areas that may affect the environment and social development, combining agricultural sectors and boosting high-quality vocational training, he added.

Henning Pedersen, Country Programme Manager of the International Fund for Agricultural Development (IFAD), praised Vietnam's success in mobilising resources from localities for infrastructure development.

However, he indicated the programme's limitations in improving rural people's livelihoods, reducing poverty or creating links with major donors such as the World Bank and the IFAD.

The IFAD proposed that the Vietnamese Government encourage the private sector to take part in the programme, help poor people access the market by upgrading infrastructure and identifying the market while revamping financial services.

Minister of Agriculture and Rural Development Cao Duc Phat also pointed out weaknesses during the implementation of the national target programme, especially in agricultural production and improving rural residents' incomes.

Vincom Village wins Int'l real estate award

Vincom Village Eco-urban Township has become the first Vietnamese project to be awarded the title "Best Mixed-Use Development - Asia Pacific" at the International Property Awards in Malaysia.

Vincom Village will also represent the Asia-Pacific region in the worldwide contest later this year.

Located at the northeastern gateway to Hanoi, Phase 1 of the unique, high-end Vincom Village riverside complex covers over 183 hectares of Long Bien district.

Most of its services and amenities are already in operation, including the Vincom Centre Long Bien shopping mall, international schools, a sports complex, an international standard

golf course, outdoor swimming pools, parks, and a barbecue garden.

Vincom Village won the "Green Architecture 2012" award from the Vietnam Association of Architects, the National Architecture Prize in 2012 and "Best Villa Development" at the Southeast Asia Property Awards.

The International Property Awards have been presented annually for nearly 20 years and are well-respected by both international professionals and the public.

This year's awards for the Asia Pacific region received 641 nominations from 23 countries, in more than 60 categories including architecture, development projects, real estate, design, consultancy and interior design.

Singapore-based firm helps Vietnam build water treatment plant

New Asia Investments, a Singapore-based investment firm, has invested US\$240,000 into a joint venture to build a water treatment plant in Vietnam.

The joint venture between Nanyang Technological University (NTU)'s new start-up De.Mem and Vietnam's GD Wasser company built the plant with an output of 1 million litres of drinking water daily.

Recently launched in Duc Hoa district of Long An province near Ho Chi Minh City, the plant supplies clean potable water at just two-thirds of current prices there.

According to the NTU, the plant is the first of its kind in Southeast Asia and is unique because it requires just one person to operate.

The plant is linked wirelessly via an NTU-designed network back to the Singapore office, which will oversee and manage its daily operations.

Electronics industry eyes US\$40 bln export target

Deputy Prime Minister Nguyen Thien Nhan has hailed the impressive growth of Vietnam's electronics industry, hoping it will bring home US\$40 billion from exports by 2017.

Addressing the 18th World Electronics Forum in Hanoi on May 14, Nhan confirmed that the government of Vietnam attaches great importance to developing the electronics industry, crediting it as a major focus for investment from the world's largest corporations.

He cited Ho Chi Minh City-based Intel plant's success story as an example. The US corporation has poured a total of US\$1 billion in the plant which in turn enjoys annual export earnings of over US\$1 billion.

The plant currently employs more than 1,000 skilled workers and engineers both working in Vietnam and conducting internationally-based research.

Most crucially, Nhan added, Intel is comfortable with the level of Vietnam's training, human resource quality, and technological savvy.

Many other electronic groups have decided to invest and expand operations in Vietnam in the wake of impressive business performances.

Last year, Samsung Vietnam exported goods worth US\$12.7 billion, double their 2011 value.

The group is currently injecting US\$2 billion into a new production complex in the northern province of Thai Nguyen.

Most recently, Panasonic spent over US\$39.4 million on building a factory for electronic parts in the southern province of Binh Duong. The Taiwanese Winter group has devoted US\$870 million to a touch screen manufacturing plant in the northern province of Bac Giang.

According to Deputy Minister of Information and Communications Nguyen Minh Hong, hosting the WEF encourages valuable exchanges of experience between Vietnam's still fledging industry and those of leading countries around the globe.

Vietnam's electronics industry meets domestic consumer demands and its products are now shipped to nearly 50 countries.

In 2012, the industry recorded export revenue of US\$20.5 billion, accounting for 18 percent of the country's total export turnover and surpassing crude oil to become Vietnam's largest export commodity.

Vietnam, China compete in smart phone production

The Nihon Keizai, Japan's leading economic newspaper, has published a May 14 article deeming Vietnam a world-leading smart phone producing nation.

The article said Samsung Electronics Vietnam Co. Ltd (SEV) controls 20 percent of the world's market share and plans to produce 240 million smart phones in 2013. These grand ambitions reveal Vietnam is hoping to usurp China as the world's largest smart phone producer as soon as possible.

The SEV's plan has not only gifted Vietnam's electronics industry trickledown benefits, but also generated thousands of jobs and helped infrastructure development. SEV's factories are all located in the northern region, facilitating the import and export of components and goods to and from important markets like Japan, China, and Taiwan.

According to the US-based International Data Corporation, international vendors are expected to ship 918.6 million smartphones in 2013. , China currently remains the world leader, producing around 50 percent of the world's smartphones. Samsung's plan to boost its Vietnamese production activities in indicates the country could take over China's position in the future.

Export turnover to UAE hits US\$946 million

Vietnam's export earnings to the United Arab Emirates (UAE) reached US\$946.3 million in the first quarter of 2013, a year-on-year increase of 179 percent.

The figures were released by the African and West, and South Asian Markets Department under the Ministry of Industry and Trade.

Phone hand sets, the primary commodity exported to the UAE, enjoyed particularly impressive growth of 315 percent to US\$815 million.

Other successful export items included jewelry and gems (US\$6.1 million, up 66 percent), wood and timber products (US\$3.4 million, up 38 percent), and footwear (US\$9.5 million, up 27 percent).

Newer export items like vacuum cleaners, beer, beverages, washing machines, and bottled drinking water have also begun to penetrate the UAE market.

The UAE is currently the world's third largest re-export hub, behind Hong Kong and Singapore.

Motorshow 2013 introduces 14 brands

The Vietnam Automobile Manufacturers Association (VAMA) is expecting the 9th Vietnam Motorshow, due to take place in HCM City from October 23-27, to attract domestically and internationally respected auto brands.

The event will serve as bridge strengthening the relationship between automotive businesses and their Vietnamese customers, contributing to the further development of Vietnam's domestic automobile industry.

Apart from VAMA members like Ford, GM, Hino, Honda, Mercedes-Benz, Suzuki, Toyota, and Vinastar, six import car trademarks will also be featured at the event. Customers will have opportunities to investigate and perhaps purchase support industry products and services such as components, banking, and insurance.

The event introduces consumers to the industry's latest technologies and provides a forum for managers, policy makers, producers, and importers to discuss strategies that will encourage the growth of the Vietnamese car market and industry.

The CIS-Le Bros joint venture will organise the event.

WB supports Vietnam's competitiveness, education

The State Bank of Vietnam (SBV) and the World Bank (WB) signed three credit agreements worth US\$400 million and related documents in Hanoi on May 14.

The agreements look to help Vietnam strengthen economic management for higher productivity, competitiveness and education reform, and raise the school readiness of five-year-old children.

The 250 million Economic Management and Competitiveness Credit (EMCC) for Vietnam, the first of three operations, will support the country's reforms in seven policy fields.

They include the financial sector, fiscal policy, public administration and accountability, state-owned enterprise management, public investment management, effectiveness of the business climate, and equity and transparency of the business environment.

The second wave of credit worth US\$50 million for the Higher Education Development Policy - Third Operation will assist the Government in realizing its higher education reform programme by improving administration and higher education.

Specifically, it aims to further improve the responsiveness, fiscal transparency, sustainability and effectiveness of the higher education sector as well as the quality of institutions.

The third injection of credit is for the School Readiness Promotion Project, which helps raise the school readiness of children entering primary education, in particular those least likely to succeed in a school environment.

The US\$100 million project will support selected elements of the national programme on "Universal primary education for five-year-old children 2010 - 2015" as well as improve the quality of preschool education.

All three credits, which are provided by the WB's International Development Association (IDA), are part of the World Bank's concessional lending windows for low income countries.

FDI enterprises call for production assistance

Foreign Direct Investment (FDI) companies operating in Vietnam have made some proposals to relevant agencies to help businesses expand production and boost exports.

The proposals were mentioned in talks on tax and labour issues held by the Ministry of Industry and Trade (MoIT) in Hanoi on May 14.

According to Deputy Director General of the MoIT Export-Import Agency Tran Thanh Hai, Vietnam now has 14,522 projects invested by 100 countries and territories totalling US\$210.5 billion in registered capital.

In particular, the processing industry accounts for 50.3 percent of the total registered capital, followed by the property market (23.6 percent), and hotel and restaurant services (5 percent), Hai noted.

Among the country's investment partners, Japan ranks first with US\$28.6 billion followed by Taiwan, Singapore and the Republic of Korea (RoK).

FDI enterprises play an important role in the country's exports with key goods such as computers, electronic products and parts, and machinery.

The RoK-financed Doosan Heavy Industries Vietnam Co. Ltd, which has to import 80-90 percent of its raw materials, suggested the Government extends the grace period for tax payment from 275 to 365 days.

Canon Vietnam Co. Ltd, which has been operating in the country for 10 years, wants relevant agencies to facilitate the company in purchasing printing machines and camera moulds made in Vietnam.

Besides, a representative from Samsung Vina expressed the company's hopes that relevant authorities will help ensure human resources and maintain the number of labourers for its factories by improving housing and providing relevant facilities.

US firm expands operations in Vietnam

The US-based human resources solution provider CareerBuilder on May 14 announced to expand its operations in Vietnam with the opening of a representative office in the country.

The presence of CareerBuilder in Hanoi aims to realise the company's wish to become a bridge between employers and their potential employees as well as provide ideal job opportunities for Vietnamese candidates.

Established in 1995, CareerBuilder, which is owned by Gannett Co. Inc., Tribune Co. and The McClatchy Co., is the largest online career site in the United State with more than 24 million unique visitors, 1 million jobs and 50 million resumes.

The company marked an important step in its Asian expansion with the acquisition of Vietnam Online Network, which owns and operates Kiemviec.com and HR Vietnam.

Kiemviec.com is Vietnam's second largest online career search site by revenue and first by number of registered users while HR Vietnam specialises in recruitment services and HR solutions for employers.

Vietnam helps develop Sri Lankan seafood sector

The project for Vietnam to provide technical support for developing the seafood sector in Sri Lanka was launched in Colombo on May 14.

At the launching, Sri Lankan Deputy Minister of Fisheries and Aquatic Resources, Sarath Kumara Gunarathe, praised Vietnam's remarkable achievements in aquaculture, emphasizing that its experiences will offer valuable lessons for Sri Lanka.

Vietnam now ranks third in seafood production and fourth in global exports.

He also highlighted Vietnam's enthusiastic support through the Vietnamese Government-funded project in the 2013-2014 period while noting that the project will contribute to effectively promoting and developing the seafood sector in Sri Lanka.

Vietnamese ambassador to Sri Lanka, Ton Sinh Thanh, spoke highly of Sri Lanka's great potential for developing the seafood sector. After Vietnam re-opened its embassy in Colombo in 2011, it has paid special attention to promoting cooperation between the two nations and proposed the technical support program for Sri Lanka in this field, he said.

Ambassador Thanh affirmed that Vietnam is willing to share its experiences and help Sri Lanka develop its seafood sector to generate jobs, improve incomes for fishermen, meet domestic demand and boost exports.

He said this is an important project that marks new developments in effective, practical cooperation between the two nations. He says he hopes it will promote investment in and exploitation of Sri Lankan seafood sources by establishing joint ventures among seafood companies in both nations.

Leaders from the Research Institute for Aquaculture No 3 and the National Aquaculture Development Authority of Sri Lanka (NAQDA) thanked the embassy, as well as the governments and relevant ministries for speeding up the project's implementation.

Experts from Research Institute for Aquaculture No 3 also gave a presentation about the project, which features sea cucumber, seaweed and lobster farming in Sri Lanka, and offered to help devise an overall plan for developing the Sri Lankan seafood sector.

Agro-forestry-fishery sector boosts overseas investment

Vietnamese businesses are intensifying investment abroad in the agro-forestry-fishery sector to expand their markets and save production and transport costs.

According to the Ministry of Agriculture and Rural Development (MARD), Vietnam's 150 valid agro-forestry-fishery projects have so far invested a total of US\$2.5 billion abroad, accounting for 20.5 percent of the country's total foreign investment capital.

Laos and Cambodia are the major destinations for Vietnamese investors.

The sector currently constitutes 32 percent of projects and 28 percent of Vietnamese investment capital in Laos and 54.4 percent in Cambodia, primarily in wood processing, rubber plantation and latex exploitation.

Vietnamese businesses are also present in other Southeast Asian nations, China and some South African nations under the South-South Cooperation Programme.

The Vietnam Rubber Group (VRG) is one of the four leading Vietnamese investors abroad, as well as the military telecommunication group Viettel, the Vietnam National Chemical Group (Vinachem), and the Vietnam National Oil and Gas Group (PVN).

The VGR intends to pour US\$1 billion into rubber plantation projects overseas until 2015. Approximately US\$400 million has already been disbursed to date.

As of early this year, the group had 100,000 ha of rubber trees in Laos and Cambodia and eight more projects involving an additional 27,000 hectares are currently underway in Laos.

The VRG's Dien Bien-Northern Lao company debuted last year, aiming to expand investment in the northern Lao province of Oudomxay.

Also in Laos, the Vietnam-Lao Rubber Joint Stock Company exploited nearly 5,500 ha of

rubber and products bearing the Vietnamese-Lao trademark have officially come onto the market.

By the end of 2012, 21 VRG-invested projects had been implemented in Cambodia including 19 in rubber plantations and building latex processing plants.

The group has planted more than 70,000 ha of rubber in Cambodia and some of those in Tan Bien-Kampongthom are already being exploited.

The VRG plans to grow 25,000 ha of rubber in 2013 and joins hands with other groups to achieve the 100,000 ha rubber plantation target set for 2014, a year ahead of schedule.

VGR-invested projects are expected to begin generating export revenues by 2015 and they are estimated to reach US\$400 million by 2020.

Under the South-South Cooperation Programme, the MARD has dispatched experts to Mozambique, Tanzania, Sudan, Mali, South Africa and Sierra Leone to support their people in growing rice and developing irrigation systems.

Many Vietnamese businesses have also invested in rice, aquaculture, seafood processing and fisheries in some African nations, including South Africa and Mozambique.

Investing abroad not only makes the best of human resources, fertile cultivated areas, and saves production and transport costs, it is also the best way to evade anti-dumping duties.

To cope with excessive US anti-dumping duties on Vietnamese tra fish, some businesses have brought their fish to processing plants in Singapore and then exported them to the US because the US does not impose duties on tra fish imported from Singapore.

However, Vietnamese enterprises face numerous difficulties when investing overseas in the agro-forestry-fishery sector because the nations they are keen to invest in are less developed than Vietnam and have constantly changing legal systems that often disrupt their operations.

Limited land for growing rubber and industrial crops in Laos, in addition to Vietnamese, Chinese and Thai businesses all eager to invest in similar fields, has produced fierce competition.

However, if businesses make efforts to iron out snags in overseas investment, it will help them expand their consumer markets and improve profits, which will increase their financial capacity to re-invest in domestic agriculture.

Iran, Vietnam target US\$500 mln trade

Iran will work closely with Vietnam to raise annual two-way trade to US\$500 million in the future, said Iranian Minister of Industry, Mine and Trade Mehdi Ghazanfari.

The Iranian Minister made this pledge at a May 15 meeting with Vietnamese Deputy Prime Minister Vu Van Ninh in Hanoi.

Ninh said he highly valued Mehdi Ghazanfari's visit, which took place during the 40th anniversary of diplomatic ties between Iran and Vietnam.

He said the two countries should step up cooperation in industries related to their strengths.

He voiced his support for the cooperation mechanisms proposed by Iran to remove obstacles and increase future two-way trade.

Ninh also called for Iran's stronger cooperation at international forums.

Source: VEF/VNA/VNS/VOV/SGT/SGGP/Dantri/VIR

Từ khóa: steel, stock market, bailout, fdi, hai duong



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